



AGENDA

Meeting of the
Scotts Valley City Council
In-Person and Remote Access
Date: December 20, 2023
Time: 6:00 PM

CONTACT INFORMATION	MEETING LOCATION	POSTING
City of Scotts Valley 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5600	City Council Chambers 1 Civic Center Drive Scotts Valley, CA 95066 OR Zoom Video Conference https://us02web.zoom.us/j/83295730901	Agenda posted on 12-15-2023 at City Hall, SV Senior Center, SV Public Works Building, and on the Internet at: www.scottsvally.gov

ELECTED OFFICIALS	CITY STAFF MEMBERS
Jack Dilles, Mayor Randy Johnson, Vice Mayor Donna Lind, Council Member Derek Timm, Council Member Allan Timms, Council Member	Mali LaGoe, City Manager Kirsten Powell, City Attorney Steve Walpole, Chief of Police Chris Lamm, Public Works Director Jayson Rutherford, Police Captain Cathie Simonovich, City Clerk Lauren Lambert, Deputy City Clerk

MEETING NOTICE AND AGENDA PACKET MATERIALS

Notice regarding City Council Meetings:

The City Council meets regularly on the 1st and 3rd Wednesday of each month at 6:00 PM in the City Hall Council Chambers located at 1 Civic Center Drive, Scotts Valley, CA 95066, and via Zoom Webinar remote access.

Agenda and Agenda Packet Materials:

The City Council agenda and the complete agenda packet are available for review by 5:00 PM the Friday before the Wednesday meeting on the Internet at the City's website:

www.scottsvally.gov and in the lobby of City Hall at 1 Civic Center Drive, Scotts Valley, CA.

Pursuant to Government Code §54957.5, materials related to an agenda item, submitted after distribution of the agenda packet, are available for public inspection in the lobby of City Hall during normal business hours, Monday-Friday, 8am-12 pm and 1-5 pm. In accordance with AB 1344, such documents will be posted on the City's website at www.scottsvally.gov.

Public Participation:

The meeting will be available on Zoom and livestreamed to the City of Scotts Valley's

YouTube channel: <https://www.youtube.com/channel/UCLNTBScelB4wTfidYHrocWA>
For those wishing to participate via Zoom you can join the following ways:
Zoom Webinar meeting link: <https://us02web.zoom.us/j/83295730901>
Or dial one of these numbers: (669) 900-9128 or (669) 444-9171
Webinar ID: 832 9573 0901

Whether attendance is in-person or remote, you will be given opportunities to provide public comment at the appropriate times throughout the meeting. The time limit is up to 3 minutes for an individual, or 5 minutes for someone who is representing a group of three or more, at the discretion of the Mayor. Please note that this is not a question-and-answer time, but simply a time to provide comments to the Council. At the appropriate times during the meeting for public comment, on items not on the agenda, and on specific agenda items, the Mayor will announce that public comment will be accepted.

How to comment via in-person attendance:

Please proceed to the public comment podium when the Mayor opens the item for public comment.

How to comment via Zoom Webinar:

Use the webinar attendee option to “raise hand” when the Mayor opens the item for public comment. The Clerk will unmute you when it is your turn. If you have joined via Zoom phone call, dial *9 or your phone to “raise your hand”, and the Clerk will unmute you when it is your turn.

CALL TO ORDER 6:00 PM

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE

ROLL CALL

SPECIAL SET MATTER

1. Nomination of Mayor
2. Nomination of Vice Mayor

COMMITTEE REPORTS

Council members are appointed to committees which are either City committees or committees dealing with other jurisdictions. This portion of the agenda allows the committee member to present oral or written reports to the Council regarding their committee assignments. It also allows the Council to make comments and give the committee member direction, as required.

CITY MANAGER REPORT

PUBLIC COMMENT TIME

This is the opportunity for individuals attending in person to make oral comments to the Council on any items within the purview of the Council, which are NOT part of the Agenda. No action on the item may be taken, but the Council may request the matter be placed on a future agenda. Written public comment may be emailed to the City Clerk by 5:00 PM on the day of the meeting at csimonovich@scottsvally.gov.

ALTERATIONS TO CONSENT AGENDA

Council can remove or add items to the Consent Agenda.

CONSENT AGENDA

The Consent Agenda is comprised of items which are intended to be non-controversial and are approved without discussion. Persons wishing to speak on any item may request the item be moved to the Regular Agenda by raising their hand to be recognized by the Mayor. An item will only be moved from the Consent Agenda to the Regular Agenda if a City Council Member requests it to be moved and a majority of the Council agrees.

1. Approve City Council minutes of 12-06-2023
2. Approve check registers dated 11-28-2023 through 12-07-2023 and 12-8-2023 through 12-14-23
3. Approve Resolution Accepting the FY 2022-23 Annual and 5-Year AB 1600 Development Impact Fee Report
4. Local Agency Special Tax and Bond Accountability Act for Fiscal Year 2022-23 - CFD 97-1
5. Appointment to Parks and Recreation Commission

PUBLIC HEARING

1. Adoption of the Housing Element of the City of Scotts Valley 2023-2031 Housing Element

ALTERATIONS TO REGULAR AGENDA

Council can remove or add items to the Regular Agenda.

REGULAR AGENDA

Persons wishing to speak on any item may do so by raising their hand to be recognized by the Mayor.

1. Future Council Agenda Items

CONVENE TO CLOSED SESSION

CLOSED SESSION SUBJECT(S)

1. Conference with legal counsel regarding liability claim
Legal Authority: Government Code Section 54956.9
Name of Case : Dudrick Claim
Staff Present: City Manager, City Attorney

RECONVENE TO OPEN SESSION

REPORT ON ACTION TAKE DURING CLOSED SESSION

ADJOURNMENT

ADA NOTICE

The City of Scotts Valley does not discriminate against persons with disabilities. The City Council Chambers is an accessible facility. If you wish to attend a City Council meeting and require assistance such as sign language, a translator, or other special assistance or devices in order to attend and participate at the meeting, please call the City Clerk's office at (831) 440-5600 five to seven days in advance of the meeting to make arrangements for assistance. If you require the agenda of a City Council meeting be available in an alternative format consistent with a specific disability, please call the City Clerk's Office. The California State Relay Service (TTY/VCO/HCO to Voice: English 1-800-735-2929, Spanish 1-800-855-3000; or, Voice to TTY/VCO/HCO: English 1-800-735-2922, Spanish 1-800-855-3000), provides Telecommunications Devices for the Deaf and Disabled and will provide a link between the TDD caller and users of telephone equipment.

PROCEDURAL INFORMATION FOR THE PUBLIC

THE FOLLOWING IS THE PROCEDURE COUNCIL SHOULD TAKE IN APPROVAL OF A RESOLUTION:

1. Move the Resolution number for approval.
2. Second the motion.
3. Vote by body, a roll call vote is not required.

THE FOLLOWING IS THE PROCEDURE COUNCIL SHOULD TAKE IN INTRODUCTION/ADOPTION OF AN ORDINANCE:

1. Move the Ordinance number for introduction (or adoption).
2. Move the Ordinance be introduced by title only and waive the reading of the text.
3. Read the Ordinance title.
4. Second the motion.
5. Vote by body, a roll call vote is not required.

THE FOLLOWING IS THE PROCEDURE COUNCIL SHOULD TAKE IN PUBLIC COMMENT/PUBLIC HEARINGS:

Unless otherwise determined by the presiding officer of the meeting:

1. Three minutes allowed per individual to speak.
2. Five minutes allowed per individual representing a group of three or more.



The City of Scotts Valley does not discriminate against persons with disabilities. The City Council Chambers is an accessible facility. If you wish to attend a City Council meeting and require assistance such as sign language, a translator, or other special assistance or devices in order to attend and participate at the meeting, please call the City Clerk's office at (831) 440-5602 five to seven days in advance of the meeting to make arrangements for assistance. If you require the agenda of a City Council meeting be available in an alternative format consistent with a specific disability, please call the City Clerk's Office. The California State Relay Service (TTY/VCO/HCO to Voice: English 1-800-735-2929, Spanish 1-800-855-3000; Voice to TTY/VCO/HCO: English 1-800-735-2922, Spanish 1-800-855-3000; or, from or to Speech-to-Speech, English & Spanish 1-800-854-7787), provides Telecommunications Devices for the Deaf and Disabled and will provide a link between the TDD caller and users of telephone equipment.



MINUTES

Meeting of the
Scotts Valley City Council
Date: December 6, 2023
Time: 6:00 PM

CONTACT INFORMATION	MEETING LOCATION	POSTING
City of Scotts Valley 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5600	City Council Chambers 1 Civic Center Drive Scotts Valley, CA 95066 OR Zoom Video Conference https://us02web.zoom.us/j/83295730901	The agenda was posted on 12-01-2023 at City Hall, SV Senior Center, SV Public Works Building, and on the Internet at www.scottsvally.gov .

CALL TO ORDER 6:00 PM

The City Council meeting was called to order at 6:01 PM.

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE

ROLL CALL

ELECTED OFFICIALS PRESENT: Jack Dilles, Mayor Randy Johnson, Vice Mayor Donna Lind, Council Member Derek Timm, Council Member Allan Timms, Council Member	CITY STAFF MEMBERS PRESENT: Mali LaGoe, City Manager Kirsten Powell, City Attorney Stephanie Hill, Administrative Services Director Bret Swain, Public Works Director Scott Garner, Police Captain Cathie Simonovich, City Clerk
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SPECIAL SET MATTER

1. Mayor's Proclamation honoring Chuck Fetter for his community contributions

Mayor Dilles presented a proclamation to honor Chuck Fetter for his many community contributions over the past 28 years. Mr. Fetter also said a few words.

COMMITTEE REPORTS

CM Lind attended a Criminal Justice ad hoc committee meeting where they reviewed the annual report on behavioral health services. This report will be coming to the Criminal Justice Board on 12/14.

CM Lind thanked everyone who attended the tree lighting festival on 12/2. She recognized and thanked the following sponsors: Garrison Plumbing, Council Member Timm, the Exchange Club, the Police Department, the Fire Department, the City, Business with Pleasure, Erik's Deli, Lightspeed Martial Arts, Paul Burroughs, Valley Churches United, Scout Troop BSA 614, Cruise Coffee, the Rotary Club, the Moose Lodge, Bobby Ward, Ray Goerske, Otis Cohen, and Vineyard Church. The Council Members added a huge thank you to Council Member Lind for her exceptional work on the event.

CM Timm participated in the Visit Santa Cruz meeting, and they received an update on the hotels. The hotel bookings are back to pre-pandemic levels and the year ahead is looking favorable. He also noted that Visit Santa Cruz is searching for a new location for its office.

Mayor Dilles attended a meeting of the City Selection Committee, which consists of Mayors from across the county for the purpose of approving appointments under state law. The Mayor of Capitola was appointed as a representative to the Countywide Remote Access Network Committee.

Mayor Dilles, along with all other Council Members coordinated and attended the Civic Appreciation Lunch for the City's Commissioners, Board Members, and Committee Members.

Mayor Dilles attended the Employee Appreciation Lunch for the City's staff members.

CITY MANAGER REPORT

Leadership Santa Cruz (Cohort 37): City Manager LaGoe attended the Leadership Santa Cruz Meeting last Friday where the topic was small business and tourism. Visit Santa Cruz provided an update on tourism, and they heard from several small businesses and the organizations that support small businesses.

Special Planning Commission Meeting: There will be a special meeting of the Planning Commission tomorrow evening, 12/7, regarding the Housing Element.

Development Impact Fee Report (DIF): The DIF is posted on the website and available for public viewing. This report will come to the City Council on 12/20.

Administrative Services Department: The department has been working with the auditors on the 2022/2023 audit and the expected completion in January 2024.

Public Works Updates: The permanent road repairs for the Green Hills Road mudslide from last winter will begin next week, with Granite Rock under contract to complete this work. The Bean Creek slide has been stabilized in preparation for the winter weather. The final design for the permanent repairs will be completed soon.

Social Media: Please follow the City on social media for updates on road closures, road construction, and more.

Town Center Project: City Manager LaGoe met with the Town Center architects and the Town Center planning consultants today. The next step will be to set up interviews with individual Council Members and the property owners in the Town Center area to receive input on the proposed design ideas.

Police Department Foot Patrols: The Police Department is increasing the foot patrols in the shopping areas of the City for the holiday shopping season.

New Public Works Director: City Manager LaGoe introduced the City's new Public Works Director, Bret Swain, to the Council and to the Community.

PUBLIC COMMENT TIME

Public comment was received from Megan Carroll, the Volunteer Coordinator for the Santa Cruz County Animal Shelter. Ms. Carroll indicated that the shelter is facing an urgent crisis that is being blamed on animal overpopulation, but she feels the reason is internal disarray and lack of oversight. She noted that the shelter is understaffed and there is a lack of resources and management issue. She feels this impacts residents because it affects the level of service they are able to provide. She requested that people check in with their representative who sits on the Joint Powers Authority (JPA) board.

Public comment was received from David Alreck, a resident of Scotts Valley. Mr. Alreck thanked the Council for all the recognition given through the various proclamations, and he thanked the staff for the response to his records request regarding an accounting of the Lennar funds. He feels that there should be some type of criteria in place for using the Lennar funds, and he feels that some of the funds should be earmarked for historical purposes. Mr. Alreck placed some articles regarding Polo Ranch on the back table for the Council Members to read.

ALTERATIONS TO CONSENT AGENDA

M/S: Lind/Timms

To approve the Consent Agenda with no alterations.

Carried 5/0 (AYES: Dilles, Johnson, Lind, Timm, Timms)

CONSENT AGENDA

1. Approve City Council minutes of 11-15-2023 and Special Meeting minutes of 11-29-2023
2. Approve check register dated 11-10-2023 through 11-27-2023
3. Second reading and adoption of Ordinance No. 170.1 amending Municipal Code Section 02.19.020 regarding the Arts Commission
4. Approve a resolution to give authority to add one Police Officer Trainee

REGULAR AGENDA

1. Future Council Agenda Items

None.

CONVENE TO CLOSED SESSION

The Council adjourned to closed session at 6:27 PM to discuss the matter below.

CLOSED SESSION SUBJECT(S)

1. Conference with legal counsel regarding liability claim
Legal Authority: Government Code Section 54956.9
Name of Case : Nordgreen Claim
Staff Present: City Manager, City Attorney, Police Captain

RECONVENE TO OPEN SESSION

The Council reconvened to open session at 6:39 PM.

REPORT ON ACTION TAKE DURING CLOSED SESSION

City Attorney Powell reported that the Council voted unanimously to deny the claim based on untimeliness and to deny the request to file a late claim.

ADJOURNMENT

The meeting adjourned at 6:40 PM.

Approved: _____
Jack Dilles, Mayor

Attest: _____
Cathie Simonovich, City Clerk

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
Cash Account: 999-10100-000-000-000000					
130613	11/30/23	A SIGN ASAP	212.50	0	Regular
130614	11/30/23	AARON ROBERTS	90.00	0	Regular
130615	11/30/23	ADOBE ANIMAL HOSPITAL SOQUEL	239.87	0	Regular
130616	11/30/23	ALHAMBRA	409.07	0	Regular
130617	11/30/23	AT&T MOBILITY	1,226.18	0	Regular
130618	11/30/23	BATTERIES + BULBS #314	433.83	0	Regular
130619	11/30/23	BRIAN OGLE-YOUMANS	282.40	0	Regular
130620	11/30/23	COUNTY OF SANTA CRUZ	910.00	0	Regular
130621	11/30/23	DEPT OF JUSTICE	132.00	0	Regular
130622	11/30/23	DREW DENTAL CORP	154.50	0	Regular
130623	11/30/23	DUNCAN AUTO TECH	806.37	0	Regular
130624	11/30/23	ERNIE'S AUTO CENTER	16.16	0	Regular
130625	11/30/23	JESSE PIDCOCK	180.00	0	Regular
130626	11/30/23	JOHN A STEVENS DDS	89.50	0	Regular
130627	11/30/23	KEVIN C. MCWILLIAMS DDS	123.40	0	Regular
130628	11/30/23	King, Kevin	1,080.00	0	Regular
130629	11/30/23	LC ACTION POLICE SUPPLY	387.51	0	Regular
130630	11/30/23	MAR-KEN INTERNATIONAL POLICE	260.00	0	Regular
130631	11/30/23	MEREDITH ROBERTS	90.00	0	Regular
130632	11/30/23	NANNETTE BENEDICT DDS	422.00	0	Regular
130633	11/30/23	REGIONAL GOVERNMENT SERVICES	1,195.50	0	Regular
130634	11/30/23	SAN JOSE BMW VESPA	822.69	0	Regular
130635	11/30/23	SANTA CRUZ CHILDRENS DENTAL	220.80	0	Regular
130636	11/30/23	SANTA CRUZ LIVE SCAN, INC.	90.00	0	Regular
130637	11/30/23	SETH REDER DDS	192.80	0	Regular
130638	11/30/23	SJON TOL	64.00	0	Regular
130639	11/30/23	STEVE KUEHL	150.00	0	Regular
130640	11/30/23	SUMMIT UNIFORMS	491.09	0	Regular
130641	11/30/23	TIRECHOICE AUTO SERVICE CENTER	202.34	0	Regular
130642	11/30/23	TYLER HEBARD	465.60	0	Regular
130643	11/30/23	WAGE WORKS	135.00	0	Regular
130644	11/30/23	Welsh, Derek	1,080.00	0	Regular
130645	11/30/23	WEX BANK	7,424.24	0	Regular
130646	12/07/23	A & S METALS	100.00	0	Regular
130647	12/07/23	A SIGN ASAP	119.33	0	Regular
130648	12/07/23	A-1 FENCE, INC.	20,750.00	0	Regular
130649	12/07/23	ACC BUSINESS	1,835.84	0	Regular
130650	12/07/23	ACCENT CLEAN & SWEEP INC	2,739.00	0	Regular
130651	12/07/23	ACCO ENGINEERED SYSTEMS	974.91	0	Regular
130652	12/07/23	ACE PORTABLE SERVICES	1,500.48	0	Regular
130653	12/07/23	AFLAC-FLEX ONE	639.54	0	Regular
130654	12/07/23	ALHAMBRA	406.77	0	Regular
130655	12/07/23	ALVAREZ IND INC CLEAN BLDG	256.00	0	Regular
130656	12/07/23	AMANDA ARMSTRONG	68.71	0	Regular

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
130657	12/07/23	AMAZON CAPITAL SERVICES	2,091.15	0	Regular
130658	12/07/23	ASSOCIATED SERVICES CO.	204.23	0	Regular
130659	12/07/23	AT&T	1,379.96	0	Regular
130660	12/07/23	AT&T	308.73	0	Regular
130661	12/07/23	BATTERIES + BULBS #314	40.72	0	Regular
130662	12/07/23	BAY TREE, LLC	3,620.38	0	Regular
130663	12/07/23	BRINK'S AWARDS & SIGNS	54.62	0	Regular
130664	12/07/23	BRYCE HR CONSULTING, INC.	17,100.00	0	Regular
130665	12/07/23	BUSINESS WITH PLEASURE	19.76	0	Regular
130666	12/07/23	CAL-WEST	1,326.92	0	Regular
130667	12/07/23	COMCAST	664.30	0	Regular
130668	12/07/23	COMMUNITY TREE SERVICE, INC.	8,150.00	0	Regular
130669	12/07/23	CORIE L. ASCANI, PSY.D.	225.00	0	Regular
130670	12/07/23	COUNTY OF SANTA CRUZ	41.00	0	Regular
130671	12/07/23	CSG CONSULTANTS, INC	18,424.00	0	Regular
130672	12/07/23	DEPT OF JUSTICE	96.00	0	Regular
130673	12/07/23	DUNCAN AUTO TECH	76.75	0	Regular
130674	12/07/23	FEDERAL EXPRESS	118.63	0	Regular
130675	12/07/23	INTERSTATE SALES	684.61	0	Regular
130676	12/07/23	K & D LANDSCAPING, INC.	75,903.00	0	Regular
130677	12/07/23	KADIJAH MEANS	1,000.00	0	Regular
130678	12/07/23	KIMLEY-HORN & ASSOCIATES INC	49,556.85	0	Regular
130679	12/07/23	KING'S PAINT & PAPER	125.67	0	Regular
130680	12/07/23	LIEBERT CASSIDY WHITMORE	10,937.00	0	Regular
130681	12/07/23	METRO MOBILE COMMUNICATIONS	3,775.55	0	Regular
130682	12/07/23	MID VALLEY SUPPLY	1,932.50	0	Regular
130683	12/07/23	MIRACLE PLAYSYSTEMS, INC	133,707.67	0	Regular
130684	12/07/23	MONTEREY BAY ANALYTICAL SVCS	140.00	0	Regular
130685	12/07/23	NAPA AUTO PARTS	68.03	0	Regular
130686	12/07/23	OLIN CORPORATION AS SOLE	5,121.04	0	Regular
130687	12/07/23	PACIFIC GAS & ELECTRIC CO	48,038.71	0	Regular
130688	12/07/23	PASCALE DROZEK	1,000.00	0	Regular
130689	12/07/23	PHILLIP D NEUMAN	35,713.55	0	Regular
130690	12/07/23	PHOENIX GROUP	706.95	0	Regular
130691	12/07/23	PRIORITY 1 PUBLIC SAFETY	11,540.40	0	Regular
130692	12/07/23	PRODESSE PROPERTY GROUP	2,642.64	0	Regular
130693	12/07/23	RALEY'S	58.00	0	Regular
130694	12/07/23	RANDALL KRUSEE	306.64	0	Regular
130695	12/07/23	ROD MARKELL	1,974.00	0	Regular
130696	12/07/23	S.V. WATER DISTRICT - BULK	100.19	0	Regular
130697	12/07/23	SAN LORENZO VALLEY WATER DISTR	45.01	0	Regular
130698	12/07/23	SANTA CRUZ CO ENVIRONMENTAL	315.00	0	Regular
130699	12/07/23	SANTA CRUZ COUNTY	20,564.00	0	Regular
130700	12/07/23	SANTA CRUZ SENTINEL	134.40	0	Regular
130701	12/07/23	SCARBOROUGH LUMBER	1,564.38	0	Regular

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
130702	12/07/23	SCOTTS VALLEY HOTEL LP	107,552.29	0	Regular
130703	12/07/23	SOIL CONTROL LAB	204.00	0	Regular
130704	12/07/23	STATE WATER RESOURCES CONTROL	10,602.00	0	Regular
130705	12/07/23	STEPHANIE HILL	60.31	0	Regular
130706	12/07/23	SUMMIT UNIFORMS	1,735.78	0	Regular
130707	12/07/23	SYCAL ENGINEERING INC	5,271.29	0	Regular
130708	12/07/23	TORO PETROLEUM CORP	4,657.22	0	Regular
130709	12/07/23	TUBULAR FLOW, INC	1,295.25	0	Regular
130710	12/07/23	UNITED RENTALS	1,261.90	0	Regular
130711	12/07/23	URETSKY SECURITY	2,700.22	0	Regular
130712	12/07/23	USA BLUE BOOK	845.31	0	Regular
130713	12/07/23	VERIZON WIRELESS	177.97	0	Regular
130714	12/07/23	WAGE WORKS	125.00	0	Regular
130715	12/07/23	WATSONVILLE DIESEL	4,076.65	0	Regular

103	Checks total:	651,633.06
0	ACH total:	
0	EFTPS total:	
0	Wire transfer total:	
0	Payment Manager total:	
103	GRAND TOTALS	651,633.06

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
Cash Account: 999-10100-000-000-000000					
130716	12/14/23	A SIGN ASAP	487.12	0	Regular
130717	12/14/23	ALLIANT	520.00	0	Regular
130718	12/14/23	ALVAREZ IND INC CLEAN BLDG	256.00	0	Regular
130719	12/14/23	AT&T	8.82	0	Regular
130720	12/14/23	AT&T	3,342.44	0	Regular
130721	12/14/23	BAKER TILLY US, LLP	1,190.00	0	Regular
130722	12/14/23	BATTERIES + BULBS #314	256.22	0	Regular
130723	12/14/23	BOWMAN & WILLIAMS	5,397.50	0	Regular
130724	12/14/23	BRYCE HR CONSULTING, INC.	2,375.00	0	Regular
130725	12/14/23	BUSINESS WITH PLEASURE	1,915.74	0	Regular
130726	12/14/23	CA DEPT OF TAX & FEE ADMIN	570.85	0	Regular
130727	12/14/23	CAL-WEST	1,015.00	0	Regular
130728	12/14/23	CALIFORNIA BUILDING	169.00	0	Regular
130729	12/14/23	CALIFORNIA COAST UNIFORM CO	464.29	0	Regular
130730	12/14/23	CENTRAL HOME SUPPLY	21.38	0	Regular
130731	12/14/23	COMCAST	323.27	0	Regular
130732	12/14/23	CRYSTAL SPRINGS WATER CO	132.00	0	Regular
130733	12/14/23	CSG CONSULTANTS, INC	10,000.00	0	Regular
130734	12/14/23	DEPT OF CONSERVATION	738.02	0	Regular
130735	12/14/23	ENTENMANN-ROVIN CO	228.94	0	Regular
130736	12/14/23	FEDERAL EXPRESS	29.96	0	Regular
130737	12/14/23	HACH COMPANY	415.96	0	Regular
130738	12/14/23	Jon Wilcox	250.00	0	Regular
130739	12/14/23	LINCOLN FINANCIAL GROUP	1,675.64	0	Regular
130740	12/14/23	MAR-KEN INTERNATIONAL POLICE	260.00	0	Regular
130741	12/14/23	MID VALLEY SUPPLY	1,746.32	0	Regular
130742	12/14/23	MONTEREY REGIONAL	5,912.34	0	Regular
130743	12/14/23	NATIONAL COMTEL NETWORK INC.	17.51	0	Regular
130744	12/14/23	PACIFIC GAS & ELECTRIC CO	410.93	0	Regular
130745	12/14/23	PHILLIP D NEUMAN	15,598.64	0	Regular
130746	12/14/23	PITNEY BOWES GLOBAL	527.84	0	Regular
130747	12/14/23	RANDALL KRUSEE	137.94	0	Regular
130748	12/14/23	ROBERT N MATIASEVICH, JR	756.00	0	Regular
130749	12/14/23	ROBERT WILLIAM PAYNE JR.	560.00	0	Regular
130750	12/14/23	S.V. WATER DISTRICT - BULK	130.49	0	Regular
130751	12/14/23	SANTA CRUZ CHILDRENS DENTAL	678.50	0	Regular
130752	12/14/23	SANTA CRUZ COUNTY CONFERENCE	26,571.60	0	Regular
130753	12/14/23	SCOTTS VALLEY HOTEL LP	22,915.22	0	Regular
130754	12/14/23	STATE WATER RESOURCES CONTROL	16,807.00	0	Regular
130755	12/14/23	STERICYCLE INC	240.53	0	Regular
130756	12/14/23	STERLING WATER TECHNOLOGIES	2,880.00	0	Regular
130757	12/14/23	SUMMIT UNIFORMS	369.68	0	Regular
130758	12/14/23	SYCAL ENGINEERING INC	30,351.31	0	Regular
130759	12/14/23	TIRECHOICE AUTO SERVICE CENTER	200.14	0	Regular

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
130760	12/14/23	TORO PETROLEUM CORP	9,506.50	0	Regular
130761	12/14/23	U.S. POSTAL SERVICE	1,263.15	0	Regular
130762	12/14/23	VISION SERVICE PLAN	1,316.70	0	Regular
130763	12/14/23	WAGE WORKS	11.69	0	Regular
130764	12/14/23	WATSONVILLE DIESEL	400.00	0	Regular
130765	12/14/23	WILLIAM C. KEMPF, ARCHITECT	11,846.63	0	Regular

50	Checks total:	183,199.81
0	ACH total:	
0	EFTPS total:	
0	Wire transfer total:	
0	Payment Manager total:	
50	GRAND TOTALS	183,199.81

City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: 12/20/2023
TO: Honorable Mayor and City Council
FROM: Stephanie Hill, Administrative Services Director
APPROVED: Mali LaGoe, City Manager
SUBJECT: **Approve Resolution Accepting the FY 2022-23 Annual and 5-Year AB 1600 Development Impact Fee Report**

SUMMARY OF ISSUE

Under the California Mitigation Fee Act (AB 1600), cities and counties have authority to implement development impact fees (DIF). The authority allows the City of Scotts Valley to collect funds for new development projects to cover public infrastructure, facilities, improvements, service, and community amenity costs related to the new development's proportionate share on those facilities.

Ordinance 143 and a report prepared by the Management Services Institute (April 1990) established seven development impact mitigation fees on all development within the City. This ordinance and report continue to demonstrate a reasonable relationship between the fee and the purpose for which it is charged. The identified funds are storm drainage facilities, streets and thoroughfares, parks and recreation facilities, wastewater facilities, general facilities and equipment, law enforcement facilities and equipment, and the library facility.

Under AB1600, Government Code Section 66006 requires the City to produce an annual report on the status of each DIF, listing the following:

1. A brief description of the type of fee in the account/fund
2. The amount of the fee
3. Beginning and ending balance of the account/fund
4. Amount of fees collected and interest earned
5. Identification of each public improvement for which fees were spent
6. An approximate date by which construction of public improvements will commence if the City has determined that sufficient funds have been collected to complete the financing on an incomplete public improvement
7. Amount of refunds or re-allocations of development impact fees made pursuant to Government Code 66001

Section 66001(d) of the Government Code Section requires certain findings stated below to be made every five years after the first deposit of the fees.

1. Identify the purpose to which the fee is to be put.
2. Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.
3. Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements.
4. Designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund.

These reports were made public on the City's website on December 5, 2023, meeting the 15 day public posting requirements.

FISCAL IMPACT

The attached reports show that the ending fund balances for development impact fees total \$3,961,628 on June 30, 2023, allocated as follows:

Development Impact Fee	Ending Fund Balance at 06/30/2023	
Storm Drainage Facilities	\$	94,115
Streets and Thoroughfares	\$	1,009,825
Parks and Recreation Facilities	\$	1,625,680
Wastewater Facilities	\$	278,957
General Facilities and Equipment	\$	125,812
Law Enforcement Facilities and Equip	\$	398,218
Library Facility	\$	429,021
Total	\$	3,961,628

STAFF RECOMMENDATION

It is recommended that the City Council adopt Resolution No. 1198.75, accepting the FY 2022-2023 Annual and 5-Year AB 1600 Development Impact Fee Report and making certain findings related thereto.

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1. FY22-23 Annual and 5-Year Impact Fee Report
2. 2023.12.20 Res1198.75.AB1600Annual_5yrReport (1)



DEVELOPMENTAL IMPACT FEE ANNUAL AND FIVE-YEAR REPORT

City of Scotts Valley

For the Fiscal Year and Five Years Ending June 30, 2023

www.scottsvalley.gov

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SUMMARY & BACKGROUND

Development Impact Fees are fees imposed by local governments on new development projects to finance the acquisition, construction, and improvement of public facilities and infrastructure needed to serve those projects. California state law requires local agencies to prepare a report on the status of their Development Impact Fee (DIF) program on an annual basis and make additional findings every fifth year. This report meets the legal requirements for Fiscal Year (FY) 22-23 (July 1, 2022 through June 30, 2023) as well as the five-year reporting requirements.

The City of Scotts Valley (City) first established its DIF Program on January 16, 1991, with the adoption of Ordinance No. 143. The following impact fees were established and to be imposed on the issuance of all building permits for development within the City of Scotts Valley to finance the cost of the following categories of public facilities and improvements required by new development:

Developmental Impact Fee	Description	Fund
Storm Drainage Facilities	For payment of the actual or estimated costs of constructing and improving the storm drain facilities within the city, including any required acquisition of land.	007
Streets & Thoroughfares	For payment of the actual or estimated costs of the design, upgrading or improvement of the traffic network, including any required acquisition of land.	008
Parks & Recreation	For payment of the actual or estimated costs of constructing and improving the park and recreation facilities within the city, including any required acquisition of land, as well as grading, irrigation, and turfing costs associated therewith.	009
Wastewater Treatment Facilities	For payment of the actual or estimated costs of constructing and improving the sewage treatment facilities within the city, including any required acquisition of land.	012
General Facilities & Equipment	For payment of the actual or estimated costs of constructing and improving the general municipal facilities within the city, including any required acquisition of land.	021
Law Enforcement Facilities & Equipment	For payment of the actual or estimated costs of law enforcement facilities, equipment, and training, including any required acquisition of land.	027
Library Facilities	For payment of the actual or estimated costs of constructing and improving the library facilities within the city, including any required acquisition of land.	086

REQUIREMENTS OF THE MITIGATION FEE ACT (AB1600)

Assembly Bill (AB) 1600, commonly known as the Mitigation Fee Act, was enacted by the state of California in 1987 and created Section 66000 et. seq. of the Government Code and was amended by AB518 and Senate Bill (SB) 1693. AB1600 requires the city to report fee information annually and every fifth year. Within 180 days after the last day of each fiscal year, the City must make available the following information from the prior fiscal year:

1. Brief description of the type of fee in the account or fund.
2. Amount of the fee.
3. Beginning and ending balance in the account or fund.
4. Amount of fees collected, and the interest earned during the previous year.
5. Identification of each public improvement for which fees were expended and the amount of expenditures, including the total percentage of the cost of the public improvement that was funded with fees.
6. An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement and the public improvement remains incomplete.
7. Description of each interfund transfer or loan made from the account, including the public improvement on which the transferred or loaned fees will be expended, and when each loan will be repaid and the rate of interest the account will receive on the loan.
8. Identification of any refunds made once determined that sufficient monies have been collected to fund fee-related projects.

For the fifth fiscal year following the first deposit into the account or fund, and every five years thereafter, the City must make the following findings with respect to any remaining funds in the fee account, regardless of whether those funds are committed or uncommitted:

1. Identification of the purpose to which the fees are to be put.
2. Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.
3. Identification of all sources and amounts of funding anticipated to complete financing in incomplete improvements identified as part of the City's annual report.
4. Identification of the approximate dates on which the funding referred to in Requirement 3 is expected to be deposited into the appropriate account or fund.

The City must make this information available for public review and must present it at the next regularly scheduled public meeting no less than 15 days after this information is made available to the public. This report is intended to satisfy the annual reporting requirements for FY 22-23 as well as the five-year report. The City previously completed a five-year report in FY 16-17.

ANNUAL REPORT

The following section provides information necessary to meet the annual reporting legal requirements for each impact fee fund. This includes a brief description of the fee, the amount of the fee, the beginning and ending balances, fee revenues collected, interest earned, and the expenditures on each project including the percentage that was funded with fees. It also includes a table summary of whether sufficient funds have been identified to complete future projects and the approximate date by which the construction of the public improvement will commence if sufficient funds have been identified. Any loans are also identified as well as any refunds from the account.

FUND 007 – STORM DRAINAGE FACILITIES FEE

This fee is established for payment of the actual or estimated costs of constructing and improving the storm drainage, including acquisition of land. It assures that each new development or expansion of use pays its fair share of the West Branch-Carbonera Creek, Carbonera Creek, Camp Evers Tributary, and Bean Creek improvements needed to accommodate the cumulative impacts related to capital costs. The fees are as follows:

Residential or commercial per impervious square foot

Carbonero Creek	\$	0.30
West Branch	\$	0.27
Camp Evers Tributary	\$	0.14
Bean Creek	\$	0.19

Sources and amounts of funding anticipated to complete financing of incomplete improvements:

Fund Balance at 7/1/2022		\$	76,090
Impact Fees Collected	\$	16,026	
Other Revenue/Transfers			
Interest Earned		2,052	
Total Source of Funds		\$	18,078
Administrative		(52)	
Total Expenses		\$	(52)
Fund Balance at 6/30/2023		\$	94,115

Anticipated Capital Projects

Project	Fiscal Year	Projected Cost
Storm Drain Master Plan Update	FY 2024/25	\$ 100,000

FUND 008 – STREETS & THOROUGHFARES FEE

This fee is established for payment of the actual or estimated costs of the design, upgrading or improvement of the traffic network, including any required acquisition of land. It assures that each new development or expansion of use pays its fair share of streets improvements needed to accommodate the cumulative impacts related to capital costs. The fees are as follows:

<u>Residential or Commercial per unit</u>	
Mountain (R-MT-5)	\$ 6,961.00
Rural (R-R-2.5)	\$ 6,961.00
Estate (R-1-40)	\$ 6,961.00
Low Density (R-1-20)	\$ 6,961.00
Single Family (R-1-10)	\$ 6,961.00
Two Family (R-M-6 & R-M-8)	\$ 4,131.00
Multiple Family (R-H)	\$ 4,131.00
Commercial (per sq of	\$ 13.84
Industrial (per sq of	\$ 8.25
Hotel (per room)	\$ 4,175.00

Sources and amounts of funding anticipated to complete financing of incomplete improvements:

Fund Balance at 7/1/2022		\$ 903,467
Impact Fees	\$ 102,677	
Other Revenue/Transfers		
Interest	22,595	
Total Revenue		\$ 125,272
Mt. Hermon Road Corridor Improvements	\$ (15,604)	
Administrative	(3,310)	
Total Expenses		\$ (18,914)
Fund Balance at 6/30/2023		\$ 1,009,825

Anticipated Capital Projects

Project	Fiscal Year	Projected Cost
Mt. Hermon Road Corridor Improvements	FY 2023/24	\$ 349,396
Active Transportation Plan Projects	Unscheduled	Under Development

FUND 009 – PARKS & RECREATION FACILITIES FEE

This fee is established for payment of the actual or estimated costs of constructing and improving the park facilities within the City, including acquisition of land. It assures that each new development or expansion of use pays its fair share of park development and acquisition needed to accommodate the cumulative impacts related to capital costs. The fees are as follows:

Residential per unit	
Mountain (R-MT-5)	\$ 12,363.00
Rural (R-R-2.5)	\$ 12,363.00
Estate (R-1-40)	\$ 12,363.00
Low Density (R-1-20)	\$ 12,363.00
Single Family Detached (R-1-10)	\$ 12,363.00
Single Family Attached (R-1-10)	\$ 9,566.00
Two Family (R-M-6 & R-M-8)	\$ 9,626.00
Multiple Family (R-H)	\$ 6,179.00
Mobile Homes and Second Unit	\$ 6,426.00

Sources and amounts of funding anticipated to complete financing of incomplete improvements:

Fund Balance at 7/1/2022		\$ 1,445,069
Impact Fees	\$ 150,393	
Other Revenue/Transfers		
Interest	36,770	
Total Revenue		\$ 187,163
Skypark Tennis Area	\$ (5,596)	
Parks System Master Plan	\$ (70,876)	
Administrative	(957)	
Total Expenses		\$ (77,428)
Fund Balance at 6/30/2023		\$ 1,554,805

Anticipated Capital Projects

Project	Fiscal Year	Projected Cost
Parks System Master Plan	FY 2023/24	\$ 106,070
Hocus Pocus Park Play Structure Equipment	FY 2025/26	\$ 520,000
Skypark Tennis Area Improvements	FY 2023/24	\$ 50,000
Al Shugart Park - Phase 1, 3, and 4 Construction	Unscheduled	Under Development

FUND 012 – WASTEWATER TREATMENT FACILITIES FEE

This fee is established for the actual or estimated costs of constructing or improving the sewage treatment facilities within the City, including any required acquisition of land. It assures that each new development or expansion of use pays its fair share of wastewater facility improvements needed to accommodate the cumulative impacts related to capital costs. The fees are as follows:

Residential per unit		
Mountain (R-MT-5)	\$	7,385.00
Rural (R-R-2.5)	\$	7,385.00
Estate (R-1-40)	\$	7,385.00
Low Density (R-1-20)	\$	7,385.00
Single Family (R-1-10)	\$	7,385.00
Two Family (R-M-6 & R-M-8)	\$	5,343.00
Multiple Family (R-H)	\$	5,343.00
Commercial (per gallon, per day) (C-S, C-SC)	\$	31.00
Industrial (per gallon, per day) (I-L, I-RD)	\$	31.00

Sources and amounts of funding anticipated to complete financing of incomplete improvements:

Fund Balance at 7/1/2022		\$	192,428
Impact Fees	\$	126,707	
Other Revenue/Transfers			
Interest		14,700	
Total Revenue		\$	141,407
Wastewater Aeration Basin Upgrades	\$	(15,768)	
Wastewater Treatment Plan Master Plan	\$	(38,518)	
Administrative	\$	(594)	
Total Expenses		\$	(54,879)
Fund Balance at 6/30/2023		\$	278,957

Anticipated Capital Projects

Project	Fiscal Year	Projected Cost
Wastewater Treatment Plan Master Plan	FY 2023/24	\$ 135,973
Stormwater LID	FY 2025/26 & FY 2026/27	\$ 300,000
New Technology - Identified in WW Rate Study	FY 2026/27 & FY 2027/28	\$ 5,000,000

FUND 021 – GENERAL FACILITIES & EQUIPMENT FEE

This fee is established for payment of the actual or estimated costs of constructing or improving the general municipal facilities within the City, including any required acquisition of land. It assures that each new development or expansion of use pays its fair share of the corporation yard, renovation of Civic Center, City maintenance fleet expansion, and Scotts Valley Senior Center improvements needed to accommodate the cumulative impacts related to capital costs. The fees are as follows:

Residential or Commercial per unit

Mountain (R-MT-5)	\$	529.00
Rural (R-R-2.5)	\$	529.00
Estate (R-1-40)	\$	529.00
Low Density (R-1-20)	\$	529.00
Single Family (R-1-10)	\$	529.00
Two Family (R-M-6 & R-M-8)	\$	529.00
Multiple Family (R-H)	\$	529.00
Commercial (per acre) (C-S, C-SC)	\$	1,395.00
Industrial (per acre) (I-L, I-RD)	\$	1,349.00

Sources and amounts of funding anticipated to complete financing of incomplete improvements:

Fund Balance at 7/1/2022		\$ 111,313
Impact Fees	\$ 11,782	
Other Revenue/Transfers		
Interest	2,789	
Total Revenue		\$ 14,571
Administrative	(72)	
Total Expenses		\$ (72)
Fund Balance at 6/30/2023		\$ 125,812

Anticipated Capital Projects

Project	Fiscal Year	Projected Cost
Building Improvements	Unscheduled	Under Development

FUND 027 – LAW ENFORCEMENT FACILITIES & EQUIPMENT FEE

The Law Enforcement Facilities & Equipment fee was established for payment of the actual or estimated costs of law enforcement facilities, equipment, and training, including any required acquisition of land. It assures that each new development or expansion of use pays its fair share of the construction of a new police facility, equipment, and training for additional officers and dispatchers, police fleet expansion, and records management upgrade needed to accommodate the

<u>Residential or Commercial per unit</u>	
Mountain (R-MT-5)	\$ 1,221.00
Rural (R-R-2.5)	\$ 1,221.00
Estate (R-1-40)	\$ 1,221.00
Low Density (R-1-20)	\$ 1,221.00
Single Family (R-1-10)	\$ 1,221.00
Two Family (R-M-6 & R-M-8)	\$ 1,221.00
Multiple Family (R-H)	\$ 1,221.00
Commercial (per acre) (C-S, C-SC)	\$ 28,041.00
Industrial (per Acre) (I-L, I-RD)	\$ 28,041.00

Sources and amounts of funding anticipated to complete financing of incomplete improvements:

Fund Balance at 7/1/2022		\$ 374,722
Impact Fees	\$ 27,201	
Other Revenue/Transfers		
Interest	8,977	
Total Revenue		\$ 36,178
Police Department Locker Room	\$ (12,446)	
Administrative	(235)	
Total Expenses		\$ (12,681)
Fund Balance at 6/30/2023		\$ 398,218

Anticipated Capital Projects

Project	Fiscal Year	Projected Cost
Police Station Locker Room	FY 2023/24	\$ 233,648
Police Station Armory	FY 2024/25	\$ 70,000
Universal Power Supply	FY 2023/24	\$ 49,975
Dispatch Center Upgrade	FY 2023/24	\$ 270,000

FUND 068 – LIBRARY FACILITIES FEE

This fee is established for payment of the actual or estimated costs of constructing and improving the library facilities within the City, including any required acquisition of land. It assures that each new development or expansion of use pays its fair share of a tier II library upgrade needed to accommodate the cumulative impacts related to capital costs. The fees are as follows:

<u>Residential per unit</u>	
Mountain (R-MT-5)	\$ 1,497.00
Rural (R-R-2.5)	\$ 1,405.00
Estate (R-1-40)	\$ 1,313.00
Low Density (R-1-20)	\$ 1,174.00
Single Family (R-1-10)	\$ 1,035.00
Two Family (R-M-6 & R-M-8)	\$ 1,035.00
Multiple Family (R-H)	\$ 899.00

Sources and amounts of funding anticipated to complete financing of incomplete improvements:

Fund Balance at 7/1/2022		\$ 399,275
Impact Fees	\$ 20,402	
Other Revenue/Transfers		
Interest	9,594	
Total Revenue		\$ 29,997
Library Improvements	\$ (247,856)	
Administrative	(251)	
Total Expenses		\$ (248,106)
Fund Balance at 6/30/2023		\$ 181,165

Anticipated Capital Projects

Project	Fiscal Year	Projected Cost
		Under
Building Improvements	Unscheduled	Development

FUND SUMMARY

The following table provides an accounting of each impact fee and a total impact fee account balance. The table summarizes that starting fund balance, the amount of fees collected, the interest earned, the total expenditures, and the fiscal year ending fund balance.



DEVELOPMENT IMPACT FEE FUND SUMMARY									
Description	Fund No.	Storm Drainage	Streets & Thoroughfares	Parks & Recreation	Wastewater Treatment	General Facilities & Equipment	Law Enforcement Facilities & Equipment	Library Facilities	
		007	008	009	012	021	027	086	
Starting Balance									
As of July 1, 2022	\$	76,090	\$ 903,467	\$ 1,445,069	\$ 192,428	\$ 111,313	\$ 374,722	\$ 399,275	
REVENUES									
Impact Fees	\$	16,026	\$ 102,677	\$ 150,393	\$ 126,707	\$ 11,782	\$ 27,201	\$ 20,402	
Grants	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Revenue	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Interest Earnings	\$	2,052	\$ 22,595	\$ 36,770	\$ 14,700	\$ 2,789	\$ 8,977	\$ 9,594	
Total Revenues	\$	18,078	\$ 125,272	\$ 187,163	\$ 141,407	\$ 14,571	\$ 36,178	\$ 29,997	
EXPENDITURES									
Project Expenditures	\$	-	\$ (15,604)	\$ (76,471)	\$ (54,285)	\$ -	\$ (12,446)	\$ (247,856)	
Administrative Expenditures	\$	(52)	\$ (3,310)	\$ (957)	\$ (594)	\$ (72)	\$ (235)	\$ (251)	
Total Expenditures	\$	(52)	\$ (18,914)	\$ (77,428)	\$ (54,879)	\$ (72)	\$ (12,681)	\$ (248,106)	
Transfers in	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transfers Out	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Net Transfer	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Ending Balance									
As of June 30, 2023	\$	94,115	\$ 1,009,825	\$ 1,554,805	\$ 278,957	\$ 125,812	\$ 398,218	\$ 181,165	

FIVE-YEAR REPORTING REQUIREMENTS

In accordance with Government Code Section 66001, this section addresses the five-year requirements with respect to any remaining funds in the DIF accounts, regardless of whether those funds are committed or uncommitted. The City last completed the Five-Year Report in FY 16-17. The following section provides information necessary to meet the legal requirements for the Five-Year report for the DIF funds.

The City's development impact fees set forth the relationship between new development, the needed public facilities and the estimated cost of them and the fact and evidence presented established that there is a reasonable relationship between the need for the described public facilities and the impacts of the types of development projects for which the fees are to be charged.

There exists a reasonable relationship between the fees' use and the type of development for which the fees are charged. The fees expected to be generated by new development will not exceed the total costs of constructing the facilities or portion of the facilities to which they are attributable and there is reasonable relationship between the amount of the fees and the cost of the facilities or portion of the facilities attributable to the development on which the fees are imposed.

Table 1 below summarizes the fund balance for each fund as of June 30, 2023, as well as the projected revenues and estimated costs of the future projects currently identified in the City's Capital Improvement Plan. The future project costs by fund are shown in further detail in Table 2. Improvements are triggered based on the timing and location of the development and improvements will be included in the City's Capital Improvement Plan as they are identified, and when funding becomes available.

Table 1 - DIF Fund Balances & Future Project Costs

Fund No.	Fund	Fund Balance at 06/30/2023	Projected Revenues ^[1]	Future Project Costs
007	Storm Drainage Facilities	\$ 94,115	\$ 13,445	\$ 100,000
008	Streets and Thoroughfares	\$ 1,009,825	\$ 199,983	\$ 349,396
009	Parks and Recreation Facilities	\$ 1,554,805	\$ 274,155	\$ 676,070
012	Wastewater Facilities	\$ 278,957	\$ 10,248	\$ 5,435,973
021	General Facilities and Equipment	\$ 125,812	\$ 16,326	\$ -
027	Law Enforcement Facilities and Equipment	\$ 398,218	\$ 41,845	\$ 623,623
086	Library Facility	\$ 181,165	\$ 34,172	\$ -
	Total	\$ 3,642,897	\$ 590,175	\$ 7,185,062

[1] Includes an assumed 1% interest earnings on fund balance

Table 2 - Future DIF Projects by Fund with Anticipated Construction Date

Fund No.	Project	Budget	DIF Portion	Estimated Construction Date
007	Storm Drain Master Plan Update	\$ 100,000	100%	FY 2024/25
008	Mt. Hermon Road Corridor Improvements	\$ 349,396	100%	FY 2023/24
009	Parks System Master Plan	\$ 106,070	100%	FY 2023/24
009	Hocus Pocus Park Play Structure Equipment	\$ 520,000	100%	FY 2025/26
009	Skypark Tennis Area Improvements	\$ 50,000	50%	FY 2023/24
009	Al Shugart Park - Phase 1, 3, and 4 Construction	TBD	TBD	TBD
012	Wastewater Treatment Plan Master Plan	\$ 135,973	50%	FY 2023/24
012	Stormwater LID	\$ 300,000	50%	FY 2025/26
012	New Technology - Identified in WW Rate Study	\$ 5,000,000	TBD	FY 2026/27
021	Building Improvements	TBD	TBD	TBD
027	Police Station Locker Room	\$ 233,648	100%	FY 2023/24
027	Police Station Armory	\$ 70,000	100%	FY 2024/25
027	Universal Power Supply	\$ 49,975	100%	FY 2023/24
027	Dispatch Center Upgrade	\$ 270,000	80%	FY 2023/24
086	Building Improvements	TBD	TBD	TBD
	Total	\$ 7,185,062		

RESOLUTION NO. 1198.75

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY ACCEPTING THE FY 2022-23 ANNUAL AND 5-YEAR AB1600 DEVELOPMENT IMPACT FEE REPORT AND MAKING CERTAIN FINDINGS RELATED THERETO

WHEREAS, on January 16, 1991, the City Council of the City of Scotts Valley approved Ordinance No. 143, an Ordinance of the City of Scotts Valley Establishing Development Impact Mitigation Fees on All New Development Within the City (the “Ordinance”); and

WHEREAS, the Ordinance and a report prepared by the Management Services Institute (the “Report”) on April 1990, established seven development impact mitigation fees on all development within the City and demonstrated a reasonable relationship between the fee and the purpose for which it is charged; and

WHEREAS, the Report analyzed the need for new public facilities required for new development and recommended the establishment of the seven development impact mitigation fees on all development within the City; and

WHEREAS, pursuant to California Government Code Section 66006 (“AB 1600”), the City is required to prepare an annual report providing the following information about those fees:

- (1) A brief description of the type of fee in the account/fund;
- (2) The amount of the fee;
- (3) Beginning and ending balances of the account/fund;
- (4) Amount of fees collected and interest earned, if applicable;
- (5) Identification of each public improvement for which fees were spent;
- (6) An approximate date by which construction of public improvements will commence if the City has determined that sufficient funds have been collected to complete the financing on an incomplete public improvement; and
- (7) Amount of refunds or re-allocations of development impact fees made pursuant to Government Code 66001, if applicable.

WHEREAS, Section 66001(d) of the Government Code requires that for the fifth fiscal year following the first deposit into the account or fund, and every five years thereafter, the local agency shall make certain findings with respect to that portion of the account or fund remaining unexpended, whether committed or uncommitted; and

WHEREAS, the City has prepared its annual and 5-year report for FY 2022-2023

which includes the required information; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Scotts Valley that the FY 2022-2023 Annual and 5-Year AB 1600 Development Impact Fee Report, a copy of which is attached hereto, is hereby accepted and determined to comply with the requirements of AB 1600.

NOW, THEREFORE, BE IT FURTHER RESOLVED by the City Council of the City of Scotts Valley that any unexpended funds collected pursuant to the Ordinance were collected for the purposes outlined in the Ordinance and the Report and demonstrate a reasonable relationship between the fee and purpose for which it was charged as they will be used for those projects or related projects as outlined in the Ordinance and the Report.

The above and foregoing resolution was duly and regularly adopted by the City Council of the City of Scotts Valley at a regular meeting held on the 20th day of December, 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: _____
Jack Dilles, Mayor

Attest: _____
Cathie Simonovich, City Clerk

City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: 12/20/2023
TO: Honorable Mayor and City Council
FROM: Stephanie Hill, Administrative Services Director
APPROVED: Mali LaGoe, City Manager
SUBJECT: **Local Agency Special Tax and Bond Accountability Act for Fiscal Year 2022-23 - CFD 97-1**

SUMMARY OF ISSUE

Senate Bill 165, filed with the Secretary of State on September 19, 2000, enacted the Local Agency Special Tax and Bond Accountability Act (Act) to provide accountability measures associated with a local agency's adoption of voter approved special taxes and certain forms of bonded indebtedness. The Act requires that, on or after January 1, 2001, any local special tax or bond measure subject to voter approval shall provide accountability measures that include:

1. A statement indicating the purpose of the special tax or bond;
2. A requirement that proceeds of the special tax or bond be applied to those specific identified purposes;
3. The creation of an account into which the proceeds shall be deposited; and
4. An annual report containing specified information concerning the use of the proceeds.

At present, the City of Scotts Valley has one Community Facilities District (CFD) that falls under the provisions of the act, CFD 97-1. Previous council actions, public hearings, and elections have formally established the aforementioned district, authorized the levy of the special tax, and authorized the issuance of a special tax bond to finance the acquisition of certain necessary public improvements. The documents associated with those actions fulfill, or provide for, satisfaction of the first three requirements referenced above. The purpose of this report is to comply with the Annual Report requirements (No. 4, above) of the Act as they pertain to the above referenced CFD.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

It is recommended that the City Council receive and file the Local Agency Special Tax and Bond Accountability Act report for the Fiscal Year ended June 30, 2023.

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1. CFD 97-1 SB165

SB 165: LOCAL AGENCY SPECIAL TAX AND BOND ACCOUNTABILITY ACT

Senate Bill 165, filed with the Secretary of State on September 19, 2000, enacted the Local Agency Special Tax and Bond Accountability Act (the “Act”). This Act requires that any local special tax or local bond measure subject to voter approval contain a statement indicating the specific purposes of the special tax, require that the proceeds of the special tax be applied to those purposes, require the creation of an account into which the proceeds shall be deposited, and require an annual report containing specified information concerning the use of the proceeds. The Act only applies to any local special tax measure or local bond measure adopted on or after January 1, 2001, in accordance with Section 50075.1 or Section 53410 of the California Government Code.

Some of the requirements of the Act are handled at the formation of the Special Tax District and others are handled through annual reports. This Section of this report intends to comply with Sections 50075.3 and 53411 of the California Government Code that states:

“The chief fiscal officer of the issuing local agency shall file a report with its governing body no later than January 1, 2002, and at least once a year thereafter. The annual report shall contain both of the following:

1. The amount of funds collected and expended.
2. The status of any project required or authorized to be funded as identified in subdivision (a) of Sections 50075.1 [and] 53410.”

The requirements of the Act apply to the Funds for the following:

City of Scotts Valley
Community Facilities District 97-1
Formation March 1, 1998

Purpose of Special Tax

The special tax provides funding for arterial and frontage improvements to Scotts Valley Drive between the Granite Creek interchange with State Highway 17 and Mount Hermon Road. Collectively, the improvements included street improvements, utility undergrounding, professional services, and land acquisition.

The projects funded by the Bonds are complete.

Collections and Expenditures

Fund Name	06/30/2022 Balance	Amount Collected	Amount Expended	06/30/2023 Balance
Special Tax Fund	\$404,265.29	\$407,605.05	\$376,981.08	\$434,889.26

- (1) Amount based on budgeted expenses. Includes cumulative debt service payments and administrative expenses after the August 2012 Bonds were issued.

City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: 12/20/2023
TO: Honorable Mayor and City Council
FROM: Cathie Simonovich, City Clerk
APPROVED: Mali LaGoe, City Manager
SUBJECT: **Appointment to Parks and Recreation Commission**

SUMMARY OF ISSUE

As vacancies occur, or due to an election or re-election of a Council Member, members of the Council may nominate new individuals to serve on a City Commission, Committee, or Board. All appointments must be approved by the City Council.

There is a vacancy on the Parks and Recreation Commission due to the resignation of Martin Spierings and an application has been submitted by Kate Kelsey. Mayor Jack Dilles has nominated Ms. Kelsey to serve on the Parks and Recreation Commission and upon Council approval, Ms. Kelsey will fill the vacancy.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

It is recommended that the City Council ratify the appointment of Kate Kelsey to serve on the Parks and Recreation Commission, with an effective date of December 20, 2023.

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1. K.Kelsey PandR app 12-7-23_Redacted

DEC 07 2023



City of Scotts Valley

CITY OF SCOTTS VALLEY

Application for Appointment to Serve on a City Advisory Body

Advisory Body you are applying for:

- | | | |
|---|---|---|
| ☐ Planning Commission | ☐ Arts Commission | ☐ Senior Center Board |
| ☒ Parks & Recreation Commission | ☐ Board of Appeals | ☐ Code Enforcement Appeals Board |
| ☐ ADA Accessibility Committee | ☐ Parks & Recreation Advocates | ☐ Mobile Home Park Rent Review |

Contact Information

Name	Kate Kelsey		
Street Address	[REDACTED]		
City / ST/ ZIP Code	Scotts Valley/CA/95066		
Phone – Primary	[REDACTED]	☒ Cell	☐ Work ☐ Home
Phone – Secondary		☐ Cell	☐ Work ☐ Home
E-Mail Address	[REDACTED]		

Background Information*

Years residing in Scotts Valley	11
Employer	Santa Clara County Public Health Department
Occupation/Profession	Epidemiologist
Education	Masters in Public Health from UC Berkeley

**If you are appointed to a city commission or board, you may be required to file a Statement of Economic Interests (FPPC Form 700). The Form 700 is a State-mandated public document disclosing certain business, property and investment holdings which might conflict with the member's decisions. The City Clerk's Office will supply the Form 700 upon appointment.*

Summarize your interests, education, and/or experience as they relate to this position.

As public health professional I understand the importance of parks a third space - a communal space that is neither home or work. Parks contribute to the physical and mental health of a community. Evidence shows that parks that are safe, equitable, and accessible influence community health. As an epidemiologist I am interested in emerging threats to the public health and in 2023 the US Surgeon General released a report an emerging epidemic of loneliness and isolation. Parks provide a way to combat this epidemic of loneliness because they are space for the community to gather and socialize. Besides being an epidemiologist, I am an avid trail runner and traverse the parks almost daily. I am also the parent of 2 young children who use the parks for recreation.

RECEIVED
DEC 0 1 2010

Explain how you believe you can contribute toward the effectiveness of this position.

Because I understand the importance of parks in community members lives, I will be able to effectively listen to and represent the community's interests. I love Scotts Valley and think community events such as those at Sky Park make it a wonderful place to live. I also believe it is important to serve my community and contribute to it in any way I can. I think because of my extensive use of parks and knowledge about the benefits of parks I am uniquely qualified for this position. For example, I run the Glenwood trails almost every weekend and I may be able to see ways to increase the use of these wonderful trails.

Summarize your participation in civic or community activities.

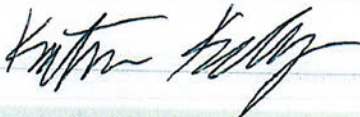
Currently I am a parent of a Scotts Valley Middle School student and a Vine Hill Student. I am a member of Active Transportation Scotts Valley and lead the rolling school bus to Vine Hill School.

How did you hear about this vacancy?

☐ City Website ☐ Other Website ☒ Word of Mouth ☐ Other (Specify):

APPLICANT SIGNATURE

DATE

X 

Return application:

For more information, contact:

OFFICE USE ONLY – DATE RECEIVED

By email to:
cityhall@scottsvalley.org

In person or by mail to:
City Clerk's Office
1 Civic Center Drive
Scotts Valley, CA 95066

City Clerk's Office
(831)440-5600
cityhall@scottsvalley.org
www.scottsvalley.org

- Note:** 1) Applications are retained for one year. You will be contacted if a vacancy occurs within that time.
2) A separate application must be submitted for each advisory body to which you seek appointment.
3) You may attach additional pages or material (such as a resume) to the application if desired.

CITY OF SCOTTS VALLEY

City Council Staff Report

DATE: December 20, 2023

TO: City Council

FROM: Taylor Bateman, Community Development Director

APPROVED: Mali LaGoe, City Manager

SUBJECT: Adoption of the City of Scotts Valley 2023-2031 Housing Element Update

SUMMARY OF ISSUE

BACKGROUND

The Housing Element is one of seven mandated elements of the City's General Plan. It identifies the current and future housing needs of the City with proposed actions to facilitate the provision of housing to meet those needs at all income levels. Updates to the Housing Element are required by State law every eight years and reflects the State's housing goal of "attaining decent housing and a suitable living environment for every California family," as well as incorporating the unique concerns of the community.

The current Housing Element, which was adopted by the City Council in March 2016 and certified by the State, covers the planning period from 2015 to 2022 (the 5th Cycle). The next Housing Element Update (the 6th Cycle) must be adopted by December 2023, to address the period from 2023 to 2031. For the 6th Cycle, the City of Scotts Valley was allocated a total of 1,220 housing units (also known as the City's Regional Housing Need (RHNA)). The Housing Element update is required to identify strategies and exact parcels to accommodate the entirety of RHNA.

To put this number into perspective, the total RHNA for Scotts Valley in the current 5th Cycle is 140 housing units. The increase in this housing target is the State recognizing the underproduction of housing statewide. The Housing Element update process does not require the City to construct affordable housing units. The purpose of the process is to rather ensure adequate opportunities existing for housing development through zoning and by removing regulatory impediments to housing production. For additional information on the Housing Element update and strategies to accommodate the City's RHNA, see the Planning Commission Staff Report in Attachment 3.

HCD REVIEW

On July 5, 2023, the City of Scotts Valley formally submitted the Housing Element Update for HCD Review. On September 19, 2023, the City revised and resubmitted the Housing Element Update to HCD based on preliminary comments received in mid-September.

The City received formal comments from HCD on October 3, 2023. HCD comments requested additional information on the following items: housing needs, resources, constraints, housing programs, and public participation. On October 20, 2023, the City resubmitted the revised Housing Element for review to HCD.

On October 20, 2023, the City formally submitted the 2nd HCD Submittal Draft to HCD. Previous Housing Element drafts can be found on the City's website: <https://scottsvalley.gov/447/Housing-Element-Drafts>.

The timely development and implementation of a Housing Element is essential to avoid consequences that come from failing to do so. Among these could be the inability of the City to qualify for certain state or federal funding programs for transportation, infrastructure, and housing; shortened deadlines for completing any necessary rezones associated with Housing Element Law compliance; "Builder's Remedy" projects¹; lawsuits from third party organizations or the State; suspension of local control on building matters; and fines. In a growing effort by the State to increase accountability and enforcement of new State housing laws and to better address the housing needs of Californians, HCD increased its accountability efforts and formed the Housing Accountability Unit (HAU). The HAU is in charge of holding jurisdictions accountable for their Housing Element commitments, as well as compliance with other State housing laws. Violations of these laws may lead to consequences including revocation of housing element certification and/or referral to the California Office of the Attorney General.

PLANNING COMMISSION REVIEW

On December 7, 2023, the Planning Commission reviewed the 2023-2031 Housing Element update and recommended that the City Council adopt the Housing Element update and authorize staff to submit the Housing Element to HCD for certification.

¹ Government Code section 65589.5(d)(5) prevents jurisdictions without a substantially compliant Housing Element from denying residential projects that meet specific requirements even if they do not comply with the Zoning Code or General Plan. These projects must be predominantly made up of residential uses and meet the affordability threshold.

As part of the approval process, the Planning Commission authorized staff to continue to make changes to the Housing Element. The changes have included:

- Changes to Appendix G to note additional community outreach, engagement, and comments received since October 20 submission to HCD
- Changes to Appendix E: AFFH to provide additional information on how the Candidate Sites Inventory affirmatively furthers fair housing
- Changes to Appendix C: Housing Constraints to elaborate on existing mixed-user requirements in Scotts Valley
- Changes to Chapter 2: Housing Plan to provide discrete timelines for existing programs and addition to AFFH programs

To review these changes and the City's 2023-2031 Housing Element, see Attachment 2. For additional information on the 6th Cycle Housing Element, see Attachment 3 for the Planning Commission Staff Report.

The City anticipates receiving formal comments on the 2nd HCD Submittal Draft (dated October 2023) on December 19, 2023. If changes or additions to the Housing Element are necessary to address the formal comments, staff will present those at the City Council meeting for consideration.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) REVIEW

The Housing Element is exempt from further CEQA review per Section 15061(b)(3), given this project consists of activities covered by the "common sense exemption" that CEQA allows when a project would not cause a significant effect on the environment.

As proposed, the Housing Element would not result in any direct or indirect physical changes to the environment. The Housing Element is a policy document and does not provide entitlements to any specific land use projects. It does not make any changes to the General Plan land use map and does not modify any land use designations, allowed densities, or land use intensities currently established in the General Plan. It neither entitles, proposes, or otherwise requires the construction of new development or rehabilitation of existing development, nor does it change the rate or location of new development.

Rather, the goals, policies, and programs established by the Housing Element only facilitate the development, preservation, and rehabilitation of housing consistent with existing and planned uses, as identified in the General Plan and as mandated under State law. As such, the impacts of the proposed 6th Cycle Housing Element are also covered by the Environmental Impact Report that was certified by the City Council for the General Plan. The proposed modifications to the Housing Element do not create any impacts on the environment that were not previously evaluated as part of the General Plan.

All future proposed housing development projects submitted to the City will be reviewed pursuant to CEQA, when required, concurrent with other permitting and regulatory requirements. Similarly, any future policy changes will be evaluated for CEQA compliance prior to adoption of any such changes.

PUBLIC NOTICE AND COMMENT

On December 8, 2023, public hearing notices were posted at City Hall, the Scotts Valley Senior Center, and the Scotts Valley Public Works building, consistent with State law. Staff also sent electronic (e-mail) notifications to all individuals that requested to receive notice of any actions related to the Housing Element update. The notice was also uploaded on the City's website and published in the Santa Cruz Sentinel.

Throughout the Housing Element development process, the City has held a number of public meetings to keep the community informed and solicit feedback. Staff have also met with various stakeholders, including property owners, community-based organizations, community members, and local developers to discuss the Housing Element update. These discussions and feedback were considered when continuing to develop the Public Review Draft and subsequent Housing Element drafts. A full discussion of Community Outreach to date can be found in Attachment 3 PC Staff Report and on the City's Housing Element Update website: <https://scottsvalley.gov/445/Housing-Element-Update>

CONCLUSION

The proposed Housing Element is in substantial compliance with Housing Element Law as provided in Government Code section 65580 et seq. Staff will continue to work with HCD to finalize the document and address any outstanding issues.

RECOMMENDATION

The Planning Commission recommends that the City Council adopt the 2023-2031 Housing Element and authorize staff to submit the Housing Element to HCD for certification.

FISCAL IMPACTS

There are no additional financial impacts anticipated as a result of this action. The cost of the Housing Element Update is included as part of the contract agreement approved by City Council on October 5, 2022.

ATTACHMENTS

Attachment 1 – Resolution No. 1119.35

Attachment 2 – 2023-2031 Housing Element

Attachment 3 – PC Staff Report (dated December 7, 2023)

RESOLUTION NO. 1119.35

A RESOLUTION OF THE CITY OF SCOTTS VALLEY CITY COUNCIL ADOPTING A GENERAL PLAN AMENDMENT TO REPEAL THE 2015-2023 SCOTTS VALLEY HOUSING ELEMENT AND ADOPT THE 2023-2031 HOUSING ELEMENT OF THE GENERAL PLAN FOR THE PERIOD OF 2023- 2031 AND ADOPTING FINDINGS THAT THE PROJECT IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA), IN COMPLIANCE WITH STATE HOUSING ELEMENT LAW.

WHEREAS, the California Legislature has found that “California has a housing supply and affordability crisis of historic proportions. The consequences of failing to effectively and aggressively confront this crisis are hurting millions of Californians, robbing future generations of the chance to call California home, stifling economic opportunities for workers and businesses, worsening poverty and homelessness, and undermining the state’s environmental and climate objectives” (Gov. Code Section 65589.5.); and

WHEREAS, the Legislature has further found that “Among the consequences of those actions are discrimination against low-income and minority households, lack of housing to support employment growth, imbalance in jobs and housing, reduced mobility, urban sprawl, excessive commuting, and air quality deterioration” (Gov. Code Section 65589.5.); and

WHEREAS, the Legislature recently adopted the Housing Crisis Act of 2019 (SB 330) which states that “[i]n 2018, California ranked 49th out of the 50 states in housing units per capita... California needs an estimated 180,000 additional homes annually to keep up with population growth, and the Governor has called for 3.5 million new homes to be built over 7 years”; and

WHEREAS, the State Housing Element Law (Government Code Sections 65580, *et seq.*) requires that the City Council adopt a Housing Element for the eight-year period 2023-2031 to accommodate the City of Scotts Valley (City) regional housing need allocation (RHNA) of 1,220 housing units, comprised of 392 very-low income units, 257 low-income units, 154 moderate-income units, and 417 above moderate-income units; and

WHEREAS, California Government Code section 65300.9 states that with respect to the adoption and administration of general plans, “[t]he Legislature recognizes that the capacity of California cities and counties to respond to state planning laws varies due to the legal differences between cities and counties, both charter and general law, and to differences among them in physical size and characteristics, population size and density, fiscal and administrative capabilities, land use and development issues, and human needs” and further states that “the intent of the Legislature in enacting this chapter [is] to provide an opportunity for each city and county to coordinate its local budget planning and local planning for federal and

state program activities, such as community development, with the local land use planning process, recognizing that each city and county is required to establish its own appropriate balance in the context of the local situation when allocating resources to meet these purposes”; and

WHEREAS, to comply with the State Housing Element Law, Scotts Valley has prepared the 2023-2031 Housing Element, dated December 2023, and incorporated herein by reference (the Housing Element) in compliance with the State Housing Element Law and has identified sites that can accommodate housing units meeting the City’s RHNA; and

WHEREAS, as provided in Government Code Section 65350, *et. seq.*, adoption of the Housing Element constitutes a General Plan Amendment; and

WHEREAS, as provided in Government Code Sections 65352 – 65352.5 the City mailed a public notice to all California Native American tribes provided by the Native American Heritage Commission and to other entities listed; and

WHEREAS, the Housing Element must be adopted to comply with State law, accommodate the RHNA, affirmatively further fair housing, and facilitate and encourage a variety of housing types for all income levels, including multifamily housing (Gov. Code Sections 65583.2 and 65583(c)); and

WHEREAS, the preparation, adoption, and implementation of the Housing Element requires a diligent effort to include all economic segments of the community; and

WHEREAS, the City has conducted community outreach starting in early 2023, including two community workshops, one public meeting, two joint study sessions before the Planning Commission and City Council, and one-on-one meetings with property owners, developers, community members, and community-based organizations; and

WHEREAS, in accordance with Government Code Section 65585 (b), on May 19, 2023, the City posted the draft Housing Element and requested public comment for a 30-day review period, and on July 5, 2023, after responding to public comments and meeting with City Council and Planning Commission, the City submitted the draft Housing Element to the State Department of Housing and Community Development (HCD) for its review; and

WHEREAS, on September 19, 2023, the City resubmitted an updated Draft Housing Element addressing preliminary comments from HCD after completing a seven-day public review; and

WHEREAS, on October 3, 2023, the City received a letter from HCD providing its comments and findings on the draft Housing Element; and

WHEREAS, on October 20, 2023, the City resubmitted an updated Draft Housing Element addressing the comment letter received from HCD, after completing a seven-day public review; and

WHEREAS, on December 7, 2023, the Planning Commission conducted a duly and properly noticed public hearing to take public testimony and consider this Resolution regarding the 2023-2031 Housing Element, reviewed the Housing Element and all pertinent maps, documents and exhibits, the staff report and all attachments, and oral and written public comments; and

WHEREAS, in conjunction with its review of the 2023-2031 Housing Element, the Planning Commission adopted Resolution No. 1790, recommending that the City Council adopt a General Plan Amendment to repeal the 2015-2023 Scotts Valley Housing Element and adopt the 2023-2031 Housing Element of the General Plan; and

WHEREAS, on December 19, 2023, the City received a letter from HCD providing its comments and findings on the draft Housing Element; and

WHEREAS, the City has updated the Draft Housing Element to address the comment letter received from HCD; and

WHEREAS, the City has determined that the Project is exempt from the California Environmental Quality Act ("CEQA") pursuant to Section §15061(b)(3) and Section §15332 of the CEQA Guidelines because it can be seen with certainty that there is no possibility that the proposed 2023-2031 Housing Element Update would have a significant effect on the environment.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Scotts Valley based on the entire record of proceedings, including the oral and written staff reports and all public comment and testimony:

1. Finds that the foregoing recitals are true and correct and are incorporated by reference into this action; and
2. Finds that the 2023-2031 Housing Element substantially complies with Housing Element Law, as provided on Government Code section 65580 et seq., and contains all provisions required by Housing Element Law, including the City's goals, quantifiable objectives, and policies to affirmatively further fair housing and the maintenance, preservation, improvement and development of housing per Government Code Section 65583(b), as shown in Exhibit A to this resolution; and

3. Adopts the 2023-2031 Housing Element, as shown in Attachment A to this Resolution, incorporated herein and repeals the 2015-2023 Housing Element.
4. Finds that the 2023-2031 Housing Element shall be incorporated into the City's General Plan as an element required by Government Code section 65302 and is consistent and compatible with the rest of the General Plan; and
5. Finds, as required by Government Code Section 65585(e), that the City has considered the findings made by HCD included in their letter to the City dated October 3, 2023, (and December 19, 2023) consistent with Government Code Section 65585(f), and the City has modified the Housing Element in response to the findings of HCD to substantially comply with the requirements of State Housing Element Law.
6. Authorizes the Community Development Director to make changes to the Housing Element as required to make it internally consistent, or to address any changes or amendments requested by HCD to achieve a finding of conformance with State Housing Element Law; and
7. Authorizes the Community Development Director to distribute copies of the Housing Element in the manner provided in Government Code Sections 65357 and 65589.7.
8. Finds that the Project is exempt from the California Environmental Quality Act ("CEQA") pursuant to Section §15061(b)(3) of the CEQA Guidelines.

The above and foregoing resolution was duly and regularly adopted and passed by the City Council of the City of Scotts Valley at a regular meeting held on the 20th day of December 2023, by the following vote:

AYES:
 NOES:
 ABSENT:
 RECUSE:

Approved: _____
 , Mayor

Attest: _____
 Cathie Simonovich, City Clerk



Scott Valley 6th Cycle Housing Element 2023 - 2031

December 2023



Kimley»Horn

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HOUSING ELEMENT



The **Housing Element** identifies and plans for the City of Scotts Valley’s existing and projected housing needs for all economic segments of the community, as well as maintains compliance with all State housing laws. It contains a detailed work program of the City’s goals, policies, programs, and objectives that preserve, improve, and ensure housing for a sustainable future. Each eight-year planning cycle, the City is allocated a specific number of housing units to plan for – the Regional Housing Needs Allocation (RHNA) – and is determined by the Association of Monterey Bay Area Governments (AMBAG). The RHNA quantifies current and future housing growth for all jurisdictions within the region. Through research and analysis, the Housing Element identifies available candidate housing sites and establishes policies and programs to accommodate the RHNA.

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STATE REQUIREMENTS

California State Housing Element Law (California Government Code Article 10.6) establishes requirements for the Housing Element. California Government Code Section 65588 also requires that local governments review and revise the Housing Element of their comprehensive General Plans not less than once every eight years.

Section 65580 of the California Government Code states:

- a.* The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- b.* The successful development of housing requires cooperative participation of government and the private sector to expand housing opportunities and accommodate the housing needs of Californians in all economic levels.
- c.* The provisions of housing, affordable to low- and moderate-income households, requires the cooperation of all levels of the government.
- d.* Local and State governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for housing needs of all economic segments of the community.
- e.* The Legislature recognizes 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 and to cooperate with other local governments and the state in addressing regional housing needs.
- f.* Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality's housing need for all income levels is essential to achieving the state's housing goals and the purposes of this article.

Table 1-1 summarizes the Housing Element requirements and identifies where these requirements are addressed in this document.

Table 1-1: Housing Element Requirements

Housing Element Requirement(s)	Government Code Chapter	Section Reference
Analysis of employment trends.	Section 65583.a	Appendix B
Projection and quantification of existing and projected housing needs for all income groups.	Section 65583.a	Appendix B
Analysis and documentation of the City's housing characteristics, including cost for housing compared to ability to pay, overcrowding, and housing condition.	Section 65583.a	Appendix B
An inventory of land suitable for residential development including vacant sites and sites having redevelopment potential.	Section 65583.a	Appendix F
Analysis of existing and potential governmental constraints upon the maintenance, improvement or development of housing for all income levels.	Section 65583.a	Appendix C
Analysis of existing and potential nongovernmental (private sector) constraints upon maintenance, improvement or development of housing for all income levels.	Section 65583.a	Appendix C
Analysis concerning the needs of the homeless.	Section 65583.a	Appendix B
Analysis of special housing needs: handicapped, elderly, large families, farm workers, and female-headed households.	Section 65583.a	Appendix B
Analysis of opportunities for energy conservation with respect to residential development.	Section 65583.a	Appendix D
Identification of Publicly Assisted Housing Developments.	Section 65583.a	Appendix E
Identification of Units at Risk of Conversion to Market Rate Housing.	Section 65583.a	Appendix E
Identification of the City's goal relative to the maintenance, improvement, and development of housing.	Section 65583.a	Chapter 2
Analysis of quantified objectives and policies relative to the maintenance, improvement, and development of housing.	Section 65583.b	Chapter 2
Identification of adequate sites that will be made available through appropriate action with required public services and facilities for a variety of housing types for all income levels.	Section 65583.c(1)	Appendix F
Identification of strategies to assist in the development of adequate housing to meet the needs of low and moderate-income households.	Section 65583.c(2)	Chapter 2
Description of the Public Participation Program in the formulation of Housing Element Goals, Policies, and Programs.	Section 65583.d	Appendix G
Description of the Regional Housing Needs Allocation (RHNA) prepared by the Association of Monterey Bay Area (AMBAG) Governments.	Section 65583.e	Chapter 1
Analysis of Fair Housing, including Affirmatively Furthering Fair Housing.	Section 8899.50	Appendix E
Review of the effectiveness of the past Housing Element, including the City's accomplishments during the previous planning period.	Section 65583.f	Appendix A

Source: State of California, Department of Housing and Community Development.

REGIONAL HOUSING NEEDS ALLOCATION

Government Code Section 65583 sets forth the requirements of local jurisdictions to provide their “fair share” of regional housing needs. RHNA is the methodology used for determining housing need by income category and is based on trends in population, households, and employment. The statewide determination is under the administration of California Department of Housing and Community Development (HCD), who reviews, certifies, and enforces Housing Elements. The quantified housing need is then allocated among the State’s 18 Metropolitan Planning Organizations (MPOs) – AMBAG for the City of Scotts Valley.

In accordance with California Government Code Section 65583, AMBAG is tasked with creating a methodology for distributing the RHNA to its member jurisdiction. The City’s RHNA is divided into four income categories, which is based on the Santa Cruz County HUD Area Median Family Income (HAMFI) for an assumed family of four. Table 1-2 identifies the Scotts Valley’s RHNA by household income category for the 2023-2031 planning period.

Table 1-2: City of Scotts Valley 6th Cycle RHNA by Income Category

Income Category	Percent of HUD Area Median Family Income (HAMFI)	RHNA
Very Low-Income	0-50% HAMFI	392
Low-Income	51-80% HAMFI	257
Moderate-Income	81-120% HAMFI	154
Above Moderate-Income	>120% HAMFI	417
Total RHNA		1,220

*The Scotts Valley AMI is \$119,300 for a family of four, according to the 2022 HCD Income Limits.

RELATIONSHIP TO OTHER GENERAL PLAN ELEMENTS

The Housing Element works in tandem with all Scotts Valley General Plan Elements. The General Plan was adopted in 1994. In 2012 the City began the process to update the Plan through 2040. The other Elements of the Scotts Valley General Plan include those listed below. The Housing Element must remain consistent with each of these Element.

- Land Use
- Circulation
- Open Space and Conservation
- Noise
- Safety
- Public Service and Facilities
- Parks and Recreations

The Land Use Element is the guide for decision makers on the pattern, distribution, density, and intensity of land uses that help the City achieve its vision for the future. By designating

residential development, the Land Use Element establishes the densities and types of housing units constructed in the City. Land use patterns and decisions are influenced by:

- Population
- Economic growth (which create market demand)
- Transportation access and opportunities
- Availability of infrastructure
- Environmental constraints
- Quality of life reflected in parks and recreational actives
- Look and feel of the City
- Cultural amenities

The presence and potential for jobs affects the current and future demand for housing at the various income levels in the City.

The Housing Element also works with the Circulation Element to connect housing, community resources and services, employment, and recreation. Scotts Valley's Circulation Element supports continuing programs to improve travel by vehicles, bikes, and walking. It also provides guidance on expanding options for transit and active transportation. In conjunction with the Housing Element, the Circulation Element provides policies and incentives that consider the types of infrastructure essential for residential developments, in addition to mitigating the effects of growth in the City.

The Housing Element has been reviewed for consistency with the 1994 General Plan Elements; policies and programs are generally consistent with the policy direction contained in other parts of the Scotts Valley General Plan. The Land Use Element will need to be revised to include the rezones proposed in this Housing Element. As the General Plan is currently undergoing an update, it will need to consider the policies and programs included in the Housing Element for consistency.

PUBLIC PARTICIPATION

Public participation is a vital component to the Housing Element update process. Public engagement creates opportunities for community members to provide their input and feedback, information which then directs the Housing Element's goals, policies, and programs. Section 65583 of the Government Code states, "local government[s] shall make diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort." Community participation ensures that a variety of stakeholders and community members are offered a platform to engage in the City's planning process.

As required by Government Code Section 65585(b)(2), all written comments regarding the Housing Element have been provided to each member of the City Council. Appendix G contains all outreach conducted and public comments received during the update process.



The Housing Element’s fundamental priority is to provide housing that fulfills the diverse needs of the Scotts Valley community – the [Housing Plan](#) provides the methodology to achieve that. The goals and policies contained in this chapter address Scotts Valley’s identified housing needs, which are implemented by a series of housing programs. Housing programs include current City efforts and new initiatives that address the City’s unmet housing needs and updates to State housing law.

Goals, Policies & Programs

Goal H-1 Promote a balanced mix of housing types, prices, and opportunities by increasing the number of housing units to accommodate population and employment growth.

Policies

- | | |
|---------------------|---|
| Policy H-1.1 | Housing Variety
Encourage the production of new residential development which provides a choice of housing type, density, and cost to meet the housing needs of all segments of the community. |
| Policy H-1.2 | Appropriate Infrastructure
Ensure that new residential sites have appropriate community services and public facilities, including streets and roadways, water, sewer, and other needed infrastructure. |
| Policy H-1.3 | Mixed-Use Development
Facilitate and encourage the development of mixed-use residential and commercial projects at appropriate locations along major corridors, within established design guidelines. |
| Policy H-1.4 | Affordable Housing Development Incentives and Concessions
Offer regulatory incentives and concessions for affordable housing, such as modified development standards, density bonuses, or fee waivers where deemed to be appropriate. |
| Policy H-1.5 | Town Center Specific Plan
Continue to support the development of Town Center to provide a range of housing types, retail, commercial uses, public facilities, and open space that serve as the focal point for the community. |
| Policy H-1.6 | Quality Affordable Housing
Encourage density levels and incentives, for affordable housing, sufficient to facilitate the production of quality affordable housing. |

Programs

Program H-1.1 6th Cycle Regional Housing Needs Allocation

The City has a total RHNA of 1,220. State law requires the City to identify sites to accommodate its fair share allocation for the 2023-2031 planning cycle. The City has identified housing unit capacity through projects in the pipeline, projected ADU development, and the Town Center Specific Plan. To meet the remaining RHNA need across all income categories, the City has identified the rezone actions listed below, including increased density residential rezones and mixed-use rezones with higher residential percentages at higher densities.

Additionally, the City shall continue to use the Town Center Specific Plan and appropriate zoning to ensure that adequate sites are available (as defined by Government Code section 65583) to accommodate the City's RHNA for all income categories throughout the planning period.

The City shall also monitor housing development city-wide on an ongoing basis to ensure that the sites identified in Appendix F are developed at densities appropriate for fulfilling its RHNA requirement for the 6th Cycle. Should a project be approved on a sites with a lower density than that identified in the 6th Cycle Housing Element, the City will assess its continued ability to accommodate the RHNA. Should the project result in a shortfall in sites, the City will address the "No Net Loss" requirements by identifying additional sites to replenish the candidate sites inventory in accordance with State law within 180 days.

Actions:

- **Residential Rezones:** Adopt a zoning ordinance and General Plan Land Use amendment to rezone 4.23 acres on 6 parcels (identified in Appendix F) to permit residential uses ranging up to a density of 40 dwelling units per acre. The rezoning would accommodate 168 units, including 65 lower income units.
- **Mixed-Use Rezones:** Adopt a zoning ordinance and General Plan Land Use amendment to rezone 36.6 acres on 29 parcels (identified in Appendix F) to permit mixed-use developments ranging up to a density of 40 dwelling units per acre with up to 70 percent residential. The rezoning would accommodate 801 units, including 318 lower income units.
- **Town Center Specific Plan:** Adopt a Specific Plan amendment to allow for residential development at the scale established in Appendix F:

- The City is in contract to remediate surface soil contamination by December 2023. Remediation efforts have begun as of October 2023.
- By December 2025, amend the Specific Plan to increase the density for residential uses on the City-owned sites identified in Appendix F.
- By December 2026, complete the necessary rezonings to accommodate the increased density.
- Continue to implement appropriate zoning to ensure that adequate sites are available (as defined by Government Code section 65583) to accommodate the City’s RHNA for all income categories.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Adopt rezones within 3 years of the 6th Cycle Housing Element statutory deadline

Program H-1.2 By-Right Development Program

AB 1398 states that a jurisdiction which cannot identify sufficient sites to adequately accommodate its regional housing need must commit to rezone properties within three years to allow “by-right” development of 20 percent Below Market Rate (BMR) projects.

Additionally, AB 1397 amended Housing Element Law to require that sites identified in prior Housing Elements must be allow residential developments “by-right” if they offer at least 20 percent affordable units and meet the standards established by the Government Code.

The City will establish a By-Right Development program to comply with State law and all requirements established in Government Code section 65583.2 (c), (h), and (i).

Actions:

- Adopts and implement a By-Right Development Program to comply with the AB 1398 and 1397 requirements, as well as requirements established in Government Code section 65583.2 (c), (h), and (i).

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: By January 2025

Program H-1.3 Sites Inventory Monitoring Program

Establish a Sites Inventory Monitoring Program consisting of an ongoing record of the number of units and income categories of the development

approved on sites listed in the Housing Element, to ensure that the City at all times maintains an ongoing supply of available sites with appropriate densities to meet projected housing needs for all income categories. As part of the Annual Progress Report, the City will monitor the progress of pending projects, ADU projections, and development on City-owned parcels, parcels with existing residential capacity, and rezoned parcels. If residential development is not sufficiently progressing towards building permits or if the City is not meeting the pro-rated share of the RHNA at all income levels by midway through the planning period, the City will evaluate its sites inventory and capacity to maintain adequate sites throughout the planning period and, if necessary, identify strategies to streamline and/or assist projects through entitlement (including, but not limited to, technical assistance, expedited review, and/or support of funding applications), adopt amendments to the ADU development regulations, or implement other strategies, such as General Plan and zoning changes to allow for greater residential densities.

The City will also make findings required by 'no net loss' law (Section 65863) if projects are approved with fewer units or different income categories than shown in the Housing Element. If project approval results in fewer units in any income category to meet the City's remaining RHNA, take action, including rezoning, within 180 days to make adequate sites available.

Actions:

- Establish and maintain a Sites Inventory Monitoring Program.
- Adopt findings with each City approval for residential projects identifying the breakdown of units by income category and establish whether 'no net loss' findings to be made, if either fewer units are developed than shown in the housing element, or if the units are being developed in different income categories than projected. If 'no net loss' findings must be made, the City must either find that it is maintaining enough sites to accommodate the remaining RHNA, or if there are not enough sites to accommodate the remaining RHNA. If there are not enough sites, the City has 180 days to make adequate sites available.
- Annually monitor the progress of pending projects, ADU projections, and development on City-owned parcels, parcels with existing residential capacity, and rezoned parcels through the APR.
- If residential development is not sufficiently progressing towards building permits or if the City is not meeting the pro-rated share of the RHNA at all income levels by December 2028, the City will identify strategies to maintain adequate sites throughout the planning period.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Establish a Sites Inventory Monitoring Program by January 2025; adopt findings with each City-approval for residential projects on a Housing Element site; annually monitor development progress through the APR.

Program H-1.4 Planned Development

Provide development flexibility through the Planned Development District (PD). The PD District is designed to enable projects to modify specific development standards for a site that facilitate quality development and respond to unique site or environmental conditions. For example, a PD district allows for increased site intensities, location and height than normally allowed under the Zoning Code. In these cases, the PD district provides a means of flexibility to secure modifications to otherwise set development standards. PD districts are not pre-established throughout the City; rather, an applicant would apply for one if they were seeking to modify specific development standards.

Actions:

- Continue to provide flexible design through the PD zoning district.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: On a project-by-project basis.

Program H-1.5 Accessory Dwelling Unit Program

The City shall facilitate the development of Accessory dwelling units (ADUs; also referred to as secondary dwelling units or “granny units”) per State law requirements. ADUs are accessory to a primary residence and include complete independent living facilities. ADUs may be detached or attached to the primary structure; converted existing space, such as a garage, storage area, or similar use; or a Junior ADU (JADU) which is entirely contained within an existing or proposed single-family residence. Existing single-family parcels may provide a cost-effective solution for current housing needs through ADU development.

State law updates since 2016 have played an important role in facilitating ADU development. The City will modify its current “Secondary Dwelling Unit Program” from the 5th Cycle Housing Element to comply with changes in State law regarding ADUs. This will include updating the City’s “Secondary Dwelling Unit” to comply with State law.

The City will establish an ADU monitoring program to track applications and affordability to ensure adequate ADU development is occurring to meet the 6th Cycle RHNA goals. The City will review ADU production and affordability levels annually to determine if assumptions made in the Housing Element are accurate. If assumptions are not met, and depending on the results of the survey, the City will take additional actions, which could include additional public outreach efforts, modifications to processes, further streamlining and incentivization, rezoning additional sites, or similar actions.

The City will also implement the actions listed in this Program as a means of promoting increased ADU development, as projected in Appendix F of this Housing Element, and facilitating the development of affordable ADUs.

Actions:

- Modify the current “Secondary Dwelling Unit Program” from the 5th Cycle Housing Element to comply with changes in State law regarding ADUs. This will include updating the City’s “Secondary Dwelling Unit” Ordinance in compliance with State ADU laws. Submit revised ordinance to HCD in compliance with State law.
- Establish and promote permit-ready ADU plans to minimize design costs, expedite permit processing, and provide development certainty.
- Establish and maintain an ADU Manual guiding applicants through the permitting and construction of an ADU.
- Establish and maintain an ADU webpage informing the community on ADU related codes, processes, and incentives.
- Establish an incentive program for deed-restricted affordable ADUs such as waived permitting fees and/or priority processing.
- Establish an ADU monitoring program, and by the mid-cycle point of the planning period, if assumptions for production and affordability are not meeting what was assumed, then the City will implement changes within one year. Changes include, but are not limited to, additional outreach and incentives. If the gap between assumptions and production is “large” then the City will identify additional capacity in the inventory and rezone, if applicable.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Amend the “Secondary Dwelling Unit Program” by January 2025; Establish permit-ready ADU plans, an ADU Manual, an ADU webpage, an incentives program by January 2026. Monitor ADUs annually through the APRs and if assumptions for production and affordability are not meeting what was assumed then the City will implement changes within one year.

Program H-1.6 Removal of Residential Development Constraints

The City shall facilitate housing development, particularly affordable housing, by reviewing residential development standards for possible constraints. The City will continue to monitor development trends and meet with the development community to discuss the permitting and development process.

As of May 2023, the City requires two parking spaces for each multi-family dwelling units, plus one space for each five units. Per HCD guidance, this requirement may create a constraint to the development of affordable housing units. The City will conduct research and adopt changes to the parking requirements to address this constraint, including, but not limited to, a sliding scale based on the number of bedrooms or a set reduced requirement no greater than 2 spaces per unit.

Through the rezoning process, the City shall review its applicable residential development standards and may amend or establish certain standards for the identified zones, including, but not limited to, height limits. The City will not establish more constrictive development standards during rezoning.

Actions:

- Conduct a comprehensive study of residential development standards applicable to developments in zones that permit residential uses to determine which standards are potential constraints to housing.
- Adopt a Zoning Ordinance amendment to residential development standards to address and reduce constraints, including parking requirements for multi-family developments such as, but not limited to, a sliding scale based on the number of bedrooms or a set reduced requirement no greater than 2 spaces per unit.
- Annually review development trends and biennially meet with the development community to receive input and feedback. If constraints are identified that inhibit the development of affordable housing, adopt changes within two years.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Conduct a study of development standards by zoning designation within one year of the Housing Element Statutory deadline; Adopt an amendment to the Zoning Ordinance by January 2026; Annually review development trends and biennially meet with the development community; if constraints are identified throughout the Planning Period, adopt changes within two years.

Program H-1.7 **Mixed-Use Development**

The City shall continue to allow for mixed-use developments along corridors to create opportunities for higher density residential paired with commercial uses that promote convenient access to jobs, shopping services, recreation, and multi-modal transportation. Residents in these developments and adjacent neighborhoods may benefit from less dependency on single-vehicle occupancy resulting in decreased congestion, reduced emissions, and decreased household expenses for vehicle use.

Through Program H-1.1, the City shall rezone 29 parcels to allow for a density of up to 40 dwelling units per acre and a residential component of 70 percent in order to facilitate the development of 801 possible units.

Actions:

- Conduct a comprehensive study on identified mixed-use development standards and requirements ahead of adopting rezones.
- Adopt development incentives, such as, but not limited to, decreasing the commercial component for projects that include a greater number of affordable units, for candidate sites identified for mixed-use rezoning.
- Annually meet with the development community and property owners to identify development opportunities and interest.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Conduct the study prior to adoption of the rezones; Adopt development incentives in conjunction with the rezones; annually meet with the development community and property owners

Program H-1.8 **Facilitation of Affordable Housing Development**

In addition to rezoning strategies to facilitate affordable housing development, the City shall expand the existing Inclusionary Housing Ordinance city-wide which require developers of housing units to restrict some units to moderate-, low-, very low-, and/or extremely low-income households. The City shall also collaborate with affordable housing developers to identify opportunities, incentives, and funding to facilitate affordable housing development.

Actions:

- Conduct a comprehensive study on expanding the Inclusionary Housing Ordinance to establish standards and requirements that promote affordable housing development.
- ~~Amend~~ Adopt an amendment to the City's Inclusionary Housing Ordinance to apply city-wide, restrict units based on affordability.



- Annually meet with the development community and property owners. Based on the feedback received, adopt changes, incentives, and seek funding to facilitate affordable housing development.
- Create and maintain information on the City’s website on the development of affordable housing.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Conduct the study by July 2026; Amend the Inclusionary Housing Ordinance by January 2027; Meet with the development community and property owners annually; create an informational webpage by January 2027

Program H-1.9 Senate Bill 330

The City shall continue to comply with SB 330 restrictions for residential developments. This includes: 1) suspending enactment of local downzoning and housing construction moratoriums; 2) requiring timely processing of housing permits following existing local zoning rules; 3) lifting required parking minimums; 4) eliminating certain fees on low income units; 5) postponing requirements for voter approval of zoning, general plan changes; 6) protecting rent controlled or Section 8 units from demolition; and 7) requiring resettlement benefits and first right of refusal in new units or compensation for rehousing for renters who may be displaced.

Actions:

- Continue to comply with SB 330 restrictions.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Through the end of the SB 330 10-year timeframe.

Program H-1.10 Surplus Land Act

The Surplus Lands Act (SLA) of California (Government Code Section 54220 et. seq.) and AB 1486 (2019) requires the City to declare property to be “surplus land” before the City can take any action (sale or lease) to dispose of the property. Surplus land is land deemed not necessary for a local agency’s use, including that according to a local agency’s plan, including but not limited to, utility sites or land used for conservation purposes. The City will maintain a list of all surplus City-owned lands, including identification of address, APN, General Plan land use designation, zoning, current use, parcel size, and status (surplus land or exempt surplus land), in accordance with State Housing Law. In accordance with State Housing Law, should surplus land be identified in the future, the City will work with non-profits and public

agencies to evaluate the feasibility of transferring surplus city-owned lands not committed to other City purposes for development of affordable housing by the private sector. The inventory will be updated annually in conjunction with the Annual Progress Report program. Any disposition of future surplus lands shall be conducted consistent with the requirements of Government Code Section 54220 et. seq.

The City has identified sites in the Appendix F that are owned by the City and are planned to accommodate a portion of the City's Regional Housing Needs Allocation (RHNA) during the Planning Period. In accordance with the Surplus Lands Act, these sites are planned to be put out to competitive bid and sold to a developer as part of a mixed use project. The project will be larger than one acre mixed use development with a minimum of 300 residential units, at least 25% of which are reserved for lower income households.

Actions:

- By December 2026, declare City-owned sites (APNs 022-721-06, 022-212-19, 022-601-01) as surplus and approve a resolution making the findings that the project will be put out to competitive bid and will be larger than one acre mixed use development with a minimum of 300 residential units, at least 25% of which are reserved for lower income households as required by the Surplus Lands Act; however, the City intends for those parcels to be developed as 100% affordable. A successful bidder will be required to enter into a regulatory agreement establishing the minimum affordability requirements.
- The City shall provide assistance to a successful bidder by offering technical assistance; facilitating entitlements; assisting with funding, as available, and/or supporting funding applications.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: By December 2026, declare City-owned sites (APNs 022-721-06, 022-212-19, 022-601-01) as surplus and approve a resolution making the findings that the project will be put out to competitive bid and will be larger than one acre mixed use development with a minimum of 300 residential units, at least 25% of which are reserved for lower income households.

Program H-1.11 Non-Vacant Sites Development

The City has identified a number of non-vacant candidate sites to accommodate future potential housing development. These sites were assessed for their likelihood and potential for redevelopment. To facilitate the residential development of these non-vacant candidate sites, the City will provide additional incentives such as, but not limited to, technical assistance, support funding applications, and reduced development standards.

Actions:

- Provide additional incentives on a project-by-project basis such as, but not limited to, technical assistance, support funding applications, and reduced development standards.
- Engage property owners annually to discuss development opportunities.
- See Program H-1.3 for additional actions should development not occur as anticipated in this Housing Element.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Provide incentives on a project-by-project basis; Engage property owners annually

Goal H-2 Foster high-quality, safe, and livable housing and residential neighborhoods through the preservation of Scotts Valley’s current housing stock. Preserve the City’s supporting services and programs that are intended to maintain and preserve the quality, the continued availability, and the affordability of housing and the City’s residential neighborhoods.

Policies

- Policy H-2.1** **Property Maintenance Standards**
Maintain the quality of ownership and rental housing through periodic revision and enforcement of housing and property maintenance standards.
- Policy H-2.2** **Access to Infrastructure**
Continue to support the repair and upgrade of infrastructure, services, and public facilities in existing neighborhoods.
- Policy H-2.3** **High Quality Residential Design**
Continue to ensure residential projects are of high quality and thoughtful design through the implementation of architectural and design standards.
- Policy H-2.4** **Preservation of Affordable Housing**
Preserve the supply of affordable rental housing, including mobile home parks, and subsidized rental housing, and special needs housing.

Programs

Program H-2.1 Code Enforcement

Continue to enforce City ordinances related to property maintenance, building conditions, and other issues through the City's Building Department. Zoning and building codes are designed to preserve housing in good condition and maintain the quality of neighborhoods.

Actions:

- Continue to implement an active code enforcement program through the Building Department and inform residents of rehabilitation assistance grants when available at City Hall and on the City's website. Also continue to offer online and physical forms for residents to submit Code Enforcement complaints through.
- Conduct a biennial review of code enforcement cases to identify potential trends in the location or type of case. Adopt prevention and assistance programs if trends are identified to proactively decrease future issues.

Responsible Agency: Planning and Building Departments

Funding Source: General Fund

Timeframe: Implement an active code enforcement program throughout the Planning Period; provide information at City Hall and online by January 2027; Conduct a biennial review of cases – if trends are identified adopt prevention assistance programs within one year

Program H-2.2 Design Review

Continue to require Design Review to ensure that new housing projects blend in with the character of the neighborhood, respect topographical and environmental features in Scotts Valley, and ensure compatibility with surrounding land uses. Design Review is required for mixed-use projects, multifamily residential projects, and projects located in the hillside combining district.

Actions:

- Continue to review projects to ensure consistency with the General Plan Zoning Ordinance and area design guidelines. Priority processing will go to affordable housing projects.
- Review the Residential Design Handbook and design review process for subjective language and adopt modifications.
- Adopt objective design standards for all residential uses.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Review projects and provide priority to affordable housing projects as applications are submitted; Review the Residential Design Handbook and design review process and adopt modifications by January 2025; Adopt objective design standards by January 2025

Program H-2.3 Monitor and Preserve Affordable Housing

The City will inventory and gather information to proactively monitor publicly assisted housing units that have the potential to convert to market rate. Appendix E of this Housing Element identifies 22 affordable units at-risk of conversion through 2033.

The City will continue to monitor the status of projects and provide technical and financial assistance as feasible to ensure the projects remain affordable for the long-term.

Actions:

- Continue to maintain the Affordable Housing Opportunities Database with detailed information on all subsidized units, including those that have affordability covenants.
- Pursue funding sources such as HUD Section 208/811 loans, HOPE II and II Homeownership Program funds, HOME funds, CDBG funds, Low-Income Housing Tax Credit Programs, California Housing Finance Agency single-family and multi-family programs, and other similar programs to stimulate private developer and non-profit entity efforts in the development and financing of housing for lower and moderate-income households.
- Pursue partnership opportunities with non-profits to preserve and expand affordable housing in the City, as well as to provide educational opportunities and assistance for tenants.
- Pursuant to Government Code sections 65583.2(g)(3), 65915(c)(3), and 66300(d), ensure that when existing housing is demolished, at least an equivalent number of units are created, and that lower income housing and relocation payments are required as specified by these statutes.
- Coordinate with property owners to preserve affordable units at risk to maintain and extend affordability. This may include technical assistance, funding application support, and/or recommending agencies or organizations that may provide additional assistance.
- Comply with noticing requirements pursuant to Government Code section 65863.10.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Maintain the Affordable Housing Opportunities Database throughout the Planning Period; Annually pursue funding sources and partnerships until at-risk units are maintained; Begin coordination with property owners upon adoption of the Housing Element and outreach annually until at-risk units are maintained

Program H-2.4 Mobile Home Park Conversion Ordinance

Continue to implement the City's Mobile Home Park Conversion Ordinance which recognizes that the unrestricted conversion of mobile home parks to other uses can further diminish the availability of mobile home parks and rental space and can subject tenants to the costs and inconvenience of relocation. The Ordinance provides a formal application procedure for mobile home park conversion and requires approval by the Planning Commission or City Council.

Actions:

- Continue to implement the Mobile Home Park Conversion Ordinance in an effort to protect existing mobile home parks and the supply of affordable housing, subject to the limitations imposed by State law.
- Provide information on the Mobile Home Park Conversion Ordinance and other fair housing information on the City's website and at City Hall.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Implement the Mobile Home Park Conversion Ordinance throughout the Planning Period; Provide information at City Hall and online by January 2027

Program H-2.5 Mobile Home Park Rent Stabilization Ordinance

Continue to implement the Mobile Home Park Rent Stabilization Ordinance which recognizes the need to protect the residents of mobile homes from unreasonable space rent increases, while at the same time recognizing the need for mobile home park owners to receive a reasonable income and return on investment. The City receives, investigates, and holds hearings on requests for rent adjustments through the City's Mobile Home Rent Review Commission.

Actions:

- Continue to implement the Mobile Home Park Rent Stabilization Ordinance in an effort to promote and enhance fairness in the economic relationship between mobile home park owners and mobile homeowners.



- Provide information on the Mobile Home Park Conversion Ordinance and other fair housing information on the City’s website and at City Hall.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Implement the Mobile Home Park Rent Stabilization Ordinance throughout the Planning Period; Provide information at City Hall and online by January 2027

Program H-2.6 Development of Large Lots

The City shall adopt a program to facilitate the development of lots larger than ten acres, particularly for the development of affordable housing units. This includes, but is not limited to, streamlining parcelization of these large sites and providing technical assistance to property owners and developers seeking to develop a parcel over ten acres.

The City shall provide information on this program online and promote it as an option when meeting with potential developers and property owners.

Actions:

- Adopt and implement a program to facilitate the development of lots larger than ten acres.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Adopt and implement the program by January 2026

Program H-2.7 SB 35 Streamlining

The City shall establish written procedures to comply with California Government Code Section 65913.4 and publish those procedures for the public, as appropriate, to comply with the requirements of Senate Bill 35 (SB 35), Chapter 366 Statutes 2017. These requirements apply at any point in time when the City does not meet the State mandated requirements, based upon the SB 35 Statewide Determination Summary Report for Housing Element progress and reporting on Regional Housing Needs Assessment (RHNA). The City shall process development projects with at least 50 percent affordable units through a streamlined permit process set forth in State law. All projects covered by SB 35 are still subject to the objective development standards of the Municipal Code, including the Building and Fire Codes. However, qualifying projects cannot be subject to discretionary review or public hearings; and in many cases, the City cannot require parking. Reduced parking requirements would be established consistent with the requirements of SB 35 for qualified streamlining projects.

Actions:

- Establish SB 35 procedures and provide information online.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Establish and implement the program by January 2026

Program H-2.8 Lot Consolidation

In its candidate sites inventory, the City has identified sites that are less than half-an-acre in size. The City will facilitate the consolidation of vacant and underutilized lots for residential development through incentives such as, but not limited to, technical assistance, reduction in lot size and setback requirements, and/or parking reductions. Consolidation will provide the opportunity to develop vacant and underutilized lots to their fullest potential. The City will evaluate the appropriateness of a variety of incentives and provide this information to the developers and other interested parties through the City's website and at City Hall.

Actions:

- Facilitate the consolidation of vacant and underutilized lots or residential development.
- Adopt and promote incentives online and at City Hall.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Adopt and implement the program by January 2026

Program H-2.9 Transit Oriented Development

The City shall continue to work with AMBAG and Santa Cruz METRO to provide and, when possible, expand services throughout Scotts Valley and the region. This may include coordination and recommendations on various planning documents, such as the 2050 MTP/SCS.

Actions:

- Coordinate with AMBAG and Santa Cruz METRO to provide recommendations and input on service availability.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Throughout the planning period and when various transit-related planning documents are in-progress.

Goal H-3 Expand and protect a range of housing opportunities for all demographic, economic, and special needs groups in the community.

Policies

- Policy H-3.1 Housing for Special Needs Groups**
Encourage the provision of support and housing services for special needs groups, including seniors, large families, disabled persons, persons with developmental disabilities, single parents, college students, persons experiencing homelessness, farmworkers, and others.
- Policy H-3.2 Partnerships with Nonprofit Housing and Service Providers**
Work with nonprofit housing and service providers to ensure that housing and supportive service needs of residents are met.
- Policy H-3.3 Promote Equal Housing Opportunities**
Promote equal housing opportunities and discourage discrimination in the sale, rental, or occupancy of housing.

Programs

- Program H-3.1 Promoting Housing Choice Voucher (HCV) Program**
The City shall promote the Housing Choice Voucher (HCV) Program which extends rental subsidies to very low-income households. The program offers a voucher that pays the difference between the current fair market rent established by the Santa Cruz County Housing Authority and what a tenant can afford to pay (i.e. 30 percent of household income).
- The HCV Program also includes a homeownership opportunity – renters who have participated in the Program for a minimum of one year, are ready to buy a house, and are pre-qualified for a mortgage loan from a participating lender, may have their monthly housing assistance payment applied to a mortgage payment rather than rent. A three percent down-payment is required to be paid by the prospective homebuyer. As the City has little control over how the County's programs are administered, the City will facilitate information sharing and coordination with the County.

Actions:

- Continue to participate in the Housing Authority of Santa Cruz County Voucher Rental Assistance Program.
- Annually host an informational workshop with the Housing Authority of Santa Cruz County for renters, property owners, and prospective homeowners to provide information on the voucher program and source of income discrimination, as well as increase participating properties.
- Continue to refer residents to the County program and provide information at City Hall and on the City's website.
- Biennially outreach to property owners and landlords to market the voucher program and enforce State law banning source of income discrimination.

Responsible Agency: Planning Department; Housing Authority of Santa Cruz County

Funding Source: HUD HCD Fund

Timeframe: Continue to participate in the Housing Authority of Santa Cruz County Voucher Rental Assistance Program and refer residents throughout the Planning Period; Annually host a workshop; Biennially outreach to property owners

Program H-3.2 Affirmatively Furthering Fair Housing

Pursuant to Assembly Bill 686 (AB 686), the City shall affirmatively further fair housing by taking meaningful actions that foster inclusive communities free from barriers that restrict access to opportunities based on protected characteristics, as defined by State law.

Based on analysis in Appendix E, Scotts Valley is made up of high resource areas with high economic, education, and in proximity to employment sources. Scotts Valley households may currently be defined as mostly White, affluent, and with no risk of displacement. Residents in the City also benefit from very low environmental burdens. Given the City's high quality level of living and access to resources, this program's actions aim to create opportunities for increased diversity and access to a variety of affordable housing options. The actions also aim to protect the City's existing lower income population from possible displacement. In the process, the City shall collaborate with the community, stakeholders, and appropriate organizations and agencies to address potential fair housing issues.

Actions	Geographic Target	Timeframe
Housing Mobility Strategies		
Create and promote informational materials on the location of participating voucher properties and availability of voucher programs/financial assistance. See Action H-3.1.	City-wide.	By January 2026; throughout the Planning Period
Annually outreach to landlords to expand the location of participating voucher properties.	Census tracts 12.08, 12.09, 12.12.	Annually throughout the Planning Period
Partner with the Santa Cruz Housing Authority to host an annual educational workshop on voucher programs and source of income discrimination.	City-wide.	Annually throughout the Planning Period
Extend housing choice voucher search times for particular groups, such as larger families with children or persons with disabilities. Aim to assist 20 households with special needs access housing choice vouchers.	City-wide and aimed at special housing needs populations in the City.	By January 2026
Affirmatively market government assistance and new affordable housing units, as available, to community organizations and agencies assisting lower income households in the region. Promote the information in multiple languages on the City's website and at City Hall.	City-wide with a goal of addressing RCAAs.	As new units and resources become available; annually throughout the Planning Period
Affirmatively further fair housing for Black, Indigenous, and other People of Color, particularly those <u>with</u> disabilities by facilitating the development of extremely low-income units. Aim to develop 20 new extremely low-income units.	City-wide	Throughout the Planning Period
<u>Implement a number of actions listed in Program H-1.5 to facilitate the development of at least 40 ADUs throughout the planning period, particularly in lower density areas as a method of providing "missing middle"¹ housing.</u>	<u>Lower density and RCAA neighborhoods</u>	<u>Throughout the Planning Period – additional actions and timeframes established in Program H-1.5</u>
<u>Create and promote an SB 9 factsheet with information on State law authorizing duplexes in single-family zones.</u>	<u>Single-family zones</u>	<u>By January 2026</u>
<u>Adopt a Zoning Code amendment to facilitate SB 9 development, as permitted by State law, to facilitate the development of affordable housing opportunities in existing lower density neighborhoods.</u>	<u>Lower density neighborhoods</u>	<u>By January 2026</u>
<u>Research and establish homesharing program(s), and coordinate with relevant organizations (such as Senior Network Services) and interested residents to annually present information to</u>	<u>Lower density neighborhoods</u>	<u>By January 2026 and annually throughout the Planning Period</u>

¹ "The Missing Middle Housing types provide diverse housing options, such as duplexes, fourplexes, cottage courts, and multiplexes. These house-scale buildings fit seamlessly into existing residential neighborhoods and support walkability, locally-serving retail, and public transportation options. They provide solutions along a spectrum of affordability to address the mismatch between the available U.S. housing stock and shifting demographics combined with the growing demand for walkability." -Opticos Design, Inc.

Actions	Geographic Target	Timeframe
<u>prospective homeowners – this may serve as an opportunity to create affordable housing options within existing single-family homes and in lower density neighborhoods.</u>		
New Housing Choices and Affordability in Areas of Opportunity		
Continue to implement the Inclusionary Housing Below Market Rate (BMR) Program. See Action H-1.8.	City-wide and on candidate sites.	Throughout the Planning Period and as project applications are submitted
Facilitate the development of ADUs at affordable rates. See Action H-1.3.	City-wide and with added focus on single-family neighborhoods.	Throughout the Planning Period
Facilitate the development of affordable housing units for special housing needs population. This may include, but is not limited to, technical assistance, support for funding applications, permitting fee waivers, and development standards concessions, and other similar actions.	Along Mount Hermon Road and Scotts Valley Drive – in close proximity to community resources and services.	Throughout the Planning Period and as project applications are submitted
Review future policies and programs for potentially restrictive practices that would limit diversity in the Racially Concentrated Areas of Affluence (RCAAs).	Census tracts 12.08, 12.09, 12.12.	Annually and as issues are raised
Establish specific incentives for the development of affordable units in the RCAAs including, but not limited to, permit streamlining and reduced fees.	Census tracts 12.08, 12.09, 12.12.	By January 2026
See Program H-1.1 for rezone strategies.		
Place-Based Strategies to Encourage Community Conservation and Revitalization		
Create and promote informational materials on housing accessibility, rehabilitation, and maintenance resources. Materials to be distributed at the senior center, library, Civic Center, and at community events. Aim to provide home repair and rehabilitation assistance for at least 20 households.	City-wide	By January 2026; materials to be distributed and promoted annually
Annually hold a community workshop or webinar with relevant community organizations and agencies to discuss and promote available resources.	City-wide	Annually throughout the Planning Period
Protecting Existing Residents from Displacement		
Annually hold a community workshop with relevant community organizations and agencies to discuss the needs of persons with disabilities and identify whether additional resources and development concessions are needed. If necessary changes are identified, adopt amendments within 6 months.	City-wide	Annually; adopt necessary changes within 6 months

Actions	Geographic Target	Timeframe
Continue to refer fair housing discrimination issues to the Civil Rights Department (CRD), including inquiries regarding landlord-tenant mediation and tenant rights.	City-wide	Annually throughout the Planning Period
Establish an accessibility program to improve access to housing, transit, public buildings and facilities, sidewalks, pedestrian crossings, and businesses for persons with disabilities.	City-wide	By January 2026
Pursue at least 2 funding opportunities to address accessibility for persons with disabilities.	City-wide	Annually throughout the Planning Period
Provide information and educational materials on fair housing services for property owners, apartment managers, and tenants at City Hall and online.	City-wide	Annually throughout the Planning Period
<u>Continue participation in the Community Grants Program as funding allows, with a focus on funding programs that continue to focus on maintaining the quality of life for residents of Scotts Valley and special needs populations.</u>	<u>City-wide with a focus on special needs populations.</u>	<u>As funding allows throughout the Planning Period</u>
Monitor and respond to complaints of discrimination and refer tenants to the California Department of Fair Employment and Housing for proper intake, investigation, and resolution of fair housing complaints.	City-wide	As complaints are submitted

Responsible Agency: Planning Department
Funding Source: General Fund
Timeframe: See individual actions

Program H-3.3 Childcare and Daycare Facilities

The City shall continue to support the availability of high quality childcare services available, affordable, and accessible to those persons who either live or work in the City and who desire or need such services. Scotts Valley recognizes that children represent our future community, but also recognizes that existing childcare services and facilities may not be adequate to meet today's increasing demand. To ignore this fact jeopardizes the long-term quality of the City's social, physical, and economic well-being.

Actions:

- Continue to work with childcare providers and the County to promote adequate childcare facilities within the community.

- Provide information at City Hall and on the City’s website on current zoning regulations that apply to childcare and daycare facilities.
- Encourage new development to provide childcare and daycare facilities through a variety of activities, including outreach to developers; providing financial assistance, when available; providing expedited processing; identifying grant and funding opportunities; and providing information on the City’s Density Bonus Ordinance.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Continue to work with childcare providers and the County throughout the Planning Period; Provide information at City Hall and online by January 2027; Coordinate with developers on a project-by-project basis

Program H-3.4 Reasonable Accommodation

In compliance with Government Code Section 65583, the City shall remove potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels and for persons with disabilities. The Fair Housing Act, as amended in 1988, requires that cities and counties provide reasonable accommodation to rules, policies, practices, and procedures where such accommodation may be necessary to afford individuals with disabilities equal housing opportunities. Reasonable accommodation provides a basis for residents with disabilities to request flexibility in the application of land use and zoning regulations or, in some instances, even a waiver of certain restrictions or requirements from the local government to ensure equal access to housing opportunities. In general, City Staff takes into consideration the provisions of the California Americans with Disabilities Act (Cal ADA) in the review and approval of housing projects and grants modifications and deviations from the Municipal Code to accommodate the needs of persons with disabilities. The City shall continue to implement the Reasonable Accommodation Ordinance adopted in 2014.

The City shall also amend its Reasonable Accommodations findings in accordance with applicable fair housing laws.

Actions:

- Maintain updated information online on the reasonable accommodation ordinance, including information on the application process, fees, and requirements.
- Revise reasonable accommodation process to ensure that reasonable accommodation requests may only be denied in accordance with findings required by applicable fair housing laws.

- Amend the reasonable accommodations findings to remove subjective language.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: By January 2026

Program H-3.5 Housing for Persons with Developmental Disabilities

The City shall promote and facilitate the development of housing for persons with developmental disabilities. The housing needs of persons with developmental disabilities are typically not addressed by Title 24 (California Building Standards Code) regulations or local zoning regulations and may require modifications to existing units and/or a varying range of supportive housing facilities. The design of housing accessibility modifications, the proximity to services and transit, and the availability of group living opportunities represent some of the types of considerations that are important in serving this population. Incorporating “barrier-free” design in all new multi-family housing (as required by California and Federal Fair Housing laws) is especially important to provide the widest range of choices for residents with disabilities.

Actions:

- Review and identify regulatory incentives that will encourage the construction or rehabilitation of housing for persons with developmental disabilities with necessary supportive services.
- Seek and apply for State and Federal funding to support housing construction for persons with developmental disabilities.
- Collaborate with housing developers and local organizations to identify the needs of local persons with developmental disabilities.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Review regulatory incentives by January 2027; Annually seek funding opportunities; Biennially collaborate with developers and organizations

Program H-3.6 Housing for Lower Income Households

The City shall work with developers and property owners in identifying development options to create affordable housing units for extremely low-, very low-, and low-income households who may have limited housing options in Scotts Valley. The City will also seek out and encourage nonprofit organizations to sponsor affordable housing projects in the City. This may

include agencies assisting lower income households, senior citizens, disabled persons, developmentally disabled persons, and other persons with special housing needs. The City will direct interested agencies/sponsors to potential sites and collaborate with them on applications for state and federal funding. To further the efforts the Housing Authority of Santa Cruz County provides the Project-Based Voucher Program to achieve deeper affordability levels for more units in planned affordable housing developments.

Actions:

- Coordinate with housing developers, property owners, and local organizations to identify development opportunities, funding resources, and incentives.
- Meet with housing developers to discuss available programs and fundings sources to develop housing units affordable to lower income households.
- Continue to offer streamlining for affordable housing development.
- City to maintain up-to-date information about financial resources on its website for residents and developers.
- The City is to investigate additional incentives and seek funding opportunities to encourage development of housing for extremely low-income households. The City will also support funding applications for affordable housing developments that include units affordable to extremely low-income households.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Annually coordinate and meet with developers, property owners, and local organizations

Program H-3.7 Definition of Family

The City’s Municipal Code currently defines “Family” as “a person or persons related by blood, marriage or adoption or a group of not more than five persons, excluding servants, not related by blood, marriage or adoption, living together as a single housekeeping unit in a dwelling unit.” The City shall amend its definition of “Family” to remove limitations to the number of unrelated persons and differentiation between related and unrelated individuals living together.

Actions:

- Adopt a zoning ordinance amendment to update the definition of “family” in compliance with State law.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: In conjunction with the ongoing General Plan update, which will be completed by the end of 2024.

Program H-3.8 Agricultural and Employee Housing

The City shall adopt a zoning ordinance amendment consistent with the requirements of Health and Safety Codes Section 17021.5 and 17021.6. Sections 17021.5 and 17021.6 of the State Health Safety Code are part of the Employee Housing Act, and it sets standards for the construction, maintenance, use, and occupancy of living quarters called “employee housing” as defined in Section 17008 of the Health and Safety Code. The intent of these two sections is to broaden opportunities for agricultural employee housing in single-family residential zoning districts.

Actions:

- Adopt a zoning ordinance amendment to permit employee housing in single-family residential zones, consistent with the requirements of Health and Safety Codes Section 17021.5 and 17021.6 as it relates to agricultural and employee housing.

Responsible Agency: Planning Departments

Funding Source: General Fund

Timeframe: By January 2025

Program H-3.9 Emergency Shelters

The City shall facilitate the development of emergency shelters and similar housing types to address the needs of persons experiencing homelessness or those at-risk of homelessness. While persons experiencing homelessness represent a small percent of the Scotts Valley population, they represent an important segment of the regional population for whom housing and assistance must be addressed. No emergency shelters are currently located within the City’s boundaries; however, they are permitted without discretionary permits in the C-SC, P, and C-S districts.

Actions:

- Amend the City’s Zoning Ordinance for parking requirements for emergency shelters in compliance with AB 139.
- Within one year, identify a zone, and amend development standards as appropriate, that will allow emergency shelters by-right (without discretion). The City will ensure that zone also allows residential uses in compliance with AB 2339 (statutes of 2022).
- Adopt a Zoning Ordinance amendment to expand the definition of “emergency shelters” to include other interim interventions,

including, but not limited to, navigation centers, bridge housing, and respite or recuperative care.

- Create and monitor an inventory of sites appropriate to accommodate emergency shelters and work with the appropriate organizations to ensure the needs of homeless and extremely low-income residents are addressed.
- Prioritize available funding and other available incentives for projects that provide housing for homeless and extremely low-income residents.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Adopt amendments and create an inventory of sites to accommodate emergency shelters by December 2024; Prioritize funding and other incentives on a project-by-project basis

Program H-3.10 Density Bonus Ordinance

The City shall update its Density Bonus Ordinance to comply with State law (Government Code Section 65915 et seq.), as well as promote the Program as a means of developing additional affordable housing units. State density bonus law (Government Code Section 65915 et seq.) requires a density bonus of up to 50 percent for mixed income projects when a qualifying percentage of Below Market Rate (BMR) units are proposed. Entirely affordable projects are entitled to unlimited bonuses in some cases and up to 80 percent bonuses in other cases. State density bonus law also authorizes an applicant to receive incentives/concessions, waivers, and parking reductions.

Actions:

- Adopt a Density Bonus Ordinance amendment to bring policies into compliance with State density bonus law (Gov Code Section 65915 et seq).
- Promote the Density Bonus Ordinance to multi-family developers on a project-by-project basis to promote affordable housing unit development.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: By January 2026; on a project-by-project basis

Program H-3.11 Low Barrier Navigation Centers

The City shall adopt a zoning ordinance amendment to approve by-right low-barrier navigation centers that meet State requirements in mixed-use and



non-residential zones permitting multifamily uses. Low-barrier navigation centers are generally defined as service-enriched temporary living facilities focused on the transition of persons experiencing homelessness or at-risk of becoming homeless into permanent housing. Low-barrier navigation centers connect individuals to income, public benefits, health services, and housing. Government Code section 65660 et seq. requires by-right approval of low-barrier navigation centers that meet specified State requirements, including: access to permanent housing, use of a coordinated entry system (i.e. Homeless Management Information System), use of Housing First according to Welfare and Institutions Code section 8255 (Government Code section 65662).

Actions:

- Adopt a zoning ordinance amendment to approve low-barrier navigation centers that meet State requirements by-right in mixed-use and non-residential zones permitting multifamily uses.

Responsible Agency: Planning Department Funding Source: General Fund Timeframe: By January 2026

Program H-3.12 Condominium Conversion Ordinance

Rental housing units provide an important part of the City’s housing stock, particularly in providing housing affordable to a wider range of the community. The City shall adopt a Condominium Conversion Ordinance to preserve the existing, and future, rental housing stock by establishing a maximum percent of the City’s total housing stock that can be converted over a certain period of time. The Ordinance shall also establish tenant notification and relocation assistance requirements, limit rent increases once a notice of intent to convert has been filed and give tenants the priority to purchase units.

Actions:

- Adopt a Condominium Conversion Ordinance to preserve the existing, and future, rental housing stock by establishing a maximum percent of the City’s total housing stock that can be converted over a certain period of time.

Responsible Agency: Planning Department Funding Source: General Fund Timeframe: By January 2026

Program H-3.13 Single-Room Occupancy (SRO) Units

Single-Room Occupancy (SRO) units may provide a valuable source of affordable housing for individuals and may serve as an entry point into the housing market for persons who previously experienced homelessness.

The City shall adopt a description of SRO units in its Municipal Code and adopt zoning and processing procedures for future projects.

Actions:

- Define SRO in the Municipal Code.
- Adopt zoning and processing procedures for SROs.
- Collaborate with local organizations and agencies to discuss the needs of persons who previously experienced homelessness.
- Support, and when possible, fund local and regional efforts to address the housing needs of persons in Scotts Valley who have or are experiencing homelessness.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Adopt a definition, zoning, and processing procedures for SROs by January 2026. Annually collaborate with organizations; annually seek funding opportunities.

Program H-3.14 Replacement Unit Program

The City shall adopt a policy and will require replacement housing units subject to the requirements of Government Code section 65915, subdivision (c)(3) on sites identified in the site inventory when any new development (residential, mixed-use or nonresidential) occurs on a site that is identified in the inventory meeting the following conditions:

- Currently has residential uses or within the past five years has had residential uses that have been vacated or demolished, and
- Was subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of low or very low-income, or
- Subject to any other form of rent or price control through a public entity's valid exercise of its police power, or
- Occupied by low or very low-income households.

Actions:

- In order to mitigate the loss of affordable housing units, require new housing developments to replace all affordable housing units lost due to new development.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: The replacement requirement will be implemented immediately and applied as applications on identified sites are received and processed, and local policy shall be adopted by January 2026.

Program H-3.15 Supportive Housing

The City shall adopt a zoning ordinance amendment to approve by-right supportive housing developments that meet State requirements. Supportive Housing development is generally defined as housing with no limit on length of stay, that is occupied by the target population, and that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community; as defined by Section 50675 of the California Health and Safety Code. Government Code section 65651 requires by-right approval of supportive housing in zones that allow for multi-family or mixed use residential if the proposed housing development meet specified State requirements: provision on onsite supportive services, affordability restrictions.

Action

- Adopt a Zoning Ordinance amendment to approve supportive housing developments that meet State requirements by-right in mixed use zones.

Responsible Agency: Planning Department
Funding Source: General Fund
Timeframe: By January 2026.

Program H-3.16 Group Homes

Group homes are currently permitted in all residential zoning districts for 6 or fewer occupants or with approval of a conditional use permit for 7 or more occupants. The City will adopt a Zoning Ordinance definition for “group home.” The City will also adopt revisions to its Zoning Ordinance to permit group homes, in compliance with State law, as detailed below:

- Allow group homes that operate as single-family residences and that do not provide licensable services to locate in single-family neighborhoods, subject only to the generally applicable, nondiscriminatory health, safety, and zoning laws that apply to all single-family residences.

- Allow group homes that operate as single-family residences and that provide licensable services to six or fewer residents to locate in single-family neighborhoods, subject only to the generally applicable, nondiscriminatory health, safety, and zoning laws that apply to all single-family residences.
- Ensure that any permitting or approval requirements for group homes that provide licensable services to seven or more residents are consistent with state housing laws.

Action

- Adopt a Zoning Ordinance amendments and update applicable application procedures for group homes in compliance with state law and to promote objectivity and greater approval certainty similar to other residential uses.
- Adopt a Zoning Ordinance definition for “group home.”

Responsible Agency: Planning Department Funding Source: General Fund Timeframe: By January 2026.

Goal H-4 Protect its unique sensitive environmental, archaeological, and paleontological assets and encourage resource conservation measures in all new housing developments.

Policies

Policy H-4.1 Resource Conservation

Work with other local, State, and federal agencies, public utilities, and community organizations to implement resource conservation programs and ensure that adequate water remains available.

Policy H-4.2 New Development Impacts

Ensure that new development proposals are adequately evaluated for their impact upon cultural resources, sensitive habitats and species, environmental features, and other such factors.

Policy H-4.3 Development Integration into Natural Landscape

Require that all residential developments be thoughtfully integrated into the natural environment, including woodlands, hillsides, viewsheds, wetlands, and other features of the natural terrain.

Programs

Program H-4.1 Hillside Development and Design

Scotts Valley is located in the Santa Cruz Mountains and has many areas with slopes of varying degrees of steepness. The City shall continue to protect environmental resources by implementing the City's Zoning Code regulations and development standards for hillside development. For instance, the Code prohibits development on slopes with an average grade of more than 40 percent. For slopes where development is permitted, the City provides design guidelines to the project applicant(s) to ensure sensitivity to the steepness of the terrain in order to minimize grading, removal of vegetation, run-off erosion, geologic hazards and fire hazards. For slopes greater than 10 percent, the City has established a Hillside Residential Combining District, which requires a variety of development and design standards to help preserve and conserve natural vegetative and topographic features and open space. City staff and/or the Design Review Board (Planning Commission) are responsible to review the project to ensure that applicable standards have been fully addressed.

Actions:

- Maintain information online and at City Hall on hillside development and design.

Responsible Agency: Planning Department; water and sewer service providers

Funding Source: General Fund

Timeframe: Provide information by January 2027; Coordinate with developers on a project-by-project basis

Program H-4.2 Resource Conservation

The City shall continue to encourage the conservation of resources in the development and improvement of new housing. Buildings should be designed to minimize mechanical heating and cooling. Sunlight should be used for direct heating and illumination, whenever possible. Natural ventilation and shading should be used to cool a building. Active and passive solar heating is encouraged. Solar access shall be planned into the site design where possible. Solar access shall be reserved, where appropriate, through recorded easements or other devices or instruments. Climatic factors such as prevailing winds, shade trees, window and door orientation and the positioning of buildings on the site shall all be coordinated to maximize energy conservation.

Actions:

- Encourage energy conservation measures and devices to be incorporated in the development and improvement of housing. Review such requirements through the Design Review and Building Permit process.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: On a project-by-project basis

Program H-4.3 Water and Sewer Service Providers

Pursuant to Chapter 727, Statutes of 2005 (SB 1087), the City shall deliver its adopted Housing Element, and any amendments thereto, to local water and sewer service providers. This legislation allows for coordination between the City, water, and sewer providers when considering approval of new residential projects, and to ensure that the providers have an opportunity to provide input on the Element. Additionally, review of the Housing Element ensures that priority for water and sewer services is granted to projects that include units affordable to lower-income households.

Actions:

- Submit the adopted 6th Cycle Housing Element, and any subsequent amendments, to local water and sewer providers for their review and input.

Responsible Agency: Planning Department; water and sewer service providers

Funding Source: General Fund

Timeframe: Immediately upon adoption of the 6th Cycle Housing Element and any subsequent amendments

Program H-4.4 Cultural Resources

The City shall continue to protect sensitive cultural resources. Scotts Valley's location on an ancient seabed has contributed to a wealth of archaeological and paleontological resources in the community today. In fact, the present City Hall site contains a 10,000- to 15,000-year old archaeological site. The General Plan designates various areas throughout the community as moderate or high cultural resource sensitivity zones. In these areas, development proposals must have appropriate environmental clearance pursuant to State and federal laws. Projects with potentially significant cultural resources require issuance of a Cultural Resources Alteration Permit from the City's Cultural Resource Commission. Procedures and scope of authority of the City's Cultural Resource Preservation and Cultural Resource Commission are set forth in Chapter 17.44 of the Scotts Valley Municipal Code. Projects with cultural resources require compliance with the City's standard conditions of approval for historic/archaeological resources.

Actions:

- Continue to review cultural resources through the Cultural Resource Review process.

Responsible Agency: Planning Department; water and sewer service providers

Funding Source: General Fund

Timeframe: On a project-by-project basis

Quantified Objectives

Table 2-1 summarizes the City's quantified objectives for the 6th planning cycle by income level.

Table 2-1: 6 th Cycle Quantified Objectives					
Objectives	Units by Income Level				
	Extremely/ Very Low	Low	Moderate	Above Moderate	Total
6 th Cycle RHNA	392	257	154	417	1,220
Residential Rezones	65		14	89	168
Mixed-Use Rezones	318		84	399	801
Accessory Dwelling Units	24		12	4	40
Surplus Land Act	309		39	191	539
Preservation of at-risk units	22		0	0	22
Units in need of rehabilitation	5		0	0	5
Housing Choice Vouchers	20		0	0	0
Housing Mobility	20	0	0	0	0
Place-Based Strategy to provide repair and rehabilitation assistance	20		0	0	0



Housing Actions Implementation Summary

Table 2-2: Housing Program Implementation Summary

Housing Program	Actions	Responsible Agency	Funding Source	Timeframe
Goal 1				
Program H-1.1 6 th Cycle Regional Housing Needs Allocation	Residential Rezones: Adopt a zoning ordinance and General Plan Land Use amendment to rezone 4.23 acres on 6 parcels (identified in Appendix F) to permit residential uses ranging up to assumed a density of 40 dwelling units per acre. The rezoning would accommodate 168 units, including 65 lower income units.	Planning Department	General Fund	Adopt rezones within 3 years of the 6 th Cycle Housing Element statutory deadline.
	Mixed-Use Rezones: Adopt a zoning ordinance and General Plan Land Use amendment to rezone 36.6 acres on 29 parcels (identified in Appendix F) to permit mixed-use developments ranging up to a density of 40 dwelling units per acre with up to 70 percent residential. The rezoning would accommodate 801 units, including 318 lower income units.			
	Town Center Specific Plan: Adopt a Specific Plan amendment to allow for residential development at the scale established in Appendix F: • The City is in contract to remediate surface soil contamination by December 2023. Remediation efforts have begun as of October 2023. • By December 2025, amend the Specific Plan to increase the density for residential uses on the City-owned sites identified in Appendix F. • By December 2026, complete the necessary rezonings to accommodate the increased density.			
	Continue to implement appropriate zoning to ensure that adequate sites are available (as defined by Government Code section 65583) to accommodate the City's RHNA for all income categories.			

Housing Program	Actions	Responsible Agency	Funding Source	Timeframe
Program H-1.2 By-Right Development Program	Adopts and implement a By-Right Development Program to comply with the AB 1398 and 1397 requirements, as well as requirements established in Government Code section 65583.2 (c), (h), and (i)..	Planning Department	General Fund	By January 2025
Program H-1.3 Sites Inventory Monitoring Program	Establish and maintain a Sites Inventory Monitoring Program. Adopt findings with each City approval for residential projects identifying the breakdown of units by income category and establish whether ‘no net loss’ findings to be made, if either fewer units are developed than shown in the housing element, or if the units are being developed in different income categories than projected. If ‘no net loss’ findings must be made, the City must either find that it is maintaining enough sites to accommodate the remaining RHNA, or if there are not enough sites to accommodate the remaining RHNA. If there are not enough sites, the City has 180 days to make adequate sites available. Annually monitor the progress of pending projects, ADU projections, and development on City-owned parcels, parcels with existing residential capacity, and rezones parcels through the APR. If residential development is not sufficiently progressing towards building permits or if the City is not meeting the pro-rated share of the RHNA at all income levels by December 2028, the City will identify strategies to maintain adequate sites throughout the planning period.	Planning Department	General Fund	Establish a Sites Inventory Monitoring Program by January 2025; adopt findings with each City-approval for residential projects on a Housing Element site; annually monitor development progress through the APR.
Program H-1.4 Planned Development	Continue to provide flexible design through the PD zoning district.	Planning Department	General Fund	On a project-by-project basis.
Program H-1.5 Accessory Dwelling Unit Program	Modify the current “Secondary Dwelling Unit Program” from the 5 th Cycle Housing Element to comply with changes in State law regarding ADUs. This will include updating the City’s “Secondary Dwelling Unit” Ordinance in compliance	Planning Department	General Fund	Amend the “Secondary Dwelling Unit Program” by January 2025; Establish permit-ready ADU plans,

Housing Program	Actions	Responsible Agency	Funding Source	Timeframe
	with State ADU laws. Submit revised ordinance to HCD in compliance with State law. Establish and promote permit-ready ADU plans to minimize design costs, expedite permit processing, and provide development certainty. Establish and maintain an ADU Manual guiding applicants through the permitting and construction of an ADU. Establish and maintain an ADU webpage informing the community on ADU related codes, processes, and incentives. Establish an incentive program for deed-restricted affordable ADUs such as waived permitting fees and/or priority processing. Establish an ADU monitoring program, and by the mid-cycle point of the planning period, if assumptions for production and affordability are not meeting what was assumed, then the City will implement changes within one year. Changes include, but are not limited to, additional outreach and incentives. If the gap between assumptions and production is “large” then the City will identify additional capacity in the inventory and rezone, if applicable.			an ADU Manual, an ADU webpage, an incentives program by January 2026. Monitor ADUs annually through the APRs and if assumptions for production and affordability are not meeting what was assumed then the City will implement changes within one year.
Program H-1.6 Removal of Residential Development Constraints	Conduct a comprehensive study of residential development standards applicable to developments in zones that permit residential uses to determine which standards are potential constraints to housing.	Planning Department	General Fund	Conduct a study of development standards by zoning designation within one year of the Housing Element Statutory deadline; Adopt an amendment to the Zoning Ordinance by January 2026; Annually review development trends and
	Adopt a Zoning Ordinance amendment to residential development standards to address and reduce constraints, including parking requirements for multi-family developments such as, but not limited to, a sliding scale based on the number of bedrooms or a set reduced requirement no greater than 2 spaces per unit.			

Housing Program	Actions	Responsible Agency	Funding Source	Timeframe
	Annually review development trends and biennially meet with the development community to receive input and feedback. If constraints are identified that inhibit the development of affordable housing, adopt changes with two years.			biennially meet with the development community; if constraints are identified throughout the Planning Period, adopt changes within two years.
Program H-1.7 Mixed-Use Development	<u>Conduct a comprehensive study on identified mixed-use development standards and requirements ahead of adopting rezones</u>	Planning Department	General Fund	<u>Conduct the study prior to adoption of the rezones;</u> Adopt development incentives in conjunction with the rezones; annually meet with the development community and property owners.
	Adopt development incentives, such as, but not limited to, decreasing the commercial component for projects that include a greater number of affordable units, for candidate sites identified for mixed-use rezoning.			
	Annually meet with the development community and property owners to identify development opportunities and interest.			
Program H-1.8 Facilitation of Affordable Housing Development	<u>Conduct a comprehensive study on expanding the Inclusionary Housing Ordinance to establish standards and requirements promote affordable housing development.</u>	Planning Department	General Fund	<u>Conduct the study by July 2026;</u> Amend the Inclusionary Housing Ordinance by January 2027; Meet with the development community and property owners annually; create an informational webpage by January 2027.

Housing Program	Actions	Responsible Agency	Funding Source	Timeframe
	<u>Adopt an amendment to the City's Inclusionary Housing Ordinance to apply city-wide, restrict units based on affordability.</u>			
	Annually meet with the development community and property owners. Based on the feedback received, adopt changes, incentives, and seek funding to facilitate affordable housing development.			
	Create and maintain information on the City's website on the development of affordable housing.			
Program H-1.9 Senate Bill 330	Continue to comply with SB 330 restrictions.	Planning Department	General Fund	Through the end of the SB 330 10-year timeframe.
Program H-1.10 Surplus Land Act	By December 2026, declare City-owned sites (APNs 022-721-06, 022-212-19, 022-601-01) as surplus and approve a resolution making the findings that the project will be put out to competitive bid and will be larger than one acre mixed use development with a minimum of 300 residential units, at least 25% of which are reserved for lower income households. A successful bidder will be required to enter into a regulatory agreement establishing the minimum affordability requirements.	Planning Department	General Fund	By December 2026, declare City-owned sites (APNs 022-721-06, 022-212-19, 022-601-01) as surplus and approve a resolution making the findings that the project will be put out to competitive bid and will be larger than one acre mixed use development with a minimum of 300 residential units, at least 25% of which are reserved for lower income households.
	The City shall provide assistance to a successful bidder by offering technical assistance; facilitating entitlements; assisting with funding, as available, and/or supporting funding applications.			
Program H-1.11 Non-Vacant Sites Development	Provide additional incentives on a project-by-project basis such as, but not limited to, technical assistance, supporting funding applications, and reduced development standards.	Planning Department	General Fund	Provide incentives on a project-by-project basis; Engage property owners annually
	Engage property owners annually to discuss development opportunities.			

Housing Program	Actions	Responsible Agency	Funding Source	Timeframe
	See Program H-1.3 for additional actions should development not occur as anticipated in this Housing Element.			
Goal 2				
Program H-2.1 Code Enforcement	Continue to implement an active code enforcement program through the Building Department and inform residents of rehabilitation assistance grants when available at City Hall and on the City's website. Also continue to offer online and physical forms for residents to submit Code Enforcement complaints through.	Planning and Building Departments	General Fund	Implement an active code enforcement program throughout the Planning Period; provide information at City Hall and online by January 2027; Conduct a biennial review of cases – if trends are identified adopt prevention assistance programs within one year.
	Conduct a biennial review of code enforcement cases to identify potential trends in the location or type of case. Adopt prevention and assistance programs if trends are identified to proactively decrease future issues.			
Program H-2.2 Design Review	Continue to review projects to ensure consistency with the General Plan Zoning Ordinance and area design guidelines. Priority processing will go to affordable housing projects.	Planning Department	General Fund	Review projects and provide priority to affordable housing projects as applications are submitted; Review the Residential Design Handbook and design review process and adopt modifications by January 2025; Adopt objective design standards by January 2025
	Review the Residential Design Handbook and design review process for subjective language and adopt modifications.			
	Adopt objective design standards for all residential uses.			
Program H-2.3 Monitor and Preserve Affordable Housing	Continue to maintain the Affordable Housing Opportunities Database with detailed information on all subsidized units, including those that have affordability covenants.	Planning Department	General Fund	Maintain the Affordable Housing Opportunities Database throughout the Planning Period; Annually pursue funding sources and partnerships until at-
	Pursue funding sources such as HUD Section 208/811 loans, HOPE II and II Homeownership Program funds, HOME funds, CDBG funds, Low-Income Housing Tax Credit			

Housing Program	Actions	Responsible Agency	Funding Source	Timeframe
	Programs, California Housing Finance Agency single-family and multi-family programs, and other similar programs to stimulate private developer and non-profit entity efforts in the development and financing of housing for lower and moderate-income households. Pursue partnership opportunities with non-profits to preserve and expand affordable housing in the City, as well as provide educational opportunities and assistance for tenants. Pursuant to Government Code sections 65583.2(g)(3) and, 65915(c)(3), and 66300(d3), ensure that when existing housing is demolished, at least an equivalent number of units are created, and that lower income housing and relocation payments are required as specified by these statutes. Coordinate with property owners to preserve affordable units at risk to maintain and extend affordability. This may include technical assistance, funding application support, and/or recommending agencies or organizations that may provide additional assistance. Comply with noticing requirements pursuant to Government Code section 65863.10.			risk units are maintained; Begin coordination with property owners upon adoption of the Housing Element and outreach annually until at-risk units are maintained
Program H-2.4 Mobile Home Park Conversion Ordinance	Continue to implement the Mobile Home Park Conversion Ordinance in an effort to protect existing mobile home parks and the supply of affordable housing, subject to the limitations imposed by State law. Provide information on the Mobile Home Park Conversion Ordinance and other fair housing information on the City's website and at City Hall.	Planning Department	General Fund	Implement the Mobile Home Park Conversion Ordinance throughout the Planning Period; Provide information at City Hall and online by January 2027
Program H-2.5 Mobile Home Park Rent Stabilization Ordinance	Continue to implement the Mobile Home Park Rent Stabilization Ordinance in an effort to promote and enhance fairness in the economic relationship between mobile home park owners and mobile homeowners.	Planning Department	General Fund	Implement the Mobile Home Park Rent Stabilization Ordinance throughout the Planning

Housing Program	Actions	Responsible Agency	Funding Source	Timeframe
	Provide information on the Mobile Home Park Conversion Ordinance and other fair housing information on the City's website and at City Hall.			Period; Provide information at City Hall and online by January 2027.
Program H-2.6 Development of Large Lots	Adopt and implement a program to facilitate the development of lots larger than ten acres.	Planning Department	General Fund	Adopt and implement the program by January 2026
Program H-2.7 SB 35 Streamlining	Establish SB 35 procedures and provide information online.	Planning Department	General Fund	Adopt and implement the program by January 2026
Program H-2.8 Lot Consolidation	Facilitate the consolidation of vacant and underutilized lots or residential development.	Planning Department	General Fund	Establish and implement the program by January 2026
	Adopt and promote incentives online and at City Hall.			
Program H-2.9 <u>Transit Oriented Development</u>	<u>Coordinate with AMBAG and Santa Cruz METRO to provide recommendations and input on service availability.</u>	<u>Planning Department</u>	<u>General Fund</u>	<u>Throughout the Planning Period and when various transit-related planning documents are in progress.</u>
Goal 3				
Program H-3.1 Promoting Housing Choice Voucher (HCV) Program	Continue to participate in the Housing Authority of Santa Cruz County Voucher Rental Assistance Program.	Planning Department; Housing Authority of Santa Cruz County	HUD HCD Fund	Continue to participate in the Housing Authority of Santa Cruz County Voucher Rental Assistance Program and refer residents throughout the Planning Period; Annually host a workshop; Biennially outreach to property owners.
	Annually host an informational workshop with the Housing Authority of Santa Cruz County for renters, property owners, and prospective homeowners to provide information on the voucher program and source of income discrimination, as well as increase participating properties.			
	Continue to refer residents to the County program and provide information at City Hall and on the City's website.			
	Biennially outreach to property owners and landlords to market the voucher program and enforce State law banning source of income discrimination.			
Program H-3.2 Affirmatively Furthering Fair Housing	Housing Mobility Strategies			
	Create and promote informational materials on the location of participating voucher properties and availability of voucher programs/financial assistance. See Action H-3.1.	Planning Department	General Fund	By January 2026; throughout the Planning Period

Housing Program	Actions	Responsible Agency	Funding Source	Timeframe
	Annually outreach to landlords to expand the location of participating voucher properties.	Planning Department	General Fund	Annually throughout the Planning Period
	Partner with the Santa Cruz Housing Authority to host an annual educational workshop on voucher programs and source of income discrimination.	Planning Department	General Fund	Annually throughout the Planning Period
	Extend housing choice voucher search times for particular groups, such as larger families with children or persons with disabilities. Aim to assist 20 households with special needs access housing choice vouchers.	Planning Department	General Fund	By January 2026
	Affirmatively market government assistance and new affordable housing units, as available, to community organizations and agencies assisting lower income households in the region. Promote the information in multiple languages on the City's website and at City Hall.	Planning Department	General Fund	As new units and resources become available; annually throughout the Planning Period
	<u>Affirmatively further fair housing for Black, Indigenous, and other People of Color, particularly those with disabilities by facilitating the development of extremely low-income units. Aim to develop 20 new extremely low-income units.</u>	<u>Planning Department</u>	<u>General Fund</u>	<u>Throughout the Planning Period</u>
	<u>Implement a number of actions listed in Program H-1.5 to facilitate the development of at least 40 ADUs throughout the planning period, particularly in lower density areas as a method of providing "missing middle" housing.</u>	<u>Planning Department</u>	<u>General Fund</u>	<u>Throughout the Planning Period – additional actions and timeframes are established in Program H-1.5</u>
	<u>Create and promote an SB 9 factsheet with information on State law authorizing duplexes in single-family zones.</u>	<u>Planning Department</u>	<u>General Fund</u>	<u>By January 2026</u>
	<u>Adopt a Zoning Code amendment to facilitate SB 9 development, as permitted by State law, to facilitate the development of affordable housing opportunities in existing lower density neighborhoods.</u>	<u>Planning Department</u>	<u>General Fund</u>	<u>By January 2026</u>
	<u>Research and establish homesharing program(s), and coordinate with relevant organizations (such as Senior Network Services) and interested residents to annually</u>	<u>Planning Department</u>	<u>General Fund</u>	<u>By January 2026 and annually throughout the Planning Period</u>

Housing Program	Actions	Responsible Agency	Funding Source	Timeframe
	<u>present information to prospective homeowners – this may serve as an opportunity to create affordable housing options within existing single-family homes and in lower density neighborhoods.</u>			
New Housing Choices and Affordability in Areas of Opportunity				
	Continue to implement the Inclusionary Housing Below Market Rate (BMR) Program. See Action H-1.8.	Planning Department	General Fund	Throughout the Planning Period and as project applications are submitted
	Facilitate the development of ADUs at affordable rates. See Action H-1.3.	Planning Department	General Fund	Throughout the Planning Period
	Facilitate the development of affordable housing units for special housing needs population. This may include, but is not limited to, technical assistance, support for funding applications, permitting fee waivers, and development standards concessions, and other similar actions.	Planning Department	General Fund	Throughout the Planning Period and as project applications are submitted
	Review future policies and programs for potentially restrictive practices that would limit diversity in the Racially Concentrated Areas of Affluence (RCAAs).	Planning Department	General Fund	Annually and as issues are raised.
	Establish specific incentives for the development of affordable units in the RCAAs including, but not limited to, permit streamlining and reduced fees.	Planning Department	General Fund	By January 2026
	See Program H-1.1 for rezone strategies.	Planning Department	General Fund	Adopt rezones within 3 years of the 6 th Cycle Housing Element statutory deadline
Place-Based Strategies to Encourage Community Conservation and Revitalization				
	Create and promote informational materials on housing accessibility, rehabilitation, and maintenance resources. Materials to be distributed at the senior center, library, Civic Center, and at community events. Aim to provide home repair and rehabilitation assistance for at least 20 households.	Planning Department	General Fund	By January 2026; materials to be distributed and promoted annually

Housing Program	Actions	Responsible Agency	Funding Source	Timeframe
	Annually hold a community workshop or webinar with relevant community organizations and agencies to discuss and promote available resources.	Planning Department	General Fund	Annually throughout the Planning Period
	Protecting Existing Residents from Displacement			
	Annually hold a community workshop with relevant community organizations and agencies to discuss the needs of persons with disabilities and identify whether additional resources and development concessions are needed. If necessary changes are identified, adopt amendments within 6 months.	Planning Department	General Fund	Annually throughout the Planning Period; adopt necessary changes within 6 months
	Continue to refer fair housing discrimination issues to the Civil Rights Department (CRD), including inquiries regarding landlord-tenant mediation and tenant rights.	Planning Department	General Fund	Annually throughout the Planning Period
	Establish an accessibility program to improve access to housing, transit, public buildings and facilities, sidewalks, pedestrian crossings, and businesses for persons with disabilities.	Planning Department	General Fund	By January 2026
	Pursue at least 2 funding opportunities to address accessibility for persons with disabilities.	Planning Department	General Fund	Annually throughout the Planning Period
	Provide information and educational materials on fair housing services for property owners, apartment managers, and tenants at City Hall and online.	Planning Department	General Fund	Annually throughout the Planning Period
	Monitor and respond to complaints of discrimination and refer tenants to the California Department of Fair Employment and Housing for proper intake, investigation, and resolution of fair housing complaints.	Planning Department	General Fund	As complaints are submitted
Program H-3.3 Childcare and Daycare Facilities	Continue to work with childcare providers and the County to promote adequate childcare facilities within the community.	Planning Department	General Fund	Continue to work with childcare providers and the County throughout the Planning Period; Provide information at City Hall and online by January
	Provide information at City Hall and on the City's website on current zoning regulations that apply to childcare and daycare facilities.			

Housing Program	Actions	Responsible Agency	Funding Source	Timeframe
	Encourage new development to provide childcare and daycare facilities through a variety of activities, including outreaching to developers; providing financial assistance, when available; providing expedited processing; identifying grant and funding opportunities; and providing information on the City's Density Bonus Ordinance.			2027; Coordinate with developers on a project-by-project basis
Program H-3.4 Reasonable Accommodation	Maintain updated information online on the reasonable accommodation ordinance, including information on the application process, fees, and requirements.	Planning Department	General Fund	By January 2026
	Revise reasonable accommodation process to ensure that reasonable accommodation requests may only be denied in accordance with findings required by applicable fair housing laws.			
	Amend the reasonable accommodations findings to remove subjective language.			
Program H-3.5 Housing for Persons with Developmental Disabilities	Review and identify regulatory incentives that will encourage the construction or rehabilitation of housing for persons with developmental disabilities with necessary supportive services.	Planning Department	General Fund	Review regulatory incentives by January 2027; Annually seek funding opportunities; Biennially collaborate with developers and organizations
	Seek and apply for State and Federal funding to support housing construction for persons with developmental disabilities.			
	Collaborate with housing developers and local organizations to identify the needs of local persons with developmental disabilities.			
Program H-3.6 Housing for Lower Income Households	Coordinate with housing developers, property owners, and local organizations to identify development opportunities, funding resources, and incentives.	Planning Department	General Fund	Annually coordinate and meet with developers, property owners, and local organizations.
	Meet with housing developers to discuss available programs and fundings sources to develop housing units affordable to lower income households.			
	Continue to offer streamlining for affordable housing development.			

Housing Program	Actions	Responsible Agency	Funding Source	Timeframe
	City to maintain up-to-date information about financial resources on its website for residents and developers.			
	The City is to investigate additional incentives and seek funding opportunities to encourage development of housing for extremely low-income households. The City will also support funding applications for affordable housing developments that include units affordable to extremely low-income households.			
Program H-3.7 Definition of Family	Adopt a zoning ordinance amendment to update the definition of “family” in compliance with State law.	Planning Department	General Fund	In conjunction with the ongoing General Plan update, which will be completed by the end of 2024.
Program H-3.8 Agricultural and Employee Housing	Adopt a zoning ordinance amendment to permit employee housing in single-family residential zones, consistent with the requirements of Health and Safety Codes Section 17021.5 and 17021.6 as it relates to agricultural and employee housing.	Planning Department	General Fund	By January 2025.
Program H-3.9 Emergency Shelters	Amend the City’s Zoning Ordinance for parking requirements for emergency shelters in compliance with AB 139.	Planning Department	General Fund	Adopt amendments and create an inventory of sites to accommodate emergency shelters by January 2024; Prioritize funding and other incentives on a project-by-project basis
	Within one year, identify a zone, and amend development standards as appropriate, that will allow emergency shelters by-right (without discretion). The City will ensure that zone also allows residential uses in compliance with AB 2339 (statutes of 2022).			
	Adopt a Zoning Ordinance amendment to expand the definition of “emergency shelters” to include other interim interventions, including, but not limited to, navigation centers, bridge housing, and respite or recuperative care.			
	Create and monitor an inventory of sites appropriate to accommodate emergency shelters and work with the			

Housing Program	Actions	Responsible Agency	Funding Source	Timeframe
	appropriate organizations to ensure the needs of homeless and extremely low-income residents are addressed.			
	Prioritize available funding and other available incentives for projects that provide housing for homeless and extremely low-income residents.			
Program H-3.10 Density Bonus Ordinance	Adopt a Density Bonus Ordinance amendment to bring polices into compliance with State density bonus law (Gov Code Section 65915 et seq).	Planning Department	General Fund	By January 2026; on a project-by-project basis.
	Promote the Density Bonus Ordinance to multi-family developers on a project-by-project basis to promote affordable housing unit development.			
Program H-3.11 Low Barrier Navigation Centers	Adopt a zoning ordinance amendment to approve low-barrier navigation centers that meet State requirements by-right in mixed-use and non-residential zones permitting multifamily uses.	Planning Department	General Fund	By January 2026.
Program H-3.12 Condominium Conversion Ordinance	Adopt a Condominium Conversion Ordinance to preserve the existing, and future, rental housing stock by establishing a maximum percent of the City's total housing stock that can be converted over a certain period of time.	Planning Department	General Fund	By January 2026.
Program H-3.13 Single-Room Occupancy (SRO) Units	Define SRO in the Municipal Code.	Planning Department	General Fund	Adopt a definition, zoning, and processing procedures for SROs by January 2026. Annually collaborate with organizations; annually seek funding opportunities.
	Adopt zoning and processing procedures for SROs.			
	Collaborate with local organizations and agencies to discuss the needs of persons who previously experienced homelessness.			
	Support, and when possible, fund local and regional efforts to address the housing needs of persons in Scotts Valley who have or are experiencing homelessness.			
Program H-3.14 Replacement Unit Program	In order to mitigate the loss of affordable housing units, require new housing developments to replace all affordable housing units lost due to new development.	Planning Department	General Fund	The replacement requirement will be implemented immediately and applied as applications on identified sites are received and processed,

Housing Program	Actions	Responsible Agency	Funding Source	Timeframe
				and local policy shall be adopted by January 2026.
Program H-3.15 Supportive Housing	Adopt a Zoning Ordinance amendment to approve supportive housing developments that meet State requirements by-right in mixed use zones.	Planning Department	General Fund	By January 2026.
Program H-3.16 Group Homes	Adopt a Zoning Ordinance amendments and update applicable application procedures for group homes in compliance with state law and to promote objectivity and greater approval certainty similar to other residential uses.	Planning Department	General Fund	By January 2026.
	Adopt a Zoning Ordinance definition for “group home.”			
Goal 4				
Program H-4.1 Hillside Development and Design	Maintain information online and at City Hall on hillside development and design.	Planning Department; water and sewer service providers	General Fund	Provide information by January 2027; Coordinate with developers on a project-by-project basis
Program H-4.2 Resource Conservation	Encourage energy conservation measures and devices to be incorporated in the development and improvement of housing. Review such requirements through the Design Review and Building Permit process.	Planning Department	General Fund	On a project-by-project basis.
Program H-4.3 Water and Sewer Service Providers	Submit the adopted 6th Cycle Housing Element, and any subsequent amendments, to local water and sewer providers for their review and input.	Planning Department; water and sewer service providers	General Fund	Immediately upon adoption of the 6 th Cycle Housing Element and any subsequent amendments
Program H-4.4 Cultural Resources	Continue to review cultural resources through the Cultural Resource Review process.	Planning Department; water and sewer service providers	General Fund	On a project-by-project basis



This Appendix provides a **Review of Past Performance** for the 2015-2023 Housing Element. It is an evaluation of the 5th Cycle’s Policy Program and considers all current and existing programs and projects, as well as the most effective and appropriate policies and programs for the 2023-2031 6th Cycle.



PROGRAM EVALUATION FOR HOUSEHOLDS WITH SPECIAL NEEDS

As part of analyzing prior programs, this Appendix provides an outline of the effectiveness of goals, policies, programs, and objectives in meeting the housing needs of Scotts Valley's special needs population. The following section identifies 5th Cycle accomplishments by special needs groups.

The City of Scotts Valley has demonstrated a significant effort in pursuit of accomplishing many of the objectives set for the programs of the 5th Cycle Housing Element. During the fifth cycle, the City completed a number of key programs to support housing opportunity and made substantial progress towards many of its programs. The City's programs that have been effective at addressing Special Needs populations have been identified as continued for the sixth cycle, due to their success in the fifth cycle.

As a part of analyzing prior programs, the Housing Element must evaluate the effectiveness of goals, policies, and related action in meeting the housing needs of special needs populations. The summary below provides an overview of the City's 5th Cycle program accomplishments and achievements related to special needs populations. Individually and collectively, these programs have had a positive impact on the needs of special needs populations in Scotts Valley.

1. Seniors

The Housing Needs Assessment shows that 20.4 percent (2,463 residents) of Scotts Valley residents are over the age of 65. Over the years, the senior population has seen an increase from 2010 to 2020. In terms of household characteristics, from 2010 to 2020 householder ages 65 or above grew 4.4 percent.

The special needs of seniors can be met through a range of services, including congregate care, rent subsidies, shared housing, and housing rehabilitation assistance. Affordable housing opportunities in Scotts Valley for seniors include:

- "Oak Tree Villa" (Brookdale Renaissance Senior Living Communities) at 100 Lockwood Lane – 204 units for active seniors and assisted living, approved in 1997.

Senior residents can benefit from various classes, activities, and programs offered at the Scotts Valley Senior Center. The Senior Center provides a place where seniors may find companionship, help and the opportunity to pursue their interests in educational, recreational and craft activities. Additionally, the Center assists in promoting the goodwill and public interests of the community.

The Scotts Valley Senior Life Association (SVSLA) also provides services and resources to seniors. SVSLA is a non-profit organization established to provide education and support

relating to the health and welfare of senior citizens living in Scotts Valley. They seek to enhance and add enjoyment to lives of seniors in the community, provide educational opportunities with a focus on healthy living habits, and provide access to facilities that help seniors create their own healthy and fulfilling lives.

Table A-1 identifies 5th Cycle accomplishments for seniors.

Table A-1: 5th Planning Cycle Policies and Program Effectiveness, Seniors

Accomplishments During the 5 th Cycle	Effectiveness of Programs
Program 3.3 Fair Housing Fair Housing information is provided on the City's web site and at City Hall as well as through the Housing Authority of the County of Santa Cruz. This information is available to property owners, apartment managers, tenants and the general public.	The City continues to promote fair housing practices, provide the public with educational information on fair housing, and refer fair housing complaints to the Department of Fair Employment and Housing. The City has amended its Zoning Code to include formal reasonable accommodation procedures and established specific zoning districts to permit emergency shelters, transitional, and supportive housing as a matter of right. The City continues to periodically evaluate the Zoning Code to find whether any regulations constrain the development of housing for persons with disabilities. Fair housing counseling and assistance is currently administered by the California Department of Fair Employment (DFEH) and Housing.

2. Persons with Disabilities

Disability is a physical or mental condition that substantially limits one or more major life activities. Physical and mental disabilities can hinder access to traditionally designed housing units as well as potentially limit the ability to earn adequate income. The Housing Needs Assessment shows that 12.6 percent of Scotts Valley's population has a disability. The most common disabilities in Scotts Valley are ambulatory difficulty, independent living difficulty, and vision difficulty.

There is a variety of organizations within and around Scotts Valley that serves individuals with disabilities. The San Andreas Regional Center is a non-profit that serves individuals with developmental disabilities and their families who reside within Monterey, San Benito, Santa Clara, and Santa Cruz Counties. The County of Santa Cruz Human Resources Agency coordinates federal, state, and county government funding for programs and services for disabled populations in the City of Scotts Valley. The Central Coast Center for Independent Living (CCCIL) is a community-based, cross-disability, non-profit organization that is designed and operated with people with disabilities. The organization provides a variety of programs from peer support, housing assistance, and independent living skills training.

Table A-2 below identifies 5th Cycle accomplishments for persons with disabilities.

Table A-2: 5th Planning Cycle Policies and Program Effectiveness, Persons with Disabilities

Accomplishments During the 5 th Cycle	Effectiveness of Programs
Program 3.3 Fair Housing Fair Housing information is provided on the City's web site and at City Hall as well as through the Housing Authority of the County of Santa Cruz. This information is available to property owners, apartment managers, tenants and the general public.	The City continues to promote fair housing practices, provide the public with educational information on fair housing, and refer fair housing complaints to the Department of Fair Employment and Housing. The City has amended its Zoning Code to include formal reasonable accommodation procedures and established specific zoning districts to permit emergency shelters, transitional, and supportive housing as a matter of right. The City continues to periodically evaluate the Zoning Code to find whether any regulations constrain the development of housing for persons with disabilities. Fair housing counseling and assistance is currently administered by the California Department of Fair Employment (DFEH) and Housing.
Program 3.5 Reasonable Accommodation Chapter 17.60 of the City's Municipal Code provided Reasonable Accommodation standards and procedures. The Municipal code is on the City's website as well as at City Hall.	The City established the ADA Committee to work with the City's Building Official to develop programs to encourage new construction to be designed in a manner to accommodate persons with disabilities. The ADA Committee continues as a City Commission that identifies opportunities to increase ADA accessibility throughout the City.
Program 3.6 Housing for Persons with Development Disabilities The City continued to seek available funding and provide regulatory incentives to assist projects for persons with developmental disabilities. The City also continued to work with nonprofit developers who intend to provide housing for persons with developmental disabilities. Information on housing and services for persons with developmental disabilities is available at City Hall and on the City's web site.	The City's accomplishment of seeking available funding and providing incentives to assist projects for persons with developmental disabilities is an effective way to improve the lives of this population and make the community more inclusive.

3. Large Households

Appendix B shows that about 7 percent of Scotts Valley households have 5 or more members, this includes 5 percent 5-person households, 2 percent 6-person household, and less than one percent 7-or-more-person households. The percentage of owner-occupied households (288) and renter-occupied households (48) that are large households is approximately 8.3 percent and 3.7 percent, respectively.

Larger, lower income families may qualify for Housing Choice Vouchers. Housing Choice Vouchers subsidize the rent for households so that the households can access housing below

current fair market rental pricing. The City encourages affordable housing development for large households through partnerships with developers and entities and providing a homebuyer assistance program.

Table A-3 below identifies 5th Cycle accomplishments for large households.

Table A-3: 5th Planning Cycle Policies and Program Effectiveness, Large Households

Accomplishments During the 5 th Cycle	Effectiveness of Programs
Program 3.3 Fair Housing Fair Housing information is provided on the City's web site and at City Hall as well as through the Housing Authority of the County of Santa Cruz. This information is available to property owners, apartment managers, tenants and the general public.	The City continues to promote fair housing practices, provide the public with educational information on fair housing, and refer fair housing complaints to the Department of Fair Employment and Housing. The City has amended its Zoning Code to include formal reasonable accommodation procedures and established specific zoning districts to permit emergency shelters, transitional, and supportive housing as a matter of right. The City continues to periodically evaluate the Zoning Code to find whether any regulations constrain the development of housing for persons with disabilities. Fair housing counseling and assistance is currently administered by the California Department of Fair Employment (DFEH) and Housing.
Program 3.4 Child and Day Care Facilities The City continues to provide information at City Hall and on the City's web site regarding current zoning regulations that apply to child care and day care facilities. In addition, the City continued to encourage the provision of child care and day care facilities in all new proposed development activities.	The City's accomplishment of providing information on zoning regulations and encouraging the provision of child care and day care facilities in new development activities can be beneficial for large households. Female-headed households, comprised largely of female, single-parents with children, may benefit from child care services and affordable housing.

4. Single-Parent Households

Single-parent households often require special consideration and assistance due to their greater need for affordable and accessible day care, health care, and other supportive services. Single parents make up 10 percent of Scotts Valley households. The Scotts Valley Unified School District (SVUD) offers a variety of community resources for children and single parents in the community. For instance, Vine Hill and Brook Knoll Elementary School provides after school care programs to residents with children and the SVUD provides free and reduced-price meals. SVUD serves over 2,000 students from preschool through twelfth grade. SVUD includes two elementary schools, one middle school, and one high school. The Joe and Linda Aliberti Clubhouse, run by the Boys and Girls Club of Santa Cruz County, offers affordable after school and day programming for local children. Their programming includes homework help, art, reading, physical activities and various specialty season programs such as summer camp programs.

Table A-4 below identifies the 5th Cycle accomplishments for single-parent households.

Table A-4: 5th Planning Cycle Policies and Program Effectiveness, Single-Parent Households

Accomplishments During the 5 th Cycle	Effectiveness of Programs
Program 3.3 Fair Housing Fair Housing information is provided on the City's web site and at City Hall as well as through the Housing Authority of the County of Santa Cruz. This information is available to property owners, apartment managers, tenants and the general public.	The City continues to promote fair housing practices, provide the public with educational information on fair housing, and refer fair housing complaints to the Department of Fair Employment and Housing. The City has amended its Zoning Code to include formal reasonable accommodation procedures and established specific zoning districts to permit emergency shelters, transitional, and supportive housing as a matter of right. The City continues to periodically evaluate the Zoning Code to find whether any regulations constrain the development of housing for persons with disabilities. Fair housing counseling and assistance is currently administered by the California Department of Fair Employment (DFEH) and Housing.
Program 3.4 Child and Day Care Facilities The City continues to provide information at City Hall and on the City's web site regarding current zoning regulations that apply to child care and day care facilities. In addition, the City continued to encourage the provision of child care and day care facilities in all new proposed development activities.	The City's accomplishment of providing information on zoning regulations and encouraging the provision of child care and day care facilities in new development activities can be beneficial for single-parent households.

5. Persons Experiencing Homelessness

Homelessness has become an increasingly important issue in the region and throughout California. Homelessness is the result of expensive housing or an insufficient income to pay for housing. Other possible contributing factors include mental disabilities, domestic violence, and alcohol and drug addiction. The 2022 Santa Cruz County Homeless Point-in-Time (PIT) Count and Survey identifies where homeless individuals are living in the County. Of the responses collected, the top two primary conditions that led to homelessness in Scotts Valley were eviction and employment loss; Scotts Valley had a homeless population of 48 in 2022.

Scotts Valley works to meet the homeless needs through a variety of programs. The City permits emergency shelters in Service Commercial districts (C-S) and Shopping Center Commercial districts (C-SC); and permits them with a conditional use permit in the Public/Quasi-public districts (P). These zoning districts are located along the City's main thoroughfares. Transitional and supportive housing are permitted by-right in all residential zones; and permits transitional housing with a conditional use permit in the Light Industrial district (I-L).

The PIT Count and Survey reported the top six services being accessed in Santa Cruz County were free meals (64 percent), bus passes (46 percent), health services (46 percent), shelter day services (36 percent), mental health services (30 percent), and legal services (27 percent). Within the City, Camp Recovery Center provides adults and teens with alcohol and drug

problems specialized detox, residential, outpatient and aftercare treatment programs. San Augustine and St. Philips church have food pantries. AFC Faith Community Shelter rotates its shelter program with different churches in Santa Cruz, Scotts Valley, and Aptos.

Table A-5 below identifies 5th Cycle accomplishments for persons experiencing homelessness.

Table A-5: 5th Planning Cycle Policies and Program Effectiveness, Persons Experiencing Homelessness

Accomplishments During the 5 th Cycle	Effectiveness of Programs
Program 1.4 Emergency Shelters On July 15, 2015, the City Council of Scotts Valley adopted Ordinance No. 16-138, continuing to allow emergency shelters by-right in the C-S, C-SC, and P Zoning Districts and amending the definition of an emergency shelter in compliance with SB 2. The City continued to monitor the inventory of sites appropriate to accommodate emergency shelters and worked with appropriate organizations.	Persons experiencing homelessness may benefit from this ordinance as it would make it easier for persons experiencing homelessness with a place to stay, as well as access to other essential services such as food, clothing, and medical care.
Program 1.5 Transitional and Supportive Housing On July 15, 2015, the City Council of Scotts Valley adopted Ordinance No. 16-138, permitting transitional and supportive housing by-right in all residential zoning districts, in compliance with SB 2.	Persons Experiencing Homelessness benefit from this adopted ordinance will increase the number of transitional and supportive housing in all residential zoning districts.
Program 3.3 Fair Housing Fair Housing information is provided on the City's web site and at City Hall as well as through the Housing Authority of the County of Santa Cruz. This information is available to property owners, apartment managers, tenants and the general public.	The City continues to promote fair housing practices, provide the public with educational information on fair housing, and refer fair housing complaints to the Department of Fair Employment and Housing. The City has amended its Zoning Code to include formal reasonable accommodation procedures and established specific zoning districts to permit emergency shelters, transitional, and supportive housing as a matter of right. The City continues to periodically evaluate the Zoning Code to find whether any regulations constrain the development of housing for persons with disabilities. Fair housing counseling and assistance is currently administered by the California Department of Fair Employment (DFEH) and Housing.

6. Farmworkers

Agricultural operations in the City are limited, with lands zoned for Residential Mountain (R-MT-5) allowing for crop or tree farming. Lands zoned R-MT-5 account for a fraction of land zoned for residential development in the city. A query of business licensing records indicated that no crop or tree farming operations are active in the City. As such, no specific resources are currently available for farmworkers.

A program is included to revise the Zoning Ordinance to allow for farmworker housing by-right in zones allowing single family residential development, in accordance with State law.

Table A-6 below identifies 5th Cycle accomplishments for farmworkers.

Table A-6: 5th Planning Cycle Policies and Program Effectiveness, Farmworkers

Accomplishments During the 5 th Cycle	Effectiveness of Programs
Program 3.3 Fair Housing Fair Housing information is provided on the City's web site and at City Hall as well as through the Housing Authority of the County of Santa Cruz. This information is available to property owners, apartment managers, tenants and the general public.	The City continues to promote fair housing practices, provide the public with educational information on fair housing, and refer fair housing complaints to the Department of Fair Employment and Housing. The City has amended its Zoning Code to include formal reasonable accommodation procedures and established specific zoning districts to permit emergency shelters, transitional, and supportive housing as a matter of right. The City continues to periodically evaluate the Zoning Code to find whether any regulations constrain the development of housing for persons with disabilities. Fair housing counseling and assistance is currently administered by the California Department of Fair Employment (DFEH) and Housing.
Program 3.9 Agricultural Employee Housing The city continued to review Health and Safety Codes as they relate to agricultural employee housing in order to amend the Zoning Ordinance if necessary.	The City's review of Health and Safety Code is an important step towards improving the lives of farmworkers. By ensuring that farmworkers have safe and healthy housing, the City can help improve their well-being, and quality of life.

2015-2023 PROGRAM ACCOMPLISHMENTS

As required in Government Code 65588, local governments are to review its housing element as frequently to evaluate the appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal. **Table A-7** provides detailed, program-specific accomplishments for 2015-2023. The City of Scotts Valley has demonstrated significant effort in working towards accomplishing many of the objectives established in the 5th Planning Cycle Housing Element. The City's successful programs have been identified as on-going for the 6th Planning Cycle. Various programs have been modified in the 6th Cycle Housing Plan to account for new requirements and changes in State Law.

Table A-7: 5th Planning Cycle Program Accomplishments

Goals and Programs	Objective	Program Accomplishments	Status for Sixth Cycle
GOAL 1. It is the goal of the City of Scotts Valley to promote a balanced mix of housing types, prices, and opportunities by increasing the number of housing units to accommodate population and employment growth.			
Program 1.1 The City Council rezoned 11 acres of residential and commercial land to very high density residential, allowing densities from 15 to 20 units per acre during the 2009-2014 planning period. including an additional 12 acres was rezoned for mixed residential and commercial uses along major corridors. The City has determined that the sites inventory previously identified has remaining capacity to meet the 2015-2023 RHNA. As discussed in Chapter 4 and outlined in Chart 4-4, these sites are located along Scotts Valley Drive, Mt. Hermon Road, and specific plan locations, such as the Gateway Specific Plan. To ensure sufficient residential capacity to accommodate the identified regional need for lower income households is maintained, the City will develop and implement a formal monitoring program. The program will track development approvals on identified sites and ensure that no net loss occurs. This means that if any of the identified sites are not developed in accordance with the development requirements outlined in the Zoning Code, an alternative site or sites must be identified and rezoned to maintain overall affordable unit capacity.	Report on the progress of development in the identified sites inventory in the Annual Progress Report to HCD as required pursuant to Government Code Section 65400 and due April 1 of each year.	The City monitored the development approvals on identified sites, as detailed below.	Modify. The program is modified to meet the 6 th Cycle RHNA through a variety of strategies established in Appendix F.
	Monitor development approvals on identified sites and ensure that no net loss occurs.	2015: Scotts Valley was preparing its 2015-2016 Housing Element. 2016: Two developments were approved on - opportunity sites, The Cove and The Grove. The approvals entitled 75 housing units, with 10 units deed restricted affordable housing as required by the City's Inclusionary Ordinance.	
	Continue to implement the City's 15% inclusionary housing requirement and Title 14 Affordable Housing Production requirements.	2017: Thee construction of The Grove was ongoing. Building permits were issued for 3 deed restricted lower income units and 4 deed restricted moderate income inclusionary units. 2018: Building permits issued for The Cove and The Terrace, to allow for the construction of 43	

Goals and Programs	Objective	Program Accomplishments	Status for Sixth Cycle
		units, 9 of which were deed restricted affordable housing units as required by the City's Inclusionary Ordinance. An application was submitted for the Oak Creek Park opportunity site. <u>2019:</u> Building permits issued for 12 residential units on scattered sites throughout Scotts Valley. These sites were not included in the sites inventory. Certificates of Occupancy for The Grove was issued. <u>2020:</u> Building permits issued for 10 residential units. Nine building permits were issued for the Terrace, one of which was a low-income inclusionary unit. The construction of 25 housing units with three inclusionary moderate-income units (The Cove) was completed. <u>2021 - 2022:</u> The City monitored the remaining sites in the 2016 inventory to assure that land at appropriate densities is available to meet any unmet RHNA needs. The Town Center Specific Plan as listed in the 2016 site inventory represented a significant site for additional housing opportunities. The City continues to implement the 15% Inclusionary Housing requirement and is planning to evaluate the Inclusionary Housing Ordinance and to propose changes as needed to increase its effectiveness in producing affordable housing. The City has also been awarded SB2, LEAP, and REAP funds for	

Goals and Programs	Objective	Program Accomplishments	Status for Sixth Cycle
		improved permit processing, updating the City's Housing Element, and revisions to the ADU/Second Dwelling Unit Ordinance. In 2021, the City also approved the Bay Village Planned Development (10 total units, 2 affordable inclusionary units), The Hoechler project (2 units) and The Encore Project (16 total units, 2 low income inclusionary units). In 2022, the City approved the Oak Creek Park (52 total units with 2 very-low, 4 low, and 2 moderate income inclusionary units) and three units on Blue Bonnet Lane.	
Program 1.2 The Planned Development District (PD) is designed to enable projects to create specific development standards for a site that facilitate quality development and responds to unique site or environmental conditions. For example, a PD district allows smaller lots than normally allowed under the Zoning Code to preserve trees and sloped areas. In these cases, the Planned Development district provides a means of flexibility other than a variance to secure modifications to otherwise set development standards. A Planned Development district is approved by the Planning Commission and City Council. The City has successfully used PD districts in recent years to facilitate affordable projects including the Baytree Apartments, Bluebonnet Condominiums, and Windward single-family homes.	Continue providing flexible design through the PD zoning district.	2015: The City was preparing the 2015/2016 Housing Element, which included implementation of flexible design standards through a PD Zoning District. 2016 - 2022: The City worked with the development community by encouraging and supporting flexible design standards in the PD Zoning District. The following projects were approved with a PD Zoning District – The Grove, The Terrace, The Cove, Erba Lane and Oak Creek Park, for a total of 156 units.	Ongoing. The efforts for Program 1.2 will continue to provide flexible design throughout the PD Zoning District.
Program 1.3 The City of Scotts Valley could also accommodate a significant number of secondary dwelling units and guest houses. Since 2000, the City has facilitated the development of secondary dwelling units by reducing development standards, permitting them by right in residential zoning districts, and providing a means to address illegal conversion.	Continue to publicize its secondary dwelling unit program by developing brochures, updating its web site, and making available brochures available at the public counter.	2015: The City was preparing the development and implementation of this program. 2016: This City program was still in progress. 2017: The City issued 3 building permits for two dwelling units. 2019 - 2022:	Modify. The program is modified to amend its current "Secondary Dwelling Unit - Ordinance" to comply with State law requirements and imitations on required development standards.
	Periodically review program and make adjustments as		

Goals and Programs	Objective	Program Accomplishments	Status for Sixth Cycle
	feasible to facilitate the development of secondary dwelling units.	The City received SB2 grant funds that will be used to update the City's Secondary Dwelling Unit Ordinance so that it reflects all of the recent legislative changes as mandated by the State of California. These include Assembly Bill 68, Assembly Bill 881 and Senate Bill 13, all of which became effective as of January 1, 2020.	
Program 1.4 In compliance with Senate Bill 2, the City of Scotts Valley amended the Zoning Code to allow emergency shelters by-right in the Service Commercial (C-S), Shopping Center Commercial (C-SC), and Public/Quasi-Public (P) zoning districts. These zoning districts were selected due to multiple opportunities of underutilized and vacant sites for the development of new emergency shelters.	Continue to monitor the inventory of sites appropriate to accommodate emergency shelters and work with the appropriate organizations to ensure the needs of homeless and extremely low-income residents are met.	2015: The City was preparing the development and implementation of this program. On July 15, 2015, the City Council of Scotts Valley adopted Ordinance No. 16-138, continuing to allow emergency shelters by-right in the C-S, C-SC, and P Zoning Districts and amending the definition of an emergency shelter in compliance with SB 2.	Modify. The program is modified for the 6 th Cycle to meet the requirements of AB 139.
	Prioritize available funding and other available incentives for projects that provide housing for homeless and extremely low-income residents whenever possible.	2016: In Progress. 2017: This City program was still in progress 2018 – 2022: The City continued to monitor the inventory of sites appropriate to accommodate emergency shelters and worked with appropriate organizations.	
Program 1.5 In compliance with Senate Bill 2, the City of Scotts Valley amended the Zoning Code to allow transitional and supportive housing by-right in all residential zones, subject to only those regulations that apply to other residential uses of the same type in the same zone. These types of housing provide important housing opportunities	Continue to monitor the inventory of sites appropriate to accommodate transitional and supportive housing and work with the appropriate organizations to ensure the needs of homeless and	2015: The City was preparing the development and implementation of this program. On July 15, 2015, the City Council of Scotts Valley adopted Ordinance No. 16-138, permitting transitional and supportive housing by-right	Completed. The Program objectives were completed in 2015.

Goals and Programs	Objective	Program Accomplishments	Status for Sixth Cycle
for the City's homeless and extremely low-income households.	extremely low-income residents are met. Prioritize available funding and other available incentives for projects that provide housing for homeless and extremely low-income residents whenever possible.	in all residential zoning districts, in compliance with SB 2. <u>2018 – 2022:</u> Transitional and Supportive housing are permitted by-right in all residential zones.	
Program 1.6 To facilitate development, the City offers developers the opportunity to participate in a Density Bonus Program which provides a density increase of 35 percent plus development incentives for qualified affordable projects to be eligible for the program, the affordable project must contain: (1) at least 10 percent of the units reserved for low-income households; (2) at least 5 percent reserved for low-income households; or (3) an entire development reserved for senior households. The unit must remain affordable for at least 55 years if the density bonus is granted.	Provide information on the Density Bonus Program at City Hall and on the City's website.	<u>2015:</u> The City was preparing the development and implementation of this program. <u>2018:</u> Density Bonus Program information is included on page 4 of the City's 2018 "Affordable Housing Action Plan Brochure." <u>2019:</u> Density Bonus Program information is included on page 4 of the City's 2019 "Affordable Housing Action Plan Brochure." <u>2020:</u> Density Bonus Program information is included on page 4 of the City's 2020 "Affordable Housing Action Plan Brochure." <u>2021 - 2022:</u> The Density Bonus Program information is included in Section 17.62 of the SVMC. In 2021, the City approved a Density Bonus application for The Encore project. The project consists of 16 ownership units, 2 of which are deed restricted to affordable households as required by the City's inclusionary ordinance. Building permits for The Encore were issued in 2022.	Modify. The program is modified to include an update of the Density Bonus Ordinance in compliance with State law requirements.

Goals and Programs	Objective	Program Accomplishments	Status for Sixth Cycle
GOAL 2. It is the goal of the City of Scotts Valley to foster high-quality, safe and livable housing and residential neighborhoods through the preservation of Scotts Valley's current housing stock that meets the needs of all income segments of Scotts Valley's community and through the preservation of the City's supporting services and programs that are intended to maintain and preserve the quality, the continued availability and the affordability of that housing and the City's residential neighborhoods, as deemed appropriate by the City.			
Program 2.1 Zoning and building codes are designed to preserve housing in good condition and maintain the quality of neighborhoods. The City's Code Enforcement staff enforces City ordinances related to property maintenance, building conditions, and other issues.	Continue to implement a proactive code enforcement program through the Building Department and inform residents of rehabilitation assistance grants when available at City Hall and on the City's website.	<u>2018 - 2022:</u> The City continued to implement a proactive code enforcement program.	Ongoing. The efforts of program 2.1 will continue to implement an active code enforcement program. Conduct a biennial review of code enforcement cases to identify potential trends in the location or type of case.
Program 2.2 Design review ensures that new housing projects are designed to blend in with the character of the neighborhood, respect topographical and environmental features in Scotts Valley, and ensure compatibility with surrounding land uses. Design review is required for projects at the tentative map stage and for apartment projects and for projects in hillside combining districts and other sensitive areas. The City has streamlined the design review process in recent years. Design review is presently conducted by the City staff and reviewed by the Planning Commission, rather than separate commissions in the community. City staff assists developers by providing a booklet with design guidelines.	Continue to review projects to ensure consistency with the General Plan, Zoning Ordinance and area Design Guidelines. The City will give processing priority to affordable housing projects.	<u>2015:</u> The City was preparing the development and implementation of this program. <u>2018 - 2019:</u> The City continued to conduct project reviews to ensure consistency with the General Plan and Zoning Ordinance and provided priority process to affordable housing projects. <u>2020 - 2022:</u> The City continued to conduct project reviews to ensure consistency with the General Plan and Zoning Ordinance and provided priority process to affordable housing projects as allowed by recent State of California legislation.	Modify. The program is modified to reflect updates in the design review processes.
Program 2.3 The City will inventory and gather information to proactively monitor publicly assisted housing units that have the potential to convert to market rate. This will include an annual review of the conversion status of all	Develop and maintain an AB 987 database to include detailed information on all subsidized units, including	<u>2015:</u> The City was preparing the development and implementation of this program. <u>2018 - 2020:</u>	Ongoing. The efforts for Program 2.3 will continue through the next cycle. Develop AB 987

Goals and Programs	Objective	Program Accomplishments	Status for Sixth Cycle
subsidized housing. Although no affordable project is at-risk of conversion during the planning period, the City will continue to monitor the status of projects and provide technical and financial assistance as feasible to ensure the projects remain affordable for the long-term.	those that have affordability covenants.	The City maintained a data base and annually publishes an inventory of affordable housing opportunities entitled the “Affordable Housing Action Plan Brochure.” The most recent brochure was distributed in May 2020. The City continues to explore available federal and state funding resources that would assist private and non-profit developers in producing affordable housing. The City had an on-going contractual relationship with the Housing Authority of Santa Cruz County to provide eligibility and monitoring assistance of affordable units. 2021 - 2022: The City maintained a data base and annually published an inventory of affordable housing opportunities (https://www.housekeys15.com). The City continued to explore available federal and state funding resources that would assist private and non-profit developers in producing affordable housing. The City had an on-going contractual relationship with HouseKeys to provide eligibility and monitoring assistance of affordable units.	database within one-year of Housing Element adoption and update annually.
	Explore funding sources such as HUD Section 208/811 loans, HOPE II and II Homeownership Program funds, HOME funds, CDBG funds, Low-Income Housing Tax Credit Programs, California Housing Finance Agency single-family and multi-family programs, and other programs to stimulate private developer and non-profit entity efforts in the development and financing of housing for lower and moderate-income households.		
	Continue to monitor at-risk developments throughout the planning period and pursue partnership opportunities with non-profits to preserve and expand affordable housing in the City.		
Programs 2.4 The City’s Mobile Home Park Conversion Ordinance recognizes that the unrestricted conversion of mobile home parks to other uses can further diminish the availability of mobile home parks and rental space and can subject tenants to the costs and inconvenience of relocation. The ordinance provides a formal application procedure for mobile home park conversion and requires approval by the Planning Commission or City Council. The City will continue to implement the ordinance in an effort to protect the community’s existing mobile home parks.	Continue to implement the mobile home park conversion ordinance in an effort to protect existing mobile home parks and the supply of affordable housing.	2018 – 2022: The City continued to implement the Mobile Home Park Conversion Ordinance to protect existing mobile home parks. Information about the ordinance and other fair housing information was available at City Hall and on the City’s web site.	Ongoing. The efforts for Program 2.4 will continue through the next cycle.
	Provide information on the mobile home park conversion ordinance and other fair		

Goals and Programs	Objective	Program Accomplishments	Status for Sixth Cycle
	housing information on the City's website and at City hall.		
Program 2.5 The Mobile Home Park Rent Stabilization Ordinance recognizes the need to protect the residents of mobile homes from unreasonable space rent increases, while at the same time recognizing the need for mobile home park owners to receive a reasonable income and return on investment. The City receives, investigates, and holds hearings on requests for rent adjustments through the City's Rent Review Commission. To ensure that conditions are preserved to promote and enhance fairness in the economic relationship between mobile home park owners and mobile home owners the City will continue to implement the Mobile Home Park Rent Stabilization Ordinance.	Continue to implement the mobile home park rent stabilization ordinance to ensure that mobile home owners and residents are protected from unreasonable space rental increases while recognizing the need of mobile home park owners to receive a just and reasonable return on their investment. Provide information on the mobile home park rent stabilization ordinance and other fair housing information on the City's website and at City Hall.	2018 – 2022: The City continued to implement the Mobile Home Park Rent Stabilization Ordinance to protect existing mobile home parks. Information about the ordinance and other fair housing information was available at City hall and on the City's web site. In addition, the City's Mobile Home Park Rent Review Commission receives, investigates and can hold hearings as needed on proposed rent adjustments. As there has not been a recent need, the Commission is inactive and some seat are vacant.	Ongoing. The efforts for Program 2.5 will continue to implement and monitor the Mobile Home Park Rent Stabilization Ordinance throughout the 6th Planning Cycle. Provide information at City Hall and on the City's website within one-year of Housing Element adoption.
GOAL 3. It is the goal of the City of Scotts Valley to expand and protect a range of housing opportunities for all demographic, economic, and special needs groups in the community.			
Program 3.1 The Section 8 Rental Assistance Program extends rental subsidies to very low-income households. The program offers a voucher that pays the difference between the current fair market rent established by the Housing Authority and what a tenant can afford to pay (i.e. 30 percent of household income). The voucher allows a tenant to choose housing that costs above the payment standard, provided the tenant pays the extra rent above the payment standard. The Housing Choice Voucher Program has recently been expanded to include a homeownership opportunity. Under the new program, renters who have participated in the Housing Choice Voucher program for a minimum of one	Continue to participate with the Housing Authority of Santa Cruz County Section 8 Certificate/Voucher Rental Assistance Program. Continue to refer residents to the County program and provide information at City hall and on the City's website.	2018 - 2020: The City continued to participate with the Housing Authority of Santa Cruz County and provided information about the Housing Authority's services in the City's 2020 "Affordable Housing Action Plan Brochure." 2021 – 2022: The City continued to participate with the Housing Authority of Santa Cruz County and provides information about the Housing Authority's services.	Modify. The program is modified for the 6th Cycle to include information on homeownership opportunities through the Housing Choice Voucher Program.

Goals and Programs	Objective	Program Accomplishments	Status for Sixth Cycle
year are ready to buy a house, and have pre-qualified for a mortgage loan from a participating lender, may have their monthly housing assistance payment applied to a mortgage payment rather than rent. A three percent down-payment is required to be paid by the prospective homebuyer. As the City has little control over how the County's programs are administered, the City will be responsible for providing information to residents.			
Program 3.2 Since 1992, Scotts Valley has participated in the Mortgage Credit Certificate (MCC) program through the Housing Authority of the County Santa Cruz. The MCC program provides a tax credit of up to 20 percent of the annual interest paid on the applicant's mortgage, reducing the amount of Federal income tax the homeowner pays and freeing more income to qualify and pay for a loan. The Housing Authority also offers a specialized MCC program for teachers and principals of eligible schools. Currently the schools located in Scotts Valley are not eligible for the program. As the City has little control over how the County's programs are administered, the City will be responsible for providing information to residents.	Continue to refer residents to the County program and provide information at City Hall and on the City's website.	2017: The Mortgage Credit Certificates are no longer issued in Santa Cruz County. 2018 – 2022: The Housing Authority of the County of Santa Cruz no longer administers a Mortgage Credit Certificate (MCC) Program. They continued the administration of the Reissued Mortgage Credit Certificate (RMCC) program for those MCC's issued by the Housing Authority.	Modify. The program is modified to refer residents who were on the MCC program to the RMCC program.
Program 3.3 Fair housing is a broad topic that covers topics ranging from fair housing services to providing sufficient housing opportunities. For fair housing services, the City currently refers fair housing discrimination activities to the California Department of Fair Employment and Housing (DFEH). The mission of the DFEH is to protect Californians from employment, housing, and public accommodation discrimination.	Continue to provide informational and educational materials on fair housing services for property owners, apartment managers, and tenants at City Hall and on the City's website. Continue to monitor and respond, as appropriate, to complaints of discrimination, and continue to refer tenants to the California Department of Fair Employment and Housing for proper intake,	2018 – 2022: Fair Housing information is provided on the City's web site and at City Hall as well as through the Housing Authority of the County of Santa Cruz. This information is available to property owners, apartment managers, tenants and the general public.	Ongoing. The efforts for Program 3.3 will continue to monitor and respond to fair housing discrimination activities throughout the 6 th planning cycle.

Goals and Programs	Objective	Program Accomplishments	Status for Sixth Cycle
	investigation, and resolution of fair housing complaints.		
Program 3.4 Scotts Valley recognizes that children represent our future community, but also recognizes that existing childcare services and facilities may not be adequate to meet today's demand and that this demand is increasing. To ignore this fact jeopardizes the long-term of the City's social, physical, and economic well-being. Thus, the City is committed to making high quality childcare services available, affordable, and accessible to those persons who either live or work in the City and who desire or need such services.	Continue to work with child care providers and the County to promote adequate child care facilities within the community.	<u>2018 – 2022:</u> The City continues to provide information at City Hall and on the City's web site regarding current zoning regulations that apply to child care and day care facilities. In addition, the City continued to encourage the provision of child care and day care facilities in all new proposed development activities.	Ongoing. The efforts for Program 3.4 will continue to develop new child care facilities within the community.
	Provide information at City Hall and the City's website on current zoning regulations that apply to child care and day care facilities.		
	Continue to encourage new development to provide child care and day care facilities through a variety of activities, including outreaching to developers; providing financial or in-kind technical assistance, when available; providing expedited processing; identifying grant and funding opportunities; and providing information on the City's Density Bonus Ordinance.		
Program 3.5 Pursuant to Government Code Section 65583, the City of Scotts Valley is obligated to remove potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels and for persons with disabilities. The Fair Housing Act, as amended in 1988, requires that cities and counties provide reasonable accommodation to rules, policies, practices, and procedures where such 5-13 accommodation	Provide informational handouts and information at City Hall and on the City's website about reasonable accommodation procedures.	<u>2018 – 2022:</u> Chapter 17.60 of the City's Municipal Code provided Reasonable Accommodation standards and procedures. The Municipal code is on the City's website as well as at City Hall.	Modify. The program is modified to continue reviewing reasonable accommodation procedures to remove potential constraints.
	Continue to work with developers and individual home owners to encourage		

Goals and Programs	Objective	Program Accomplishments	Status for Sixth Cycle
may be necessary to afford individuals with disabilities equal housing opportunities. Reasonable accommodation provides a basis for residents with disabilities to request flexibility in the application of land use and zoning regulations or, in some instances, even a waiver of certain restrictions or requirements from the local government to ensure equal access to housing opportunities. The ADA Committee continues as a City Commission that identifies opportunities to increase ADA accessibility throughout the City. In general, City Staff takes into consideration the provisions of the California Americans with Disabilities Act (Cal ADA) in the review and approval of housing projects and grants modifications and deviations from the Municipal Code to accommodate the needs of persons with disabilities. In 2014, the City adopted a reasonable accommodation ordinance per requirements of State law.	design and construction of projects that include features to make the units usable for persons with disabilities.		
Program 3.6 The housing needs of persons with developmental disabilities are typically not addressed by Title 24 Regulations, and requires, in addition to basic affordability, slight modifications to existing units, and in some instances, a varying range of supportive housing facilities. The design of housing accessibility modifications, the proximity to services and transit, and the availability of group living opportunities represent some of the types of considerations that are important in serving this need group. Incorporating “barrier-free” design in all new multi-family housing (as required by California and Federal Fair Housing laws) is especially important to provide the widest range of choices for residents with disabilities.	Seek State and Federal monies, as funding becomes available, in support of housing construction and rehabilitation targeted for persons with developmental disabilities.	2018 – 2022: The City continued to seek available funding and provide regulatory incentives to assist projects for persons with developmental disabilities. The City also continued to work with nonprofit developers who intend to provide housing for persons with developmental disabilities. Information on housing and services for persons with developmental disabilities is available at City Hall and on the City’s web site.	Modify. The program is modified to amend the Zoning Code to permit large Community Care Residential Facilities in all residential zones to remove constraints for persons with disabilities.
	Provide regulatory incentives, such as expedited permit processing, and fee waivers and deferrals, to projects targeted for persons with developmental disabilities.		
	Work with the San Andreas Regional Center to implement an outreach program informing households within the City of housing and services available for persons		

Goals and Programs	Objective	Program Accomplishments	Status for Sixth Cycle
	with developmental disabilities. Provide information on housing and services available for persons with developmental disabilities at City Hall and on the City's website.		
Program 3.7 Extremely low-, and low-income households have limited housing options in Scotts Valley. Housing types appropriate for these groups include: emergency shelters, and transitional and supportive housing. To accommodate this population group the City amended the Zoning Code to address these housing types per requirements of Senate Bill 2. The City has amended the City's Zoning Code to allow emergency shelters by-right in at least one zoning district, and to permit transitional and supportive housing in all residential zones by-right without any discretionary action, subject only to those regulations that apply to other residential dwelling units of the same type in the same zone.	Encourage the development of housing for lower income households, including extremely low-, very low-, and low-income, through a variety of activities, such as outreaching to housing developers; providing financial or in-kind technical assistance, when available; providing expedited processing; identifying grant and funding opportunities; and offering additional incentives beyond density bonus provisions.	2018: The City encouraged lower income housing (including low, very low and extremely low income) by providing information and assistance to both private and non-profit developers. In 2018, the City continued discussions with the developer of a proposed 19 unit project (Bay Photo) to designating 2 rental units for lower income households. Building permits for The Cove were issued, including 3 building permits to construct moderate income inclusionary units. 2019 – 2022: The City encouraged lower income housing (including low, very low and extremely low income) by providing information and assistance to both private and non-profit developers. The City also approved the Encore and Erba Lane projects during these years, with each providing 2 rental units affordable to lower income households.	Ongoing. The efforts for Program 3.7 will continue to encourage the development of lower-income housing and provide assistance to developers.
Program 3.8 The City's Municipal Code currently defines a family as "a person or persons related by blood, marriage or	Amend, as appropriate, the definition of "family" to be	2018 – 2022:	Ongoing.

Goals and Programs	Objective	Program Accomplishments	Status for Sixth Cycle
adoption or a group of not more than five persons, excluding servants, not related by blood, marriage or adoption, living together as a single housekeeping unit in a dwelling unit.” The City evaluated the current definition and found that revisions are necessary to be consistent with State and federal fair housing laws.	consistent with State and federal fair housing laws.	An updated definition of “family” is scheduled to be reviewed at the time of the General Plan Update.	The efforts for Program 3.8 will adopt the General Plan Update that includes an updated definition of “family” that complies with state and federal fair housing laws.
Program 3.9 Sections 17021.5 and 17021.6 of the State Health Safety Code are within part of the Employee Housing Act. The act sets standards for the construction, maintenance, use, and occupancy of living quarters called “employee housing” as defined in Section 17008 of the Health and Safety Code. The intent of these two sections is to broaden opportunities for agricultural employee housing in single-family residential districts and agricultural districts. The City will amend the Zoning Ordinance and meet the requirements of Health and Safety Codes Section 17021.5 and 17021.6 as it relates to agricultural employee housing.	Amend the Zoning Ordinance to meet the requirements of Health and Safety Codes Section 17021.5 and 17021.6 as it relates to agricultural employee housing.	2018 – 2022: The City continued to review Health and Safety Codes as they relate to agricultural employee housing in order to amend the Zoning Ordinance if necessary.	Ongoing. The efforts for Program 3.9 will continue to amend the Zoning Ordinance necessary to broaden opportunities for agricultural housing in single-family residential districts.
GOAL 4. It is the goal of the City of Scotts Valley to protect its unique sensitive environmental, archaeological, and paleontological assets and encourage resource conservation measures in all new housing developments.			
Programs 4.1 The City’s Zoning Code enforces certain regulations and development standards to ensure that its environmental resources are protected. For instance, the Code prohibits development on slopes with an average grade of more than 40 percent. For slopes where development is permitted, the City provides design guidelines to the project applicant(s) to ensure that hillsides are preserved. For slopes greater than 10 percent, the City has established a Hillside Residential Combining District, which requires a variety of development and design standards to help preserve and conserve natural vegetative and topographic features and open space. City staff and the Design Review Board (Planning Commission are responsible to review the project to ensure that applicable standards have been fully addressed.	Continue to enforce the setback, height, and density standards identified in the Hillside Residential Combining District.	2018 – 2022: The City continued to enforce the various standards as identified in the Hillside Residential Combining District.	Ongoing. The efforts for Program 4.1 will ensure sensitivity to the steepness of the terrain in order to minimize grading, removal of vegetation, run-off erosion, geologic hazards and fire hazards through implementation of the standards established in the Hillside Residential Combining District.

Goals and Programs	Objective	Program Accomplishments	Status for Sixth Cycle
Program 4.2 The City encourages the conservation of resources in the development and improvement of new housing throughout the City. Buildings should be designed to minimize mechanical heating and cooling. Sunlight should be used for direct heating and illumination whenever possible. Natural ventilation and shading should be used to cool a building. Active and passive solar heating is encouraged. Solar access shall be planned into the site design where possible. Solar access shall be reserved, where appropriate, through recorded easements or other devices or instruments. Climatic factors such as prevailing winds, shade trees, window and door orientation and the positioning of buildings on the site shall all be coordinated to maximize energy conservation.	Encourage energy conservation measures and devices to be incorporated in the development and improvement of housing. Review such requirements through the Design Review and Building Permit process.	2018 – 2022: The City reviewed energy conservation measures and devices through the Design Review and the building permit process.	Ongoing. The efforts for Program 4.2 will continue to review requirements to incorporate resource conservation into new residential projects through the Design Review and the building permit process.
Program 4.3 Pursuant to Chapter 727, Statutes of 2005 (SB 1087), the City of Scotts Valley is required to deliver its adopted Housing Element and any amendments thereto to local water and sewer service providers. This legislation allows for coordination between the City, water, and sewer providers when considering approval of new residential projects, and to ensure that the providers have an opportunity to provide input on the Element. Additionally, review of the Housing Element ensures that priority for water and sewer services is granted to projects that include units affordable to lower-income households.	Submit the adopted Housing Element, and any subsequent amendments, to local water and sewer providers for their review and input.	2018 – 2022: The 2016 Housing Element had been submitted to local water and sewer providers. Future amendments to the 2016 Housing Element will also be submitted to local water and sewer providers. No amendments were made to the Housing Element during the 5th Cycle.	Ongoing. The efforts for Program 4.3 will continue to provide the Housing Element to the local water and sewer service providers.
Program 4.4 Scotts Valley's location on an ancient seabed has contributed to a wealth of archaeological and paleontological resources in the community today. In fact, the present City Hall site contains a 10,000- to 15,000-yearold archaeological site. The General Plan designates various areas throughout the community as moderate or high cultural resource sensitivity zones. In these areas, development proposals must have appropriate environmental clearance pursuant to state and federal laws,	Continue to review proposals for new housing to ensure that the City's cultural resources are adequately protected.	2018 – 2022: The City continued to monitor proposed development activity in areas designed as "moderate or high cultural resource sensitivity zones" in the General Plan.	Ongoing. The efforts for Program 4.4 will continue to monitor proposed development activity in areas designated as "moderate or high cultural resource sensitivity zones" in the 6th Cycle.

Goals and Programs	Objective	Program Accomplishments	Status for Sixth Cycle
which is reviewed by the City's Cultural Resource Commission. Procedures and scope of authority of the Commission is set forth in Chapter 17.44 of the Scotts Valley Municipal Code.			



The **Housing Needs Assessment** provides an overview of the City’s housing and population characteristics and evaluates the factors that contribute to the supply and demand of housing in Scotts Valley. To create a comprehensive evaluation of Scotts Valley’s housing needs, the housing needs assessment discusses population, household, economic and housing stock characteristics, and presents each of these components in a regional context. This assessment serves as the basis for identifying the appropriate goals, policies, programs, and quantified objectives for the City to implement during the 2023-2031 Housing Element Cycle.

POPULATION CHARACTERISTICS

Understanding the characteristics of a population is critical to plan for the needs of a community. Population growth, age composition, race, and ethnicity, and employment trends influence the type and extent of housing needs and the ability of the local population to afford housing costs. The following describes and analyzes the various population characteristics and trends that affect housing need.

1. Population Growth

Table B-1 displays the forecasted population growth for Scotts Valley in comparison to Santa Cruz County and surrounding communities. According to the U.S. Census and AMBAG Projections, the Santa Cruz County population is forecasted to increase by 8.1 percent through 2040. From 2015 to 2020, the County experienced a 0.9 percent drop in population. The City's population decreased by 2.1 percent between 2015 and 2020 and is forecasted to increase by 1.5 percent between 2020 and 2040.

Table B-1: Population Growth (2010-2040)

Jurisdictions	Population				Percent Change	
	2015 Actual	2020 Actual	2030 Projected*	2040 Projected*	2015-2020	2020-2040
Santa Cruz County	273,793	271,233	284,146	293,156	-0.9%	8.1%
Capitola	10,224	10,108	10,794	11,049	-1.1%	9.3%
Santa Cruz	64,223	64,424	72,218	78,828	0.3%	22.4%
Scotts Valley	11,946	11,693	11,837	11,868	-2.1%	1.5%
Watsonville	52,410	51,515	54,270	55,786	-1.7%	8.3%

Source: 2022 Regional Growth Forecast AMBAG, Table 8

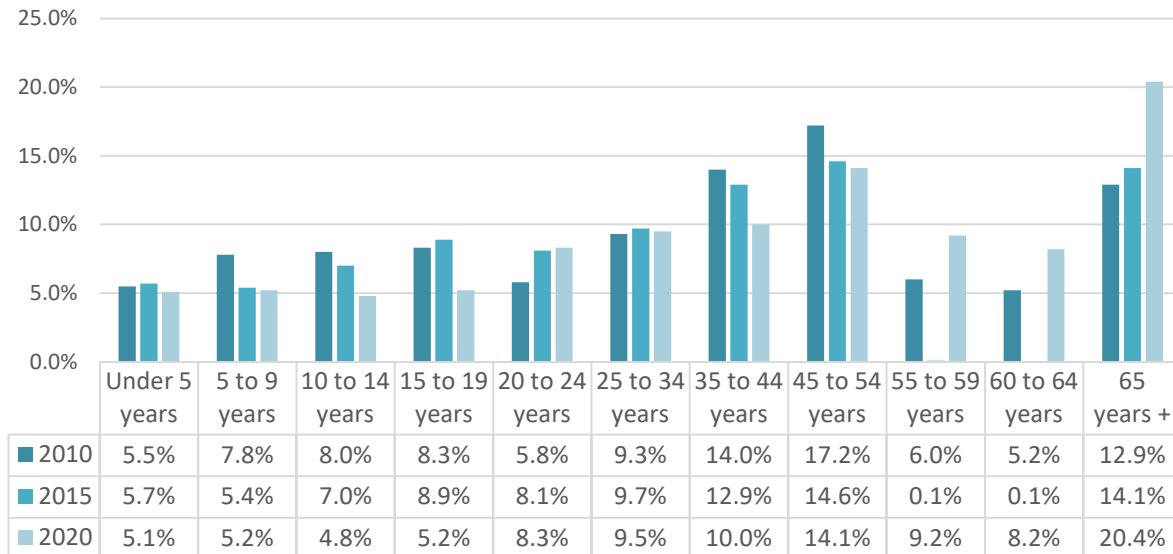
2. Age Characteristics

Housing choices may differ based on the age of residents. Young adults (18 to 30 years old) and seniors (65 years or older) typically favor apartments, low- to moderate-cost condominiums, and smaller or more affordable single-family residences as they tend to have limited incomes or smaller families. As a community's population ages, housing must also accommodate new or adjusted needs. A variety of housing options is needed to accommodate all stages of life to produce a well-balanced and healthy community.

Figure B-1 below displays ACS data for age distribution in Scotts Valley. Age groups from 5 to 9 years old, 10 to 14 years old, 35 to 44 years old, and 45 to 54 years old saw a decrease from 2010 to 2020. Older adults 65 years and older saw the most amount of growth with a 7.5 percent increase from 2010 to 2020; this age group had the largest population increase between 2010 and 2020 in Scotts Valley. This is an indication of an aging population. The population between the ages of 55- to 59-year-old experienced the most fluctuation between

2010 and 2020. From 2010 to 2015, the percentage dropped to 0.08 percent (a 5.92 percent decrease). From 2015 to 2020, the percentage increased to 9.20 percent.

Figure B-1: Scotts Valley Age Distribution



Source: American Community Survey, Table S0101, 5-Year Estimates, 2010, 2015, and 2020

Table B-2 below shows the age distribution of Scotts Valley residents in comparison to surrounding communities. Scotts Valley's adult population between 35 to 49 represent the highest percentages in comparison to neighboring communities. Scotts Valley also has the highest percentages of residents under the age of 5 after Watsonville.

Table B-2: Age Characteristics/Age Distribution

Jurisdiction	Under 5	5 to 19	20 to 34	35 to 49	50 to 64	65 years +
Santa Cruz County	5.30%	19.3%	22.4%	24.3%	13.7%	15.0%
Capitola	3.7%	16.1%	20.8%	25.8%	12.9%	20.6%
Santa Cruz	3.1%	21.0%	33.3%	20.3%	9.7%	12.5%
Scotts Valley	6.5%	18.2%	18.6%	27.2%	13.3%	16.0%
Watsonville	9.7%	24.0%	23.8%	23.9%	9.1%	9.6%

Source: American Community Survey, Table S0101, 5-Year Estimates, 2020

3. Race/Ethnicity Characteristics

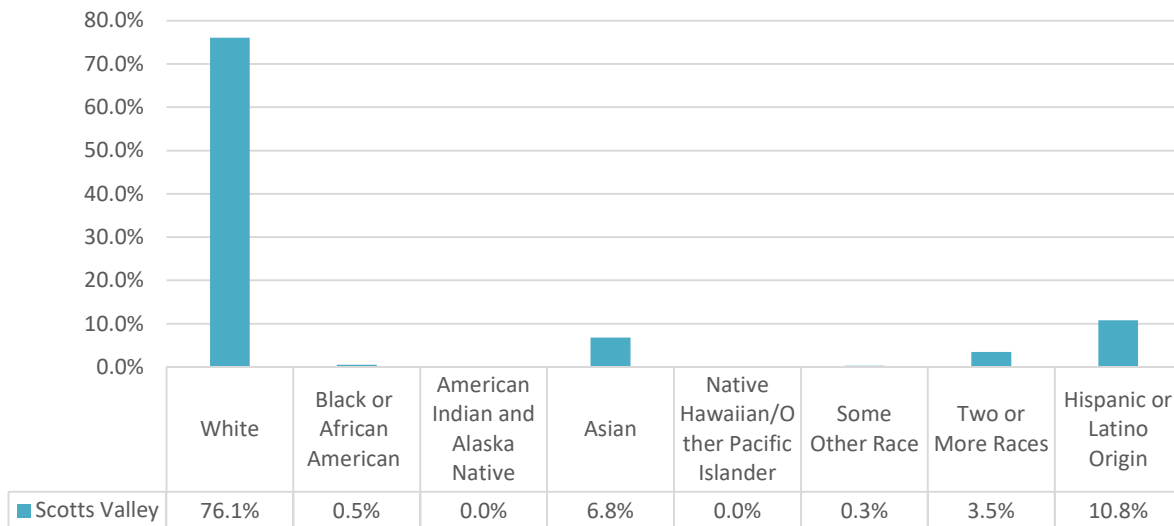
Analyzing and understanding the racial and ethnic composition of a community is important as different racial and ethnic groups may have varying household characteristics, income levels, and cultural backgrounds that may affect their housing needs, housing choice, and housing type. Cultural influences may reflect preference for a specific type of housing or other characteristics, such as location and mobility.

It is important to note that while race and ethnicity are used to identify different sections of a community's population, they are not the same and are not mutually exclusive. The data identified below shows the racial and ethnic composition of Scotts Valley and nearby

jurisdictions using ACS, which allows Census respondents to identify one's race and ethnicity. Therefore, overlap may occur.

Figure B-2 and Table B-3 show persons who identify as White make up the largest racial group in Scotts Valley (76.1 percent), which is larger than that of the County (56.9 percent) and neighboring jurisdictions. In contrast, the Hispanic or Latino population made up the second largest population group at a much smaller rate of 10.8 percent. Persons who identify as Black, American Indian/Alaska Native, Native Hawaiian/Other Pacific Islander, and Some Other Race represent less than one percent of the City's population combined.

Figure B-2: Racial Ethnic Composition



Source: American Community Survey, Table B03002, 5-Year Estimates, 2020

Table B-3: Racial/Ethnic Composition

Jurisdiction	White*	Black*	American Indian/Alaska Native*	Asian*	Native Hawaiian/Other Pacific Islander*	Some Other Race*	Two or More Races*	Hispanic or Latino (of any race)
Santa Cruz County	56.9%	1.0%	0.1%	4.7%	0.1%	0.3%	3.3%	33.6%
Capitola	62.0%	0.6%	0.1%	4.8%	0.0%	0.0%	6.7%	25.8%
Santa Cruz	62.1%	1.8%	0.1%	10.2%	0.1%	0.4%	4.6%	20.7%
Scotts Valley	76.1%	0.5%	0.0%	6.8%	0.0%	0.3%	3.5%	10.8%
Watsonville	15.0%	0.4%	0.1%	2.2%	0.0%	0.0%	0.6%	81.7%

*Non-Hispanic

Source: American Community Survey, Table B03002, 5-Year Estimates, 2020

Table B-4 shows mostly moderate changes in racial and ethnic demographics between 2010 and 2020. Persons that identified as Asian experienced the largest increase from 5.4 percent to 8 percent. In contrast, those that identify as White decreased from 80.7 percent to 75.6 percent

a 5.1 percent decrease. Those who identify as Black or African American and Native Hawaiian/Other Pacific Islander also experienced similar decrease from 0.1 percent and 0.8 percent, respectively. The population that identifies as two or more races increased by 1.06 percent from 2010 to 2020.

Table B-4: Racial/Ethnic Composition of Scotts Valley (2010-2020)

Race/Ethnicity	2010	2015	2020	Change from 2010 to 2020
White*	80.7%	78.2%	75.6%	-5.1%
Black or African American*	0.4%	0.8%	0.4%	-0.1%
American Indian and Alaska Native*	0%	0%	0%	0%
Asian*	5.4%	5.4%	8%	2.6%
Native Hawaiian/Other Pacific Islander*	0.8%	0%	0%	-0.8%
Some other Race*	0	0.3%	0.9%	0.9%
Two or more races*	2.8%	4.9%	3.9%	1.1%
Hispanic or Latino Origin	9.9%	10.4%	11.4%	1.5%
White alone	6.2%	8.1%	5.8%	-0.4%
Black or African American alone	0.1%	0.1%	0.0%	-0.1%
American Indian and Alaska Native alone	0.3%	0.0%	0.7%	0.4%
Asian alone	0.3%	0.2%	0.0%	-0.3%
Native Hawaiian and Other Pacific Islander alone	0.0%	0.0%	0.0%	0.0%
Some other race alone	1.6%	0.7%	2.6%	1.0%
Two or more races	1.4%	1.2%	2.3%	0.9%

*Non-Hispanic

Source: American Community Survey, Table B03002, 5-Year Estimates, 2010, 2015, and 2020

ECONOMIC CHARACTERISTICS

In addition to demographics, economic characteristics may also indicate different housing needs. Employment and income trends may indicate a need for more affordable housing units and assistance programs. The data in this section provides valuable insight into the Scotts Valley community's ability to access the housing market and to afford housing. Specifically, incomes associated with different employment sectors and the number of workers in a household may affect housing affordability need and choice. Local employment growth is also linked to local housing demand, and vice versa. Therefore, to consider a healthy balance between jobs and housing, it is important to consider the employment characteristics of a community.

1. Employment and Wage Scale

Employment and income directly affect housing needs as they provide the ability to purchase and rent housing, as well as influence the types of housing residents can afford. Job growth refers to the number of jobs created in the jurisdiction whereas employment growth refers to the number of residents in a jurisdiction that are employed. Table B-5 outlines job growth from 2015 through 2045 for Scotts Valley and nearby jurisdictions. By 2045, the City is forecasted to experience a 14.2 percent job growth from 2015 to 2045 (approximately 1,339 new jobs). The

figures in Table B-5 provide a deeper understanding of economic growth as compared to forecasted population growth, shown in Table B-1.

Table B-5: Total Jobs Growth (2015-2045)

Jurisdiction	2015	2025	2035	2045	Change 2015-2045
Santa Cruz County	130,436	141,391	147,125	153,261	17.5%
Capitola	11,666	12,376	12,902	13,454	15.3%
Santa Cruz	40,840	44,317	46,863	49,636	21.5%
Scotts Valley	9,458	10,185	10,489	10,797	14.2%
Watsonville	42,069	45,748	47,366	49,071	16.6%

Source: Association of Monterey Bay Area Governments, 2022 Regional Growth Forecast

Table B-6: Employment by Sector (2010-2020)

Industry Sector	2010		2020		Change 2010-2020
	People Employed	Percent City Employment	People Employed	Percent City Employment	
Agriculture, forestry, fishing and hunting, and mining	0	0%	0	0%	0%
Construction	362	10.3%	205	5.3%	-5%
Manufacturing	616	17.5%	635	16.5%	-1%
Wholesale trade	61	1.7%	133	3.5%	1.7%
Retail trade	264	7.51%	401	10.4%	2.9%
Transportation and warehousing, and utilities	67	1.9%	157	4.1%	2.2%
Information	137	3.9%	199	5.2%	1.3%
Finance and insurance, real estate, and rental leasing	316	9%	265	6.9%	-2.1%
Professional, scientific, management, and administrative services	485	13.8%	509	13.3%	-0.6%
Education services, health care, and social assistance	632	18%	662	17.2%	-0.8%
Arts, entertainment, recreation, accommodation, and food services	198	5.6%	149	3.9%	-1.8%
Other services (except public administration)	119	3.4%	98	2.6%	-0.8%
Public Administration	257	7.3%	427	11.1%	3.8%
Total	3,514	100%	3,840	100%	9.3%

Source: American Community Survey, 5- Year Estimates, 2010 and 2020

Economists estimate a 3.5 percent to 4.5 percent unemployment rate as natural as it reflects the real voluntary economic forces within a jurisdiction. Table B-7 shows the City of Scotts Valley had an unemployment rate of 6.9 percent in 2010 and 4.3 percent in 2020. The rate of unemployment went down by 2.6 percent from 2010 to 2020. This puts the City at the lowest unemployment rate compared to the surrounding jurisdiction and at a natural rate.

Table B-7: Unemployment Rate

Jurisdiction	Unemployment Rate*		Percent Change
	2010	2020	
Santa Cruz County	8.3%	6.1%	-2.2%
Capitola	8.6%	1.6%	-7%
Santa Cruz	8.3%	6.9%	-1.4%
Scotts Valley	6.9%	4.3%	-2.6%
Watsonville	11%	8%	-3%

*Population 16 years and over

Source: American Community Survey, Table DP03, 5-Year Estimates, 2010 and 2020

The County of Santa Cruz's median income for a household of four is \$119,300, according to the 2022 State of California Income Limits for Santa Cruz County. Occupations that fall under \$59,650 would have an average income in the very low-income category. As Table B-8 shows, the majority of the occupational salaries in Santa Cruz County fall below 50 percent of the HUD Area Median Family Income (HAMFI). Based on these salaries, housing stock in the City would need to be affordable to accommodate lower income households.

Table B-8: Santa Cruz County Median Salary by Occupation

Occupation	Salary
Legal	\$96,222
Computer and Mathematical	\$87,551
Architecture and Engineering	\$86,641
Management	\$79,419
Transportation and Material Moving	\$77,256
Life, Physical and Social Sciences	\$70,746
Business and Financial Operations	\$70,708
Healthcare Practitioners and Technical	\$66,811
Arts, Design, Entertainment, Sports and Media	\$56,649
Protective Services	\$54,640
Education, Training and Library	\$52,376
Installation, Maintenance and Repair	\$50,166
Community and Social Service	\$48,070
Sales	\$47,973
Construction and Extraction	\$43,993
Production	\$40,481
Office and Administration Support	\$40,014
Farming, Fishing and Forestry	\$30,567
Healthcare Support	\$30,270
Building, Grounds Cleaning, and Maintenance	\$29,735
Personal Care and Service	\$28,513
Food Preparation and Serving Related	\$25,375

Source: American Community Survey, 5-Year Estimates, 2020

HOUSEHOLD CHARACTERISTICS

Households include all individuals that occupy a single housing unit in a shared state whether they are single occupants, families, or unrelated people sharing a housing unit. Household characteristics provide insight on growth and determining a community's housing needs. Income and affordability are best measured at the household level, as well as the special needs of certain groups, such as large families, single-parent households, or lower-income households.

1. Household Type

Table B-9 shows different household characteristics in the City. Scotts Valley contains 4,779 total households. This represents about 4.96 percent of total Santa Cruz County households. About 55.4 percent of total households in Scotts Valley are married-couple family households. This population tend to seek occupancy in a single-family residence with multiple bedrooms. In contrast, non-family households make up 32.5 percent of total households. This may include unrelated persons living together or persons living alone. Non-family households tend to occupy multi-family units or seek out more affordable housing options.

Table B-9: Household Characteristics

Jurisdiction	Married-Couple Family HH		Female HH, No Spouse Present		Non-Family HH		Total HH
	County	% of Total HH	County	% of Total HH	County	% of Total HH	
Santa Cruz County	46,297	48.1%	9,718	10.1%	35,405	36.8%	96,275
Capitola	1,783	38.3%	457	9.8%	2,209	47.4%	4,658
Santa Cruz	8,006	35.4%	1,680	7.4%	11,950	52.8%	22,644
Scotts Valley	2,649	55.4%	263	5.5%	1,551	32.5%	4,779
Watsonville	7,345	51.3%	2,524	17.6%	3,199	22.3%	14,317

Note: HH = Households

Source: American Community Survey, Table B11001, 5-Year Estimates, 2020

Table B-10 illustrates the changes in household types from 2010 through 2020. Scotts Valley experienced a growth of approximately 482 new households from 2010 to 2020. During this time, householders ages 65 or above grew 4.4 percent. Male households with no spouse present experienced a decline by 4.1 percent.

Table B-10: Changes in Household Types

Household Types	2010		2015		2020	
	Count	Percent	Count	Percent	Count	Percent
Married-couple Family Households	2,411	56.1%	2,425	56%	2,649	55.4%
Female Households, No Spouse Present	414	9.6%	417	9.6%	263	5.5%
Male Households, No Spouse Present	190	4.4%	193	4.5%	316	6.6%
Non-Family Households	1,282	29.8%	1,297	29.9%	1,551	32.5%
Householder Ages 65 or Above	468	10.9%	550	12.7%	731	15.3%
Total Households	4,297	100%	4,332	100%	4,779	100%

Source: American Community Survey, Table S11001, 5-Year Estimates, 2010, 2015, 2020

2. Household Size

Understanding household size helps identify the basic unit of demand for housing as it identifies the type and size of housing needed by the community. It is also an indicator of population growth and household character. The measure of person per household provides an indicator of the number of persons residing in a housing unit. Average household size can be both a result and indicator of housing affordability and other household economic conditions and is important in understanding housing need by size and type of housing.

Table B-11 illustrates the household size for the City and nearby communities. Scotts Valley has approximately 2.5 persons per household making it the third largest household size in the area. Larger households may require additional bedrooms and thus, without a sufficient supply of larger units, may experience overcrowding.

Table B-11: Average Household Size

Jurisdiction	Average Persons per Household
Santa Cruz County	2.7
Capitola	2.1
Santa Cruz	2.4
Scotts Valley	2.5
Watsonville	3.6

Source: American Community Service, 5-Year Estimates 2020

3. Household Income

Household income is connected to affordability. As household income increases, households are more likely to afford market-rate units, larger units, and/or pursue ownership opportunities. On the contrary, as household income decreases, households tend to pay a disproportionate amount of their income for housing. This could lead to increased incidences of overcrowding and substandard living conditions.

HCD has identified the following income categories based on the Santa Cruz County HAMFI:

- **Extremely Low-Income:** Households earning up to 30 percent of the HAMFI
- **Very Low-Income:** Households earning between 31 and 50 percent of the HAMFI
- **Low-Income:** Households earning between 51 and 80 percent of the HAMFI
- **Moderate-Income:** Households earning between 81 and 120 percent of the HAMFI
- **Above Moderate-Income:** Households earning over 120 percent of the HAMFI

Together, the extremely low-, very low-, and low-income categories are referred to as lower income¹. Comprehensive Housing Affordability Strategy (CHAS) estimates based on 2015-2019 ACS 5-year average data are used below. The CHAS, developed by the Census Bureau for the U.S. Department of Housing and Urban Development (HUD), provides detailed information on housing needs by income level for different types of households in Santa Cruz. The most recent available CHAS data for Santa Cruz was published in May 2022.

Table B-12 displays the households by income categories. The majority of owners, renters, and households all are in the moderate- or above-income category. Homeowners had the highest percentage of households in the moderate- or above-income category (74.4 percent). Approximately 16.1 percent of Scotts Valley households have a low-income – with 7.9 percent earning an extremely low-income.

Table B-12: Households by Income Category

Income Category (% of County HAMFI)	Owner		Renter		Households	
	Total	Percent	Total	Percent	Total	Percent
Extremely Low (30% HAMFI or less)	135	4.3%	215	17.1%	350	7.9%
Very Low (31 to 50% HAMFI)	265	8.4%	145	11.6%	410	9.3%
Low (51 to 80% HAMFI)	415	13.1%	295	23.5%	710	16.1%
Moderate or Above (over 80% to 100% HAMFI)	2,355	74.41%	600	47.8%	2,955	66.9%
Total	3,165	100%	1,255	100%	4,420	100%

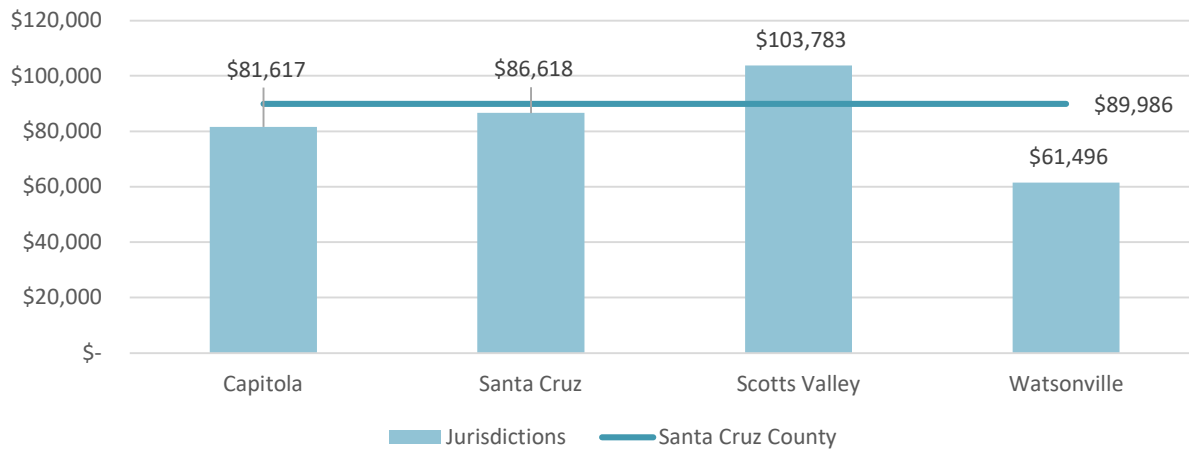
Source: HUD Comprehensive Housing Affordability Strategy, 2015-2019

The ACS 2020 data shown in Figure B-3 below depicts median household income for the City of Scotts Valley, the surrounding jurisdiction, and Santa Cruz County. Scotts Valley has a median household income of \$103,783, which is \$13,797 higher than Santa Cruz County. The City has the highest household income in the area. Larger household income allows for more flexibility and opportunity of housing choice. Households with lower median incomes are more susceptible to housing cost burdens and may have fewer choices. Additionally, lower-income

¹ Federal housing and community development programs typically assist households with incomes up to 80 percent of the HAMFI and use different terminology. For example, the Federal Community Development Block Grant (CDBG) program refers households with incomes between 51 and 80 percent HAMFI as moderate-income (compared to low-income based on State definition).

households may not be able to afford adequate housing. Low-income households may have a challenging time finding housing that can fit the needs of a larger household because larger housing tends to be owned, rather than rented, and is more expensive than smaller rental units. As a result, cost burden, displacement, and overcrowding may occur.

Figure B-3: Median Household Income by City



Source: American Community Survey, S1901, 5-Year Estimates, 2020

Table B-13 shows the median household income of nearby jurisdictions and compares the percentage difference with the Santa Cruz County median income. Scotts Valley's median household is 15.3 percent above that of Santa Cruz County; it is the highest of the surrounding jurisdictions.

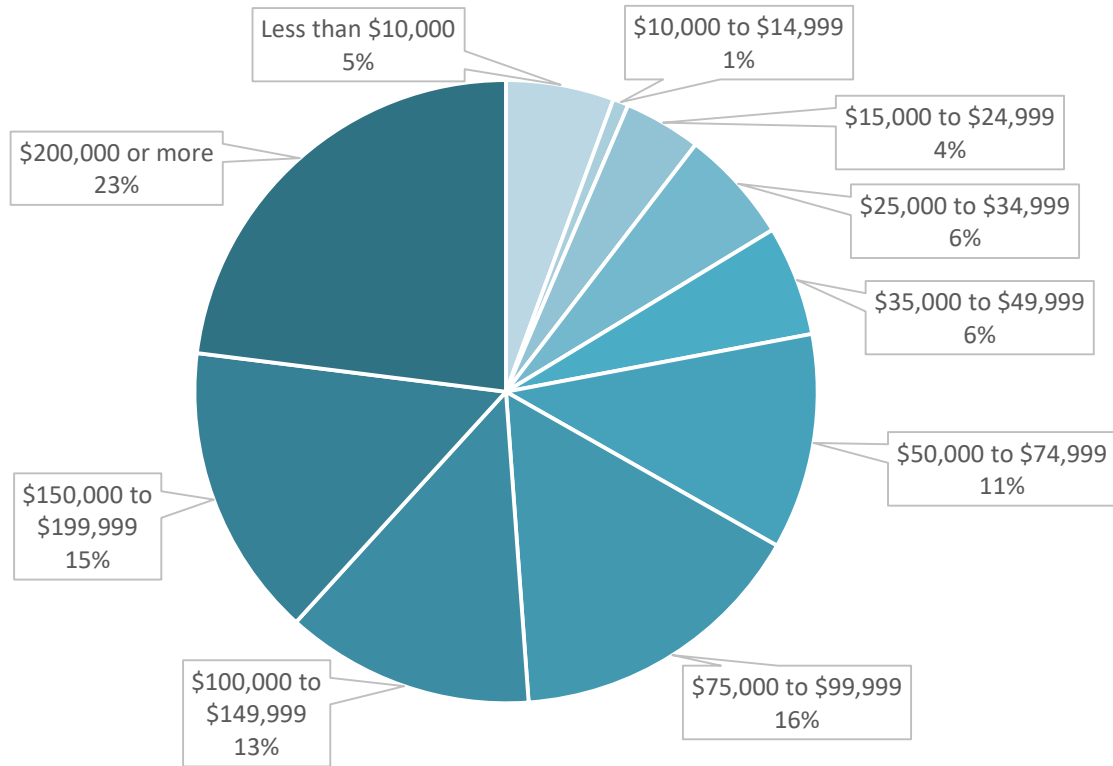
Table B-13: Median Household Income

Jurisdiction	Median Income	Difference with County Median
Santa Cruz County	\$89,986	--
Capitola	\$81,617	-9.3%
Santa Cruz	\$86,618	-3.7%
Scotts Valley	\$103,783	15.3%
Watsonville	\$61,496	-31.7%

Source: American Community Survey, Table S1901, 5-Year Estimates, 2020

Figure B-4 below outlines Scotts Valley's income, broken down by income level. 61.7 percent of Scotts Valley households earn an income below \$150,000, with 22 percent earning less than \$50,000, and 5 percent earning less than \$10,000. Approximately 23 percent of Scotts Valley households earn \$200,000 or more annually.

Figure B-4: Scotts Valley Household Income Breakdown by Category



Source: American Community Survey, Table S1901, 5-Year Estimates, 2020

HOUSING PROBLEMS

CHAS provides detailed information on housing problems by income level for different types of households in the City. The most recent available CHAS data was published in May 2022 and is based on 2020 ACS data. Housing problems considered by CHAS include:

Housing Problems:

- Units with physical defects (lacking complete kitchen or bathroom);
- Overcrowded conditions (more than one person per room); or
- Cost burdens exceeding 30 percent of gross income (including utilities).

Severe Housing Problems:

- Units with physical defects (lacking complete kitchen or bathroom);
- Overcrowded conditions (more than 1.5 persons per room); or
- Cost burdens exceeding 50 percent of gross income (including utilities).

Types of housing problems in Scotts Valley vary according to household income, type, and tenure. Table B-14 shows the housing assistance needs of lower-income households.

Approximately 22.7 percent of owner-occupied households experience at least one housing problem. For renters, 48.9 percent of households experience at least one housing problem. An

estimated 22 percent of households in Scotts Valley experience at least one severe housing problems. There are a slightly more renters (11.7 percent) than owners (10.3 percent) that experience severe housing problem. These findings may reflect the level of control over maintenance and repairs. Renters typically rely on property owners and management companies to provide repair services and maintenance, which can result in higher levels of housing problems.

Table B-14: Housing Assistance Needs of Lower-Income Households

Housing Problems	Owner	% of total HH	Renter	% of total HH	Total	% of total HH
Housing Problems Overview						
Household has at least one of four Housing Problems	1,005	22.7%	745	16.9%	1,750	39.6%
Household has no Housing Problems or cost burden not available, no other problems	2,160	48.9%	510	11.5%	2,670	60.4%
Total	3,165	71.61%	1,255	28.4%	4,420	100%
Severe Housing Problems Overview						
Household has at least one of four Severe Housing Problems	455	10.3%	515	11.7%	970	22%
Household has no Severe Housing Problems or cost burden not available, no other problems	2,710	61.3%	735	16.6%	3,445	77.9%
Total	3,165	71.6%	1,255	28.4%	4,420	100%

Source: HUD, Comprehensive Housing Affordability Strategy, 2015-2019

1. Overcrowding

“Overcrowding” is generally defined as a housing unit occupied by more than one person per room in a unit (including bedrooms, living room, and dining room, but excluding hallways, the kitchen, and bathrooms). An overcrowded household results from either a lack of affordable housing (which forces more than one household to live together) and/or a lack of available housing units of adequate size, especially for large families.

Overcrowded (more than one person per room) and severely overcrowded (more than 1.5 persons per room) households can lead to neighborhood deterioration due to the intensive use of individual housing units leading to excessive wear and tear, and the potential cumulative overburdening of community infrastructure and service capacity. Furthermore, overcrowding in neighborhoods can lead to an overall decline in social cohesion and environmental quality. Such decline can often spread geographically and impact the quality of life and the economic value of property. The combination of lower incomes and high housing costs results in many households living in overcrowded housing conditions.

Table B-15 below illustrates the severity of overcrowding in Scotts Valley by household tenure. About 0.7 percent of owner-occupied units experience overcrowding, while 0.8 percent of renter-occupied units experience overcrowding. Additionally, there are no owner-occupied units that experience severely overcrowded units, while 1.6 percent of renter-occupied units

experience severe overcrowding. Overall, 55 units (1.2 percent) experience some form of overcrowding in Scotts Valley. Increasing the opportunities for housing for all types and appropriate sizes for different households can help mitigate overcrowded units.

Table B-15: Overcrowding by Tenure in Scotts Valley

Tenure	Overcrowded Units (1.0 to 1.50 persons/room)		Severely Overcrowded Units (>1.51 persons/room)		Total Overcrowded Occupied Units	
	Count	Percent of Total Occupied Units	Count	Percent of Total Occupied Units	Count	Percent of Total Occupied Units
Owner Occupied	24	0.7%	0	0%	24	0.5%
Renter Occupied	10	0.8%	21	1.6%	31	0.7%
Total	34	1.5%	21	1.6%	55	1.2%

Source: American Community Survey, Table B25014, 5-Year Estimates, 2020

Table B-16 below shows that owner-occupied housing units make up 0.4 percent of the overcrowded units in the City. Similarly, renter-occupied units made up 0.5 percent of overcrowded units. Scotts Valley has the lowest percentage of renter-occupied overcrowded units compared to the nearby jurisdictions.

Table B-16: Overcrowded Housing Units by Tenure

Jurisdiction	Owner-Occupied Overcrowded Units		Renter-Occupied Overcrowded Units		Total Overcrowded Units	
	Count	Percent	Count	Percent	Total	Percent
Santa Cruz County	2,028	30.8%	4,563	69.2%	6,591	6.8%
Capitola	24	0.4%	147	2.2%	171	3.7%
Santa Cruz	215	3.3%	854	13.0%	1,069	4.7%
Scotts Valley	24	0.4%	31	0.5%	55	1.2%
Watsonville	648	9.8%	2,044	31.0%	2,692	6.8%

Source: American Community Survey, Table B25014, 5-Year Estimates, 2020

2. Overpayment (Cost Burden)

State and federal standards indicate that a household paying more than 30 percent of its income for housing is overpaying. Overpayment for housing can cause an imbalance on the remainder of a household's budget.

Table B-17 below summarizes Scotts Valley's cost burdened households. About 51.8 percent of renters are cost burdened, and 33.1 percent are severely cost burdened. In comparison, 31.4 percent of homeowners are cost burdened, and 11.7 percent are severely cost burdened. As shown below, renters are less likely to experience a severe cost burden but still may experience a cost burden as their income increases.

Table B-17: Summary of Housing Overpayment

Income by Cost Burden*	Owner				Renter			
	Cost Burden > 30%	% of Owner HH	Cost Burden > 50%	% of Owner HH	Cost Burden > 30%	% of Renter HH	Cost Burden > 50%	% of Renter HH
Household Income is ≤ 30% HAMFI	120	3.8%	100	3.2%	200	15.9%	155	12.4%
Household Income is 31% to 50% HAMFI	200	6.3%	150	4.7%	145	11.6%	145	11.6%
Household Income is 51% to 80% HAMFI	215	6.8%	120	3.8%	175	13.9%	70	5.6%
Household Income is 81% to 100% HAMFI	180	5.7%	0	0%	120	9.6%	45	3.6%
Household Income is >100% HAMFI	280	8.9%	0	0%	10	0.8%	0	0%
Total	995	31.4%	370	11.7%	650	51.8%	415	33.1%

Note: HAMFI equals HUD area median family income, this is the median-family income calculated by HUD for each jurisdiction, to determine Fair Market Rents (FMRs) and income limits for HUD programs. HAMFI will not necessarily be the same as other calculations of median incomes (such as a simple Census number), due to a series of adjustments that are made.

* Cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is "select monthly owner costs", which includes mortgage payment, utilities, association fees, insurance, and real estate taxes.

Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) 2015-2019

SPECIAL NEEDS GROUPS

Special needs populations include seniors, persons with disabilities, single-parent households, large households, farmworkers, persons experiencing homelessness, and students. Special needs groups may have lower-incomes because of their conditions. Consequently, certain residents in Scotts Valley may experience higher incidences of housing overpayment (cost burden), overcrowding, or other housing problems. This section provides a data-related assessment of special needs group, and Appendix D provides more information on resources available to each.

1. Seniors

The senior population is generally defined as those 65 years or older. They may have several concerns such as limited and fixed incomes, high health care costs, higher incidence of mobility and self-care limitations, and transit dependency. As a result, the senior population require specific housing needs which includes affordable housing, care facilities, and other housing that includes planned service components. Table B-18 shows that the City has the highest percentage of senior householders, compared to nearby jurisdictions. In Scotts Valley, senior homeowners represent 40 percent of all City homeowners and 30 percent of renter households.

Table B-18: Persons Aged 65 and Over

Jurisdiction	Total Household Count	Percent Senior Households	Senior Homeowners	Percent of Homeowner Households	Senior Renters	Percent of Renter Households
Santa Cruz County	96,275	29.4%	22,378	38.5%	5,888	15.4%
Capitola	4,658	31.1%	1,096	49.3%	352	14.4%
Santa Cruz	22,644	24.6%	4,089	39%	1,474	12.1%
Scotts Valley	4,779	37.5%	1,400	40.1%	391	30.3%
Watsonville	14,317	23.5%	2,019	31.4%	1,348	17.1%

Source: American Community Survey, Tables B25007, 5-Year Estimates, 2020

Table B-19 summarizes the income of senior householders in the City. Of all senior householders, 16.5 percent earn less than 30 percent of the HAMFI, and 35.7 percent earn less than 50 percent of the HAMFI. In total, 62.1 percent of senior households are considered low-income and earn less than 80 percent of the HAMFI.

Table B-19: Elderly Householders by Income

Income Category	Total	Percent of Total Elderly Householders
Extremely Low ($\leq 30\%$ HAMFI)	295	16.5%
Very Low (31% to 50% HAMFI)	344	19.2%
Low (51% to 80% HAMFI)	472	26.4%
Moderate (81% to 100% HAMFI)	119	6.6%
Above Moderate ($>100\%$ HAMFI)	561	31.3%
Total	1,791	--

Note: HAMFI - \$103,783

Source: American Community Survey, Table B19037, 5-Year Estimates, 2020.

The 5th Cycle Housing Element included specific policies and programs to address the unique challenges of the senior housing population. Housing Program 14 (Fair Housing) referenced fair housing services to the California Department of Fair Employment and Housing (DEFH). From 2018 to 2022, the senior population was able to receive information regarding fair housing on the City's website and at City Hall as well as through the Housing Authority of the County of Santa Cruz. Program 16 (Reasonable Accommodation) committed the City to remove governmental constraints upon the maintenance, improvement, or development of housing for all income levels. Scotts Valley has established the ADA Committee, amended its Zoning Code to include formal reasonable accommodation procedures, and continues to evaluate the Zoning Code in an effort to address the housing needs of the seniors.

The City has a number of new policies and programs in place to address the housing needs of seniors throughout the 6th Cycle. Policy H-3.1 (Housing for Special Needs Groups) encourages the provision of support and housing services for special for special needs groups, including seniors. Program Action H-3.2 (Affirmatively Furthering Fair Housing) creates and promotes informational material on housing accessibility, rehabilitation, and maintenance resources. The

program aims to provide home repair and rehabilitation assistance for at least 20 households annually.

2. Persons with Physical and Developmental Disabilities

Physical and developmental disabilities can hinder access to traditionally designed housing units as well as potentially limit the ability to earn adequate income. Physical, mental, and/or developmental disabilities may deprive a person from earning income, restrict mobility, or make self-care difficult. Thus, persons with disabilities often have special housing needs related to limited earning capacity, a lack of accessible and affordable housing, and higher health costs. Some residents suffer from disabilities that require living in a supportive or institutional setting.

Housing opportunities for persons with disabilities can be addressed through the provision of affordable, barrier-free housing. Rehabilitation assistance can be targeted toward renters and homeowners with disabilities for unit modification to improve accessibility.

The ACS identifies six disability types: hearing, vision, cognitive, ambulatory, self-care, and independent living. The U.S. Census and ACS provide clarifying questions to determine persons with disabilities and differentiate disabilities within the population. The ACS defines a disability as a report of one of the six disabilities identified by the following questions:

- **Hearing Disability:** Is this person deaf or do they have serious difficulty hearing?
- **Visual Disability:** Is this person blind or do they have serious difficulty seeing even when wearing glasses?
- **Cognitive Difficulty:** Because of a physical, mental, or emotional condition, does this person have serious difficulty concentrating, remembering, or making decisions?
- **Ambulatory Difficulty:** Does this person have serious difficulty walking or climbing stairs?
- **Independent Living Difficulty:** Because of a physical, mental, or emotional condition, does this person have difficulty doing errands alone such as visiting a doctor's office or shopping?

According to the 2020 ACS data, about 12.6 percent of the Scotts Valley population has at least one disability (Table B-20). The top three disability types are ambulatory difficulties, independent living difficulties, and vision difficulties.

Table B-20: Disability Status

Disability Type	Population with a Disability			Total	Percent of Population with Disability	Percent of Total Population
	Under 18	18 to 64	65 and Over			
Population with a Hearing Difficulty	0	183	234	417	12.5%	3.5%
Population with a Vision Difficulty	35	307	243	585	17.6%	4.9%
Population with a Cognitive Difficulty	0	286	121	407	12.2%	3.4%
Population with an Ambulatory Difficulty	0	371	388	759	22.8%	6.3%
Population with a Self-care Difficulty	0	314	101	415	12.5%	3.5%
Population with an Independent Living Difficulty	0	399	346	745	22.4%	6.2%
Total	35	1,860	1,433	3,328	100%	12.6%

Source: American Community Survey, Table S1810, 5-Year Estimates, 2020

The California Department of Developmental Services (CDDS) provides estimates of 69 persons with developmental disabilities in ZIP code area 95066 in January 2022, as shown in Table B-21. Specifically, this includes 32 children and 37 adults.

Table B-21: Developmental Disability Status for ZIP Code 95066

Disability Type	Number of Residents
Living Arrangement	
Home of Parent/Guardian	59
Independent/Supported Living	11
Community Care Facility	11
Intermediate Care Facility	0
Foster/Family Home	0
Other	0
Age Range	
0-17 Years Old	32
18* Years Old	37

Source: CA DDS data by ZIP Code, January 2022

Many people with developmental disabilities can live and work independently within a conventional housing environment. Individuals with more severe developmental disabilities may require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for persons with developmental disabilities is the transition from the person's living situation as a child to an appropriate level of independence as an adult.

There are resources that may be beneficial for people living with a development disability, including rent subsidized homes, licensed and unlicensed single-family residences, inclusionary housing, Section 8 vouchers, special programs for home purchase, HUD housing, and SB 962 (veterans) homes. The design of housing-accessibility modifications, the proximity to services and transit, and the availability of group living opportunities represent some of the types of considerations that are important in serving the needs of this group. Incorporating ‘barrier-free’ design in new multi-family residences (as required by California and Federal Fair Housing laws) is especially important to provide the widest range of choices for residents with disabilities. Special consideration should also be given to the affordability of housing, as people with disabilities may be living on a fixed income.

The 5th Cycle Housing Element had two specific programs to address the gaps in the housing needs of people with disabilities. Through Program 16 (Reasonable Accommodation), the ADA Committee continued as a City Commission that identified opportunities to increase ADA accessibility throughout the City. The program’s effort also amended the City’s Municipal Code to provide Reasonable Accommodation standards and procedures. As a result of Program 17 (Housing for Persons with Disabilities), the city continued seeking funding and provide regulatory incentives to assist projects for persons with developmental disabilities.

The 6th Cycle Housing Plan includes the following policies and programs to assist with the housing needs for people with disabilities. Policy H-3.1 (Housing for Special Needs Groups) encourages the provision of support and housing services for special needs groups, including people with disabilities. Program Action H-3.2 (Affirmatively Furthering Fair Housing) commits the City to continue participating in the Housing Authority of Santa Cruz County Voucher Rental Assistance Program. Program Action H-3.2 (Affirmatively Furthering Fair Housing) works to extend housing choice voucher search times for people with disabilities. Furthermore, this program action affirmatively furthers fair housing for people with disabilities by facilitating the development of extremely low-income units. Program Action H-3.4 (Reasonable Accommodation) also provides for the removal of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels and for persons with disabilities. Program Action H-3.5 (Housing for Persons with Developmental Disabilities) provides for the review and identification of regulatory incentives that will encourage the construction or rehabilitation of housing for persons with developmental disabilities with necessary supportive services. These programs will help to ensure that people with disabilities have access to affordable and accessible housing in Scott Valley.

3. Large Households

Large households are defined as those consisting of five or more members. These households comprise a special needs group because many communities have a limited supply of adequately sized, affordable housing units. To save for other necessities such as food, clothing, and medical care, it is common for lower-income large households to reside in smaller units with an

inadequate number of bedrooms, which frequently results in overcrowding and can contribute to fast rates of deterioration.

Securing housing large enough to accommodate all members of a household is more challenging for renters, because multifamily rental units are typically physically smaller than single-family ownership units. While apartment complexes offering two and three bedrooms are common, apartments with four or more bedrooms are rare. It is more likely that large households will experience overcrowding in comparison to smaller households. Additionally, throughout the region, single-family residences with higher bedroom counts, whether rental or ownership units, are rarely affordable to lower-income households.

Table B-22 below provides a breakdown of large households by tenure in Scotts Valley. The data identifies the household size of homeowners and renters living in a large household. Large households are units with five or more occupants. About 7.03 percent of all households in Scotts Valley are large households. There are more owner-occupied units (288 households) with five or more person household than renter-occupied households (48 households). Table B-23 below provides a breakdown of units with 4 or more bedrooms in Scotts Valley. Currently, there are 48 households of 5-persons or larger that occupy rental units and only 34 existing rental units are 4 or more bedrooms. However, there are 1,245 owner-occupied units of 4 or more bedrooms where 288 households of 5-persons or larger currently occupy. Tables B-22 and B-23 highlight a shortage in renter-occupied units of 4 or more bedrooms for households of 5-persons or larger.

Table B-22: Large Households by Tenure

Household Size	Owner		Renter		Total	
	Count	Percent of Owner HH	Count	Percent of Renter HH	Count	Percent of Total HH
5-Person Household	195	5.6%	38	2.9%	233	4.9%
6-Person Household	63	1.8%	10	0.8%	73	1.5%
7-or-More Person Households	30	0.9%	0	0.0%	30	0.6%
Total	288	8.3%	48	3.7%	336	7.0%

Source: American Community Survey, Table B25009, 5-Year Estimates, 2020

Table B-23: Renter- and Owner-Occupied Units with 4 or more Bedrooms

Jurisdictions	Owner-Occupied Units	Percent of Owner-Occupied Units	Renter-Occupied Units	Percent of Renter-Occupied Units
4 or more Bedrooms	1,245	26.1%	34	2.6%

Source: American Community Survey, Table S2504, 5-Year Estimates, 2020

As stated above, 7 percent of all households in Scotts Valley are large households. Program 15 (Child and Day Care Facilities) from the 5th Cycle Housing Element encouraged the new developments of childcare services and facilities. Female-headed households comprised largely of female, single-parents with children, may benefit from childcare services.

There is a lack of affordable housing options for large households, as well as a lack of available housing with sufficient bedroom counts. The City of Scotts Valley has a new housing Policy H-3.1 (Housing for Special Needs Groups), which aims to address the housing needs of large households. This policy includes the continuation to refer residents to the County Housing Voucher program and provide information at City Hall and the City's website. The policy will also commit the City to participate in the Housing Authority of Santa Cruz County Voucher Rental Assistance Program. Program Action H-3.2 (Affirmatively Furthering Fair Housing) is to extend the housing choice voucher search times for groups, such as larger families with children or persons with disabilities. These programs aim to help make housing more affordable and accessible for large households in Scotts Valley.

4. Single-Parent Households

Single-parent households often require special consideration and assistance. They have a greater need for affordable and accessible day care, health care, and other supportive services. Many of the female-headed households are more likely to have lower incomes than similar two-parent households.

The City of Scotts Valley has 579 single-parent households, as shown in Table B-24. Out of the total Scotts Valley households, 4.3 percent are single-parent males and 5.7 percent are single-parent females. In comparison, the county is made up of 4.6 percent households that are single-parent males and 9 percent single-parent females. In the City, about 0.8 percent of family households were reported to be single-parent household living in poverty in 2020.

Table B-24: Single Parent Households

Jurisdiction	Single-Parent Male, No Spouse Present		Single Parent-Female, No Spouse Present		Single-Parent HH Living in Poverty		Single Parent HH	Percent of Total HH
	Count	Percent ¹	Count	Percent ¹	Count	Percent ¹		
Scotts Valley	139	4.3%	185	5.7%	25	0.8%	324	10.0%
Santa Cruz County	2,787	4.6%	5,493	9.0%	1,670	2.7%	8,280	13.6%

Note: HH = Households

1. Percent of total Households

Source: American Community Survey, Table B17010, 5-Year Estimates, 2020

Table B-25 shows the breakdown of female-headed households in the City. Of the total Scotts Valley households, 8.1 percent are single female households with no spouse present. From those households, 0.8 percent are single parent households living in poverty. These percentages are much lower compared to the County. In the 5th Cycle, there was an estimated 11 percent of households in Scotts Valley that were female-headed households, with children under 18 years of age. Of Scotts Valley households in 2020, 8.1 percent of households were female-headed showing a 3 percent decline in female-headed households from the 5th to the 6th Cycle.

Table B-25: Female Headed Households

Jurisdiction	Single Female HH, No Spouse Present		Single Female HH Living in Poverty		Single Parent Female, No Spouse Present	
	Count	Percent ¹	Count	Percent ¹	Count	Percent ¹
Scotts Valley	263	8.1%	25	0.8%	238	7.3%
Santa Cruz County	9,718	16.0%	1,676	2.8%	8,042	13.2%

Note: HH = Households

1. Percent of total Households

Source: American Community Survey, Table B17012, 5-Year Estimates, 2020

Ten percent of Scotts Valley's total households are comprised of single-parent households. These households face a number of challenges. Program 15 (Child and Day Care Facilities) from the 5th Cycle Housing Element encouraged the development of childcare facilities.

The City of Scotts Valley has a number of policies and programs in the 6th Cycle Housing Element to address the needs of single-parent households. Policy H-3.1 (Housing for Special Needs Groups) encourages the provision of support and housing services for special needs groups, including single-parent households. Program Action H-3.1 (Promoting Housing Choice Voucher Program) continues the City's participation in the Housing Authority of Santa Cruz County Voucher Rental Assistance Program, which provides rental assistance to low-income households. Program Action H-3.13 (Single-Room Occupancy Units) calls for the adoption of zoning and processing procedures for Single-Room Occupancy (SRO) Units, which can provide affordable housing to low-income individuals and families.

5. Farmworkers

Farmworkers are traditionally defined by HCD as people whose primary incomes are earned through permanent or seasonal agricultural labor. Generally, permanent farmworkers (working 150 days or more) work in the fields, processing plants, or support activities on a year-round basis. When workload increases during harvest periods, the labor force is supplemented by seasonal farmworkers, often supplied by a labor contractor. For some crops, farms may hire migrant farmworkers, defined as those whose travel distance prevents them from returning to their primary residence daily. Farmworkers have special housing needs because they earn lower incomes than many other workers and move throughout the year from one harvest location to the next.

The U.S. Department of Agriculture, National Agriculture Statistics provides data on hired farmworkers across the United States at both a state and county level. Within Santa Cruz County, there were a total of 16,114 hired farmworkers in 2017. A total of 11,254 are considered permanent and 4,860 were considered seasonal (working less than 150 days annually). The County also reported a total of 2,254 migrant farmworkers.

According to the American Community Survey, Scotts Valley residents employed in Farming, Fishing, and Forestry occupation earn one of the lowest salaries in comparison to other

occupations, with an estimated median income of \$30,567. This is considered an extremely low-income for Scotts Valley.

The 5th Cycle Housing Element had a variety of past programs for farmworker housing. Through Program 14 (Fair Housing), the city continued to provide informational materials on fair housing services at the City Hall and on the City's website. Furthermore, the city continued to refer tenants to the California Department of Fair Employment and Housing for proper intake, investigation, and resolution of fair housing complaints.

To address the needs of farmworkers, the City adopted the following policies and programs for the 6th Cycle Housing Element. Policy H-3.1 (Housing for Special Needs Groups) encourages the provision of support and housing services for special needs groups, including farmworkers. Program Action H-3.8 (Agricultural and Employee Housing) adopts a zoning ordinance amendment to permit employee housing in single-family residential zones, consistent with the requirements of the Health and Safety Codes Section 17021.5 and 17021.6 as it relates to agricultural and employee housing.

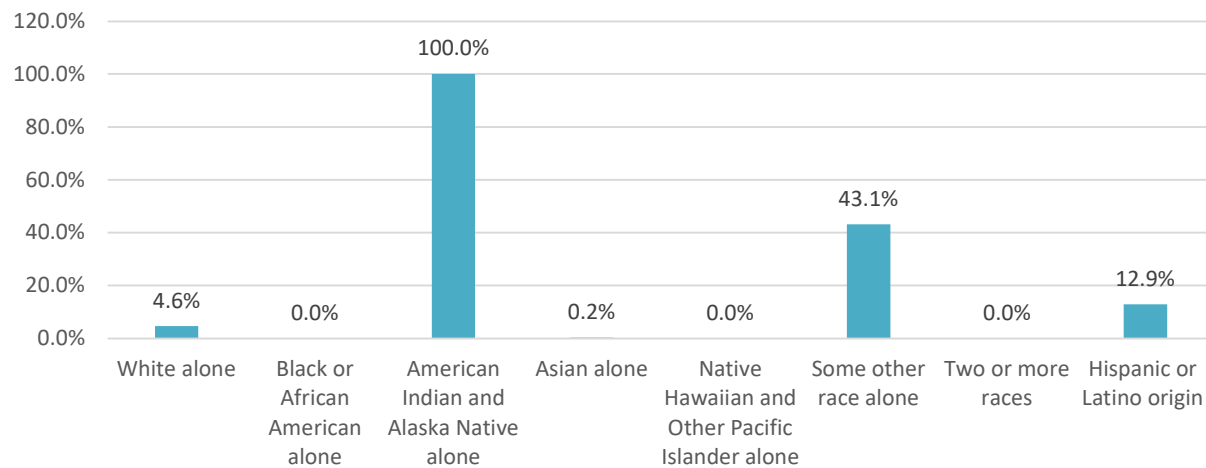
6. Extremely Low-Income (ELI) and Poverty Status

CHAS data indicates there are approximately 710 low-income households and 410 very low-income households in Scotts Valley. Very low-income households are those households that earn 50 percent or less than the HAMFI for Santa Cruz County. Extremely low-income households are those households that earn less than 30 percent of HAMFI. Extremely low-income households are generally more likely to experience overpayment, overcrowding, or substandard housing conditions.

According to CHAS, there are approximately 350 extremely low-income households in Scotts Valley (renters and owners). Table B-25 includes data characterizing affordability and cost burden for various income groups. More renters than homeowners are subject to at least one housing problem in Scotts Valley. The extremely low-income household need is generally estimated as 50 percent of the very low-income RHNA. The City's very low-income RHNA is 392 units; therefore, the projected housing need for extremely low-income households is 196 units.

According to 2020 data, 5.5 percent of Scotts Valley's population lives in poverty. Figure B-5 illustrates the percentage of people within each racial and ethnic group living below the poverty level. American Indian and Alaska Native experienced the most poverty at 100 percent.

Figure B-5: Population Below Poverty Level by Race and Hispanic Or Latino Origin



Source: American Community Survey, Table S1701, 2020

The County of Santa Cruz's extremely low income for a household of four is \$46,650, according to the 2022 State of California Income Limits for Santa Cruz County

Table B-26: Housing Problems by Income Category

Income Category	Owner			
	Household has at least one of four Housing Problems	% of Owner HH	Household has no Housing Problems OR cost burden not available	% of Owner HH
Extremely Low ($\leq$ 30% HAMFI)	120	3.8%	15	0.5%
Very Low (31% to 50% HAMFI)	200	6.3%	65	2.1%
Low (51% to 80% HAMFI)	225	7.1%	190	6%
Moderate (81% to 100% HAMFI)	180	5.7%	130	4.1%
Above Moderate (>100% HAMFI)	280	8.9%	1,765	55.8%
Total	1,005	31.8%	2,165	68.4%
Income Category	Renter			
	Household has at least one of four Housing Problems	% of Renter HH	Household has no Housing Problems OR cost burden not available	% of Renter HH
Extremely Low ($\leq$ 30% HAMFI)	200	15.9%	15	1.2%
Very Low (31% to 50% HAMFI)	145	11.6%	0	0.0%
Low (51% to 80% HAMFI)	190	15.1%	105	8.4%
Moderate (81% to 100% HAMFI)	120	9.6%	80	6.4%
Above Moderate (>100% HAMFI)	90	7.2%	310	24.7%
Total	745	59.4%	510	40.6%
Total Households (Owner and Renter)	1,490	33.7%	1,020	23.1%

Note: HAMFI equals HUD Area Median Family Income, this is the median family income calculated by HUD for each jurisdiction, to determine Fair Market Rents (FMRs) and income limits for HUD programs. HAMFI will not necessarily be the same as other calculations of median incomes (such as a simple Census number), due to a series of adjustments that are made.

Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) 2015-2019

The 5th Cycle Housing Element included a variety of programs to address the housing needs of extremely low-income households. Programs 4 (Emergency Shelters) and 5 (Transitional and Supportive Housing) amended the Zoning Code to allow emergency shelters, transitional and supportive housing to apply in different zoning districts throughout the city. Furthermore, the program's eight-year action plan required the City to work with organizations to ensure needs of extremely low-income residents were met and to prioritize incentives for projects providing housing for extremely low-income residents whenever possible. Similarly, Program 9 (Monitor and Preserve Affordable Housing) worked to explore funding sources and programs in development and financing of housing for lower and moderate-income households.

The 6th Cycle Housing Plan includes a variety of programs to continue addressing these issues. Program H-1.8 (Facilitation of Affordable Housing Development) commits the City to expand the existing Inclusionary Housing Ordinance city-wide which will require developers to restrict some units to moderate-, low-, very low-, and/or extremely low-income households. Program H-3.6 (Housing for Lower-Income Households) commits the City to investigate incentives and funding opportunities to encourage development of housing for extremely low-income households and support funding applications for affordable housing development.

7. Persons Experiencing Homelessness

Homelessness has become an increasingly important issue across the State and the region. General factors contributing to the rise in homelessness across the state include increased unemployment and underemployment, a lack of housing affordable to lower- and moderate-income persons (especially extremely low-income persons), reductions in public subsidies to the poor, and the de-institutionalization of the mentally ill.

State law mandates that municipalities address the special needs of homeless persons within their jurisdictional boundaries. "Homelessness" as defined by HUD has been updated to include the following descriptions:

- People who are living in a place not meant for human habitation, in an emergency shelter, in transitional housing, or exiting an institution where they temporarily resided.
- People who are losing their primary nighttime residence, which may include a motel or hotel or a doubled-up situation, within 14 days and lack resources or support networks to remain in housing.
- Families with children or unaccompanied youth who are unstably housed and likely to continue in that state. This applies to families with children or unaccompanied youth who have not had a lease or ownership interest in a housing unit in the last 60 days or

more, have had two or more moves in the last 60 days, and who are likely to continue to be unstably housed because of disability or multiple barriers to employment.

- People who are fleeing or attempting to flee domestic violence, have no other residence, and lack the resources or support networks to obtain other permanent housing.
- These definitions do not include persons living in substandard or overcrowded housing units, persons being discharged from mental health facilities (unless the person was homeless when entering and is considered homeless at discharge), or persons who may be at risk of homelessness.

The 2023 Santa Cruz County Homeless Point-in-Time (PIT) County and Survey identifies where homeless individuals are living in the County. HUD requires communities to conduct the Point-in-Time Count every two years. The count results are shown in Table B-27. In 2022, the County counted 2,299 individuals experiencing homelessness in Santa Cruz County. Of those counted, 1,774 were unsheltered and 525 were sheltered. The number of individuals who experienced homelessness mostly decreased across the County (-22 percent overall) with Scotts Valley seeing the greatest decrease of 50 percent from 48 to 24 in 2023. Across the two survey years listed above, Scotts Valley City had one of the lowest numbers of homelessness compared to nearby jurisdictions. There are no concentrated areas of homelessness in the city. Of the responses collected in 2023, the top two primary conditions that led to homelessness across the County were eviction and employment loss. Across the County, 68 percent of those experiencing homelessness identified as male, 31 percent identified as female, and one percent identified as neither.

Table B-27: Homelessness in Scotts Valley and Surrounding Cities (2022-2023)

Jurisdictions	Unsheltered		Sheltered		Total		
	2022	2023	2022	2023	2022	2023	Change 2022-2023
Santa Cruz County (Total)	1,774	1,426	525	378	2,299	1,804	-22%
Capitola	35	23	0	0	35	23	-34%
Santa Cruz	1,046	749	381	279	1,439	1,028	-29%
Scotts Valley	48	24	0	0	48	24	-50%
Watsonville	175	322	144	99	366	421	15%

Source: Santa Cruz County Homeless Census & Survey Comprehensive Report 2019

The 5th Cycle Housing Element included a variety of programs to address the needs of the people experiencing homelessness. Programs 4 (Emergency Shelters) and 5 (Transitional and Supportive Housing) amended the Zoning Code to allow emergency shelters, transitional and supportive housing to apply in different zoning districts throughout the city. The program action committed the city to monitor an inventory of sites appropriate to accommodate these shelters and housings. Furthermore, the program's eight-year action required the city to work with

organizations to ensure needs of extremely low-income residents and people experiencing homelessness were met and to prioritize incentives for projects providing housing for extremely low-income residents whenever possible.

The 6th Cycle Housing Plan includes a variety of new programs to continue addressing these issues. Program Action H-3.11 (Low Barrier Navigation Centers) commits the city to adopt a zoning ordinance amendment to approve low-barrier navigation centers that meet State requirements in mixed-use and non-residential zones permitting multifamily uses. These centers are focused on the transition of persons experiencing homelessness, or at-risk of becoming homeless, into permanent housing. The centers would connect individuals to income, public benefits, health services, and housing. Program H-3.13 (Single-Room Occupancy Units) commits the City to adopt zoning and processing procedures for future projects. These units may provide a valuable source of affordable housing and may serve as an entry point into the housing market for persons who previously experienced homelessness.

8. Students

The need for student housing is another significant factor affecting housing demand. Student housing often only produces a temporary housing need based on the duration of the educational institution enrolled in. The impact upon housing demand is critical in areas that surround universities and colleges. Located in close proximity to Scotts Valley is University of California, Santa Cruz; Cabrillo College; West Valley College; San Jose State University; and others. According to 2020 ACS data, there are 1,267 students enrolled in college or graduate school currently living in Scotts Valley.

Typically, students are low-income and are, therefore, affected by a lack of affordable housing, especially within easy commuting distance from campus. Therefore, it is important for the City to consider and accommodate the student population within the community. They often seek shared housing situations to decrease expenses and can be assisted through roommate referral services offered on and off campus. A lack of affordable housing also influences choices students make after graduating. There are not currently any student housing units or developments affiliated with a university or college within the City.

HOUSING STOCK CHARACTERISTICS

Scotts Valley's housing stock includes all housing units located within its jurisdiction. Housing stock growth, type, age and condition, tenure, vacancy, and cost are all important factors in determining the community's housing needs. This section details the City's housing stock characteristics to identify how well the needs of current and future residents are addressed.

1. Housing Growth

Table B-28 below displays housing stock growth data for Scotts Valley and nearby jurisdictions. According to the ACS data, Scotts Valley added 862 additional housing units between 2015 and

2020, a 19.6 percent increase. Between 2010 and 2015, ACS data reports a decrease in units in Scotts Valley – as this data is based on estimates and not City housing data, this is likely not an accurate depiction.

Table B-28: Housing Unit Growth Trends

Jurisdiction	2010	2015	2020	Percent Change 2010 to 2015	Percent Change 2015 to 2020
Santa Cruz County	104,444	105,034	105,819	0.6%	0.7%
Capitola	5,616	5,112	5,292	-9.0%	3.5%
Santa Cruz	23,614	23,499	24,250	-0.5%	3.2%
Scotts Valley	4,661	4,390	5,252	-5.8%	19.6%
Watsonville	14,498	14,744	14,881	1.7%	0.9%

Source: American Community Survey, Table DP04, 5-Year Estimates, 2010, 2015, 2020

2. Housing Types

Table B-29 provides a breakdown of number of housing units by type of Scotts Valley and Santa Cruz County. Majority of the housing in the City is detached single-family (54.4 percent). About 18.3 percent of the City's housing units are multi-family residences. Single-family attached housing makes up the smallest housing units by type.

Table B-29: Total Housing Units by Type

Jurisdiction	Single- Family Detached		Single-Family Attached		Multi-Family		Mobile Homes, Boats, and other Types of Housing	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Scotts Valley	2,600	54.4%	610	12.8%	875	18.3%	694	14.5%
Santa Cruz County	61,698	64.1%	7389	7.7%	20,879	21.7%	6,309	6.6%

Source: American Community Survey, Table S2504, 5-Year Estimates, 2020

3. Housing Availability and Tenure

Housing tenure and vacancy rates generally influence the supply and cost of housing. Housing tenure defines if a unit is owner occupied or renter occupied. The tenure characteristics in a community can indicate several aspects of the housing market, such as affordability, household stability, and availability of unit types, among others. In many communities, tenure distribution generally correlates with household income, composition, and age of the resident.

Homeowners tend to gravitate towards single-family, detached residences as they are typically better suited for larger households and more affordable to home buyers rather than renters. Table B-30 shows this is true for Scotts Valley where the majority of homeowners live in single-family homes. In contrast, renters occupying multi-family units have increased from 40 percent in 2010 to 62 percent in 2020. Homeowners also represent a higher percentage of those occupying mobile homes as they tend to be ownership units. Renters occupying mobile homes and other similar types of housing decreased from 8 percent in 2010 to zero in 2020.

Table B-30: Housing Types and Ownership (2010-2020)

Housing Type	Owner Occupied		Renter Occupied	
	2010	2020	2010	2020
Single-Family Detached	64.7%	64.2%	31.4%	28.0%
Single-Family Attached	11.4%	13.5%	20.1%	10.8%
Multi-Family	5.9%	2.4%	40.4%	61.3%
Mobile Homes and Other Types of Housing	18.0%	19.9%	8.1%	0%
Total Number of Occupied Units	3,240	3,488	1,057	1,291
Total Percent of Occupied Units	75.4%	73.0%	24.6%	27.0%

Source: American Community Survey Table B25032, 5-Year Estimates, 2010 and 2020

Scotts Valley has the smallest average household sizes compared to the nearby jurisdiction. Table B-31 shows that the City's owner-occupied households is similar to that of the County. Scotts Valley has about 2.63 persons per owner-occupied household and 2.08 per renter-occupied household.

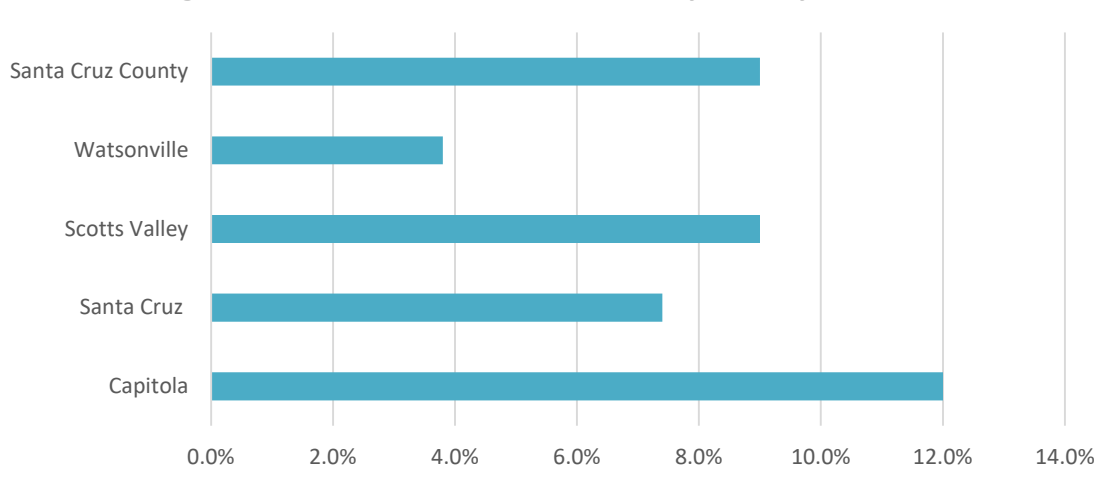
Table B-31: Average Household Size by Tenure

Jurisdiction	Owner-Occupied Households ¹	Average Owner Household Size	Renter-Occupied Households ¹	Average Renter Household Size
Santa Cruz County	60.3%	2.68	39.7%	2.73
Capitola	47.7%	2.06	52.3%	2.18
Santa Cruz	46.3%	2.53	53.7%	2.31
Scotts Valley	73.0%	2.63	27.0%	2.08
Watsonville	45.0%	3.44	55.0%	3.79

Source: American Community Survey Table B25010 and B25032, 5-Year Estimates, 2020

Vacancy rates are also an important housing indicator as they indicate the degree of housing choices available. High vacancy rates usually indicate low demand and/or high supply conditions in the housing market. High vacancy rates can be difficult for owners trying to sell or rent. Low vacancy rates usually indicate high demand and/or low supply conditions in the housing market. Low vacancy rates can inflate prices making it more difficult for lower- and moderate-income households to find housing. Vacancy rates between two to three percent are usually considered healthy for single-family or ownership housing, and vacancy rates of five to six percent are usually considered healthy for multi-family or rental housing. Vacancy rates must be viewed in the context of all local and regional market characteristics. Scotts Valley has the second highest vacancy rate behind Capitola. As shown in Figure B-6, Scotts Valley has a vacancy rate of 9 percent.

Figure B-6: For-Sale and Rental Unit Vacancy Rates by Jurisdiction



Source: American Community Survey Table CP04, 5-Year Estimates, 2020

Table B-32 below displays ACS data for types of vacancy rates in Scotts Valley. “Other” vacant housing units mentioned on this table represent the largest percent of vacancy rates in the City (59.41 percent). This is followed by seasonal, recreational, or occasional use housing units (24.31 percent), which include secondary vacation homes; these homes often do not contribute to the housing needs of a community as they are not considered valuable for long-term rental or occupancy purposes.

Table B-32: Scotts Valley Vacant Housing Units by Type

Type of Housing	Estimate	Percent of Vacant
For rent	0	0.0%
Rented, not occupied	0	0.0%
For sale only	18	3.8%
Sold, not occupied	59	12.5%
For seasonal, recreational, or occasional use	115	24.3%
Other vacant	281	59.4%
Total	473	100%

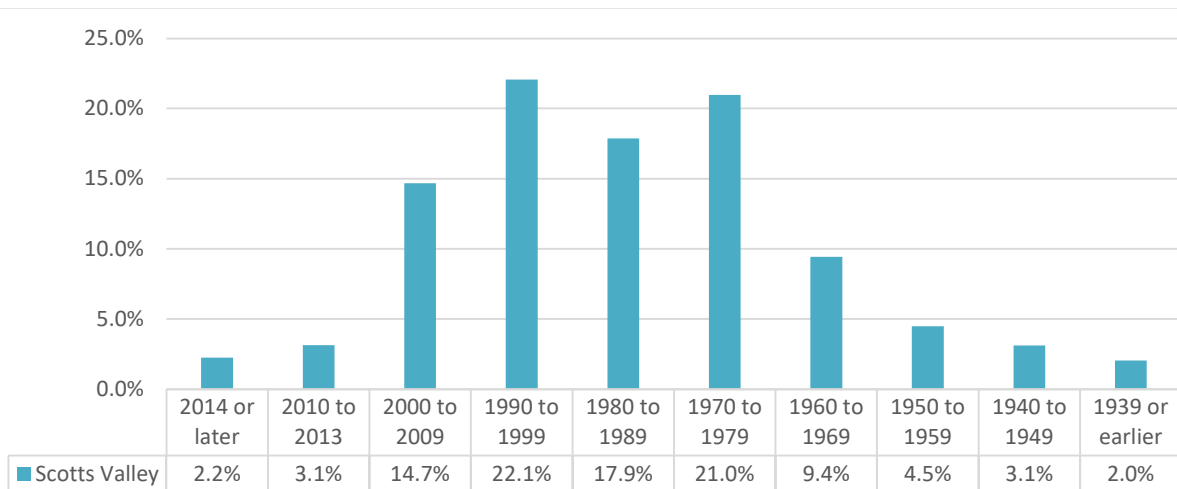
Source: American Community Survey, Table B25004, 5-Year Estimates, 2020

4. Housing Age and Conditions

Housing age can be an important indicator of housing conditions within a community. Many federal and state programs also use the age of housing as one factor in determining housing rehabilitation needs. Figure B-7 illustrates the housing stock age in Scotts Valley. The City experienced a housing boom between 1970 and 1999 when 61 percent of the City’s housing stock was created. Units built over 30 years ago can generally be considered in need of a certain level of upgrades or repairs (such as roofing); however, this does not include historic structures which are typically well maintained. Approximately 57.9 percent of the City’s housing stock was

built over 30 years ago. The City estimates a total of five units are in need of rehabilitation based upon a windshield survey conducted throughout the city.

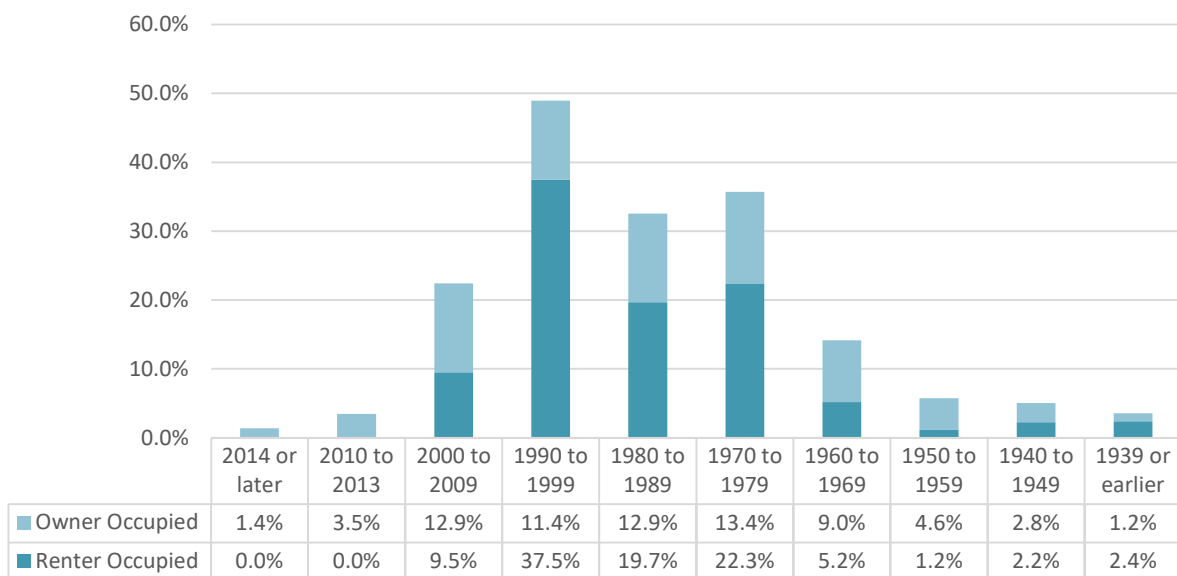
Figure B-7: Housing Stock Age



Source: American Community Survey, Table B25034, 5-Year Estimates, 2020

Figure B-8 below displays housing units by the year they were built and sorted by whether they are currently occupied by homeowners or renters. The data does not point towards a particular preference for older or newer units, but renters do not occupy units built since 2010. A higher percentage of renters occupy units built between 1990 and 1999.

Figure B-8: Tenure by Year Structure Built



Source: American Community Survey, Table B25036, 5-Year Estimates, 2020

The City receives concerns regarding structures in need of rehabilitation or for construction without permit, and typically investigate 1 to 2 such cases per month. The City works to correct compliance issues which may require entitlements and building permits. A code compliance case is deemed to be resolved if the Enforcement Official serves a Notice of Compliance to the responsible person or property owner, documenting that all violations have been corrected, all necessary penalties have been paid, all permits have been issued and finalized, and all administrative fees have been paid.

5. Housing Costs and Affordability

Housing costs reflects the supply and demand of housing in a community. The following summarizes the cost and affordability of Scotts Valley housing stock.

Table B-33 below shows the median home value in Scotts Valley was \$811,900 in 2020. This is above the County median home value at \$787,000. Table B-34 shows median monthly rental rates for units in Scotts Valley. The monthly rental rates for all unit types increased from 2016 to 2020, with the highest increase to 3 bedrooms units. The true costs of rent may be higher than the ACS estimates, but the overall trend and increase in rental costs highlights the dramatic increase in less than a decade.

Table B-33: Regional Median Home Values

Jurisdictions	Median Home Value
Santa Cruz County	\$787,000
Capitola	\$712,000
Santa Cruz	\$895,800
Scotts Valley	\$811,900
Watsonville	\$500,300

Source: American Community Survey, Table DP04, 5-Year Estimates, 2020

Table B-34: Median Gross Rent by Bedroom (2016-2020)

Unit Type	2016	2017	2018	2019	2020	% Change 2016-2020
Studio	\$1,363	\$1,301	\$1,264	\$1,102	\$1,381	1.3%
1 bedroom	N/A	N/A	N/A	N/A	\$1,279	0.0%
2 bedrooms	\$1,881	\$1,921	\$1,975	\$1,879	\$1,976	5.1%
3 bedrooms	\$2,705	\$2,799	\$3,111	\$3,155	\$3,418	26.4%
4 bedrooms +	\$3,103	N/A	N/A	N/A	\$3,472	11.9%

Source: American Community Survey, Table B25031, 5-Year Estimates, 2016, 2017, 2018, 2019, 2020

A September 2023 analysis of market value rental rates showed that true rental prices were significantly higher than ACS estimates. The City analyzed rentals found on common websites such as Zillow.com, Apartments.com, Trulia.com, and Hotpads.com.

Table B-35: Median Gross Rent by Bedroom in Scotts Valley (2023)

Unit Type	Market Cost
Studio	\$1,200*
1 bedroom	\$2,100*
2 bedrooms	\$3,007
3 bedrooms	\$4,475
4 bedrooms	\$5,290
5 or more bedrooms	n/a

*Only one listing available for the respective unit size. Total represents a single listing and may not accurately represent average rental costs.

Source: Zillow.com, Apartments.com, Trulia.com, and Hotpads.com (Accessed September 11, 2023).

As shown in **Table B-35** above, true rental rates often differ from ACS estimates which may not always accurately reflect local market conditions. The City has seen significant increase in housing costs in the last decade and understands the complexity of addressing these issues. The City is dedicated to increasing housing opportunities through the numerous commitments made in the Housing Plan.

Housing affordability can be inferred by comparing the cost of renting or owning a home in the City with the maximum affordable housing costs for households at different income levels. Taken together, this information can generally show who can afford what size and type of housing and indicate the type of households most likely to experience overcrowding and overpayment.

HUD conducts annual household income surveys nationwide to determine a household's eligibility for federal housing assistance. Households in the lower end of each category can afford less by comparison than those at the upper end. The maximum affordable home and rental prices for residents in Santa Cruz County are shown in Table B-36 and Table B-37.

The data shows the maximum amount that a household can pay for housing each month without incurring a cost burden (overpayment). This amount can be compared to median home value (Table B-33) and monthly rental rates (Table B-34) to determine what types of housing opportunities a household can afford.

Extremely Low-Income Households

Extremely low-income households earn less than 30 percent of the County HAMFI – up to \$32,700 for a one-person household and up to \$50,400 for a five-person household in 2022. Extremely low-income households cannot afford market-rate rental or ownership housing in Scotts Valley without assuming a substantial cost burden. The affordable purchase cost for an extremely low-income household in Scotts Valley is between \$97,500 and \$141,700 depending on household size; the affordable monthly rental cost is between \$818 to \$1,260.

Very Low-Income Housing

Very low-income households earn between 31 percent and 50 percent of the County HAMFI – up to \$54,450 for a one-person household and up to \$84,000 for a five-person household in



2022. The maximum affordable price for very low-income households is \$196,000 for a one-person household and \$293,600 for a five-person household. A one-person very low-income household can afford to pay up to \$1,361 in monthly rent and a five-person very low-income household can pay up to \$2,100 in monthly rent. Given housing costs, very low-income households cannot afford market-rate rental or ownership housing in Scotts Valley without assuming a substantial cost burden.

Low-Income Housing

Low-income households earn between 51 percent and 80 percent of the County's HAMFI - up to \$87,350 for a one-person household and up to \$134,750 for a five-person household in 2022. The maximum affordable home price for a low-income household is \$345,000 for a one-person household and \$523,250 for a five-person household. A one-person low-income household could afford to pay up to \$2,184 in rent per month and a five-person low-income household could afford to pay as much as \$3,369 per month. Low-income households in Scotts Valley would not be able to find adequately sized affordable apartment units (Table B-36).

Moderate-Income Housing

Persons and households of moderate-income earn between 81 percent and 120 percent of the County's HAMFI – up to \$100,200 for a one-person household and up to \$154,600 for a five-person household in 2022. The maximum affordable home price for a moderate-income household is \$402,930 for a one-person household and \$613,120 for a five-person household. Moderate income households may be able to purchase a home in Scotts Valley, depending on the household size. The maximum affordable rent payment for moderate-income households is between \$2,505 and \$3,865 per month. Appropriately sized, market-rate rental housing is generally affordable to moderate-income households.

Table B-36: Affordable Housing Costs for Homeowners (2022)

Annual Income		Mortgage	Utilities ¹	Tax and Insurance	Total Affordable Monthly Housing Cost	Affordable Purchase Price
Extremely Low-Income (30% of HAMFI)						
1-Person	\$32,700	\$458	\$237	\$123	\$818	\$97,500
2-Person	\$37,350	\$540	\$254	\$140	\$934	\$115,000
3-Person	\$42,000	\$593	\$300	\$158	\$1,050	\$126,250
4-Person	\$46,650	\$645	\$346	\$175	\$1,166	\$137,500
5-Person	\$50,400	\$665	\$406	\$189	\$1,260	\$141,700
Very Low-Income (50% of HAMFI)						
1-Person	\$54,450	\$920	\$237	\$204	\$1,361	\$196,000
2-Person	\$62,200	\$1,068	\$254	\$233	\$1,555	\$227,500
3-Person	\$70,000	\$1,188	\$300	\$263	\$1,750	\$253,000
4-Person	\$77,750	\$1,306	\$346	\$292	\$1,944	\$278,200
5-Person	\$84,000	\$1,379	\$406	\$315	\$2,100	\$293,600
Low-Income (80% HAMFI)						
1-Person	\$87,350	\$1,619	\$237	\$328	\$2,184	\$345,000
2-Person	\$99,800	\$1,867	\$254	\$374	\$2,495	\$397,600
3-Person	\$112,300	\$2,086	\$300	\$421	\$2,808	\$444,320
4-Person	\$124,750	\$2,305	\$346	\$468	\$3,119	\$490,880
5-Person	\$134,750	\$2,457	\$406	\$505	\$3,369	\$523,250
Moderate-Income (120% HAMFI)						
1-Person	\$100,200	\$1,892	\$237	\$376	\$2,505	\$402,930
2-Person	\$114,500	\$2,179	\$254	\$429	\$2,863	\$464,050
3-Person	\$128,850	\$2,438	\$300	\$483	\$3,221	\$519,200
4-Person	\$143,150	\$2,696	\$346	\$537	\$3,579	\$574,150
5-Person	\$154,600	\$2,879	\$406	\$580	\$3,865	\$613,120

1. Utilities include garbage, sewer, water, refrigerator, range, water heating, cooking, heating, and general utilities such as lights.

Source: Santa Cruz County Housing Authority Utility Allowance Schedule; California Department of Housing and Community Development, 2022 State Income Limits, and Kimley Horn and Associates.

Table B-37: Affordable Monthly Housing Cost for Renters (2022)

Annual Income		Rent	Utilities ¹	Total Affordable Monthly Housing Cost
Extremely Low-Income (30% of HAMFI)				
1-Person	\$32,700	\$581	237	\$818
2-Person	\$37,350	\$680	254	\$934
3-Person	\$42,000	\$750	300	\$1,050
4-Person	\$46,650	\$820	346	\$1,166
5-Person	\$50,400	\$854	406	\$1,260
Very Low-Income (50% of HAMFI)				
1-Person	\$54,450	\$1,124	237	\$1,361
2-Person	\$62,200	\$1,301	254	\$1,555
3-Person	\$70,000	\$1,450	300	\$1,750
4-Person	\$77,750	\$1,598	346	\$1,944
5-Person	\$84,000	\$1,694	406	\$2,100
Low-Income (80% HAMFI)				
1-Person	\$87,350	\$1,947	237	\$2,184
2-Person	\$99,800	\$2,241	254	\$2,495
3-Person	\$112,300	\$2,508	300	\$2,808
4-Person	\$124,750	\$2,773	346	\$3,119
5-Person	\$134,750	\$2,963	406	\$3,369
Moderate-Income (120% HAMFI)				
1-Person	\$100,200	\$2,268	237	\$2,505
2-Person	\$114,500	\$2,609	254	\$2,863
3-Person	\$128,850	\$2,921	300	\$3,221
4-Person	\$143,150	\$3,233	346	\$3,579
5-Person	\$154,600	\$3,459	406	\$3,865

1. Utilities include garbage, sewer, water, refrigerator, range, water heating, cooking, heating, and general utilities such as lights.

Source: Santa Cruz County Housing Authority Utility Allowance Schedule; California Department of Housing and Community Development, 2022 State Income Limits, and Kimley Horn and Associates.



APPENDIX C



A variety of constraints may affect the provisions and opportunities for adequate housing in the City.

Housing Constraints consist of both governmental constraints (including, but not limited to, development standards and building codes, land use controls, and permitting processes) and non-governmental or market constraints (including, but not limited to, land costs, construction costs, and availability of finances). Potential infrastructure and environmental obstacles are also classified as housing constraints. Combined, these factors can create barriers to availability and affordability of new housing, especially for lower and moderate-income households.



NON-GOVERNMENTAL CONSTRAINTS

Non-governmental constraints largely affect the cost of housing in Scotts Valley and can produce barriers to housing production and affordability. These constraints may include real wages, the availability and cost of land for residential development, the demand for housing, financing and lending, construction costs, and the availability of labor, which can make it expensive for developers to build any housing and especially affordable housing. The following highlights the primary market factors that affect the production of housing in Scotts Valley.

In an effort to address non-governmental constraints, the City offers expedited permit processing for projects that include affordable housing units.

1. Land and Construction Costs

Construction costs vary widely according to the type of development, with multi-unit housing generally less expensive per unit to construct than single-unit homes. However, there is variation within each construction type, depending on the size of the unit and the number and quality of amenities provided. An indicator of construction costs is Building Valuation Data compiled by the International Code Council (ICC). The International Code Council was established in 1994 with the goal of developing a single set of national model construction codes, known as the International Codes, or I-Codes. The ICC updates the estimated cost of construction at six-month intervals and provides estimates for the average cost of labor and materials for typical Type VA wood-frame housing. Estimates are based on “good-quality” construction, providing for materials and fixtures well above the minimum required by state and local building codes.

In February 2022, the ICC estimated that the average per square-foot cost for good-quality housing was approximately \$144.50 for multi-unit housing, \$160.35 for single-unit homes, and \$181.25 for residential care/assisted living facilities. Construction costs for custom homes and units with extra amenities, run even higher. Construction costs are also dependent upon materials used and building height, as well as regulations set by the City’s adopted Building Code. For example, according to the ICC, an accessory dwelling unit (ADU) or converting a garage using a Type VB wood framed unit would cost about \$150.87 per square foot. Although construction costs are a significant portion of the overall development cost, they are consistent throughout the region and, especially when considering land costs, are not considered a major constraint to housing production in Scotts Valley.

Table C-1: Square Foot Construction Costs for Type VA Wood-frame Housing

Group (2021 International Building Code)	VA
A-1 Assembly, theaters, with stage	\$244.80
A-1 Assembly, theaters, without stage	\$218.59
A-2 Assembly, nightclubs	\$183.68
A-2 Assembly, restaurants, bars, banquet halls	\$181.68
A-3 Assembly, churches	\$223.05
A-3 Assembly, general, community halls, libraries, museums	\$179.77
A-4 Assembly, arenas	\$216.59
B Business	\$172.02
E Educational	\$189.21
F-1 Factory and Industrial, moderate hazard	\$92.69
F-2 Factory and industrial, low hazard	\$92.69
H-1 High Hazard, explosives	\$84.34
H234 High Hazard	\$84.34
H-5 HPM	\$172.02
I-1 Industrial, supervised environment	\$181.25
I-2 Institutional, hospitals	\$331.40
I-2 Institutional, nursing homes	\$211.75
I-3 Institutional, restrained	\$206.24
I-4 Institutional, day care facilities	\$181.25
M Mercantile	\$123.17
R-1 Residential, hotels	\$183.44
R-2 Residential, multiple family	\$144.50
R-3 Residential, one- and two-family ^d	\$160.35
R-4 Residential, care/assisted living facilities	\$181.25
S-1 Storage, moderate hazard	\$82.34
S-2 Storage, low hazard	\$82.34
U Utility, miscellaneous	\$63.42

International Code Council Building Valuation Data, February 2022

Notes: 1) Private Garages use Utility, miscellaneous, 2) For shell only buildings deduct 20 percent, 3) N.P. = not permitted, 4) Unfinished basements (Group R-3) = \$23.20 per sq. ft.

Land costs can also pose a significant constraint to the development of affordable and middle-income housing and represents a significant cost component in residential development. Land costs may vary depending on whether the site is vacant or has an existing site that must be removed. Similarly, site constraints such as environmental issues (e.g., steep slopes, soil stability, seismic hazards, flooding) can also be factored into the cost of land. Additional costs may be associated with redeveloping and/or converting sites which may influence the cost of the rental units or home value.

A Zillow search for vacant lots sold since 2020 returned lots ranging from 0.14 acres to 48 acres. Of the lots listed, the costs ranged higher in the southern part of the City near Mt. Hermon Road and Scotts Valley Drive, while costs were lower for sites located in the northern, undeveloped forest regions. Table C-1 shows the acreage cost of vacant land in Scotts Valley compared to neighboring jurisdictions. Scotts Valley's average cost per square-foot is just below the total average for all five of the jurisdictions. Costs are the highest in Felton and Ben Lomond



and the lowest in the mountainous areas of Santa Cruz. Given these figures, the cost of land is not considered a constraint to development as it is not uniquely high in Scotts Valley and is similar to that of the surrounding region for similar communities.

Table C-1: Average Vacant Land Cost

Jurisdiction	Vacant Lots Sold	Average Lot Acreage	Average Cost Per Square-Foot
Felton	45	9.52 acres	\$48.38
Scotts Valley	28	3.98 acres	\$21.86
Ben Lomond	16	15.09 acres	\$53.87
Boulder Creek	113+	45.06 acres	\$14.17
Santa Cruz ¹	51	5.07 acres	\$6.73

1. Accounts for parcels located in the Santa Cruz Mountain, not along the coast.
Source: Zillow.com (Accessed February 2023).

2. Availability of Financing

The availability of financing in a community depends on a number of factors, including: the type of lending institutions active in a community, lending practices, algorithms, rates, and fees charged, laws and regulations governing financial institutions, and equal access to such loans. Additionally, availability of financing affects a person's ability to purchase or improve a home. Under the Home Mortgage Disclosure Act (HMDA), lending institutions are required to disclose information on the disposition of loan applications and the income, gender, and race of loan applicants. The primary concern in a review of lending activity is to determine whether home financing is available to all residents of a community, regardless of income, sex, race, or ethnicity. The data presented in this section include the disposition of loan applications submitted to financial institutions for home purchase, home improvement, and refinancing in the Santa Cruz-Watsonville Metropolitan Statistical Areas/Metropolitan Divisions (MSA/MD).

Table C-2 below displays the disposition of loan applications for the Santa Cruz-Watsonville MSA/MD per the 2021 Home Mortgage Disclosure Act report. According to the data, applications in the 100-119 percent of the MSA/MD median had the highest rates of loan approval. Within that income category, those who identify as Native Hawaiian or other Pacific Islander had the highest approval rates (80 percent), while those who identify as American Indian and Alaska Native and Hispanic or Latino had the lowest rates (60 and 65.2 percent, respectively). There is no general trend across income categories. Those who identify as White had significantly more applications than any other racial or ethnic group. Persons who identify as White accounted for 81 percent of all applications received. Some racial or ethnic groups only had a handful of applications in certain income categories which has skewed the results.

Table C-2: Disposition of Loan Applications by Race/Ethnicity – Santa Cruz-Watsonville MSA/MD

Applications by Race/Ethnicity	Approved	Denied	Other ⁽¹⁾	Total Count
LESS THAN 50% OF MSA/MD MEDIAN				
American Indian and Alaska Native	21.4%	42.9%	35.7%	14
Asian	35.7%	31.0%	33.3%	42
Black or African American	61.5%	23.1%	15.4%	13
Native Hawaiian or other Pacific Islander	0.0%	100.0%	0.0%	2
White	48.6%	26.1%	25.3%	1,086
Hispanic or Latino	41.9%	32.6%	25.6%	227
50-79% OF MSA/MD MEDIAN				
American Indian and Alaska Native	46.2%	23.1%	30.8%	13
Asian	46.7%	30.7%	22.7%	75
Black or African American	50.0%	25.0%	25.0%	12
Native Hawaiian or other Pacific Islander	66.7%	16.7%	16.7%	6
White	65.0%	14.9%	20.1%	1,942
Hispanic or Latino	60.2%	17.1%	22.7%	467
80-99% OF MSA/MD MEDIAN				
American Indian and Alaska Native	33.3%	66.7%	0.0%	6
Asian	56.0%	8.0%	36.0%	25
Black or African American	100.0%	0.0%	0.0%	3
Native Hawaiian or other Pacific Islander	50.0%	0.0%	50.0%	2
White	69.1%	8.8%	22.1%	748
Hispanic or Latino	61.4%	14.3%	24.3%	140
100-119% OF MSA/MD MEDIAN				
American Indian and Alaska Native	60.0%	20.0%	20.0%	10
Asian	69.9%	8.7%	21.4%	103
Black or African American	76.5%	11.8%	11.8%	17
Native Hawaiian or other Pacific Islander	80.0%	20.0%	0.0%	5
White	73.6%	8.7%	17.7%	2,212
Hispanic or Latino	65.2%	10.5%	24.3%	362
120% OR MORE OF MSA/MD MEDIAN				
American Indian and Alaska Native	65.2%	4.3%	30.4%	23
Asian	71.3%	6.6%	22.1%	470
Black or African American	62.5%	12.5%	25.0%	32
Native Hawaiian or other Pacific Islander	71.4%	7.1%	21.4%	14
White	74.5%	7.5%	18.0%	7,018
Hispanic or Latino	68.9%	12.7%	18.4%	550

Notes: 1. "Other" includes: applications withdrawn, files closed for incompleteness, and purchased loans.

Source: Consumer Financial Protection Bureau, Disposition of loan applications, by Ethnicity/Race of applicant, 2021.

According to the data, applicants who identify as Black or African American were on average more likely than other race to receive a loan approval (70.1 percent). Given the generally high rates of loan approvals, home financing is typically available and not considered to be a constraint to the provision and maintenance of housing in Scotts Valley.

Financing for multifamily residential and mixed-used development is typically harder to obtain. In particular, financing for subsidized housing is very difficult to obtain, as there is a great deal of competition for a limited amount of financing. Soft costs, such as permit fees, architectural

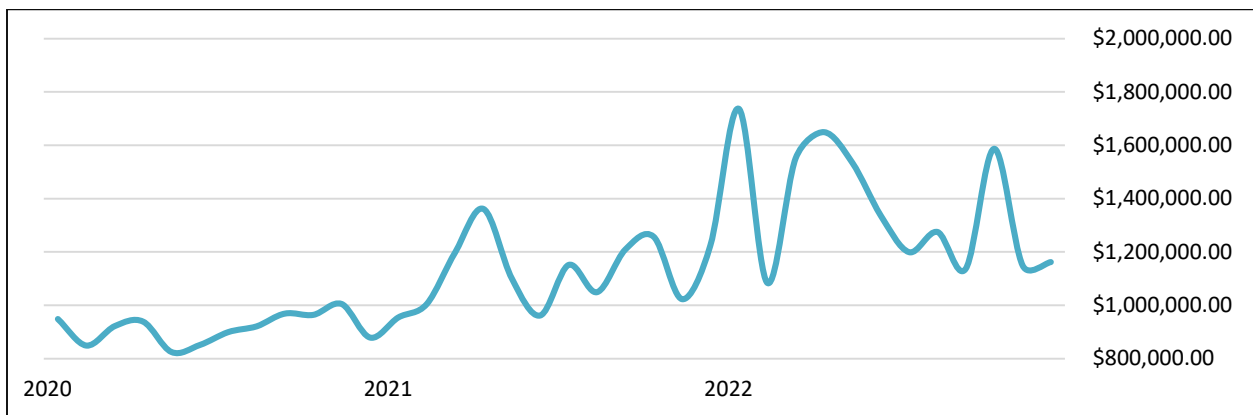


and engineering services and environmental reviews make up a larger portion of the development budget for private development, and especially, affordable housing development. Therefore, to develop housing that is affordable, especially to very low- and low-income households, both substantial public subsidies and multiple financing sources are required.

3. Economic Constraints

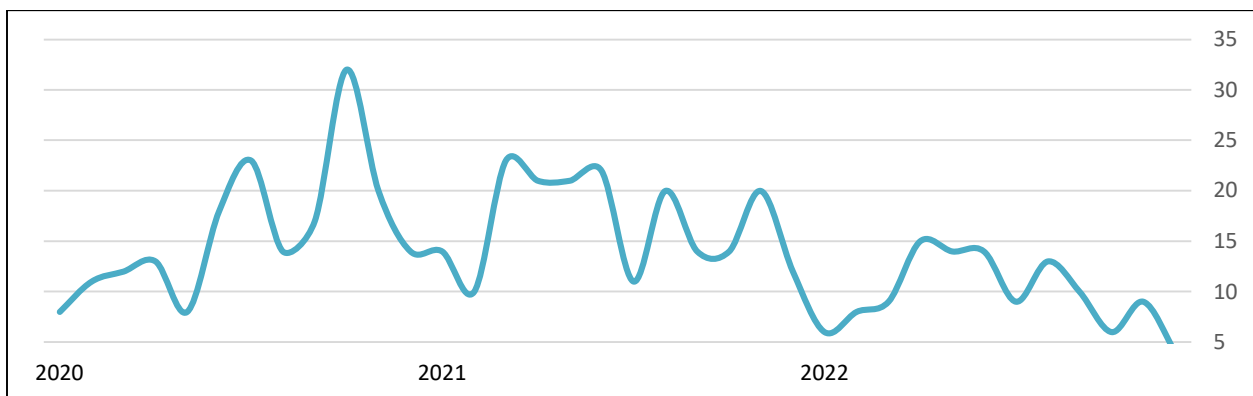
Market forces on the economy and the trickle-down effects on the construction industry can act as a barrier to housing construction and especially to affordable housing construction. It is estimated that housing price growth will continue in the City and the region for the foreseeable future. Moving into 2020, the economy was growing. California was seeing a 1.6 percent growth in jobs from 2019 and experiencing all-time lows for unemployment rates. The COVID-19 pandemic had stalled much of the economy in early 2020; however, as Figure C-1 shows, the Scotts Valley housing market has maintained overall growth. Figure C-2 shows decline in number of homes sold in Scotts Valley which may indicate a lack of inventory, which contributes to higher median sale prices.

Figure C-1: Scotts Valley Housing Market Trends – Median Sale Price 2020-2022



Source: Redfin, Scotts Valley Housing Market Trends (Accessed January 24, 2023).

Figure C-2: Scotts Valley Housing Market Trends – Number of Homes Sold 2020-2022



Source: Redfin, Scotts Valley Housing Market Trends (Accessed January 24, 2023).

An October 2022 California Association of Realtors (CAR) report found that single-family homes on the market in Santa Cruz County had a median sold price of \$1,362,000 and experienced a year-to-year change of 19.9 percent. Santa Cruz County is found in the Central Coast region which has a median sold price of \$937,500 during the same period. Single-family homes on the market in the San Francisco Bay Area had the highest median sold price in the State of California at \$1,250,000.

According to a CAR First-Time Buyer Housing Affordability Index report for the third quarter of 2022, the median home price for a single-family home in Santa Cruz County was \$1,066,750 with monthly payments of \$6,120 (including taxes and insurance). This required a minimum qualifying income of \$183,600. In comparison, the median cost for a single-family home in California was \$705,300 with monthly payments of \$4,050 and a minimum qualifying income of \$121,500.

The cost of land and home prices in Scotts Valley may be considered a constraint to the development of and access to housing, particularly the development of and access to affordable housing; however, as these home and land costs are consistent with jurisdictions in the region, and lower than nearby coastal communities, they are not considered a unique constraint.

ENVIRONMENTAL CONSTRAINTS

Scotts Valley may be susceptible to several environmental constraints. Features such as hillsides and waterways can present risks due to flood, geologic, and seismic hazards. In addition, human-caused risks, such as hazardous materials, can pose risks to community health and safety. Effective planning to prepare for and mitigate the adverse effects of these risks can help ensure that Scotts Valley maintains a high level of safety for its residents. The City plans for and engages mitigation techniques through the City's Safety and Noise Element.

1. Geological and Seismic Hazards

Geologic and seismic hazards in Scotts Valley include those related to earthquakes, steep slopes and landslides, erosion, and soil subsidence. According to the USGS Interactive Fault Map, major faults near Scotts Valley include the Zayante Fault, San Andreas Fault, Butano Fault, and Ben Lomond Fault. The Zayante Fault Zone is located approximately 1.5 miles north of Scotts Valley and is the closest major fault to the City. Residential development within a seismically active zone could expose Scotts Valley residents to adverse effects.

A lesser geological hazard relates to soil stability in the City. Hillsides located mostly on the periphery of the City can be subject to landslides and portions of the City have expansive soil types. In addition, some areas may be subject to liquefaction during a seismic event if groundwater is present near the surface. To ensure structural stability, seismic and geologic



hazards are addressed through the environmental and development review and permitting process. The City's General Plan also establishes policies to address potential hazards.

2. Sensitive Species and Habitats

The City's riparian woodland along rivers and Ponderosa Pines provides habitat for rare and endangered plant species. Scotts Valley is also home to a unique soil type called "Zayante Soil" and the Carbonera Creek, which is a habitat for steelhead trout. In Scotts Valley, 20 to 50 locally rare plant species exist and are concentrated in the Santa Margarita sand deposits, marshy habitats, grassland areas, and others. Five examples of rare and endangered species are present. The City is also a potential habitat for the Mt. Hermon June Beetle and the Ohlone Tiger Beetle, listed as Endangered Species by the Federal Government. The City requires development proposals in sensitive areas to provide biotic surveys and Habitat Conservation Plans to ensure compliance with the Endangered Species Acts. Two recent development projects include The Encore, a 16 unit condominium project and The Terrace, a 19 unit townhome project, provided Habitat Conservation Plans to ensure compliance with the Endangered Species Acts and the California Environmental Quality Act (CEQA). As such, sensitive habitat is not considered a constraint as development can occur in areas with sensitive species and habitats in Scotts Valley.

3. Cultural Resources

Scotts Valley's location on an ancient seabed has contributed to a wealth of archaeological and paleontological resources in the community today. In fact, the present City Hall site contains a 10,000- to 15,000-year old archaeological site. The General Plan designates various areas throughout the community as moderate or high cultural resource sensitivity zones. In these areas, development proposals must have appropriate environmental clearance pursuant to local, State and federal laws. Projects with potentially significant cultural resources require issuance of a Cultural Resources Alteration Permit from the City's Cultural Resource Commission. Procedures and scope of authority of the City's Cultural Resource Preservation and Cultural Resource Commission are set forth in Chapter 17.44 of the Scotts Valley Municipal Code. Projects with cultural resources require compliance with the City's standard conditions of approval for historic/archaeological resource, for example:

1. Historic or Archaeological Discovery During Construction
 - a. Additionally, if buried historic or archaeological resources are discovered during construction, operations shall stop within 50 feet of the find and a qualified archaeologist shall be consulted to evaluate the resource in accordance with CEQA Guidelines 15064.5(f), which requires the Lead Agency to make provisions for historical or unique archaeological resource accidentally discovered during construction.

- b. The applicant shall include a standard inadvertent discovery clause in every construction contract to inform contractors of this requirement. If the resource does not qualify as a significant resource, then no further protection or study is necessary. If the resource does qualify as a significant resource then the impacts shall be avoided by construction activities. If the resource cannot be avoided, adverse impacts to the resource shall be addressed.
 - c. The archaeologist shall make recommendations concerning appropriate measures that shall be implemented to protect the resources, including but not limited to excavation and evaluation of the finds in accordance with Section 15064.5(f) of the CEQA Guidelines. Any previously undiscovered resources found during construction within the project site should be recorded on appropriate Department of Parks and Recreation (DPR) 523 forms and evaluated for significance in terms of CEQA criteria.
- 2. Paleontological Resource Monitoring
 - a. In the event a fossil(s) is discovered during construction for the project, excavations within 50 feet of the find shall be temporarily halted or delayed until the discovery is examined by a qualified paleontologist, in accordance with Society of Vertebrate Paleontology standards.
 - b. The applicant shall include a standard inadvertent discovery clause on construction plans to inform contractors of this requirement. If the paleontological resources are found to be significant, they shall be avoided by project construction activities and recovered by a qualified paleontologist. Upon completion of the recovery, a paleontological assessment shall be conducted by a qualified paleontologist to determine if further monitoring for paleontological resources is required. The project site assessment shall include; (1) the results of any geotechnical investigation, (2) specific details of the construction plans, (3) background research, and (4) limited subsurface investigation.
 - c. If a high potential to encounter paleontological resources is confirmed, a monitoring plan of further project subsurface construction shall be prepared in conjunction with this assessment. After project subsurface construction has ended, a report documenting monitoring, methods, findings, and further recommendations regarding paleontological resources shall be prepared and submitted to the Director of Community Development.
 - a. 3. Inadvertently disturb human remains Pursuant to section 7050.5 of the Health and Safety Code, if human remains are discovered, there shall be no further excavation or disturbance of the discovery site or any nearby area reasonably suspected to overlie adjacent human remains until the project applicant has complied with the provisions of State CEQA Guidelines Section 15064.5(e).



- b. In general, these provisions require that the County Coroner be notified immediately. If the remains are found to be Native American, the County Coroner is required to notify the Native American Heritage Commission within 24 hours. The most likely descendant of the deceased Native American is notified by the Commission and given the chance to make recommendations for the remains. If the Commission is unable to identify the most likely descendent, or if no recommendations are made within 24 hours, remains may be reinterred with appropriate dignity elsewhere on the property in a location not subject to further subsurface disturbance. If recommendations are made and not accepted, the Native American Heritage Commission will mediate the problem.

With the adoption of standard conditions of approval and compliance with State CEQA Guidelines, development projects can successfully move forward and be built in Scotts Valley. As such, Cultural Resources are not considered a development constraint. Program H-4.4 discusses continuing to review Cultural Resources for compliance with local, State, and federal laws.

4. Flood Hazards

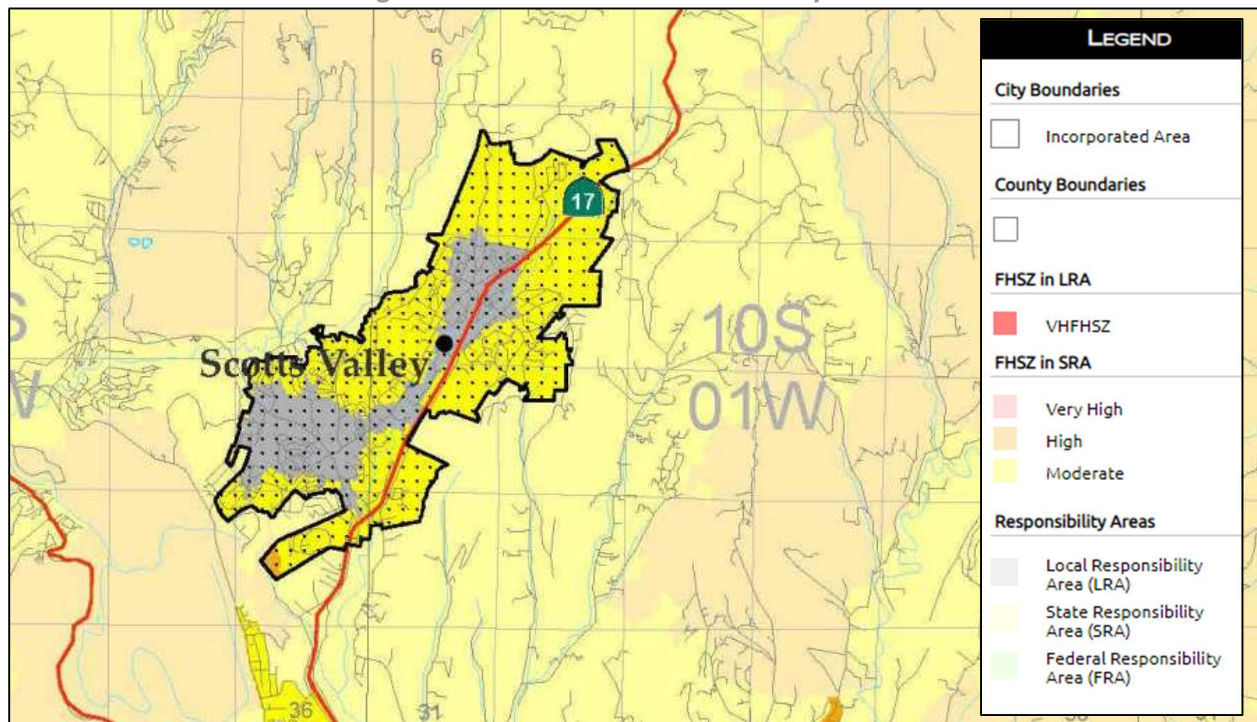
Potential flooding in Scotts Valley is attributable to heavy rainfalls, localized drainage problems, and failures of flood control. The City is principally drained by Carbonera Creek, which begins 1.3 miles north of the City limits. Insufficient channel capacity to handle peak flood flows and obstruction (such as vegetation) in the stream channel can increase flood potential. Scotts Valley's geographic location in proximity to several creeks and waterways contribute to the flood risk within the City. Flooding has occurred primarily along Carbonera Creek and Bean Creek, which are included as flood hazard areas in existing Federal Emergency Agency (FEMA) maps.

The City, in conjunction with the Army Corps of Engineers, works to improve flood capacity along Carbonera Creek. To reduce potential flood hazards, the City's floodplain management ordinance requires flood proofing or elevation of structures above flood heights in federally designated flood plains. The City regulates development in flood hazard areas in accordance with the floodplain management ordinance. Figure C-3 shows the flood risk throughout the City.

5. Fire Hazards

Fire hazards are generally categorized as wildland fires and structural fires. Wildland fires (large-scale brush and grass fires) post the most risk to the City and particularly neighborhoods near areas of high vegetation. The City is surrounded by undeveloped hillsides with high vegetation that are at high-risk of human-caused wildfires. The factors contributing to fires include highly flammable brush, rugged terrain, dry northeast winds, periods of drought, and an expanding population. In addition to wildland fires, the City experiences fires from structural, vehicular, utility, and other sources as well. According to the General Plan, fires in Scotts Valley tend to be structural year-round while wildland fires in nature occur during summer months. CalFire has mapped the fire hazard severity zones for cities in California. The CalFire Map shows three severity zones: Moderate, High, and Very High. Figure C-4 shows that portions of the City are located in Moderate fire hazard severity zones. While the City is not located in any Very High or High fire hazard severity zones, the surrounding area includes areas in Moderate to High severity zones, making the City at-risk for potential fire hazards.

Figure C-4: CalFire Fire Hazard Severity Zones



Source: CalFire Hazard Severity Zones in Local Responsibility Areas – Santa Cruz County

Although the City has identified environmental factors above, they do not impact the City's ability to accommodate the number of units required to meet the RHNA obligation.

The City has reviewed all sites for the above environmental concerns and considerations as well as development regulation and land use restrictions. Additionally, each site has been reviewed for access to infrastructure, water, utilities, and additional development constraints. Where the

analysis showed increased barriers to development related to environmental concerns, infrastructure concerns or existing conditions and development concerns (such as fire hazards, hazardous surrounding uses, restrictive development standards, etc.) the sites were removed. The result is a list of sites that have been analyzed to be most appropriate for development or redevelopment of housing. A complete analysis of the sites is provided in Appendix F.

GOVERNMENTAL CONSTRAINTS

In addition to market constraints, local policies and regulations also affect the price of affordability of housing and the provision of affordable housing. For example, State and Federal regulations affect the availability of land for housing and the cost of housing production, making it difficult to meet the demand for affordable housing and limiting supply in a region. Regulations related to environmental protection, building codes, and other topics may have significant, often adverse, impacts on housing cost and affordability.

While the City has no control over State and Federal policies and regulations that affect housing, the City's Housing Element can address local policies and regulations that create a constraint on the development of housing, and particularly affordable housing.

1. Land Use Controls

Jurisdictions in California are required by Law to prepare a comprehensive, long-term General Plan to guide future development. The Land Use Element of the General Plan establishes permitted land uses and development density throughout the City. These land uses provide a wide variety of housing types throughout the City, while also ensuring compatibility between neighboring uses. Table C-3 lists the land uses that permit residential developments and their density ranges with the number of new dwelling units at buildout—this information is readily available on the City's website, in compliance with State transparency requirements.

Table C-3: Residential Land Uses and Density Ranges

General Plan Land Uses	Density Range (dwelling units per acre)	Total Vacant Acres	Number of New Dwelling Units at Buildout
Very High Residential R-VH	15.1 – 20	11	168 – 220
High Residential RM-15	9.0 – 15.0	12.8	115 – 192
Medium High Residential RM 6 / RM 8	5.0 – 9.0	25	125 – 225
Medium Residential R-1-20	2.0 – 5.0	91	182 – 455
Low Residential R-1-10	2	71	142
Estate Residential R-1-40	1	46	46
Rural Residential RR 2.5	1	203	82
Mountain Residential RMT-5	1	25	5

Source: City of Scotts Valley General Plan, Land Use Element, Table LU – 2 Vacant Residential Land

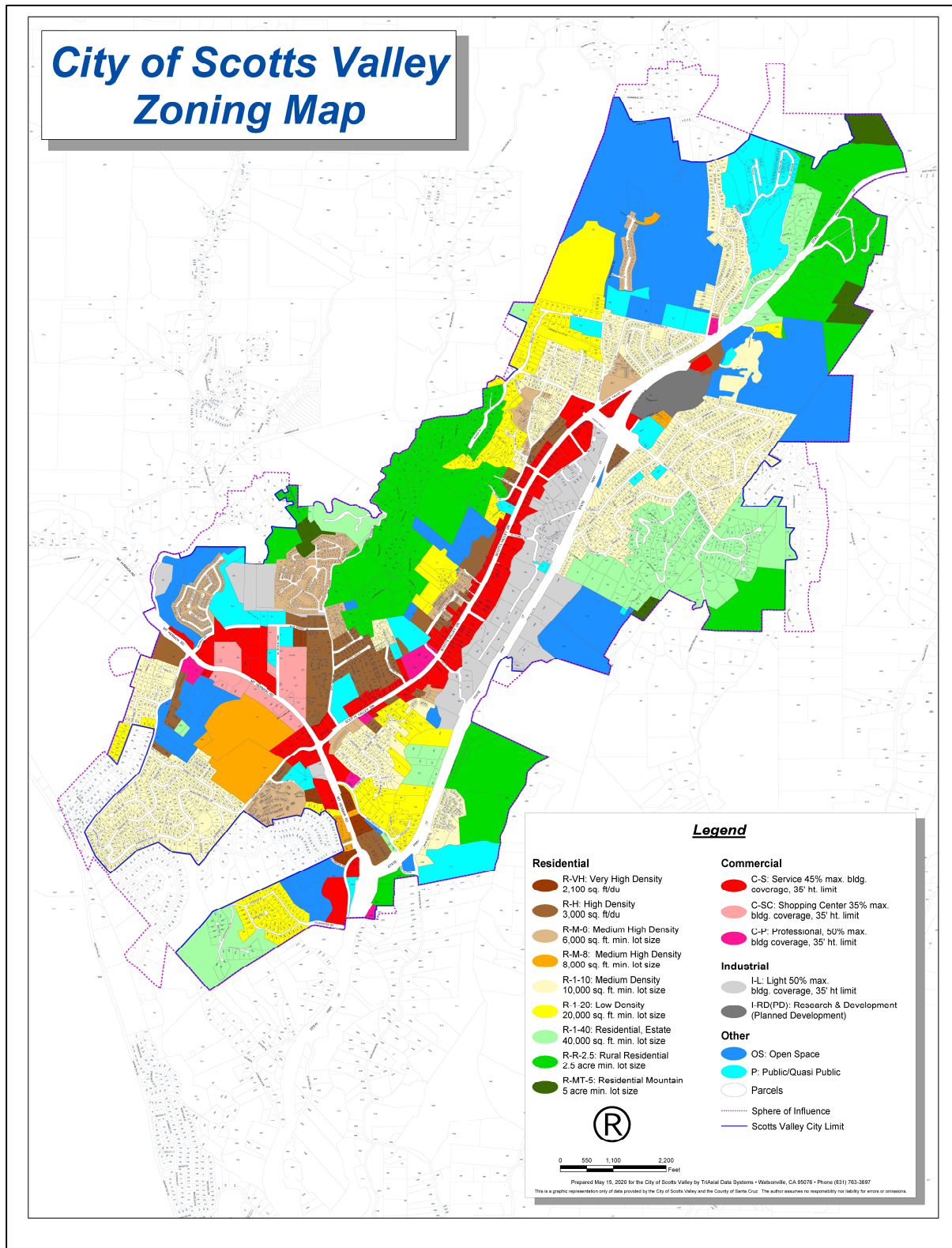


2. Zoning Districts

The City's Zoning Code establishes the following residential zoning districts:

- **Residential Single-Family Zoning District (R-1)** – Designed to provide areas for single-family residential development where lot sizes and densities are designed to accommodate large areas of open space for recreational activities compatible with a residential environment.
- **Multiple Residential Zoning District (R-M-6/R-M-8)** – Designed to provide areas for single-family subdivisions and townhouse and condominium development at lower density ranges than the R-H district.
- **High-Density Residential District (R-H)** – Designed to provide areas for apartments, townhomes, condominiums, and similar development with a maximum of open space and other amenities which will enhance the living qualities of the development and promote the housing goals of the general plan.
- **Very High-Density Residential District (R-VH)** – Designed to provide areas for apartments, townhouses, condominiums, and similar development with open space and other amenities which will enhance the living qualities of the development and promote the housing goals of the general plan.
- **Residential-Rural District (R-R-2.5)** – Designed to provide areas for large-lot residential living and minor agricultural activities for areas designated in the General Plan as “rural residential.”
- **Residential-Mountain District (R-MT-5)** – Designed primarily for hillside areas designated as “mountain residential” in the General Plan where environmental constraints require development at lower densities.
- **Service Commercial (C-S)** – Designed to create and maintain areas accommodating city-wide and regional service that may be inappropriate in neighborhood or pedestrian-oriented shopping areas and which generally require automotive access for customer convenience, servicing of vehicles or equipment, loading or unloading, or parking of commercial service vehicles. Multi-family dwelling units are permitted if they are located either above the ground-level commercial use or at ground level at the rear of a commercial space.
- **Shopping Center Commercial (C-SC)** – Designed to accommodate retail and service establishments for the development of community shopping centers. Multi-family dwelling units are permitted if they are located either above the ground-level commercial use or at ground level at the rear of a commercial space.

Figure C-5: City of Scotts Valley Zoning Map



Source: Scotts Valley's Zoning Map



Combining Zoning Districts

A Combining Zoning District is a regulatory tool that adds special provisions and regulations to an area. This may be added to a neighborhood or corridor on a map, or it may apply to the City as whole and be applied under certain circumstances. All proposed developments within the Combining District must comply with the District's applicable development standards in addition to the Zoning Code standards. In the event of a conflict between the regulations of the base zoning district and the regulations of the Combining District, the regulations of the Combining District will come first. Combining zoning may be a constraint to the development of housing when it sets standards which are more restrictive than the Zoning Code; however, no sites have been identified within these districts as part of the candidate sites analysis. Below are Combining Zoning districts present in Scotts Valley:

- **TP Timberland Production Zoning District** – Intended to protect and maintain the timberland by regulating timberland use. The TP Zoning District is a combining district intended to be attached to an open space (OS) base district and allows one single-family dwelling, with accessory structures and utilities, on a separate legal parcel with a minimum of forty acres. Under a conditional use permit, the district permits one or more single-family dwellings, with accessory structures, at a density maximum of one dwelling unit per ten acres.
- **ST Special Treatment Combining District** – Intended to encourage the incorporation of special design considerations into project development to implement a visually pleasing environment in areas deemed to be of special importance to the community image. Development is subject to the submittal requirements of a specific plan.
- **FW Floodway Combining District** – Establishes provisions designed to promote the public health, safety, and general welfare and to minimize public and private losses due to flood conditions. For example, potential buyers must be notified if a parcel is in an area of a special flood hazard. The FW Combining District is intended to apply to all land within the one-hundred-year flood zone according to federal flood insurance rate maps.
- **HR Hillside Residential Combining District** – The HR district is designed to provide for an orderly, harmonious development of the foothills and mountains, resulting in a minimum amount of disturbance of the natural slope and sensitivity to the steepness of the terrain in order to minimize grading, removal of vegetation, run-off erosion, geologic hazards and fire hazards, and to help ensure utilization of land in balance with its natural capabilities to support development. The HR district applies to single family residential zoned properties with a slopes of 10 percent or greater.

3. Variety of Housing Permitted

Housing Element Law requires jurisdictions to identify sites to be made available through zoning and development standards in order to facilitate development of a variety of housing types for all socioeconomic levels of the population. Housing types include single-unit dwellings, multi-unit housing, accessory dwelling units, factory-built housing, mobile homes, employee and agricultural work housing, emergency shelters, transitional and supportive housing, single-room occupancy units (SROs), and housing for persons with disabilities. Table C-4 shows the various housing types permitted throughout the City in zoning districts which permit housing or care facility uses. The City is in compliance with all transparency requirements and all zoning information, development standards, and fees are available on the City's website and at the Planning Department Counter.

Table C-4: Housing Types Permitted

Residential Uses	R-VH	R-H	R-M-6	R-M-8	R-1	R-R-2.5	R-MT-5	C-S	C-SC	I-L	P	OS	TP
Agricultural and Employee Housing	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Care Residential Facility (Small)	P	P	P	P	P	P	P	-	-	-	P	-	-
Community Care Facility and Institution (Large)	CUP	CUP	CUP	CUP	CUP	CUP	-	-	-	-	-	-	-
Day Care Centers	CUP	CUP	CUP	CUP	CUP	CUP	CUP	-	-	-	CUP	-	-
Emergency Shelter (less than or equal to 25 occupants)	-	-	-	-	-	-	-	P	P	-	P	-	-
Emergency Shelter (more than 25 occupants)	-	-	-	-	-	-	-	CUP	CUP	-	CUP	-	-
Family Child Care Homes (Small)	P	P	P	P	P	P	P	-	-	-	-	-	-
Family Child Care Homes (Large)	-	-	P	P	CUP	CUP	CUP	-	-	-	-	-	-
Foster Homes (Six or Fewer)	-	-	CUP	CUP	P	P	P	-	-	-	-	-	-
Foster Homes (Exceeds Six)	-	-	-	-	CUP	CUP	CUP	-	-	-	-	-	-
Low Barrier Navigation Centers	-	-	-	-	-	-	-	-	-	-	-	-	-
Mobile Home/Manufactured Housing	-	P	P	P	P	-	-	-	-	-	-	-	-
Multi-Family Dwellings	P	P	P	P	-	-	-	CUP/P*	CUP	-	-	-	-
Student Housing	-	-	-	-	-	-	-	-	-	-	CUP	-	-
Residential Care Facilities	-	-	-	-	-	-	-	-	-	-	CUP	-	-
Secondary Dwelling Units	-	-	-	-	P	P	P	-	-	-	-	CUP	P/CUP
Single-Family Dwellings	-	P	P	P	P	P	P	-	-	-	P	CUP	P/CUP
Transitional And Supportive Housing	P	P	P	P	P	P	P	CUP	-	CUP	-	-	-
Small Unlicensed Group Homes (6 or fewer)	P	P	P	P	P	P	P	-	-	-	P	-	-
Large Unlicensed Group Homes (7 or more)	CUP	CUP	CUP	CUP	CUP	CUP	-	-	-	-	-	-	-
Small Licensed Group Homes (6 or fewer)	P	P	P	P	P	P	P	-	-	-	P	-	-
Large Licensed Group Homes (7 or more)	CUP	CUP	CUP	CUP	CUP	CUP	-	-	-	-	-	-	-

Notes: Refer to Scotts Valley Code of Ordinances under Title 17 Zoning for full definitions of each residential use.

P – Permitted

CUP – Conditional Use Permit

*When located above a ground-level commercial use or at ground level at the rear of a commercial space on sites designated in the 5th Cycle Housing Element. CUP required for all other mixed-use multifamily residential projects.

Source: Scotts Valley Municipal Code (SVMC) Title 17 – Zoning

Single-Family Dwelling

A single-family dwelling is defined as a detached building designed or used for residence purposes by one housekeeping unit. Single-family dwellings are permitted as a primary use in the R-H, R-M-6, R-M-8, R-1, R-R-2.5, R-MT-5, P, and TP districts.

Multi-Family Dwelling

A multi-family dwelling is defined as a building, or portion thereof, designed or used for residence purposes by two or more families or housekeeping units. This includes duplexes, triplexes, etc. Multi-family dwellings are permitted as primary use in R-VH, R-H, R-M-6, and R-M-8 districts.

A program is included in the Housing Plan to accommodate additional residential units for select sites in the Candidate Sites Inventory in Appendix F.

Multi-family dwellings are conditionally permitted use in the C-S and CS-C district when located above a ground-level commercial use or at the ground level at the rear of a commercial space. If the project site was designated in the 5th Cycle Housing Element, then a mixed-use project is permitted as a primary use.

A program is included in the Housing Plan to allow for a reduction in required commercial component, an increase in allowed residential component, and upzoning to accommodate additional residential units for select sites in the Candidate Sites Inventory in Appendix F.

Additionally, a program to establish objective design standards for multi-unit residential development is included in the Housing Plan. This is to reflect changes in state law, ensure quality design of new residential development and project approval certainty.

Accessory Dwelling Unit (ADU)

An accessory dwelling unit, also known as secondary dwelling units, is defined as an attached or detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a parcel with a proposed or existing dwelling. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multi-family dwelling is or will be situated. ADUs also includes the following:

1. An efficiency unit, as defined in Section 17958.1 of the California Health and Safety Code; and
2. A manufactured home, as defined in Section 18007 of the California Health and Safety Code.

ADUs may be created or occupied only if the unit meets all of the restrictions and standards set out in State Law. The City has an adopted “Secondary Dwelling Unit Program” to guide ADU development; however, this Program does not meet recent updates to State law. Since 2020, The City of Scotts Valley has been reviewing and approving ADU and JADU application in



accordance with the development standards and restrictions set out in State law. While the City's Zoning Code currently allows for ADUs in the R-1, R-R-2.5, and R-M-T Zoning Districts, State law stipulates that ADUs are allowed in any zoning district that permits residential uses. The City has been reviewing and approving applications in accordance with State law requirements.

A program is included in the Housing Plan to update the Program in compliance with State housing laws and to facilitates development throughout the planning period. This includes a number of actions the City will implement to further facilitate and promote ADU development.

Manufactured/Mobile Homes

Manufactured homes, mobile homes, or modular homes are defined as a single-family housing units. They are certified under the National Mobile Home Construction and Safety Standards Act of 1974. Furthermore, mobile homes are to be placed on a foundation system, pursuant to Section 18551 of the Health and Safety Code or constructed in accordance with the appropriate Uniform Building Code, Plumbing Code, Electrical Code, etc., that has been adopted and is in effect within Scotts Valley. Mobile home parks are defined as subdivisions that are designed to accommodate mobile homes. All manufactured homes shall meet the anchoring standards of Section 15.16.180 of the Municipal Code. Additionally, Code Section 65852.3 requires manufactured homes to be permitted on lots zones for conventional single-family residential dwellings; the City's Municipal Code currently complies with this requirements as manufactured homes and mobile homes are permitted in the R-H, R-M-6, R-M-8, and R-1 districts where single-family dwellings are also permitted.

Community Care Residential Facility

A community care residential facility is any family home, group-care facility, or similar facility determined pursuant to State law, for twenty-four-hour non-medical care of persons in need of personal service, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual. A small community care residential facility is one which serves six or fewer persons, whereas a large community care facility has seven or more residents. Small community care residential facilities are permitted in P, R-VH, R-H, R-1, R-R-2.5, R-MT-5, R-M-6, and R-M-8 districts. Large community care residential facilities are permitted in P district and conditionally permitted in R-H, R-1, R-R-2.5 districts.

The City does not currently distinguish group homes separately from community care residential facilities. Program H-3.16 is included in the Housing Plan to adopt a Zoning Ordinance definition for "group home" and to establish separate permitting and processing procedures.

Supportive Housing

Supportive Housing is defined as housing with no limit on length of stay, that is occupied by the target population, and that is linked to on-site or off-site services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his

or her ability to live and, when possible, work in the community. Supportive housing is considered a residential use and is subject only to the restrictions and standards that apply to other residential dwellings of the same type (e.g., single-family residence(s) or multifamily development) in the same zone. Supportive housing is permitted in R-VH, R-H, R-M-6, R-M-8, R-1, R-MT-5, and R-R-2.5 districts. A program is included to allow for Support Housing by right in the C-S and C-SC Zoning Districts in compliance with State law (AB 2162).

Transitional Housing

Transitional Housing is defined as buildings configured as rental housing developments but operated under program requirements that call for the termination of assistance or recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six months. Transitional Housing is considered a residential use and is subject only to the restrictions and standards that apply to other residential dwellings of the same type (e.g., single-family residence(s) or multi-family development) in the same zone. Transitional housing is permitted in R-VH, R-H, R-M-6, R-M-8, R-1, R-MT-5, and R-R-2.5 districts.

Emergency Shelter

An emergency shelter is defined as housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. Emergency shelter also includes other interim interventions, including, but not limited to, navigation centers, bridge housing and respite or recuperative care. No individual or household may be denied emergency shelter because of an inability to pay.

In compliance with AB 139, emergency shelters with 25 occupants or less are permitted in C-SC, P, and C-S districts without approval of any discretionary permits. If an emergency shelter has greater than 25 occupants, it is conditionally permitted in C-SC, P, and C-S districts. These three zoning districts are located along the City's two main corridors – Mt. Hermon Road and Scotts Valley Drive – which provide for efficient access to community resources, services, and public transportation (see Figure C-5). AB 139 also states that jurisdiction may impose parking requirements to accommodate emergency shelter staff. Currently, proposed emergency shelters must provide off-street parking at the ratio of one space per three beds, and/or 1 per bedroom designated as a family unit with children, plus one space per staff member. Program H-3.9 establishes an action to amend the Zoning Ordinance for parking requirements in compliance with AB 139.

AB 2339, enacted in 2022, added additional specificity to where emergency shelters must be zoned. AB 2339 provides that the sites identified for emergency shelters must be in residential areas or are otherwise suitable, thus prohibiting local governments from situating shelters in industrial zones or other areas disconnected from services. Program H-3.9 establishes an action to identify a zone which allows residential uses and will also allow emergency shelters by-right (without discretion), in compliance with AB 2339.



In the 2023 Point-In-Time Count, the City reported 24 persons experiencing homelessness in Scotts Valley. With a requirement of at least 200 square feet per person of land to accommodate the homeless, the City must be able to accommodate at least 4,800 square feet (0.11 acres). Scotts Valley has 12 sites totaling 12.13 acres with the potential to accommodate an emergency shelter; 11 sites are zoned C-S, 10 of which are vacant, and 1 site is zoned P and vacant. The 12 sites are located throughout the entire City and range from 0.2 acre to 2.6 acres – the average size is one acre. As such, the City has adequate capacity to accommodate a future emergency shelter to provide for its homeless population.

The law also seeks to ease constraints on the development of emergency shelters by requiring that any development standards applied to emergency shelters be "objective."

Two programs are included in the Housing Plan to amend these requirements in compliance with Assembly Bills 139 and 2339.

Additionally, Figures C-8a and C-8b show hazardous waste generators and percentiles for the region and the City. The hazardous waste percentiles for Scotts Valley are 62 and 90, which means the number and type of hazardous waste generators and sites throughout the City is higher than 62 and 90 percent of the census tracts in California. This represents data collected between 2018 and 2020. The specific generators located within the City are:

- | | |
|---|---|
| ■ Kaiser Permanente Scotts Valley medical offices | ■ Fox Factory Inc. Racing Shox (corporate campus) |
| ■ Threshold Enterprises (distributor of fine, natural, nutritional, and specialty products) | ■ Palo Alto Medical Foundation |
| ■ Scotts Valley Sportsmen's Club Shooting Range | ■ Bay Photo Lab |
| | ■ Walgreens |
| | ■ CVS Pharmacy |

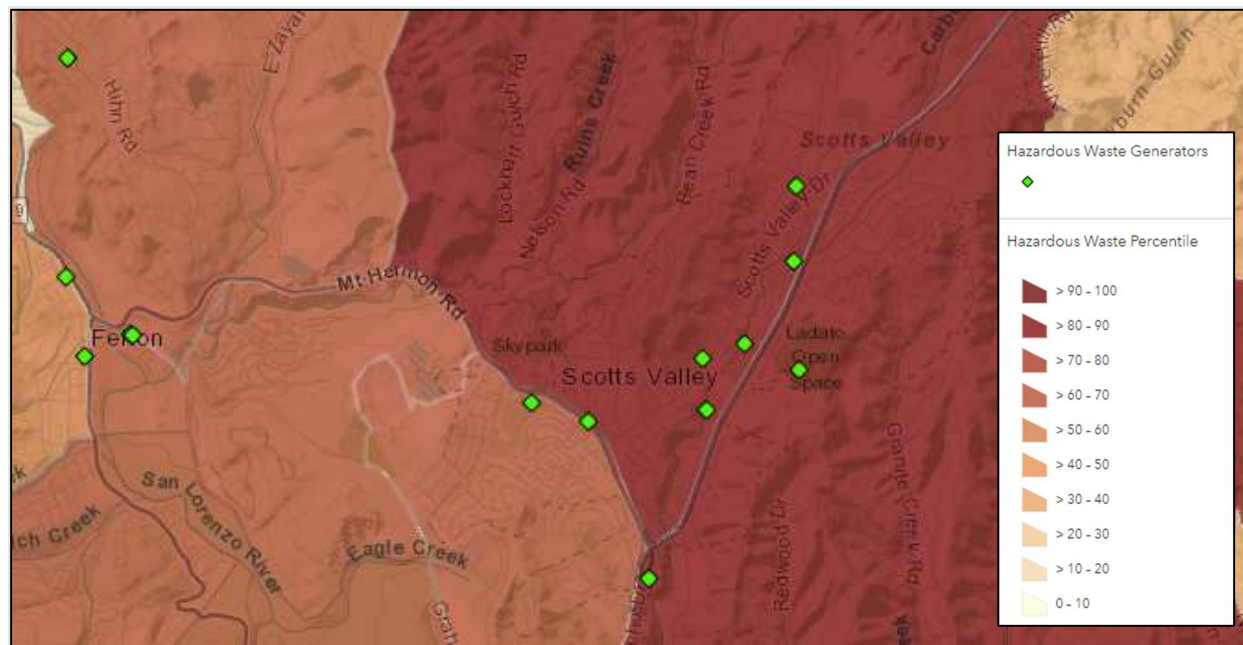
While considered hazardous waste generators, these businesses do not create an environment unfit for human habitation. Furthermore, residential units currently safely exist around the uses, and residents benefit from their products and employment opportunities. As such, they do not pose a threat to the development and use of future emergency shelters.

Figure C-8a: Regional Hazardous Waste Generators



Source: CalEnviroScreen 4.0

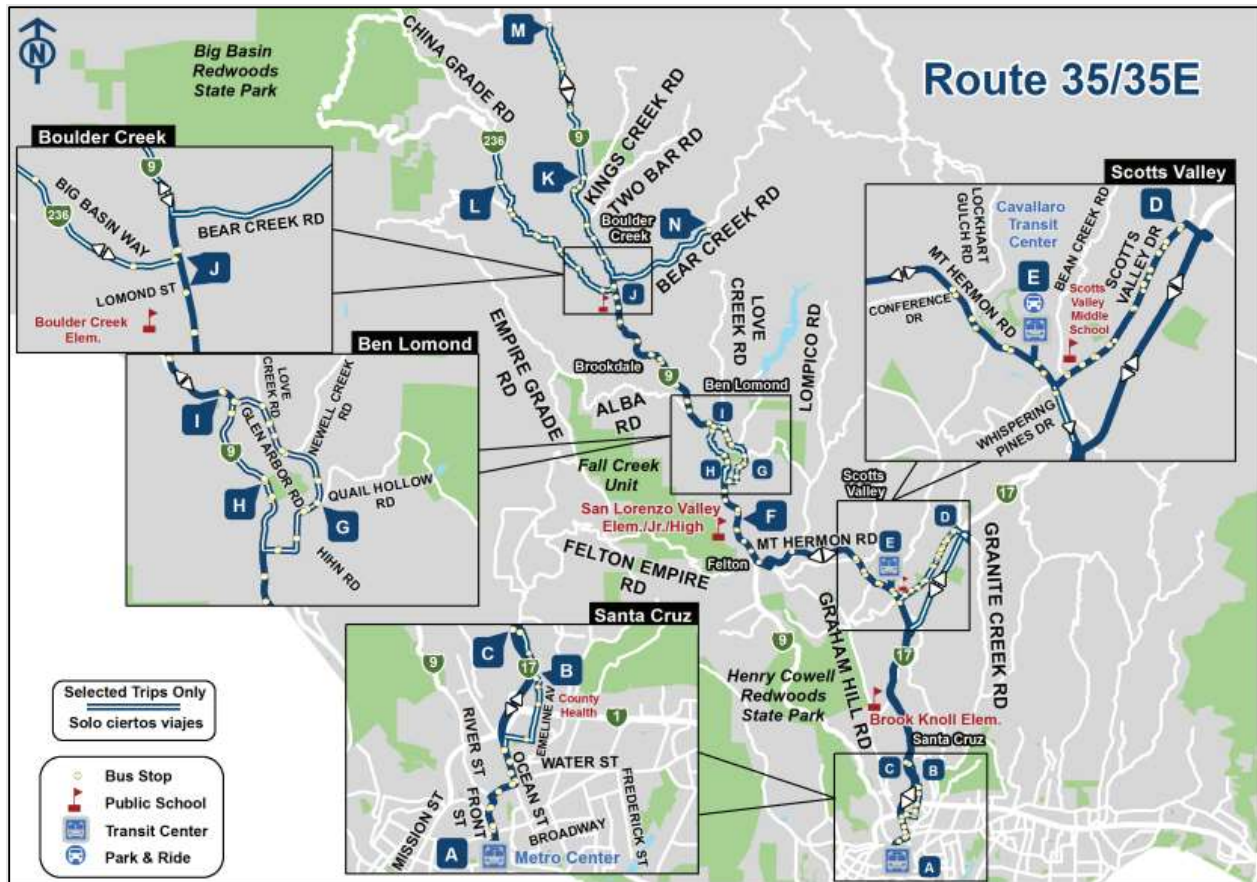
Figure C-8b: Scotts Valley Hazardous Waste Generators



Source: CalEnviroScreen 4.0

Additionally, the Mt. Hermon Road and Scotts Valley Drive corridors have direct access to the Santa Cruz METRO routes 35/35E, which provides access throughout the San Lorenzo Valley and connects to the City of Santa Cruz (Figure C-9). Highway 17 Express – Amtrak Thruway also stops at the Cavallaro Transit Center in the heart of Scotts Valley – connecting the City to San Jose and the Bay Area. Potential emergency shelter occupants are located within a half a mile to public transportations with destinations throughout the entire region.

Figure C-9: Santa Cruz METRO Route 35/35E



Source: Santa Cruz METRO

Agricultural and Employee Housing

California Health and Safety Code Sections 17021.5 and 17021.6 requires agricultural housing to be permitted by-right, without a conditional use permit (CUP), in single-family zones for six or fewer persons and in agricultural zones with no more than 12 units or 36 beds. A program is included in the Housing Plan to ensure the City's development standards comply with these requirements.

Low Barrier Navigation Centers

Low-barrier navigation centers are defined as a housing first, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living

facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing. Low-barrier navigation centers are required by State law as a use by-right in areas zoned for mixed uses and non-residential zones permitting multi-family uses if it meets specified requirements. A program is included in the Housing Plan to ensure compliance with State law.

Single-Room Occupancy (SRO) Units

A single-room occupancy (SRO) unit usually is small, between 200 to 350 square feet. These units provide a valuable source of affordable housing for individuals and can serve as an entry point into the housing market for people who previously experienced homelessness.

The City does not currently have an adopted definition for SRO in the Municipal Code, nor does it have adopted zoning or processing procedures. Program H-3.13 is included in the Housing Plan to adopt a definition, zoning, and processing procedures.

4. Residential Development Standards

The City's Zoning Code establishes regulations and development standards for each residential district to provide a range of housing types. These standards and regulations are intended to create, preserve, and enhance residential neighborhood sites for a range of development types and lifestyles. The City establishes development standards to regulate development through its Zoning Code (Table C-5). All information regarding the City's zoning and development standards are available online pursuant to Government Code §65940.1 (a)(1)(B).

Table C-5: Scotts Valley Residential Development Standards

Zone	Min. Dimensions (Sq. Ft)			Min. Yard Setbacks* (Feet)			Construction Standards		
	Lot Size (sf)	Lot Width	Min. Lot Depth (feet)	Front	Side	Rear	Max. Height (feet)	Max. Density (sf/du)	Site coverage
R-VH	6,000	60	60	10	10	20% of lot depth	35	2,100	55%
R-H	6,000	60	60	20	10% of lot width	20% of lot depth	35	3,000**	55%
R-M-6	6,000	50	100	20	10% of lot width, max 6 feet	15	35	5,000**	55%
R-M-8	8,000	60	100	20	10% of lot width with max 8 feet	15	35	8,000	55%
R-1-10	10,000	60	100	20	10% of lot width with max 10 feet	15	35	10,000	50%
R-1-20	20,000	90	125	30	10% of lot width with max 10 feet	15	35	20,000	50%
R-1-40	40,000	100	150	30	10% of lot width with max 10 feet	20	35	40,000	50%
R-R-2.5	2.5 ac	100	150	40	15	20	35	2.5 ac/du	35%
R-MT-5	5 ac	100	150	40	20	25	35	5 ac/du	35%
C-S	10,000	100	100	10	10	15	35	20 du/ac	45%
C-SC	10,000	100	100	20	0	0	35	20 du/ac	35%
P	10,000	60	100	20	10	10	35		30%

*Additional yard standards may apply and are provided in the City's Municipal Code.

**If, after dividing the area of the lot by the area required per dwelling unit or structure containing a dwelling unit, a remainder of more than 70 percent of the area required for an additional unit is obtained, one additional dwelling unit may be located on the site. For detailed standards, see SVMC Chapter 17.

Source: Scotts Valley Municipal Code – Title 17 Zoning.

Definition of Family

Under the right of privacy, the California Constitution prohibits a restrictive definition of “Family” which limits the number of unrelated persons and differentiates between related and unrelated individuals living together. The City’s Zoning Code defines “Family” as “a person or persons related by blood, marriage, or adoption or a group of not more than five persons, excluding servants, not related by blood, marriage, or adoption, living together as a single housekeeping unit in a dwelling unit.” There is a Housing Program included to revise the City’s definition of “family” to ensure that it conforms with state constitutional requirements.

Maximum Density (square footage of lot area required per dwelling unit)

For sites to be developed within the density ranges as outlined in the City’s General Plan, the City’s Zoning Ordinance utilizes a square footage of lot area to dwelling unit ratio to determine the maximum allowable density for the site. For example, a property with a High Residential Land Use Classification in the City’s General Plan allows for 9-15 dwelling units per acre. In the Zoning Ordinance, properties designated R-H require a minimum square footage of 6,000 square feet of lot area per allowed dwelling unit to confirm that the project density would be consistent with the General Plan.

The City has approved a variety of projects in the R-H Zoning District within the density range allowed by the City's General Plan. Projects recently approved in the R-H Zoning District include The Grove, The Cove, and Erba Lane. These developments include a range of housing types such as detached single-family homes, townhomes, and duplex style units. Each of these projects include deed restricted affordable housing units as required by the City's Inclusionary Zoning Ordinance depending on the size and location of the project. As such, maximum density requirements are not considered a constraint to development as they allow for a range of housing types at varying levels of affordability.

The City's Zoning Code does not have any minimum unit size requirements. The City relies on the requirements of the California Building Code as it pertains to regulating minimum unit sizes.

Yard Requirements

The City defines a yard through front, rear, side, side exterior, and side interior yards. Front yards are defined as an open space extending the full width of the lot, measured between the portion of the building closest to the front lot line and said front lot line. Rear yards are defined as an open space extending the full width of the lot between a building and the rear lot line. Side yards mean an open space extending from the rear boundary of the front boundary of the rear yard. Exterior side yards are side yards that abut a street (corner lots). Interior side yards are side yards that abut an adjoining lot. The yard requirements, as established in Table C-5, are not considered a constraint to development of housing and are similar regionally.

Building Coverage

Building coverage means the horizontal area measured within the outside of the exterior walls of the ground floor of all main and accessory buildings on a lot. The coverage of a structure, or a portion thereof, not provided with surrounding exterior walls shall be the area under the horizontal projection of the roof or floor above. The City utilizes building coverage to determine the portion of the site that can be covered by buildings in the C-S and C-SC Zoning Districts. Building coverage requirements are regionally similar and not considered a constraint to the development of housing in Scotts Valley.

Site Coverage

Site coverage means the percentage of site area covered by impervious surfaces, including all structures, open or enclosed or projections of structures. The City utilizes site coverage to determine the portion of the site that can be covered by structures/impervious area in the City's residential zoning districts. As noted previously, site coverage requirements are regionally similar and therefore not considered a constraint to the development of housing in Scotts Valley.



Maximum Building Heights

The building height refers to the vertical distance above the finish grade and is measured to the highest point of roof. Setting limits to the height of buildings avoids bulking and potential nuisances on neighboring properties – relating to privacy and/or sunlight and shade.

Parking Standards

Sufficient off-street parking must be provided to avoid street overcrowding. This is maintained through the establishment on parking requirements, which fluctuate depending on the land use/housing type and the number of bedrooms. However, high parking requirements may constrain development and result in higher development costs. Table C-6 provides the City’s parking requirements.

Construction costs can be higher for covered parking, parking structures, and/or below ground parking. Developers may receive concessions or incentives in the form of parking reduction for the development of housing affordable to low- and very low-income households as provided in the State Density Bonus Law section. Under Chapter 17.62 – Density Bonus, the City offers parking incentives for housing developments to meet the criteria for a density bonus listed under Section 17.62.030.

The multi-family parking requirements of 2.2 spaces per unit are considered high and a potential constraint. A program is included in the Housing Plan for this requirement to be decreased. In addition, Section 17.20.045 establishes shared and reduced parking for mixed-use projects where parking is viable and feasible.

Table C-6: Required Parking Spaces for Residential Uses

Residential Uses	Minimum Number of Spaces Required per Unit
Single-family Dwelling	3 spaces (two-car garage + one additional covered or uncovered space)
Multi-family Dwelling	2 spaces for each dwelling unit plus one additional space for every five units, or fraction thereof - All multifamily dwellings containing fifty or more rental units shall provide one off-street loading space
Motels, hotels, lodging houses, bed and breakfast establishments, and private clubs providing sleeping accommodations	One space for each living unit or bedroom, whichever is greater, plus one space for each six hundred square feet of office and storage
Hospitals, sanitariums, nursing homes and charitable and religious institutions providing sleeping accommodations	One space for each three beds.

Source: Scotts Valley Municipal Code Chapter 17.44.030 – Off Street Parking and Loading Requirements.

Development Example

Very High-Density Residential District

The average lot size of parcels zoned R-VH in the candidate sites inventory is 1.49 acres (approximately 64,904 square feet). A theoretical parcel zoned R-VH measuring 64,900 square

feet (100 feet wide and 649 feet deep) has a maximum density of one unit per 2,100 square feet (approximately 20 units per acre) – 31 total units. With yard setbacks, the parcel is left with a possible 40,720 square-foot building footprint. The maximum site coverage is 55 percent which brings the buildable footprint down to 35,695 square feet. Assuming the maximum height of 35 feet creates a three-story structure measuring a potential total of 107,085 square feet and ample room to accommodate the maximum units permitted.

Parking standards for 31 permitted units would total 68 spaces and require about 11,736 square feet (54 standard spaces and 14 compact spaces). This space can be amply accommodated in the rear setback, or on the first floor of the structure below the 31 permitted units. As such, the City's standards for maximum density, lot size, setbacks, height, and site coverage are not considered a constraint to reaching the maximum units permitted through the zoning district.

New Mixed-Use Residential District

As part of the City's proposed rezonings, candidate sites would be rezoned to allow mixed-use residential with a commercial requirement of 30 percent, down from the current 50 percent requirement (analysis of the current mixed-use zone is included below). The following development example applies existing mixed-use residential development standards, but it should be noted that as part of the rezonings the City will adopt new development standards for these sites (see Program H-1.6 in the Housing Plan). The Program notes that new standards will not be more constrictive than existing standards.

The average parcel size for sites proposed for mixed-use rezoning is 1.26 acres (54,886 square feet). A theoretical 54,800 square-foot site (100 feet wide and 548 feet deep) will have a maximum density of 40 dwelling units per acre – 50 potential units. With yard setbacks, the parcel is left with a possible 41,840 square-foot building footprint. The maximum building coverage is currently 45 percent, which brings the building footprint down to 24,660 square feet. A maximum height to 3 stories creates a structure measuring a total potential of 73,980 square feet. With the 30 percent commercial requirement, a total of 51,786 square feet are left for residential units, or 52 potential units each measuring 1,000 square feet.

The parking requirement for the permitted 50 units and 22,194 square feet of commercial space is 144 total spaces. Considering 115 standard parking spaces and 29 compact parking spaces, as permitted, the parcel would need to allocate approximately 24,876 square feet of land for parking. These spaces are permitted in the setbacks, as long as landscaping requirements are met. In addition, the City allows for shared and reduced parking requirements for mixed-use projects where parking is viable and feasible (Section 17.20.045). With the land in the setbacks and the land leftover from the lot coverage maximum going towards parking, the theoretical parcel is able to accommodate the maximum density with all existing development standards and the 30 percent commercial requirement. As noted above, the development standards will be revised with the adoption of the rezones and may allow for greater flexibility.



Thus, the 30 percent commercial requirement and current development standards are not considered a constraint.

Existing Mixed-Use Residential District

Using the same average parcel size as the analysis above, with the same, existing development standards, this analysis assesses current mixed-use requirements for the parcels currently zoned mixed-use with a commercial component requirement of 50 percent.

A theoretical 54,800 square-foot site (100 feet wide and 548 feet deep) has a maximum density of 20 dwelling units per acre – 25 potential units. With yard setbacks, the parcel is left with a possible 41,840 square-foot building footprint. The maximum building coverage is currently 45 percent, which brings the building footprint down to 24,660 square feet. A maximum height to 3 stories creates a structure measuring a total potential of 73,980 square feet. With the 50 percent commercial requirement, a total of 36,990 square feet are left for residential units, or 37 potential units each measuring 1,000 square feet.

The parking requirement for the permitted 25 units and 36,990 square feet of commercial space is 109 spaces (35 for residential and 74 for commercial). Considering 87 standard parking spaces and 22 compact parking spaces, as permitted, the parcel would need to allocate approximately 18,828 square feet of land for parking. These spaces are permitted in the setbacks, as long as landscaping requirements are met. In addition, the City allows for shared and reduced parking requirements for mixed-use projects where parking is viable and feasible (Section 17.20.045). With the land in the setbacks, as needed, and the land leftover from the lot coverage maximum going towards parking, the theoretical parcel is able to accommodate the maximum density with all existing development standards and the 50 percent commercial requirement. Thus, the 50 percent commercial requirement and current development standards are not considered a constraint.

5. Mixed-Use Residential

Mixed-use residential development is allowed in the C-S and C-SC zoning districts. Sites in the C-S and C-SC Zoning Districts included in previous Housing Element cycles are only subject to issuance of a Design Review Permit. Mixed-use developments are currently required to include 50 percent commercial use. This requirement is implemented to facilitate economic growth and resources for residents within close proximity. Commercial uses are open to a variety of businesses and the Zoning Code does not make any specifications; commercial space may accommodate coffee shops, stores, offices, etc. Past mixed-use developments have met this requirement through lot splits separating uses with commercial located along the corridors and residential to the back. Recently approved projects with commercial and residential components include The Cove, The Grove, and Oak Creek Park (these are all the mixed use projects from the 5th cycle and were not cherry picked). All three projects were proposed on vacant sites and did not involve the reuse of existing structures. To support active retail frontage along Scotts Valley Drive and Mount Hermon Road, land divisions have been utilized to

support economic development and further the jobs/housing balance policy in the City's General Plan. As part of the strategies to meet the 6th Cycle RHNA, the City has identified sites to be rezoned for mixed-use with a decreased commercial requirement of 30 percent. This decreased requirement is in response to feedback asking for more residential capacity while continuing to provide commercial opportunities for residents and creating a more walkable and resourced community. Candidate sites identified for mixed-use rezoning will continue to be reviewed simply through a Design Review Permit. Program H-2.2 is included in the Housing Plan to establish objective design standards for all residential development. This is to reflect changes in state law, ensure quality design of new residential development and project approval certainty.

6. Housing for Persons with Disabilities

Both the Federal Fair Housing Amendment Act (FHAA) and the California Fair Employment and Housing Act require governments to make reasonable accommodations (that is, modifications or exceptions) in their zoning laws and other land use regulations to afford disabled persons an equal opportunity to access housing. State law also requires cities to analyze potential and actual constraints to the development, maintenance, and improvement of housing for persons with disabilities.

The Housing Element Update must also include programs that remove constraints or provide reasonable accommodations for housing designed for persons with disabilities. The analysis of constraints must touch upon each of three general categories: 1) zoning/land use; 2) permit and processing procedures; and 3) building codes and other factors, including design, location, and discrimination, which could limit the availability of housing for disabled persons.

Reasonable Accommodations

Reasonable accommodation in the land use and zoning context means providing individuals with disabilities or developers of housing for people with disabilities, flexibility in the application of land use and zoning and building regulations, policies, practices, and procedures, or even waiving certain requirements, when it is necessary to eliminate barriers to housing opportunities. For example, it may be reasonable to accommodate requests from persons with disabilities to waive a setback requirement or other standard of the Zoning Code to ensure that homes are accessible for the mobility impaired. Whether a particular modification is reasonable depends on the circumstances.

The Scotts Valley Zoning Code allows requests for reasonable accommodation to be made by any person with a disability, their representative or any entity, when the application of a zoning law, building regulation, or other land use regulation, policy, or practice acts as a barrier to fair housing opportunities. Reasonable accommodation does not include an accommodation which would (1) impose an undue financial or administrative burden on the city or (2) require a fundamental alteration in the nature of the city's land use and zoning program.



No reasonable accommodations requests were submitted during the 5th cycle. A program is included in the Housing Plan to ensure that residents have access to information and application processes.

Application Requirements

Requests for reasonable accommodation may be submitted on an application form provided by the City of Scotts Valley Planning Department and shall contain the following:

- The applicant's name, address, and telephone number;
- Address of the property for which the request is being made;
- The name and address of the property owner, and the owner's written consent to the application;
- The current use and/or activity of the property;
- A description of the basis that the individual is considered disabled under the fair housing laws: identification and description of the disability which is the basis for the request for accommodation, including current, written medical certification and description of disability and any effects on the person's medical, physical or mental limitations;
- The policy, program, regulation or standard adopted by the City of Scotts Valley applicable to the request for accommodation, including the development standard or regulation from which reasonable accommodation is being requested;
- A description of the specific accommodation request;
- A description of the basis by which the accommodation is reasonable and necessary for the needs of the affected disabled person(s);
- Copies of plans, drawings, pictures, and/ other supporting data that provide sufficient information to render a decision (plans and drawings will be to standard scale);
- Other reasonable requests for information requested by the city to facilitate the rendering of a decision, consistent with fair housing laws

If the project for which the request for reasonable accommodation is being made also requires some other discretionary approval, then the applicant shall submit the reasonable accommodation application for determination at the same time with the other applications. Any fee required for an application for reasonable accommodation shall be set by resolution of the City Council. Application fees for a Reasonable Accommodation request are deposit based, starting with a minimum fee of \$355 (one hour of Planning Department staff time).

Review Procedure

The Community Development Director or Designee has the authority to review and decide upon requests for reasonable accommodation, including whether the applicant is a disabled

person as defined by Scotts Valley Zoning Code. The Community Development Director or Designee may refer the matter to planning commission at his or her discretion when a reasonable accommodation request includes (but is not limited to) the following items: any encroachment into the setback areas, results in a building size increase above what is permitted in the applicable zoning district with respect to height, site coverage, or whenever a reduction in required parking is requested. The planning commission has the authority to review and decide upon requests for reasonable accommodation when referred by the Community Development Director.

A public hearing is not required for a reasonable accommodation request reviewed and decided upon by the Community Development Director. Upon deeming the application complete, the planning department shall send a notice to the applicant, property owner, the owners and tenants of property of the five parcels located closest to the subject property, and to all members of the planning commission. The notice shall indicate the date upon which the community development director will act on the permit and the intended action to be taken by the community development director. Such notices shall be mailed, via first class mail, a minimum of fifteen days prior to date that action is to be taken. Requests for reasonable accommodation subject to review and decision by the planning commission shall require a public hearing pursuant to the advance noticing requirements of Chapter 17.50 of the Scotts Valley Municipal Code.

Findings and Decision

The written decision to grant or deny a request for reasonable accommodation will be consist with the Acts and shall be based on consideration of the following factors:

- Whether the housing or housing related facilities will be used by an individual with a disability under the Federal Fair Housing Amendment Act (FHAA) and the California Fair Employment and Housing Acts;
- Whether the requested accommodation is necessary to make specific housing available to an individual with a disability under the Federal Fair Housing Amendment Act (FHAA) and the California Fair Employment and Housing Act;
- Whether the requested accommodation would impose an undue financial or administrative burden on the city; and
- Whether the requested accommodation does not negatively affect the character of the zoning district and intent of adopted city, policies, regulations, programs or laws.

If the decision for the request of reasonable accommodation is by the Community Development Director, then the Community Development Director shall render a decision within 30 days after the planning department determines the application is complete. The City shall notify the application of the decision and a written decision shall explain the basis of the decision.



If the application for reasonable accommodation is referred to, or reviewed by, the Planning Commission, a decision to approve, approve with conditions, or deny the application shall be decided at the scheduled public hearing.

A program is included in the Housing Plan to amend the Reasonable Accommodations findings in accordance with applicable fair housing laws.

Appeal of Determination

An applicant or any party with interest may appeal any determination of the Community Development Director to the Planning Commission. The appeal shall be made by filing a notice of appeal clearly identifying the determination or decision and stating the grounds for the appeal. The notice of appeal shall be accompanied by the payment of a filing fee in such amount as established by resolution of the City Council. The notice of an appeal to the Planning Commission shall be filed with the Secretary of the Planning Commission. The appellant shall file the notice of appeal and pay the filing fee within fourteen calendar days after the date of the decision. Upon receipt of the notice of appeal and payment of the filing fee by the secretary of the planning commission, the Planning Commission may review by scheduling of hearing, a de novo review, or decision by Planning Commission.

An applicant or any party with interest may appeal any determination of the Planning Commission or other reviewer to the City Council. Upon receipt of the notice of appeal and payment of the filing fee, the City Clerk shall schedule the matter for hearing at the next available regular meeting of the City Council to be held within thirty calendar days after the date on which the notice of appeal is filed. The City Council may conduct a schedule of hearing, de novo review, or decision by City Council.

7. Planned Development Zones

Planned Development zoning provides the means to tailor zoning regulations and to apply specific standards for the development of a particular site. This process enables consideration of the unique characteristics of a site and its surroundings to better implement the citywide objectives, goals and policies of the General Plan and to provide site specific development standards. Planned Development zones are not required or pre-zoned, but they are rather intended as an additional option for more specialized developments. Anytime Planned Development zoning is utilized, the standards established for the zoning district which reflects the General Plan designation are tailored as part of a General Development Plan. Tailored zoning regulations include, but are not limited to, site intensities, location, height, coverage and appearance of structures. During the fifth cycle, a total of 156 housing units were entitled on properties utilizing a PD Zoning District.

8. Local Ordinances

An ordinance is a law passed by a municipal government. Local ordinances are enacted to maintain or improve public safety, health, and general welfare. Locally adopted ordinances such

as inclusionary ordinances or short-term rental ordinances may directly impact the cost and supply of residential development. Impacts may create governmental constraints to the development of housing and may hinder the City from meeting its share of the RHNA and the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters.

Density Bonus Ordinance

In accordance with California State Government Code Section 65915, a housing development may increase the number of units above the maximum permitted and/or receive reductions in development standards in exchange for reserving units for very low-, low-income, and/or moderate-income households or for seniors. For rental projects, the units must be subject to a recorded covenant restricting affordability for a period of 55 years; for owner-occupied projects, the affordable housing covenant shall be for a term of 45 years. . All Density Bonus information is available to the public and can be found in the Zoning Code Chapter 17.62 Density Bonus. According to the City's Zoning Code, qualifying housing developments which satisfy at least one of the following categories or land dedication provisions listed below will be granted a density bonus:

- At least 10 percent of the total units of a housing development for lower income households;
- At least 5 percent of the total units of a housing development for very low or extremely low-income households;
- At least 10 percent of the total dwelling units in a common interest development, as defined in Civil Code Section 1351, are for households of moderate income, provided that all units are offered to the public for purchase;
- A senior citizen project or a mobile home park that limits residency based on age requirements for housing older persons in compliance with Civil Code Section 51.2, 51.3, 798.76, or 799.5. (Senior citizen projects shall be restricted to occupancy by senior citizens in perpetuity.);
- When an applicant for a residential development agrees to donate land to the city for very low-income households;
- When a development is the conversion of an existing rental apartments to condominiums, at least 33 percent of the total units of the proposed condominium are for families of low- or moderate-income income as defined in Section 50093 of the Health and Safety Code, or at least 15 percent of the total units of the proposed condominium project to low-income households as defined in Section 50079.5 of the Health and Safety Code, and if the applicant agrees to pay for the administrative costs.

Tables C-7 through C-10 provide the breakdown of density bonuses that may be granted to eligible projects. Until 2021, under Government Code Section 65915, known as the Density Bonus Law, the maximum bonus was 35 percent. California State Law AB 2345 states that all



jurisdictions in California are required to process projects proposing up to 50 percent additional density as long as those projects provide the additional Below Market Rate units (BMR) in the “base” portion of the project, unless the locality already allows a bonus above 35 percent. The bill also lowered the BMR thresholds for concessions and incentives for projects with low-income BMRs. As of 2021, Government Code Section 65915 authorizes an applicant to receive two incentives or concessions for projects that include at least 17 percent of the total units for lower income households, at least 10 percent of the total units for very low-income households, or at least 20 percent for persons or families of moderate income in a common interest development. It also allows an applicant to receive three incentives or concessions for projects that include at least 24 percent of the total units for lower income households, at least 15 percent of the total units for very low-income households, or at least 30 percent for persons or families of moderate income in a common interest development.

The City’s density bonus ordinance currently allows a maximum of 35 percent density increase; however, AB 2345 requires an allowance of up to 50 percent density bonus when the base BMR is proposed. A program is included in Chapter 2: Housing Plan to update the City’s Zoning Code in compliance with state legislation.

Table C-7: Very Low-Income Density Bonus Calculations

Percentage Low-Income Units	Percentage Density Bonus
5	20
6	22.5
7	25
8	27.5
9	30
10	32.5
11	35

Source: City of Scotts Valley Municipal Code, Chapter 17.62 Density Bonus, Table 17.62.030.C.1

Table C-8: Low-Income Density Bonus Calculations

Percentage Very Low-Income Units	Percentage Density Bonus
10	20
11	21.5
12	23
13	24.5
14	26
15	27.5
17	30.5
18	32
19	33.5
20	35

Source: City of Scotts Valley Municipal Code, Chapter 17.62 Density Bonus, Table 17.62.030.C.2

Table C-9: Moderate-Income Density Bonus Calculations

Percentage Moderate-Income Units	Percentage Density Bonus
10	5
11	6
12	7
13	8
14	9
15	10
16	11
17	12
18	13
19	14
20	15
21	16
22	17
23	18
24	19
25	20
26	21
27	22
28	23
29	24
30	25
31	26
32	27
33	28
34	29
35	30
36	31
37	32
38	33
39	34
40	35

Source: City of Scotts Valley Municipal Code, Chapter 17.62 Density Bonus, Table 17.62.030.C.3

Table C-10: Additional Very Low-Income Density Bonus Calculations on Donated Land

Percentage of Very Low-Income Units that can be Accommodated on Donated Land	Percentage Density Bonus
10	15
11	16
12	17
13	18
14	19
15	20
16	21
17	22
18	23
19	24
20	25
21	26
22	27
23	28
24	29
25	30
26	31
27	32
28	33
29	34
30	35

Source: City of Scotts Valley Municipal Code, Chapter 17.62 Density Bonus, Table 17.62.040.C

In addition to density bonuses, the Zoning Code Chapter 17.62.080 allows for the incentives and concessions listed below:

- One incentive or concession for a project that includes 5 percent of the total units are for very low-income households, ten percent of the total units are for low-income households, or ten-percent of the total units in a common interest development are sold to moderate-income households; or,
- Two incentives or concessions for a project that includes: at least twenty percent of the total units affordable to low-income households, at least ten percent of the total units affordable to very low-income households, at least five percent of the total units affordable to extremely low-income households, or at least twenty percent of the total units affordable to households of moderate income in a common interest development; or,
- One additional incentive for a project that is affordable to low-income households and provides any of the following: at least twenty-five percent of the units as three- or four-bedroom units, at least twenty-five percent of the units accommodate disabled persons and are set-aside for occupancy by disabled persons, or at least ten percent of the units are affordable to extremely low-income households.

A qualifying project shall be entitled to at least one but no more than three of the following incentives:

- A reduction in the site development standards that results in identifiable, financially sufficient, and actual cost reductions. The reduction may include, but is not limited to:
 - Reduced minimum lot size;
 - Reduced minimum lot width;
 - Reduced minimum setback;
 - Increased maximum building height;
 - Reduced onsite open-space requirement;
 - Increased maximum site coverage;
 - Increased floor area ratio; or
 - Reduced parking requirement.
- Approval of mixed-use zoning in conjunction with the housing project if nonresidential land uses will reduce the cost of the housing project, and the nonresidential land uses are compatible with the housing project;
- Other regulatory incentives or concessions proposed by the applicant or the city that will result in identifiable, financially sufficient and actual cost reductions.

In accordance with Zoning Code Chapter 17.62 Density Bonus, the following density bonus calculations in Table C-11 will be applied to housing developments that meet the above criteria:

Table C-11: Density Bonus Incentives and Concessions Summary

Affordable Housing Types	Percent of Affordable Units		
Very Low-Income	5%	10%	15%
Low-Income	10%	20%	30%
Moderate-Income	10%	20%	30%
Maximum incentive(s)/ concessions 1, 2, 3	1	2	3

¹ An incentive or concession may be requested only if an application is also made for a density bonus.

² Incentives or concessions may be selected from only one category (very low-, low-, or moderate).

³ No incentives or concessions are available for land donation.

Source: City of Scotts Valley Municipal Code Section 17-62.080

Inclusionary Housing Ordinance

The City of Scotts Valley requires all residential developments in the redevelopment project area (RDA boundary) consisting of one or more units to contribute to the provision of housing units for very-low-, low-, and moderate-income households in the City. All new residential developments with six or fewer units are required to pay an in lieu fee. All new residential developments with seven or more units can meet the affordable housing requirement by setting aside 15% of the total housing unit approved for very low-, low-, and moderate-income



households on site or off-site in very limited circumstances. Projects of seven or more units containing lots in which the average lot size is larger than one acre may opt to pay an in lieu fee subject to approval by the City Council. The in-lieu fee is based subtracting the price of an affordable housing unit, as determined by the city, from the median sales price of a home in the project. The City's Affordable Housing Subcommittee (comprised of two City Council members) makes recommendations on the number of units, size of units, and rate of affordability for projects that are required to provide housing for moderate-, low-, and very-low-income households.

The following projects are not required to contribute to affordable housing needs of the City:

- The construction of for sale or rental units on lots which are part of a parcel or subdivision that has already made its required contribution;
- Development in which an adequate showing of extreme economic hardship or detriment upon compliance with this chapter is demonstrated to the satisfaction of the city council and the agency by the project applicant;
- The construction of an addition to a single-family home or the remodeling of other existing structures or facilities;
- The construction of one single-family home on an existing lot of record;
- Construction of non-residential projects;
- Residential projects which, through state or federal government programs, will be deed restricted to be affordable to very-low-, low- or moderate-income households; and · Construction of a secondary dwelling unit on a residential lot in accordance with Chapter 17.41 of this Code.

A program is included to amend the Inclusionary Housing boundary citywide and consider additional requirements that allow for the developer to have a variety of ways to meet the City's inclusionary requirements so that it does not unduly constrain development of housing.

Growth Management

Growth management measures use a variety of techniques to determine the amount, type, and rate of development desired by the community and to channel that growth into designated areas. Growth management measures are typically adopted to promote a variety of environment, social, and economic goals; however, they can create a constraint to the development of housing, and particularly multi-family and affordable housing development projects, as they may require a ballot vote and create project approval uncertainty and additional costs. The City of Scotts Valley does not have an adopted growth management measure.

Short-Term Rental Ordinance

Short-term rentals are commonly defined as an accessory use of a primary residence for the purpose of providing temporary lodging for compensation for up to 30 days. The purpose of a short-term rental ordinance is to establish regulations, standards, and a permitting process governing the renting or leasing of privately owned, visitor-serving dwelling units on a short-term basis. This ordinance may be established to safeguard residents by ensuring that short-term rental activities do not threaten the character of neighborhoods and that such short-term rental activities do not become a nuisance, or threaten the public health, safety, or welfare of neighboring properties. The City does not have a short-term rental ordinance and does not allow for short-term rentals within the City limits.

9. Specific Plans

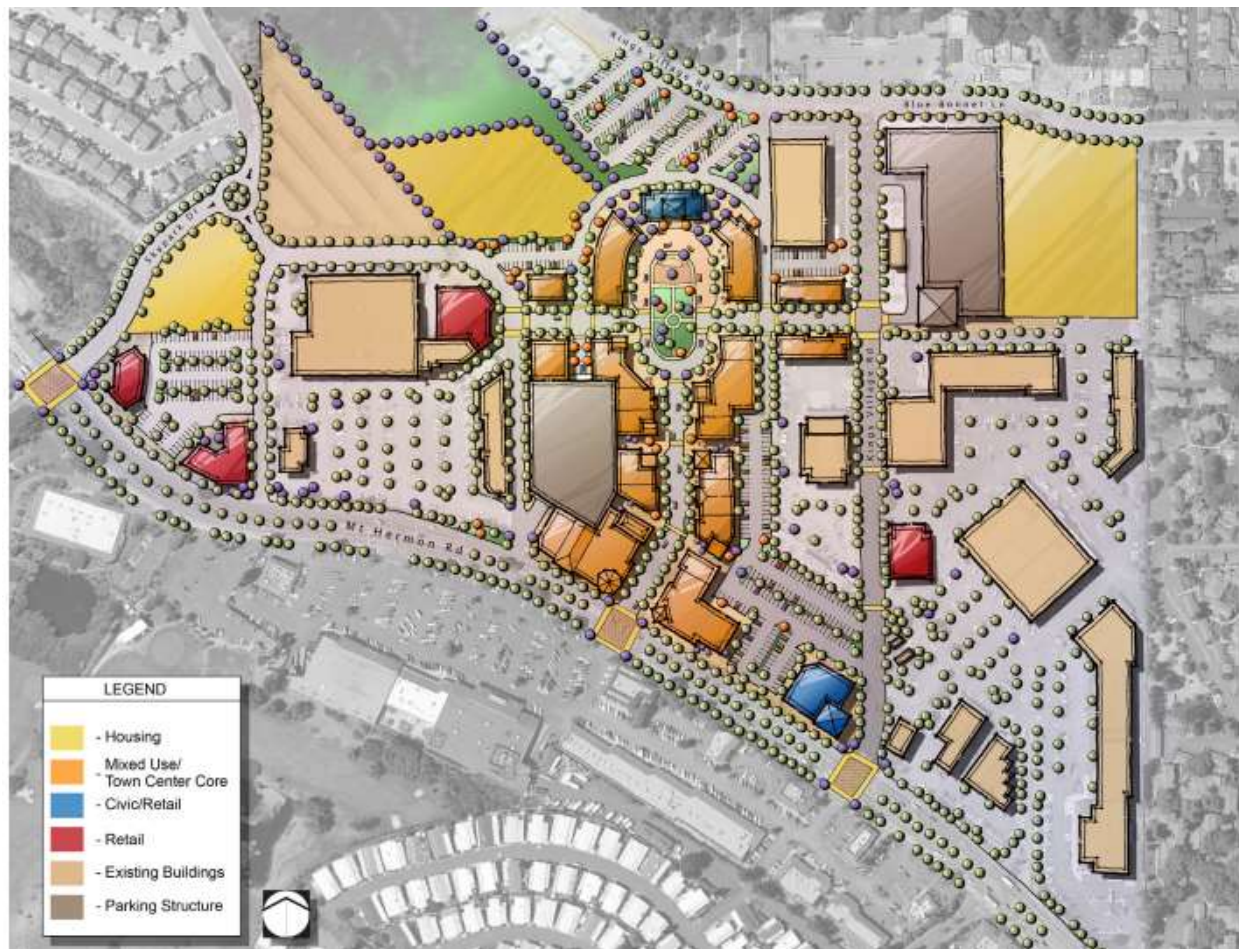
The purpose of a Specific Plan is to implement the goals and objectives of a City's General Plan in a more focused and detailed manner that is area and project specific. Specific Plans promote consistent and an enhanced aesthetic levels throughout the project community. They also contain their own development standards and requirements that may be more restrictive than those defined for the City as a whole.

Scotts Valley Town Center Specific Plan

The Scotts Valley Town Center Specific Plan (The Plan) is a document designed to guide the development of a mixed-use node that will become the heart of the city. The planning and design of the Town Center Plan Area has been through multiple iterations. The Plan is the culmination of an effort led by the City of Scotts Valley to develop and intensify the Plan Area by developing a unique balance of commercial, civic, and residential uses that will attract visitors both locally and regionally. The Plan area encompasses approximately 58 total acres which includes 15 acres of vacant land centrally located in the Plan area, surrounded by a mix of retail and civic uses. The Plan area is generally bounded by Mt. Hermon Road to the south, Skypark Drive to the west, Blue Bonnet Lane to the north, and a residential development just west of Scotts Valley Drive to the east.

Residential development is limited to higher densities, such as townhomes, apartments and condominiums. Although residential uses are an important component to the success of the Plan, it is considered a secondary use intended to support the predominantly retail and community serving focus of the area. Figure C-10 illustrates the preferred land uses.

Figure C-10: Town Center Specific Plan – Preferred Land Use Plan



Source: Scotts Valley Town Center Specific Plan

An important objective of this Specific Plan is to spell out the desired mix of land uses and location of these uses. The intent is to customize the land use requirements to encourage reinvestment and revitalization of the Town Center Plan Area consistent with The Plan vision. The entire plan area is within the City of Scotts Valley's Redevelopment Agency which requires a minimum of 15 percent of all residential units built be affordable. Allowable land uses detailed within the Plan include:

- **Mixed-Use/Town Center Core (Commercial/Office/Residential)**

The core of the planning area will be mixed-use, with retail and commercial on the ground floor and residential or office above. Diversity and character can be achieved with a mix of uses both vertically (residential over commercial), horizontally (residential next to commercial), and unit types (affordable and market rate) within the Plan area. The appropriate mix of land uses is critical to achieving a successful town center environment. A mixing of uses can add variety and vitality to commercial centers, neighborhoods, and streets. The addition of residential over commercial provides "eyes

on the streets” and movement throughout the day and night creating safe and defensible spaces. A vertical and horizontal mix of uses in the Plan Area will help achieve the vision for a dynamic center. The Plan proposes new commercial development (retail and office), residential development, visitor services, and civic uses. With the intent of encouraging pedestrian activity within the mixed-use zone, residential and office will not be allowed on the ground floor at street frontage or along the paseo of any building except for the entry door for offices. Residential and office may be located at the back of a building on the first floor, or on the upper floors, but the street frontage is reserved for more pedestrian-oriented uses.

■ Residential (Stand Alone)

Residential will be allowed both as a standalone product and as part of an integrated mixed-use project concept. Stand Alone residential is located on the periphery of the Plan Area adjacent to existing residential on Skypark Drive to Blue Bonnet Lane and adjacent to the park. There needs to be a balance of residential units that will support the retail development and will help create a lively daytime and evening environment.

Table C-12: Town Center Specific Plan Development Standards

Category	Development Standards
Mixed-Use, Office Commercial, and Civic	
Max Mixed-Use Residential Density	15-20 DU/acre
Setbacks (minimum to maximum) • Front • Side • Rear	15-20 feet from curb edge 0-15 feet 0 feet
Max Mixed-Use Height	55 feet
Max Building Coverage	100%
Parking Ratios • Stand Alone Residential • Mixed-Use Residential	2 enclosed spaces/unit, and 1 guest space/5 units 1 space/studio or 1-bed, 2 spaces/2- or 3-bed
Medium Density Residential	
Max Stand Alone Residential Density	15-20 DU/acre
Setbacks (minimum to maximum) • Front • Side • Rear	15-20 feet from curb edge to building face, 15 feet minimum from curb edge to front porch 0-26 feet 10 feet
Max Height	35 feet (greater heights may be granted through a PD Permit)
Max Building Coverage	55%
Parking Ratios • Residential • Senior Housing	1 enclosed space/studio or 1-bed, 2 spaces/2- or 3-bed (1 enclosed), plus 1 guest space/5 units 0.5 space/unit

Source: Scotts Valley Town Center Specific Plan (December 2008)



Gateway South Specific Plan

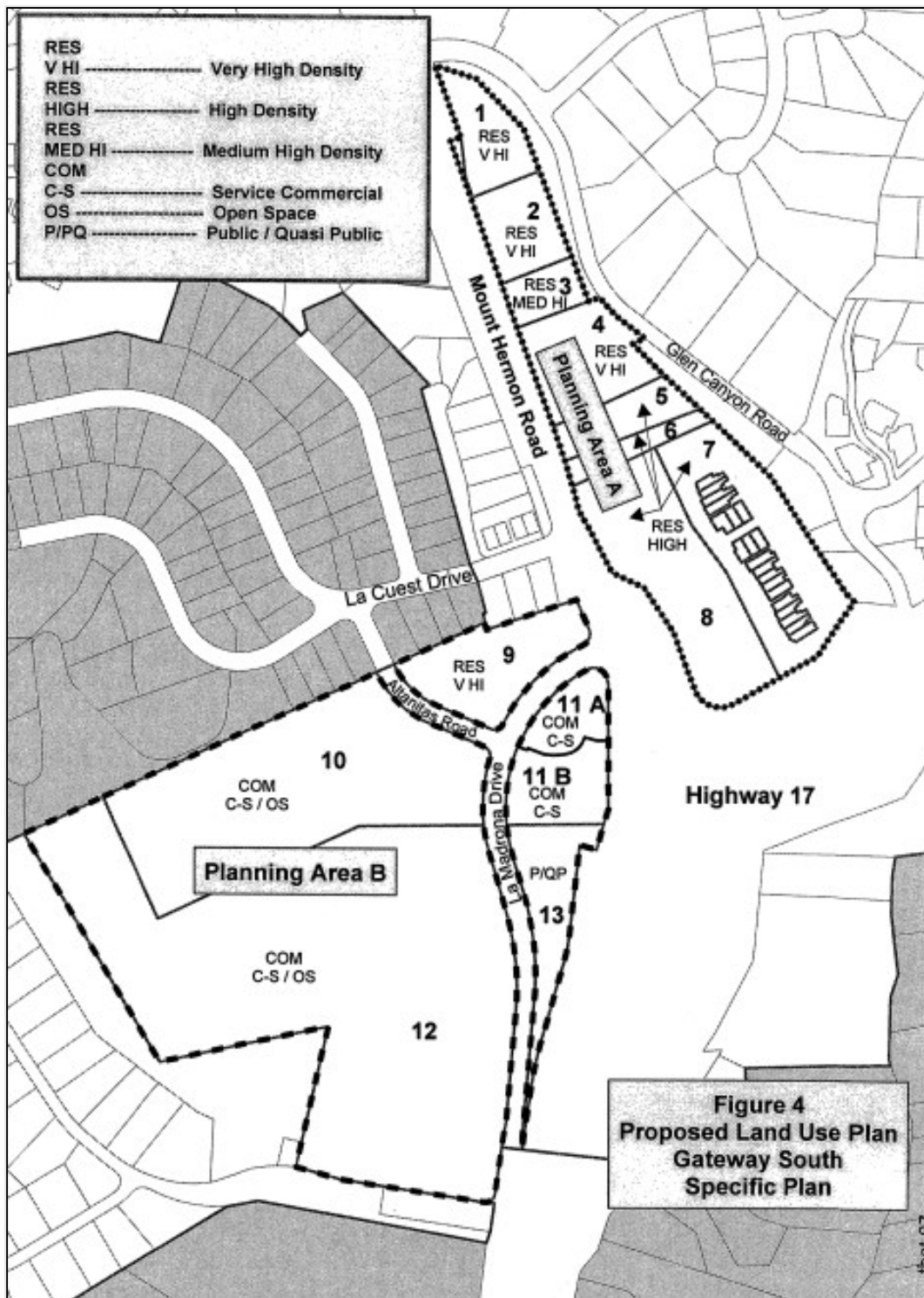
The Gateway South Specific Plan is intended to address a need for commercial/office development to provide employment, housing opportunities for all income levels, and preserve the hillsides. The following lists the land use designations, number of parcels, and acreage found in the Plan and illustrated in Figure C-11:

- Very High Density – 4 parcels and 5.99 acres
- Medium High Density – 1 parcel and 0.58 acres
- High Density – 4 parcels and 8.31 acres
- PD/Service Commercial – 2 parcels and 9.59 acres
- Public/Quasi Public – 1 parcel and 1.49 acres
- Service Commercial/Open Space – 1 parcel and 17 acres

Residential uses are predominantly located within Planning Area A, with only one parcel located in Planning Area B. The Specific Plan establishes access for these residences to nearby urban services and park facilities.

All proposed projects in the Specific Plan area must go through design review procedures and be reviewed by the Planning Commission to ensure the projects are consistent with the site and architectural design policies and standards set forth in the Plan.

Figure C-11: Gateway South Specific Plan Land Use Plan



Source: Gateway South Specific Plan Amendment



10. Local Processing and Permit Procedures

The development community commonly cites the permit processing time as a contributor to the high cost of housing. Depending on the magnitude and complexity of the development proposal, the time that elapses from application to project approval may vary considerably. Factors that can affect the length of development review of a proposed project include the completeness of the development application and the responsiveness of developers to staff comments and requests for information.

Approval times are substantially lengthened for projects that are not exempt from the California Environmental Quality Act (CEQA), require rezoning or general plan amendments, or encounter community opposition. Applicants for all permits or reviews are recommended to request a preapplication meeting with the respective department to: 1) confirm City requirements as they apply to the proposed project; 2) review the City's review process, possible project alternatives or revisions; and 3) identify information and materials the City will require with the application, and any necessary technical studies and information relating to the environmental review of the project.

All permit applications are reviewed by City staff for completeness. Various applications may also include public noticing and a public hearing. Single- and multi-family developments are subject to the following submittal requirements, depending on what type of development the project is:

1. Submittal of application including the following information:
 - a. A legal description of the property;
 - b. A location map showing the project site and the general vicinity of the site;
 - c. A completed environmental information form as prescribed by the City;
 - d. Site plans, elevation plans, floor plans and other maps and data as may be necessary to describe the existing conditions on and surrounding the property and the proposed plans for the future development of the property. The planning commission shall by resolution, maintain a listing of the minimum documentation necessary for submittal in support of each type of application; and
 - e. Such other information specified in this title for the particular entitlement requested.
2. Payment of fees for permit plan check.
3. Plan check completed by all applicable departments and agencies. Timeline and number of reviews can vary.
4. Permit issued once all comments are satisfied.

Table C-13a provides a list of planning applications and the reviewing body for each. Typically, projects that just require a tentative map and/or a design review receive building permits

within 6 to 12 months of submitting an application. If project requires a rezone and/or a General Plan amendment receive building permits within 12 to 18 months.

Table C-13a: Decision-Making Body with Final Approval Authority

Type of Project	Public Hearing - Action	Approving Authority	Time Frame for Review
Annexation	Planning Commission	City Council	1 year
Appeal	Planning Commission	City Council	3 months
Cultural Resource Alteration	Planning Commission		3 months
Design Review	Planning Commission		3 to 6 months
General Plan Amendment	Planning Commission	City Council	6 to 12 months
New Condominium/Townhomes	Planning Commission	City Council	6 to 9 months
New Apartments	Planning Commission		6 months
Planned Development	Planning Commission	City Council	6 to 9 months
Tentative Parcel Tract Map	Planning Commission	City Council	6 to 9 months
Use Permit	Planning Commission		3 to 6 months
Variance	Planning Commission		3 to 6 months
Zone Change	Planning Commission	City Council	6 to 12 months

Source: City of Scotts Valley – Planning Department

Table C-13b provides a detailed list of recent development examples with timeframes, density yields, and entitlements received. As shown, these projects with multiple entitlements each, have taken an average of just under two years. The average time between these projects receiving entitlement approval and submitting for building permits was just over two years at 25 months.

Typical approval findings

Single Family Residential

Construction of a Single Family Dwelling Unit in the City's Single Family Residential Zoning Districts (R-1-10, R-1-20, R-1-40, R-R-2.5, R-MT-5) are typically exempt from entitlement requirements as long as the project complies with the requisite development standards as outlined in the City's Zoning Ordinance. Sites with slopes greater than 10 percent are subject to a Hillside Residential Combining District Overlay, requiring compliance with specific setback requirements and criteria as outlined in SVMC Chapter 17.40. Sites that exceed 30 percent



slopes require a Hillside Design Review Permit from the Planning Commission. In order to grant the Design Review Permit, the Planning Commission shall make the following findings:

- Avoid Unreasonable Interference With Views and Privacy. The height, elevations and placement on the site of the proposed main or accessory structure, when considered with reference to the nature and location of residential structures on adjacent lots, will avoid unreasonable interference with views and privacy;
- Preserve Natural Landscape. The natural landscape will be preserved insofar as practicable by designing structures to follow the natural contours of the site and minimizing tree and soil removal; grade changes will be minimized and will be in keeping with the general appearance of neighboring developed areas;
- Minimize Perception of Excessive Bulk. The proposed main or accessory structure in relation to the immediate neighborhood will minimize the perception of excessive bulk;
- Compatible Bulk and Height. The proposed main or accessory structure will be compatible in terms of bulk and height with existing residential structures within the immediate neighborhood and within the same zoning district, and shall not unreasonably impair the light and air of adjacent properties nor unreasonably impair the ability of adjacent properties to utilize solar energy;
- Current Grading and Erosion Control Standards. The proposed site development or grading plan incorporates current grading and erosion control standards used by the city;

Multi-Family Residential (Townhomes, Condominiums, Apartments)

Construction of multi-family residential projects in the City's Multi-Family Zoning Districts (R-VH, R-H, R-M-8, and R-M-6) require issuance of a Design Review Permit from the Planning Commission as required by SVMC Title 17. In order to grant a Design Review Permit, the Planning Commission shall make the following findings:

- The siting of any structure on the property as compared to the siting of other structures in the immediate neighborhood;
- Materials, colors, proportion, mass and detail. All structures shall be in good proportion, have simplicity of mass and detail and be compatible in appearance with surrounding structures. There shall be an appropriate use of materials; colors shall be appropriate within the context of use and should blend with surrounding structures;
- The size, location, design, color, number, lighting and materials of all signs and outdoor advertising structures. No sign shall be approved in excess of the maximum limits set by this title, but the size or number of signs in any area subject to design control may be reduced below this maximum number or limit;

- Landscaping and Irrigation. Landscaping and irrigation plans shall be required on the site. Landscaping shall be in keeping with the character or design of the building. Existing trees shall be preserved wherever possible;
- The size, location and arrangement of on-site parking and paved areas;
- Ingress, Egress and Internal Traffic Circulation. All the above factors shall be related to the setting or established character of the neighborhood or surrounding area.
- Height and access to sunlight, setbacks, landscaping and use of materials for articulation and visual relief for fences and walls over eight feet tall or fences over three feet tall in front yards when across from Hwy. 17.
- Arbors in front yards, over twenty square feet in roof area or between eight and ten feet in height: the design compatibility with the main structure and structures in the neighborhood, the mass and scale of the arbor, line of sight visibility for pedestrians and motorists in addition to other applicable standards of this section.

If the project involves a subdivision, the project is forwarded on to the City Council for approval as required by SVMC Section 16.16.040. In order to approve the subdivision, the City Council shall make the following findings:

- That the location of the uses is in accordance with the objectives of the zoning ordinance and the purposes of the district in which the site is located.
- That the proposed tentative map/land division, together with the provisions for its design and improvement, is consistent with the General Plan.
- That the project is physically suitable for the density of the land division.
- That the design of the land division or the proposed improvements are not likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat.
- That the design of the land division or the type of improvements is not likely to cause serious public health problems.
- That the design of the land division will not conflict with easements acquired by the public at large (for access through or use of the property within the land division).

Mixed-Use Residential

Construction of mixed-use residential projects are allowed with issuance of a Use Permit and a Design Review Permit in the City's C-S and C-SC Zoning Districts. Sites in the C-S and C-SC Zoning Districts included in previous Housing Element cycles are subject to issuance of a Design Review Permit only. The City of Scotts Valley's General Plan requires residential components of mixed-use projects on land designated Service Commercial and Shopping Center Commercial to be secondary to commercial development. Sites that are designated in the Housing Element in the C-S Zoning District require issuance of a Design Review Permit from the Planning Commission.



In order to grant a Design Review Permit, the Planning Commission shall make the following findings:

- The siting of any structure on the property as compared to the siting of other structures in the immediate neighborhood;
- Materials, colors, proportion, mass and detail. All structures shall be in good proportion, have simplicity of mass and detail and be compatible in appearance with surrounding structures. There shall be an appropriate use of materials; colors shall be appropriate within the context of use and should blend with surrounding structures;
- The size, location, design, color, number, lighting and materials of all signs and outdoor advertising structures. No sign shall be approved in excess of the maximum limits set by this title, but the size or number of signs in any area subject to design control may be reduced below this maximum number or limit;
- Landscaping and Irrigation. Landscaping and irrigation plans shall be required on the site. Landscaping shall be in keeping with the character or design of the building. Existing trees shall be preserved wherever possible;
- The size, location and arrangement of on-site parking and paved areas;
- Ingress, Egress and Internal Traffic Circulation. All the above factors shall be related to the setting or established character of the neighborhood or surrounding area.
- Height and access to sunlight, setbacks, landscaping and use of materials for articulation and visual relief for fences and walls over eight feet tall or fences over three feet tall in front yards when across from Hwy. 17.
- Arbors in front yards, over twenty square feet in roof area or between eight and ten feet in height: the design compatibility with the main structure and structures in the neighborhood, the mass and scale of the arbor, line of sight visibility for pedestrians and motorists in addition to other applicable standards of this section.

In order to grant a Use Permit, the Planning Commission shall make the following findings:

- The proposed location of the conditional use is in accordance with the objectives of the zoning ordinance and the purposes of the district in which the site is located.
- The establishment, maintenance or operation of the use or building will not, under the circumstances of the particular case, be detrimental to the health, safety, peace, morals, comfort and general welfare of persons residing or working in the neighborhood of the proposed use or be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the city.

The Housing Element Update includes programs in Chapter 2 to develop objective design standards for multi-family and mixed-use residential projects in compliance with SB 330, and provide a by-right approval process for multi-family residential projects to comply with AB 1397

and AB 1398. An additional program includes reducing the commercial square footage requirements for mixed use project sites listed in the Housing Element due to changing market conditions for commercial development and feedback from the development community.

Recent Development Examples

Table C-13b shows that past projects have successfully achieved generally high density yields in comparison to what the site could permit at the maximum; the table includes all projects from the 5th cycle. On average, the projects were able to achieve a density yield of 83 percent, with The Encore reaching the highest yield at 123 percent and The Cove and Erba Lane reaching the lowest at 67 percent each (both just one unit above the lowest of the density range permitted). It should be noted that the City does not typically receive residential development applications below the allowable densities.

Table C-13b: Recent Development Examples

Project	Entitlements	Application Received	Application Approved	Building Permits Pulled	Density Permitted	Final Project Density	Acreage	Use Prior to Project
The Encore	Tentative Map, Use Permit, Design Review, MND	1/6/2021	9/1/2021	10/17/2022	13 DU/AC (16 units)	16 DU/AC (123% yield)	1.49 acres	Vacant
The Grove	GP Amendment, Zone Change, Planned Development, Land Division, Use Permit, Design Review, EIR	3/26/2015	3/16/2016	6/5/2018	9-15 DU/AC (50 units)	11 DU/AC (73% yield)	4.31 acres	Vacant
The Terrace	Planned Development, Land Division, Design Review, MND	10/27/2014	10/21/2015	10/14/2018	5-9 DU/AC (19 units)	7.65 DU/AC (85% yield)	2.6 acres	Vacant
The Cove	GP Amendment, Zone Change, Planned Development, Design Review, Land Division, MND	7/22/2015	12/7/2016	10/18/2018	9-15 DU/AC (10 units)	10 DU/AC (67% yield)	2.35 acres	Vacant
Erba Lane	Planned Development, Design Review, Land Division, MND	3/15/2019	6/16/2021	TBD	9-15 DU/AC (10 units)	10 DU/AC (67% yield)	1.04 acres	Vacant

Project	Entitlements	Application Received	Application Approved	Building Permits Pulled	Density Permitted	Final Project Density	Acreage	Use Prior to Project
Oak Creek Park	GP Amendment, Zone Change, Planned Development, Minor Land Division, Design Review, EIR	4/12/2018	12/7/2022	TBD	6-9 DU/AC (Lot 1: 8 units Lot 2: 44 units)	7.7 DU/AC (combined 86% yield)	Lot 1: 1.04 acres Lot 2: 2.53 acres	Vacant
Average Entitlement Review Time			22 months					
Average Time Between Receiving Entitlements and Pulling Building Permits				25 months				
Average Density Yield						83%		

Senate Bill 330 (SB 330)

Effective January 1, 2020, and through January 1, 2030, SB 330 restricts jurisdictions in ordinances and policies that can be applied to residential development. To address the state's housing crisis and help meet California's housing needs, for a ten year time period SB 330 will facilitate housing construction and protect lower income residents from displacement by:

- Suspending enactment of local downzoning and housing construction moratoriums.
- Requiring timely processing of housing permits following existing local zoning rules
- Lifting required parking minimums
- Eliminating certain fees on low income units
- Postponing requirements for voter approval of zoning, general plan changes
- Protecting rent controlled or Section 8 units from demolition, and
- Requiring resettlement benefits and first right of refusal in new units or compensation for rehousing for renters who may be displaced.

Program H-1.9 is included in the Housing Plan stating the City will continue to comply with SB 330 restrictions through the end of the 10-year timeframe.

11.Development Fees

Residential developers are subject to a variety of permitting, development, and impact fees in order to access services and facilities as allowed by State law. The additional cost to develop, maintain, and improve housing due to development fees result in increased housing unit cost, and therefore may be considered a constraint to housing development. However, fees are necessary to provide planning and public services in Scotts Valley. All information regarding the

City's development fees is available on the City's website as pursuant to Government Code §65940.1 (a)(1)(B).

The location of projects and housing type result in varying degrees of development fees. The presumed total cost of development is also contingent on the project meeting City policies and regulations and the circumstances involved in a particular development project application. The majority of the City planning fees operate on a deposit account basis where time and materials are charged against the established account as the project is processed. Table C-14 provides the planning fees and Table C-15 provides the development impact fees.

Table C-14: Planning Processing Fees

Application Type	Fee
Permit Applications	
Amendment	\$3,548
Design Review - Residential with Hillside - Residential - Commercial/Industrial	\$7,096 \$3,548 \$3,548
Development Agreement	\$12,418
Environmental Assessment	\$355
Environmental Impact Report, Administration	\$26,255
General or Specific Plan Amendment	\$12,418
Land Divisions - Subdivision (5 lots or more) - Map Entitlement - Map Recordation/Approval - Minor (4 lots or less) - Parcel Map – Tentative - Parcel Map – Final	\$12,418 \$7,096 \$12,418 \$3,548
Lot Line Adjustment	\$707
Mitigated Negative Declaration	\$14,192
Negative Declaration	\$7,096
Planned Development	\$8,870
Preliminary Review	\$8,837
Public Hearing and Radius Noticing	\$531
Use Permit - Major (excluding residential) - Minor	\$7,077 \$3,538
Variance	\$7,096
Zoning Change/Ordinance Amendment	\$9,225
Plan Check	\$355

Source: City of Scotts Valley – Fee Schedule FY 2022-2023

Table C-15: Development Impact Fees

Development Fees	Cost per Unit by Residential Zoning District						
	R-MT-5	R-R-2.5	R-1-40	R-1-20	R-1-10	R-M-6/8	R-H
General Facilities and Equipment	\$529	\$529	\$529	\$529	\$529	\$529	\$529
Streets and Thoroughfares	\$6,961	\$6,961	\$6,961	\$6,961	\$6,961	\$4,131	\$4,131
Wastewater Treatment Facilities	\$7,385	\$7,385	\$7,385	\$7,385	\$7,385	\$5,343	\$5,343
Storm Drainage Facilities:							
• Carbonero Creek	\$0.30/impervious square-foot						
• West Branch	\$0.27/impervious square-foot						
• Camp Evers Tributary	\$0.14/impervious square-foot						
• Bean Creek	\$0.19/impervious square-foot						
Library Facilities	\$1,497	\$1,405	\$1,313	\$1,174	\$1,035	\$1,035	\$899
Law Enforcement Facilities	\$1,221	\$1,221	\$1,221	\$1,221	\$1,221	\$1,221	\$1,221
Parks and Recreation Facilities	\$12,363	\$12,363	\$12,363	\$12,363	\$9,566	\$9,626	\$6,426
Mount Hermon Road Fair Share Trips:							
• Mt. Hermon and SV Drive	\$535						
• Mt. Hermon and La Madrona	\$1,047						
Scotts Valley Unified School District	\$3.14/square-foot					\$3.48/square-foot	

Source: City of Scotts Valley Schedule of Fees FY 2022-2023, Scotts Valley Unified School District

The development fees associated with each project is dependent on the housing type, density, intensity of use, and location. In addition to these direct fees, the total cost of development is contingent on the project meeting the City's policies and standards, as well as the project applicant submitting necessary documents and plans in a timely manner.

Estimated total development and impact fees for a typical single-unit residential project, assuming it is not part of a subdivision and is consistent with existing city policies and regulations can range from \$68,837 to \$78,576. Estimated total development and impact fees for a typical multi-unit residential project with 20 units, assuming it is consistent with existing City policies and regulations, range from \$525,258 to \$544,417.

Both estimates are illustrative in nature and actual costs are contingent upon unique circumstances of individual development project applications. Considering the cost of land in Scotts Valley, and the International Code Council (ICC) estimates for cost of labor and materials, the combined costs of permits and fees range from approximately 10.2 percent to 11.6 percent of the direct cost of development for a single-unit residential project and 8.8 percent to 9.1 percent for a multi-unit residential project. Direct costs do not include, landscaping, connection fees, on/off-site improvements, shell construction or amenities, therefore the percentage of development and impact fees charged by the City may be smaller if all direct and indirect costs are included.

12. On-/Off-Site Improvements

Site improvements in the City consist of those typically associated with development for on-site improvements (street frontage improvements, curbs, gutters, sewer/water, and sidewalks), and off-site improvements caused by project impacts (drainage, parks, traffic, schools, and sewer/water). Because residential development cannot take place without the addition of adequate infrastructure, site improvement requirements are considered a regular component of development of housing within the City and may also influence the sale or rental price of housing. Majority of cost associated with on and off-site improvements is undertaken by the City and recovered in the City's development and impact fees.

For single-family residential development on vacant land, examples of typical on-site improvements might include stormwater detention facilities (required by the Clean Water Act), roads, sidewalks, perimeter walls, fire hydrants, emergency access drives, and recreational trails. Multifamily developments may also include common open space and recreation areas, as well as lockable storage areas.

Typical off-site improvements for both single-family and multi-family developments might include: new curbs, gutters, and sidewalks, recreational trail facilities, road improvements and traffic control needed to serve the development, street trees, and landscaping. Utilities may need to be updated or installed to serve the development, including water mains, sewer mains, stormwater pollution prevention measures, and undergrounding of electric utilities.

Infill residential projects may be required to install any of the improvements listed above, depending on site-specific circumstances and neighborhood needs.

Scotts Valley has standard improvements required for subdivision that can be found in the City's Municipal Code. General improvements include the following:

- Improvement requirements on subdivisions will generally be specified as conditions of approval of the tentative map. The criteria for the design of the improvements shall be those that are adopted from time to time by the City Council.
- Streets and highways shall intersect one another at angles as near to a right angle as is practical in each specific case, and no intersections shall be at angles of less than thirty degrees.
- Streets intersecting at an angle other than ninety degrees may require the use of setback lines, special rounding of corners, traffic circle or other device to assure desirable results as to traffic movement, visibility, and safety.
- If the centerlines of two streets, intercepting the same street from opposite directions are offset from each other, said offset shall be a minimum distance of two hundred feet measured along the centerline of the street intercepted.



- If the improvements specified for a subdivision for which a final map is required have not been completed prior to filing the final map, the subdivider shall, concurrent with the acceptance of the final map, enter into an agreement with the council agreeing to have the work completed within a specified time. Standard agreement forms are available upon demand from the city engineer.

Specific design standards for streets can be found in Master Plans and Specific Plans on the City's website.

On- and off-site improvements are consistent with requirements of other cities in the region. While these improvements may influence the cost of development, they are not considered a constraint to the development of housing in Scotts Valley.

13. Building Codes

The City has adopted the 2022 California Building Code, including the ancillary information within the tables, attachments, addendums, and footnotes. This would include the California Administrative Code, Building Code, Residential Code, Electrical Code, Mechanical Code, Plumbing Code, Energy Code, Historical Building Code, Fire Code, Existing Building Code, Green Building Standards Code, and California Referenced Standards Code. The adoption California Building Code therefore ensures a consistent development standard that would be promoted throughout the State. The Code's intent is to safeguard the public health, safety, and general welfare through structural strength, means of egress facilities, stability, sanitation, adequate light and ventilation, energy conservation, and safety to life and property from fire and other hazards attributed to the built environment and to provide safety to firefighters and emergency responders during emergency operations.

The City does not have any local amendments to the Building Code. Program H-2.1 requires the City to continue implementing an active code enforcement program through the Building Department and continue to offer online and physical forms for residents to submit Code Enforcement complaints through.

INFRASTRUCTURE CONSTRAINTS

Another factor that could constrain new residential construction is the requirement and cost to provide adequate infrastructure (major and local streets; water and sewer lines; and street lighting) needed to serve new residential development. In most cases, where new infrastructure is required, it is funded by the developer and then dedicated to the City, which is then responsible for its maintenance. Because the cost of these facilities is generally borne by developers, it increases the cost of new construction, with much of that increased cost often "passed on" in as part of home rental or sales rates.

1. Dry Utilities

Dry utilities include electric, telephone, TV, internet, and gas service in a community. The various utility providers are responsible for providing these necessary resources to new housing units.

Electrical

Pacific Gas and Electric Company (PG&E) is responsible for providing service to all existing and future development in Scotts Valley. Electrical infrastructure is located aboveground on utility poles as well as belowground. PG&E continues to provide energy to customers through a series of methods including oil and natural gas, renewable energy resources and alternative diverse supplies. The power mix delivered to customers includes the following greenhouse gas-free technologies:

- Non-emitting nuclear generation (43 percent)
- Large hydroelectric facilities (10 percent)
- Eligible renewable resources, such as wind, geothermal, biomass, solar and small hydro (31 percent)
- Natural gas (16 percent)

Natural Gas

PG&E also provides natural gas services for Scotts Valley. Natural gas pipelines are located underground. As a public utility, PG&E is under the jurisdiction of the California Public Utilities Commission (CPUC) which regulates natural gas rates and natural gas services, including in state transportation over the utilities' transmission and distribution pipelines system, storage, procurement, metering, and billing. PG&E is responsible for providing service to residential, industrial, and commercial customers in Scotts Valley.

2. Water Supply

Water is provided by the Scotts Valley Water District and the San Lorenzo Valley Water District (SLVWD). The Scotts Valley Water District serves a population of approximately 10,700 within a service area of six square miles, including a portion of unincorporated land to the north of the City. The water service generally follows the boundary of the City with the exceptions of Mt. Hermon Road, Pasatiempo Pines and Manana Woods subdivisions, Valley Gardens Golf Course, and Vista Del Lago and Spring Lakes Mobile Home Parks. The District is responsible for providing a safe and reliable source of water to Scotts Valley households. The District serves an average demand of almost 370 million gallons of water a year. The following provides general information on water throughout the City; however, more in depth details are available in the Conservation Element.



The San Lorenzo Valley Water District (SLVWD) also supplies water in the San Lorenzo Valley, including Scotts Valley. SLVWD supplies water service to approximately 500 customers in the Pasatiempo Pines and Manana Woods area of Scotts Valley from three wells located near the Santa Cruz Probation Center. Within the Scotts Valley portion of the SLVWD there are three major facilities with a combined storage capacity of 390,000 gallons, and approximately 4.5-mile transmission and distribution system.

Scotts Valley Water Source

The City receives its water supply from groundwater. The District's groundwater is stored in Santa Margarita Groundwater Basin, which is comprised of the Santa Margarita Sandstone, Monterey Shale, Lompico and Butano formations. Rainfall is the main source of refilling the basin. The City's main supply of drinking water is supplied primarily through groundwater collected through local rainfall. The Santa Margarita Groundwater Basin (SMGB) is the primary source of overall water supply for Scotts Valley and covers over 30 square miles in the Santa Cruz mountains.

Water Maintenance and Repair

The Scotts Valley Water District operates, maintains, and disinfects the water supply. The water distribution system includes wells that vary from 350 feet to 1,750 feet deep. Pumped water is filtered through a pressurized system of sand, gravel, and anthracite to remove iron, manganese, and hydrogen sulfide from the water. Chemicals are introduced before and after filtration to oxidize the iron and disinfect the water.

Water Production

Groundwater collected from local rainfall supplies the City's drinking water. There are three water treatment plants that serve the Water District: Orchard Run Water Treatment with a capacity of 1.08 million gallons per day, El Pueblo Water Treatment Plant with a capacity of 547,000 gallons per day, and Well 10 with a capacity of 432,000 gallons per day.

Water Quality

The Water District is responsible for providing residents with reliable, safe, clean, and potable and domestic water supply. The Water District is required to test the quality of the water it serves in order to guard the health of our customers and the general public. Federal, state and local agencies all have a role to play in setting water quality standards. Water quality samples results are compiled in a monthly report and forwarded to the State Water Resources Control Board, Division of Drinking Water.

Water Demand

In 2020, the Water District provided service to approximately 4,330 connections. Residential customers represent 80 percent of the District's customer base and consume approximately 67 percent of the potable water produced annually by the Department. The Department currently has a total of six production wells with a maximum capacity of 1,400 gallons per minute.

Approximately 1,100-to-1,200-acre feet per year (AFY) of potable water is delivered to customers.

Wastewater

The Scotts Valley Water Reclamation Facility (WRF) regularly maintains and improves the City's public sanitary sewer system. The WRF consistently meets the steadily increasing demand for recycled water to irrigate local parks, schools, residences, landscape medians, and businesses. Due to the increased use of recycled water, the WRF has been able to decrease the amount of treated effluent that is discharged to Monterey Bay during dry weather periods. According to WRF, in 2021, the total recycle water produced in the City's wastewater recycle filter plant was 64.13 million gallons. The City of Scotts Valley owns and operates seven lift stations at various locations throughout the City. The City's sanitary sewer collection system is made up of approximately 40 mile of pipeline.

3. Fire and Emergency Services

The Scotts Valley Fire District includes two fire stations to serve nearly 20,000 residents within a 24 square mile boundary. The District has 28 full-time employees, one part-time employee, and seven paid-call firefighters which provide a variety of services which include fire suppression, emergency medical services, administration, technical rescue, hazardous materials mitigation, public education, fire investigation, and fire prevention. Daily emergency response consists of 7 firefighters and one Battalion Chief. Additionally, the Fire District has Mutual Aid Agreements with neighboring fire suppression organizations to further strengthen the emergency services available to residents in case of emergency.

The Fire District provides the following emergency services:

- Structure Fire Suppression
- Wildland Fire Suppression
- Emergency Medical Services
- Hazardous Materials Incident Response
- Disaster Response and Education

Emergency Medical Services (EMS)

The Scotts Valley Fire District is responsible for keeping up with emergency medical mandates, equipment, and program development for both advanced and basic life support education and training. Every firefighter in the district has some level of EMS training which requires recertification and continued education. Through cooperative agreements within the Santa Cruz County EMS system, the District can also provide mutual EMS aid for large scale incidents within the County.

4. Police Services

The Scotts Valley Police Department (SVPD) acts as the City's enforcement agency to provide general law enforcement. The SVPD is staffed by one Chief of Police, two Captains, five



Sergeants, twelve Patrol Officers, seven Emergency Dispatch Clerks, and one Administrative Secretary Analyst. The Department is organized into two divisions: Operations and Administrative Services. The Operations Division consists primarily of Patrol Officers with specialized units such as Reserve Officers, Traffic Officers, K9 Officers, and Explorers used to support patrol with their duties. The Administrative Services Division consists of Emergency Dispatch Clerks, Investigations, and Citizen Volunteers.



The City of Scotts Valley provides a variety of **Housing Resources** and services to assist the community in accessing housing which meets their needs and income levels. This Appendix provides a summary of those resources and services.

RESOURCES FOR SPECIAL NEEDS GROUPS

1. Seniors

Seniors (persons 65 years of age and older) typically prefer to stay in their own homes as long as possible. If family members are nearby, they can also assist with basic care needs, enabling seniors to remain in their homes longer. However, this is not always possible. As such, the City provides information online about the Scotts Valley Senior Center and its services for residents. The Senior Center's purpose is to provide a social network with educational, recreational, and craft activities for Scotts Valley senior residents.

Scotts Valley Senior Life Association (SVSLA) is a local non-profit organization established to provide education and health support to senior residents. Examples of SVSLA's projects and programs include a new performing arts center and Senior Life Online workshops that include guest speaks, such as artists, council members, and Fire District staff.

The following resources are provided County-wide and available to Scotts Valley seniors:

- **Senior Network Services:** Non-profit agency providing senior citizens and persons with disabilities with information, guidance, and assistance in coordinating existing resources.
- **Adult and Long-Term Care Division (ALTC):** Managed by the County of Santa Cruz Human Services Department, ALTC provides case work services and resource programs that offer community service and care options. Adult Protective Services provides intervention services to protect elderly or dependent adults from abuse, neglect, or exploitation. Additionally, ALTC provides In-Home Supportive Services (HSS) to support safe independent living for low-income elderly adults and disabled persons of all ages.
- **Meals on Wheels:** Meals on Wheels for Santa Cruz County provides meals at five dining sites through Santa Cruz County as well as home delivered meal for older adults over 60 who struggle to meet their own nutritional needs. Meals are delivered once a week, frozen and ready to re-heat in order to accommodate varying meal schedules. The Scotts Valley dining site is located at the Scotts Valley Senior Center on Wednesdays at 11:30am.
- **Senior Citizens Legal Services (SCLS):** SCLS provides free legal services to elderly residents to defend the rights of the elderly to quality housing, government benefits, and protection from exploitation and discrimination.
- **Advocacy, Inc.:** Independent non-profit agency that manages two main programs: Patients' Rights Advocates and Long-Term Care Ombudsman. The Patients' Rights Advocate Program is a state mandated program charged with rights protection and advocacy for all mental health consumers residing in Santa Cruz County, and to assist recipients of mental health services to exercise their human and civil rights. Patients'

Rights Advocates represent a client's expressed desire as defined by the client as long it's within the bounds of the law and achievable within the Advocate's resources. Advocates do not determine what is most appropriate for the client, or what may be in the client's best interest. Rather, Advocates advise clients about their options, and the implications of those options, and assist the client to make an informed choice.

- **Scotts Valley Senior Life Association (SVSLA):** A non-profit organization established to provide education and support relating to health and welfare of senior citizens living in Scotts Valley. They seek to enhance and add enjoyment to lives of seniors in the community, provide educational opportunities with a focus on healthy living habits, and provide access to facilities that help seniors create their own healthy and fulfilling lives.
- **Community Bridges Elderday Program:** Elderday provides day services for adults with complex medical conditions. The program also offers services outside of health care through their planned daily activities. These activities include music, yoga, dance, art, and woodworking.

2. Persons with Disabilities

Access Santa Cruz County lists social services for persons with disabilities in the County of Santa Cruz on its website. The following are social services available to Scotts Valley residents with disabilities:

- **Advocacy Inc.:** Free services to protect patients' rights and free advocacy services for residents of nursing homes and residential care facilities. The Ombudsman Program is charged with advocating for seniors and disabled individuals living in residential care facilities for the elderly and skilled nursing facilities.
- **Hospice of Santa Cruz County:** Non-profit community-based health project that provides health care to individuals of all ages facing the advanced stages of any life-threatening illness.
- **San Andreas Regional Center:** A non-profit that serves individuals with developmental disabilities and their families who reside within Monterey, San Benito, Santa Clara, and Santa Cruz Counties. The County of Santa Cruz Human Resources Agency coordinates federal, state, and county government funding for programs and services for disabled populations in the City of Scotts Valley.
- **The Central Coast Center for Independent Living (CCCIL):** A community-based, cross-disability, non-profit organization that is designed and operate with people with disabilities. The organization provides a variety of programs from peer support, housing assistance, and independent living skill training.

3. Persons Experiencing Homelessness

Given its location, Scotts Valley sees much lower occurrences of homelessness than other jurisdictions in Santa Cruz County. However, the City still takes part in a countywide



collaboration with Santa Cruz County, its cities, and nonprofit organizations to prevent and end homelessness through the provision of housing and services to persons experiencing and those at immediate risk of homelessness. A wide range of homeless assistance programs are implemented to form a coordinated, countywide Continuum of Care (CoC) system, which works to resolve the crisis of homelessness, to house people as quickly as possible, and meet service needs along the way.

The City also participates in the Housing for Health Partnership (H4HP), which serves as the federally designated CoC for Santa Cruz County. HUD provides over \$4 million per year to the Santa Cruz County community through the work of the H4HP.

FINANCIAL RESOURCES

Providing an adequate supply of decent and affordable housing requires funding from various sources, the City has access to the following funding sources.

1. Section 8 Housing Vouchers

The Section 8 Housing Choice Voucher program is a Federal government program to assist very low-income families, the elderly, and the disabled with rent subsidy payments in privately owned rental housing units. Section 8 participants are able to choose any housing that meets the requirements of the program and are not limited to units located within subsidized housing projects. They typically pay 30 to 40 percent of their income for rent and utilities. The Santa Cruz Housing Authority administers and manages the Section 8 Housing Choice vouchers within Scotts Valley. The Santa Cruz Housing Authority website lists a comprehensive list of affordable rental units in Santa Cruz County.

2. Community Development Block Grants (CDBG)

The Community Development Block Grant (CDBG) program provides annual grants on a formula basis to cities to develop viable urban communities by providing a suitable living environment and by expanding economic opportunities, principally for low- and moderate-income persons (up to 80 percent AMI).

CDBG funds can be used for a wide array of activities, including:

- Housing rehabilitation;
- Lead-based paint screening and abatement;
- Acquisition of buildings and land;
- Construction or rehabilitation of public facilities and infrastructure, and
- Public services for low-income households and those with special needs.

Each year, the City receives CDBG funds from the U.S. Department of Housing and Urban Development (HUD). The City and Scotts Valley Chamber of Commerce are responsible for administering these funds. The funds must be used to develop viable communities by promoting integrated approaches that provide items such as decent housing, a suitable living environment, and expand economic opportunities for low- and moderate-income persons.

3. Home Investment Partnership Program

The HOME program provides federal funds for the development and rehabilitation of affordable rental and ownership housing for households with incomes not exceeding 80 percent of area median income. The program gives local governments the flexibility to fund a wide range of affordable housing activities through housing partnerships with private industry and non-profit organizations. HOME funds can be used for activities that promote affordable rental housing and homeownership for low-income households.

4. Local Early Action Planning (LEAP) Grant

The City applied for and received a total of \$65,000 of LEAP grant funding from HCD. LEAP Grants provide funding opportunities for jurisdictions to update their planning documents and implement process improvements that will facilitate or accelerate housing productions to meet the 6th Cycle RHNA.

5. SB 2 Grant

To supplement the cost of the City's effort to update the streamlining process of affordable housing, the City has been awarded an SB 2 Planning Grant Program grant from HCD. The SB 2 program includes improvements to expedite local planning processes. In 2019, the City received \$160,000 from the SB 2 Grant.

6. Affordable Housing Programs

The City of Scotts Valley provides the following affordable housing programs: First Time Homebuyer/Silent Second Mortgage, Security Deposit, Mortgage Credit Certificates, and Density Bonus. HouseKeys serves as the City's Affordable Housing Administrator for the City's Below Market Rate Housing Program.

The purpose of the affordable housing programs is to:

- Enhance the public welfare and assure that further housing development contributes to the attainment of the City's housing goals as described in the Housing Element of the General Plan, by creating, preserving, maintaining, and protecting housing affordable for households of very low-, low- and moderate-income;
- Assure that the remaining developable land in the City's planning area is utilized in a manner consistent with the City's housing policies and needs;



- Increase the number of affordable housing units in Scotts Valley in recognition of the insufficient number of existing affordable housing units in relation to the community's current and future needs; and
- Assure that new affordable housing units that are constructed are distributed throughout the City as part of mixed-income developments in order to obtain the benefits that flow from economically diverse communities, increase access to opportunity, and affirmatively further fair housing.

OPPORTUNITIES FOR ENERGY CONSERVATION

1. Energy Use and Providers

Pacific Gas and Electric Company (PG&E) and Central Cost Community Energy (CCCE) provide electricity and natural gas services for the City. Natural gas is a “fossil fuel” and is a non-renewable resource. The natural gas transmission pipelines within the City are owned and operated by PG&E. Pacific Gas and Electric Company has the capacity and resources to deliver gas except in certain situations that are noted in state law. As development occurs, PG&E will continue to extend its service to accommodate development and supply the necessary gas lines. Electricity is provided on an as-needed basis to customers within existing structures in the City. Every year CCCE expands and improves on existing facilities according to demand.

PG&E offers programs to promote the efficient energy use and assist lower-income customers. This includes participation in the Low-Income Home Energy Assistance Program and Energy Savings Assistance Program to help homeowners and renters conserve energy and control costs. Eligible customers receive no-cost weatherization, including attic insulation, energy efficient refrigerators, energy-efficient furnaces, weather stripping, caulking, low-flow showerheads, water heater blankets, and door and building envelope repairs which reduce air infiltration.

2. Energy Conservation

The primary uses of energy in urban areas are for transportation lighting, water heating, and space heating and cooling. The high cost of energy demands that efforts be taken to reduce or minimize the overall level of urban energy consumption. Energy conservation is important in preserving non-renewable fuels to ensure that these resources are available for use by future generations. There are also a number of benefits associated with energy conservation including improved air quality and lower energy costs.

Energy conservation strategies can help reduce consumptions of energy which would reduce monthly costs to homeowners and renters. Examples of energy conservation strategies include weatherization such as installation of more efficient appliances, and solar energy systems.

Buildings can also be designed to incorporate energy conservation strategies such as cooling materials and building orientation. The City encourages energy conservation strategies in the zoning code (17.36.020).



AB 686 established new requirements for all California jurisdictions to ensure that local laws, programs, and activities **Affirmatively Further Fair Housing (AFFH)**. Under State law, affirmatively furthering fair housing means “taking meaningful actions, in addition to combatting discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.” These characteristics can include, but are not limited to, race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability.



ASSESSMENT OF FAIR HOUSING ISSUES

1. TCAC/HCD Opportunity Scores

The California Tax Credit Allocation Committee (TCAC) and the California Department of Housing and Community Development (HCD) developed the TCAC Opportunity Maps to provide research and evidence-based policy recommendations to further HCD's fair housing goals. These goals include: (1) avoiding further segregation and concentration of poverty and (2) encouraging access to opportunity through land use policy and affordable housing, program design, and implementation. Overall, opportunity maps are intended to display which areas, according to research, offer low-income children and adults the best chance at economic advancement, high educational attainment, and good physical and mental health. The opportunity maps also help inform the TCAC to distribute funding more equitably to affordable housing in areas with the highest opportunity through the Low-Income Housing Tax Credit (LIHTC) Program.

Figure E-1 shows the TCAC/HCD Opportunity Scores for the City and surrounding neighborhoods. The map uses a regional index score to determine categorization of resource levels, as detailed below:

- **Highest Resource** – Top 20 percent highest-scoring census tracts in the region. Residents have the best outcomes in terms of health, economic attainment, and educational attainment.
- **High Resource** – Top 40 percent highest-scoring census tracts in the region. Residents have access to highly positive outcomes in terms of health, economic attainment, and educational attainment.
- **Moderate Resource** – Top 30 percent of remaining census tracts in the region. Residents have access to somewhat positive outcomes in terms of health, economic attainment, and educational attainment, or a mix of high and low outcomes in certain areas.
- **Moderate Resource (Rapidly Changing)** – Moderate resource-scoring census tracts that are nearing High Resource status and are experiencing rapid increase in certain areas such as housing prices, median income, proximity, etc.
- **Low Resource** – Bottom 30 percent of remaining census tracts in the region. Residents may have a lack of access to positive environmental, economic, and educational opportunities that results in negative outcomes or perpetuated outcomes.

Figure E-1 shows the City is categorized as High to Highest Resource. This is generally consistent with the region, aside from the mostly undeveloped region to the west that shows with High Resource Scores.

The City has identified candidate sites to accommodate future housing growth based on existing access to community resources, services, and public transportation, while also considering the availability of land, developer interest, and general likelihood the sites would develop residential uses over the next eight years. Figure E-1 further shows the three census tracts of the City where sites have been identified in relation to the location of resources and services¹.

Census Tract 1

The TCAC Opportunity Maps identified Census Tract 1 (06087120900) as an area with high resources. Census Tract 1 consists of the areas West of Highway 17 and North of Mount Hermon Road. Scotts Valley Drive runs through Census Tract 1. The area has the most dwelling units and a majority of the sites for all income levels. Census Tract 1 has the most low-/very low-income, moderate-income, and above-moderate-income units compared to the other two areas. In total, there are 1,581 units, with 765 low-/very-low-income units, 128 moderate-income units, and 688 above-moderate units.

There are several restaurants and retail uses located along Mount Hermon Road and Scotts Valley Drive. Major shopping areas such as Scotts Valley Square Shopping Center and Kings Village Shopping Center are located in Census Tract 1. These shopping centers include retail stores such as a Target, Dollar Tree, Walgreens, and Nob Hill Foods that are near each other. There are also a few schools located in Census Tract 1 such as the Scotts Valley Middle School, and the Scotts Valley High School. There are also recreational and preserved areas such as Skypark, MacDorsa Park, and the Glenwood Open Space Preserve. Other services include the United States Postal Service, Scotts Valley Fire District, and Police Department. In general, the area is well supported with resources and will continue to be as the Town Center Specific Plan area is developed in this census tract.

Census Tract 2

Census Tract 2 (06087121200) consists of the areas East of the 17 Highway. In total, there are 54 units, with 22 low-/very-low income units, 5 moderate-income units, and 27 above-moderate units. The majority of the land uses in this area is open space and residential. Census Tract 2 has the least amount of housing units in all income categories, as compared to the other two census tracts. The TCAC Opportunity Maps has identified this area to have the highest

¹ To provide comparative data, the analysis throughout this Appendix relies on census tract-level data. However, the census tracts in the City also extend out into other jurisdictions and the data may not be fully reflective of Scotts Valley residents and housing units. To that extent, census tracts 2 and 3 only account for small portions of Scotts Valley, in comparison to census tract 1. As such, the three census tracts cannot fully be compared at equal levels – there will be an imbalance leaning heavily towards census tract 1. This logic also applies to the dispersal of candidate sites in Appendix F. An “AFFH Summary” is provided at the end of this Appendix to provide a summarized, comparative analysis between the two main transportation corridors.



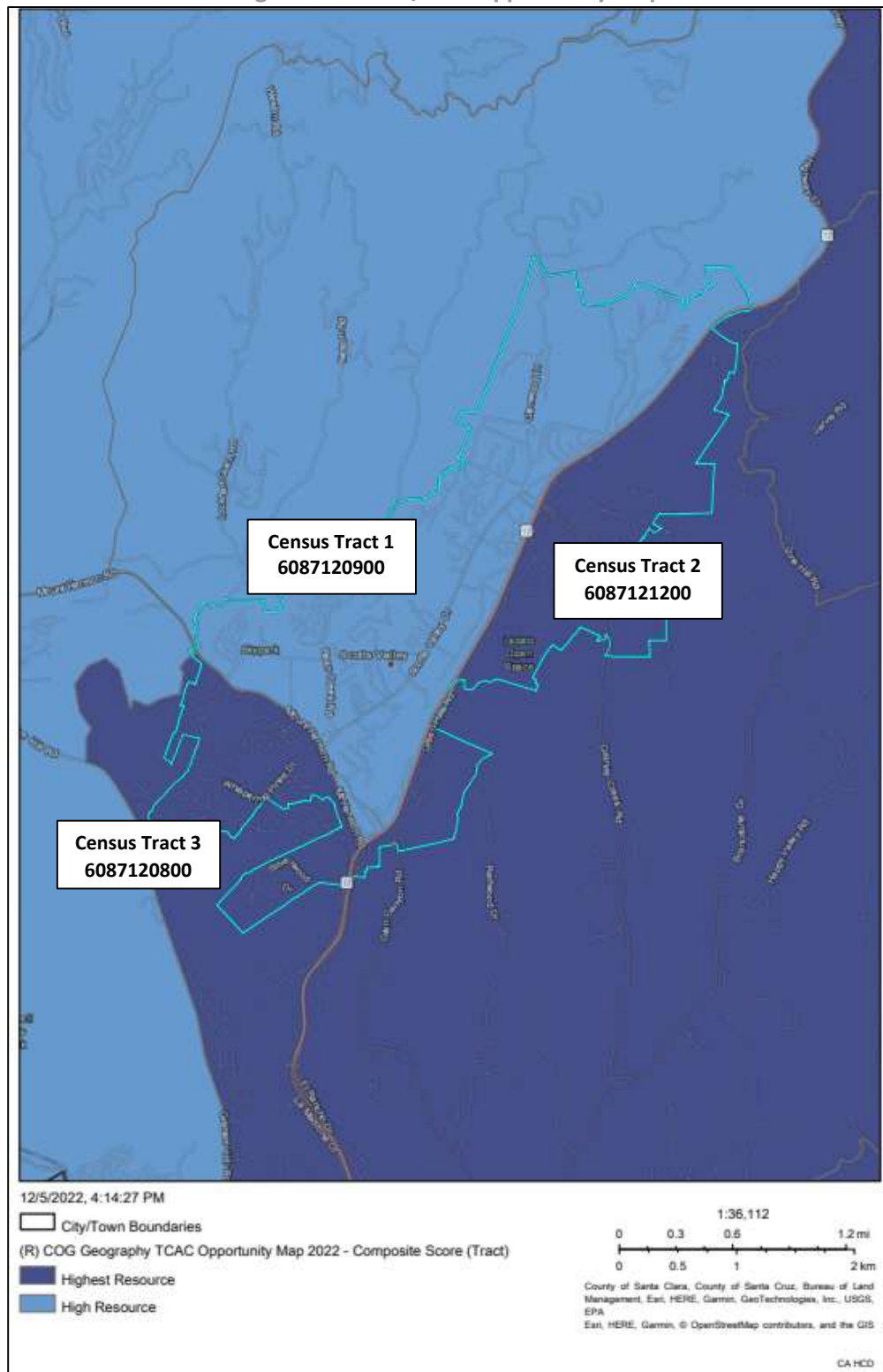
resources. There are a few office and commercial spaces along the Green Hills Road. Along this road there is a print shop, catering business, health insurance agency, and various gymnastic centers. There are two schools in Census Tract 2; Baymonte Christian School and Montessori Scotts Valley. Census Tract 2 has a variety of churches within the area such as the ReGeneration Church, Gateway Bible Church, and Hope Church.

Census Tract 3

Census Tract 3 (06087120800) is located in the City's Southwestern area and consists of areas south of Mount Hermon Road. In total, there are 497 units, with 95 low-/very-low-income units, 23 moderate-income units, and 379 above-moderate units. This census tract has the second highest number of units in Scotts Valley.

Similar to Census Tract 2, Census Tract 3 is also identified as a Highest Resource category. A majority of the land uses in this area is medium high density and medium density residential. The area offers close access to a number of restaurants, auto repair shops, a gymnasium, as well as a CVS, and a Safeway. There is also an open space area was formerly used as a golf and has been identified as a pipeline project (Valley Gardens).

Figure E-1: TCAC/HCD Opportunity Map



Source: California Department of Housing and Community Development – AFFH Data Viewer

2. Patterns of Integration and Segregation

To inform priorities, policies, and actions, this section contains an analysis of integration and segregation, including patterns and trends, relating to people with protected characteristics. Segregation is defined as the separation or isolation of persons of a particular race/ethnic group, national origin group, familial status, individuals with disabilities, or other social group by enforced or voluntary residence in a restricted area, by barriers to social connection or dealings between persons or groups, by separate educational facilities, or by other discriminatory means. It is important to note that segregation is a complex topic, difficult to generalize, and is influenced by many factors. Individual choices can be a cause of segregation, with some residents choosing to live among people of their own race or ethnic group. For instance, recent immigrants may depend on nearby relatives, friends, and ethnic institutions to help them adjust to a new country. Alternatively, when White residents leave neighborhoods that become more diverse, those neighborhoods can become segregated. Other factors, including housing market dynamics, availability of lending to different ethnic groups, availability of affordable housing, and discrimination can also cause residential segregation.

Race and Ethnicity

Neighborhood Segregation and Diversity

As discussed in the Housing Needs Assessment (Table B-3), the City is made up of a majority White population at about 76 percent, followed by a smaller Hispanic or Latino population at 10.8 percent.

Figure E-2 illustrates displacement risk for Scotts Valley and the surrounding communities. As shown, all of Scotts Valley reports low displacement risk. Comparatively, Santa Cruz has two areas of higher risk. A number of displacement factors are detailed in Table E-1 for the City's three census tracts (the census tracts cover area outside of the City's limits).

Table E-1: Neighborhood Segregation Household Data

Census Tracts	Median Income	Low-Income Households	Speak English Less than Very Well	Renter Occupied	Hot Market	Median Rent
06087120900	\$107,500	22.9%	3.5%	28.4%	Yes	\$1,905
06087121200	\$159,643	18.9%	0.4%	20.3%	Yes	\$1,765
06087120800	\$124,000	27.6%	0.5%	19.7%	No	\$2,528

Source: California Department of Housing and Community Development – AFFH Data Viewer; 2019 ACS data

Figures E-3a and E-3b map diversity and neighborhood segregation. Figure E-3a illustrates the diversification of the City between 2010 and 2018. Over the eight-year period, the City experienced an increase in diversity in the Skypark area of the City with the Diversity Index score increasing from “Lower Diversity” to a score of 40-55. Figure E-3b maps neighborhood segregation by race and ethnicity. The City has one census tract that reports “Latinx-White”

populations and two remaining census tracts that report “Mostly White.” The first census tract is located west of Highway 17 and north of Mount Hermon Road. The second census tract is located east of Highway 17 and the third census tract is located south of Mount Hermon Road.

This demographic mix is similar to the cities of Santa Cruz, Capitola, Watsonville, and Santa Cruz County. From 2010 to 2018, the county and neighboring communities also experienced gains in diversity. The eastern portion of the County and surrounding cities have also experienced an increase in diversity in the western and northwestern regions. The regional trends on racial composition are explored in more detail in Appendix B.

Overall, the City of Scotts Valley has a range of demographics from high percent white populations in the eastern and southern portion of the city. These regions in the City’s neighborhood segregation consists of Mostly White neighborhoods. Additionally, the city has shown increased diversity over the years in those areas with moderate percent white populations except for the eastern and southern portions of the city is identified as having lower diversity.

Familial Status

Local and Regional Level Trends of Segregation and Integration

Table E-1a and E-1b below shows tract-level trends of familial status throughout Scotts Valley. The majority of households with children live in a married couple household whereas some households with children live with one householder. More than half of the population in Scotts Valley live with a spouse. Specifically, Census Tract 1 located west of Highway 1 and north of Mount Hermon Road has a higher concentration of married couple households with children. Comparatively, Scotts Valley exhibits generally similar patterns to Santa Cruz and Capitola, who have slightly more census tracts with lower percentages of married couple households with children. Programs associated with new developments in Census Tract 1 of Scotts Valley include resources for low-income families.

Table E-1a: Neighborhood Segregation Familial Status

Census Tract	Per. Population Living with Spouse	Per. Children in Female Householder (No Spouse)	Per. Children in Married Couple Household
06087120901	59.7	0	89.8
06087120902	56.2	19.3	80.7
06087121200	56.2	12.4	79.0
06087120800	58.4	8.8	70.2

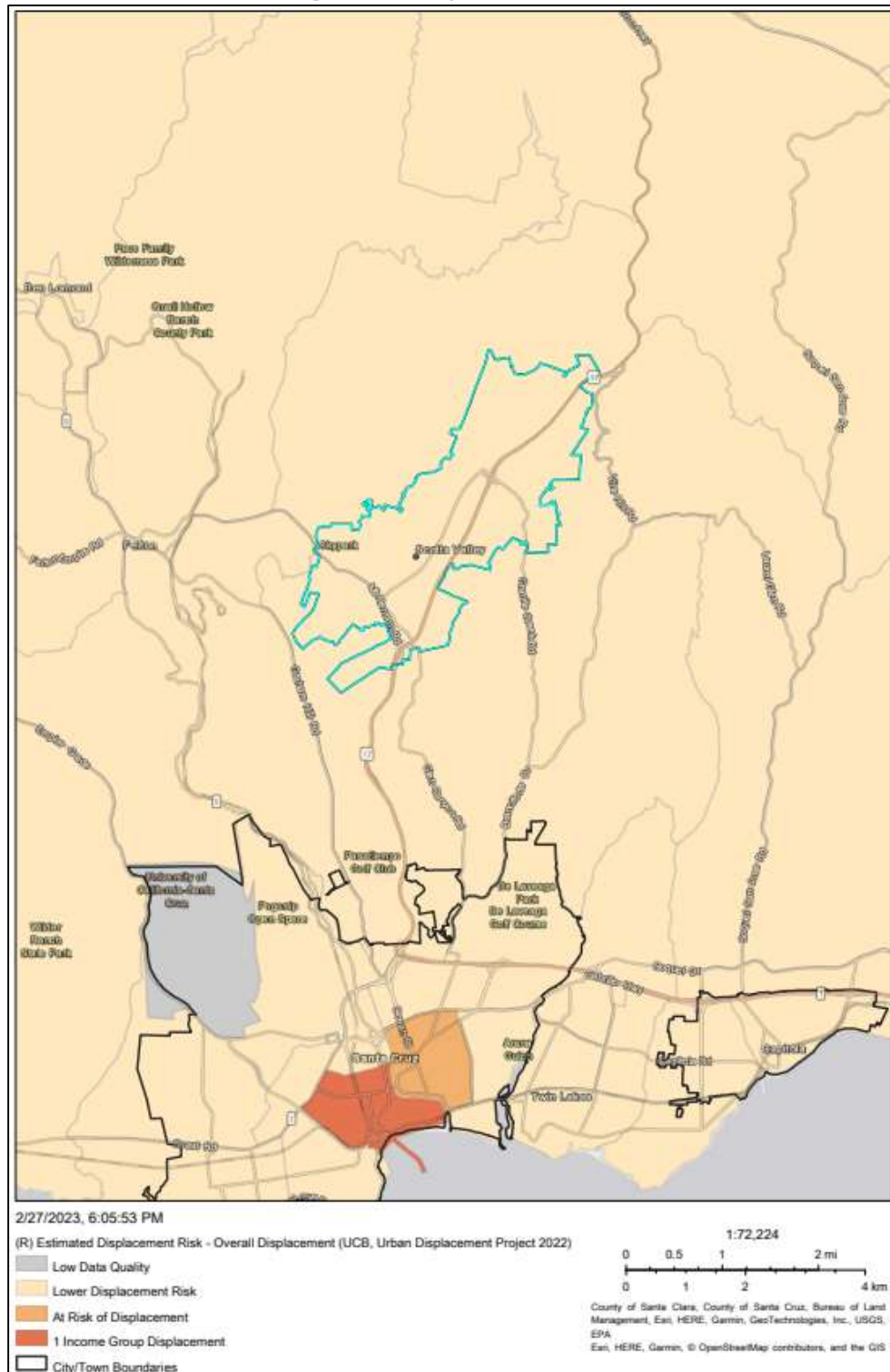
Source: California Department of Housing and Community Development – AFFH Data Viewer

Table E-1b: Population by Familial Status by Census Tract

Household Types	06087120901	06087120902	06087121200	06087120800
Total Households	1,442	2,031	2,157	2,353
Married-Couple Family Households	956	1,112	1,408	1,267
With Children	268	485	520	350
Non-Family Households	388	711	553	828
Female Headed Households, No Spouse Present with Children	0	98	28	60

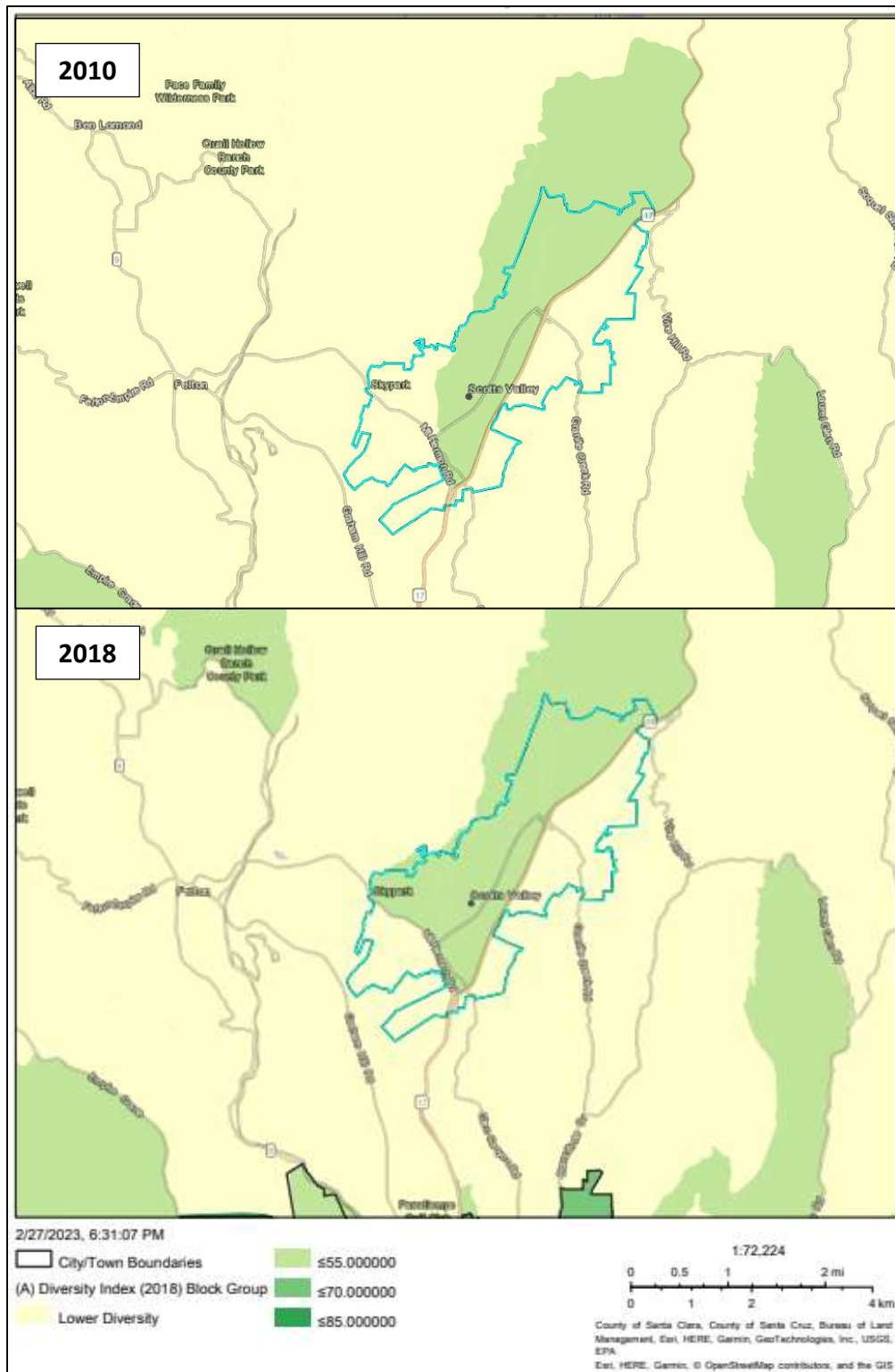
Source: American Community Survey, 5-Year Estimates, Table S1101, 2020.

Figure E-2: Displacement Risk



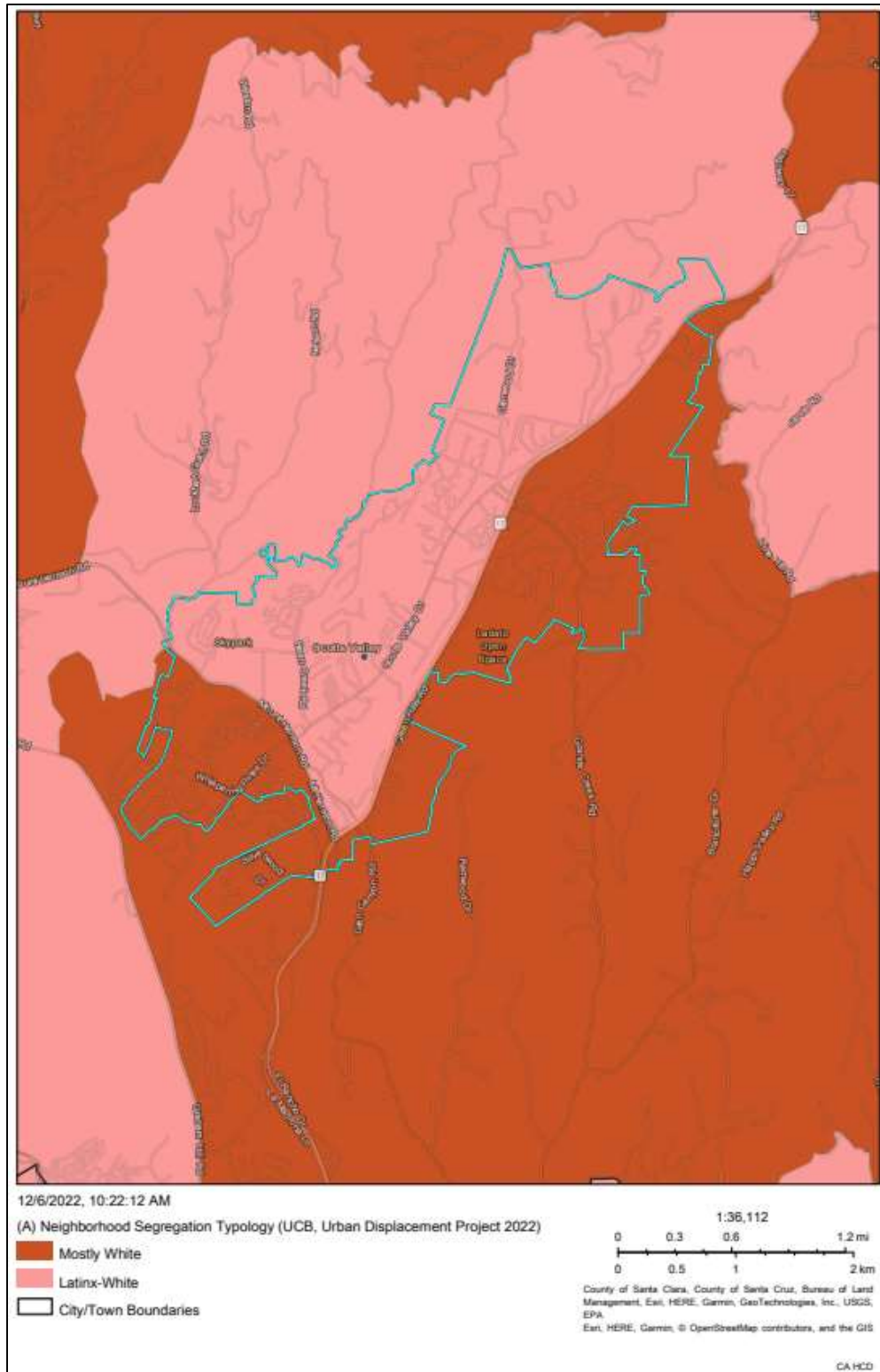
Source: California Department of Housing and Community Development – AFFH Data Viewer

Figure E-3a: Diversity Index (2010-2018)



Source: California Department of Housing and Community Development – AFFH Data Viewer

Figure E-3b: Neighborhood Segregation



Source: California Department of Housing and Community Development – AFFH Data Viewer



Census Tract 1

Scotts Valley is generally made up of high median incomes. Census Tract 1, west of Green Hills Road and north of Mount Hermon Road, reports the largest percent of persons who speak English less than very well and the largest percent of renter occupied households. This area has the lowest median income out of the other two census tracts. As a result, majority of the new housing opportunities in this area were designated to the low-/very low-income households. There are new developments along Scotts Valley Drive where a majority of the resources are concentrated.

Census Tract 2

Census Tract 2, east of Highway 17 has the smallest percentage of low-income households, smallest percentage of persons who speak English less than very well, and the lowest median rent compared to the other two census tracts. The majority of this census tract has the highest median income compared to the other two census tracts. Hence, a majority of the sites identified in this area is dedicated to above-moderate-income households. Census Tract 2 also identified units for low-/very low-income in the area through the development of residential rezone sites. Introducing more sites to this area increases the opportunity for increased diversity in income-groups and for people of different backgrounds.

Census Tract 2 experiences topographic conditions that make the development of housing, specifically affordable housing, infeasible. The topography of this portion of the City creates a financial constraint to the development of housing. Hills, canyons, and sloped terrain increase the cost of housing, especially moderate and low-income housing, due the additional measures required to safely develop housing in that environment. Therefore, when also considering access to resources, services, and transportation, potential housing units are limited to areas that can feasibly develop at their respective income level while still providing increased access to opportunities, resources, and transportation.

It is more difficult and expensive to develop housing on sloped or hilly terrain, making affordable housing infeasible in these areas. Because development of housing in these areas is costly, typically only households with higher incomes can afford to buy or rent, establishing a concentration of affluence. Many lower income housing sites have been identified throughout the City and within areas considered RCAAs. The City has added programs to Chapter 2: Plan to address RCAAs present in the City.

Additionally, Census Tract 2 cannot accommodate additional growth due to infrastructure constraints. Housing proposed in Census Tract 2 has historically been predominantly single family homes which have only been affordable to above moderate income households.

Census Tract 3

Census Tract 3, south of Mount Hermon Road, has the highest percent of low-income households at 27.6 percent but it also has the highest median rent and lowest percent of renter-occupied households. As shown in the AFFH Data Viewer and Table E-1, majority of this

area has a median income of \$124,000. Hence, the sites identified in Census Tract 3 have less diversity for lower-income households. As a result, the majority of the housing dedicated in this area are designated to the above-moderate-income group. Census Tract 3 will continue to develop through the development of pipeline projects and mixed-use rezones. There are still some variety in housing options at varying costs for low-/very low-income and moderate-income units. Hence, this increases the opportunity for increased diversity in income-groups and for people of different backgrounds to live in this area.

Similar to Census Tract 2, some areas in Census Tract 3 experience topographic conditions that make the development of housing, specifically affordable housing, more difficult. The topography of this portion of the City creates a financial constraint to the development of housing. While topographical constraints preclude the development of affordable housing in Census Tract 3, some areas are not as burdened and may be able to facilitate affordable housing development. Pipeline Projects in Census Tract 3 present opportunities to develop affordable units in the area, furthering the integration of Census Tract 3. Affordable units would increase housing choice in Census Tract 3 and would improve conditions for both existing and future residents across various metrics.

The City has encouraged the development of affordable housing in these areas for decades, but without financial incentives, which the City lacks, it difficult to attract development in the area. Additionally, Census Tract 3 cannot accommodate too much additional growth due to infrastructure constraints. Housing proposed in Census Tract 3 has historically been predominantly single family homes which have only been affordable to above moderate income households.

While Census Tract 3 has better access to resources, services, and transportation than Census Tract 2, its is Census Tract 1 with the best access to resources, services, and transportation. Therefore, when also considering access to resources, services, and transportation, potential housing units are limited to areas that can feasibly develop at their respective income level while still providing increased access to opportunities, resources, and transportation.

Racially Concentrated Areas of Poverty (R/ECAP)

Racially and Ethnically Concentrated Areas of Poverty (R/ECAPs) are geographic areas with significant concentrations of poverty and minority populations. HUD developed a census-tract based definition of R/ECAP that relies on a racial and ethnic concentration threshold and a poverty test. The threshold states that an area with a non-White population of 50% or more would be identified as a R/ECAP; the poverty test defines areas of extreme poverty as areas where 40% or more of the population live below the federal poverty line or where the poverty rate is three times the average poverty rate for the metropolitan area (whichever is lower). Thus, an area that meets either the racial or ethnic concentration and the poverty test would be classified as a R/ECAP. There are no R/ECAPs in the City, nor in the surrounding communities, which has been the case since R/ECAP data collection started around 2019. The closest R/ECAPs are located within the City of San Jose.



Racially Concentrated Areas of Affluence (RCAA)

R/ECAPs are a long-standing, contributing factor to segregation. Patterns of segregation in the United States show that of all racial groups, the White population is the most separated from other racial groups. Research also identifies segregation of affluence to be greater than the segregation of poverty. Racial and economic segregation can have significant effects on respective communities, including, but not limited to, socioeconomic disparities, educational experiences and benefits, exposure to environmental conditions and crime, and access to public goods and services.

Data used in the analysis of Racially Concentrated Areas of Affluence (RCAAs) comes from the 2015-2019 American Community Survey and measured at the census tract level. HCD has created an RCAA metric to reflect California's relative diversity and regional conditions, and to aid local jurisdictions in their analysis pursuant to AB 686 and AB 1304. HCD's RCAA metric is first calculated using a Location Quotient (LQ) for each census tract that represents the percentage of total White population (White Alone, Not Hispanic or Latino) per census tract compared to the average percentage of total White population for all census tracts in a given Council of Governments (COG). For example, a census tract with an LQ of 1.5 has a percentage of total White population that is 1.5 times higher than the average percentage of total White population in the given COG region. To determine RCAAs, census tracts with an LQ of more than 1.25 and a median income 1.5 times higher than the COG Area Median Income (AMI), or 1.5 times the State AMI, whichever is lower, are assigned a numeric score of 1. A score of 1 indicates that a census tract is an RCAA. Census tracts that did not meet this criterion are assigned a score of 0.

The nationwide RCAA analysis identifies the following:

- RCAA tracts have more than twice the median household income of the average tract in their metro area.
- Poverty rates in RCAAs are significantly lower and are, on average, about 20 percent of a typical tract.
- RCAAs tracts are more income homogenous than R/ECAPs.
- The average RCAA is about 57 percent affluent, whereas the average R/ECAP had a poverty rate of 48 percent.

The typical RCAA tract has a rate of affluence 3.2 times that of a typical tract, whereas R/ECAPs on average had a poverty rate 3.2 times of that of a typical tract. Overall, RCAAs may represent a public policy issue to the extent that they have been created and maintained through exclusionary and discriminatory land use and development practices.

Table E-2 below displays the RCAA data for the City. The data shows these RCAAs have significantly higher percentage of white residents and median household incomes. Table E-3 displays the data of median household income by race for the City compared to [Santa Cruz](#)

County. All households in Scotts Valley had a relatively higher median income compared to the County (\$108,289 and \$89,986, respectively). This trend is also similar for those who identify as White (Not Hispanic or Latino). The City’s median income is approximately \$7,000 more than the County’s White population.

It can be concluded that White households in Scotts Valley Typically have higher household income than all households and those of the White households in the County. It is difficult and expensive to develop housing on hilly terrain, making affordable housing infeasible in these areas. Because development of housing in these areas can be costly, typically only households with higher incomes can afford to buy or rent, establishing a concentration of affluence. Lower income housing sites have been identified throughout the city and are within areas considered RCAAs.

Table E-2: Median Household Income and White Population of RCAAs

Census Tract	Percent White Population	Median Income
06087121200 (census tract 2)	85.28%	\$112,877
06087120900 (census tract 1)	78.12%	\$105,020
06087120800 (census tract 3)	85.21%	\$107,014

Source: (U.S. Census Bureau) from HCD AFFH Data Viewer, Accessed December 6, 2022.

Table E-3: Median Household Income by Race and Geography

Race	Scotts Valley		Santa Cruz County	
	Median Income	Population	Median Income	Population
White (Not Hispanic or Latino)	\$107,971	88.8%	\$100,259	56.9%
All Households	\$108,289	--	\$89,986	--

Notes: Median income in the past 12 months (in 2019 inflation-adjusted dollars)

Source: American Community Survey, 5-Year Estimates, 2019.

It should also be noted that census tracts 2 and 3 represent approximately 44.4% of land within the City limits. Only 11% of census tract 2 and 23 percent of census tract 3 are within the City limits. The majority of both tracts fall within the jurisdiction of City of Santa Cruz and County of Santa Cruz. As such, data is heavily impacted by non-Scotts Valley households. The portion of those census tract 3 fall within the City of Scotts Valley include commercial uses, a currently unused golf course (location of the Valley Gardens pipeline project), a mobile home park, and some single-family neighborhoods along Mt. Hermon Road. Census tract 2 is developed with single-family neighborhoods and office uses east of Highway 17. Another important factor for both of these areas, and particularly census tract 2, is the topography. Most of the census tract 2 within City limits is currently developed to the base of steeper slopes; Figure E-15 illustrates the impact of the slopes on the area.

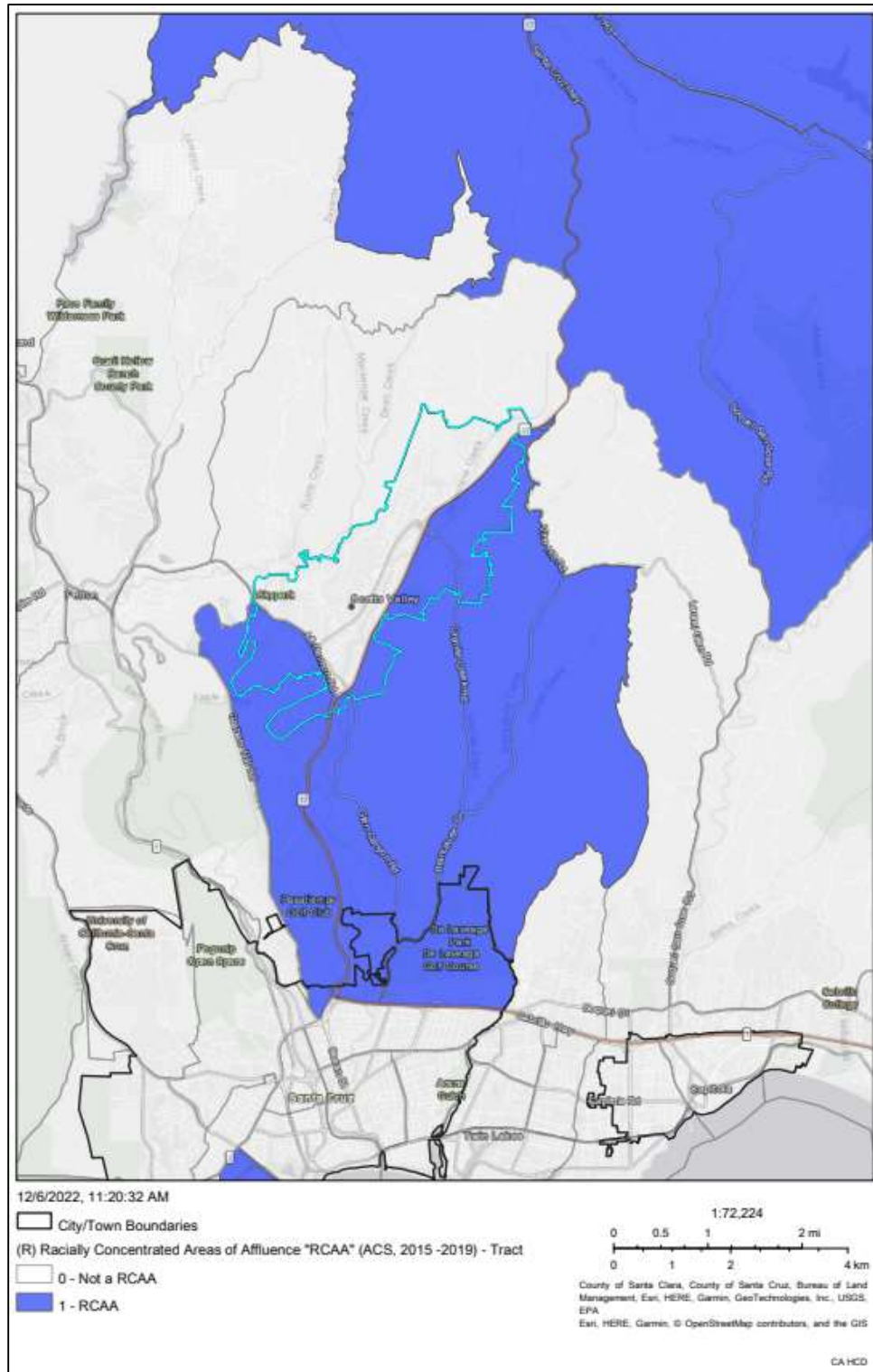
In total, approximately 13 percent of lower income units identified in Appendix F are located within the areas marked as RCAA. While the RCAA areas represent a total of about 44 percent of the City’s land, census tract 2 is not located within close and convenient proximity to existing community resources, amenities, and public transportation. As such, it only includes some

lower income units through the rezoning of a few single-family properties to higher density residential; however, policy actions are included to facilitate the development of ADUs within existing single-family neighborhoods as a way of expanding housing opportunities in this area. Census tract 3 includes more lower income units due to its location along Mt. Hermon Rd. and access to the transit center, commercial uses, and general community resources.

This Appendix E concludes with an area assessment comparing Scotts Valley Drive area to Mt. Hermon Road area as the location of the candidate sites is focused around both corridors. The two corridors provide for the greatest development opportunities in areas prime for the development of multi-family and lower income units. Census tract 3 falls within the Mt. Hermon Road corridor area and the summaries for both areas include mention of the RCAA findings.

Policy actions are included in the Chapter 2: Housing Plan to expand housing opportunities in single-family neighborhoods and in the two RCAA census tracts. This includes Program H-3.2 with mobility actions such as facilitating ADU development, promoting SB 9 development permitted by State law and adopting an SB 9 Zoning Code amendment, and establishing a homesharing program.

Figure E-4: Racially Concentrated Areas of Affluence



Source: California Department of Housing and Community Development – AFFH Data Viewer



Census Tract 1

As stated above, there are no R/ECAPs in the City. Similarly, as shown in Figure E-4, there are no R/ECAPs identified in this area. Census Tract 1 has a variety of new housing opportunities to accommodate a variety of housing for different income categories.

Census Tract 2

Table E-2 shows that Census Tract 2 has the lowest percentage of white population and the lowest median income compared to the other two census tract (78.21 percent and \$105,020). Figure E-4 also shows that Census Tract 2 has RCAAs in the area. All of the candidate sites located in this area are classified under residential rezone projects. There are a few moderate-income units. Majority of the units are for above-moderate and low-/very-low-income units. In total, there are 54 units, with 22 low-/very-low-income units, 5 moderate-income units, and 27 above-moderate-income units.

Census Tract 3

As shown in Figure E-4, census tract 3 also has RCAAs in the area. New housing opportunities in this census tract are developed through a variety of projects such as pipeline projects, mixed-use rezone, and existing residential capacity projects. Majority of the units were dedicated to above-moderate-income in this area due to the high median income of the area. However, new housing in census tract 3 also includes 95 units for low-/very-low-income and 23 units for moderate-income households. This would allow for some opportunities for diversity in income-groups and people of different backgrounds to live in this area.

Hate Crimes

Hate crimes are violent acts against people, property, or organizations because of the group to which they belong or identify. The Federal Fair Housing Act makes it illegal to threaten, harass, intimidate, or act violently toward a person who has exercised their right to free housing choice.

As shown in Table E-4, between 2015 and 2021, only two hate crimes were reported in Scotts Valley. The hate crimes reported were based on Race/Ethnicity/Ancestry and Sexual Orientation. The city has a rather low number of hate crimes compared to the local jurisdictions. Comparatively, Santa Cruz City and Watsonville reported a total of 52 and 8 hate crimes, respectively.

Table E-4: FBI Hate Crimes by Bias (2015-2021)

Year	Race/ Ethnicity/ Ancestry	Religion	Sexual Orientation	Disability	Gender Identity	Multiple Bias	Total
2015	1	0	0	0	0	0	1
2016	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0
2018	0	0	1	0	0	0	1
2019	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0
Total	1	0	1	0	0	0	0

Source: Federal Bureau of Investigation, Crime Data Explorer, 2015-2021.

Income

Household income level plays a significant role in housing choice. The City has experienced a relatively small increase in median income over the past decade. Census data reports a 2.1 percent increase in median income between 2010 and 2020, with the largest growth occurring in the last five years. In comparison, the County experienced a 37.9 percent increase, and the State experienced a 29.2 percent increase from 2010 to 2020 in median income.

Table E-5: Median Income by Year and Geography

Median Income by Year	City of Scotts Valley	Santa Cruz County	California
2020	\$103,783	\$89,986	\$78,672
2015	\$101,475	\$67,256	\$61,818
2010	\$101,673	\$65,253	\$60,883
Percent Change	2.1%	37.9%	29.2%

Source: American Community Survey, 5-Year Estimates, 2010, 2015, 2020.

Regarding household income, the City had a higher median household income than the County and the State from 2010 to 2020. As Table E-6 shows, a large portion of the City's households are higher earning; in total, over 51 percent of households in Scotts Valley earn more than the State median-income. Additionally, 23 percent of households in Scotts Valley earn \$200,000 or more annually. Just under 22 percent of the City residents earn less than \$50,000 annually, compared to 28.6 percent and 32.6 percent for the County and State, respectively. Comparatively, Scotts Valley has the highest median income of the surrounding jurisdictions. Behind Scott Valley, Santa Cruz County and the City of Santa Cruz have the second and third highest median income of the nearby jurisdictions by \$89,986 and \$86,618, respectively.

Table E-6: Households by Median Income by Geography

Households Income	City of Scotts Valley	Santa Cruz County	California
Less than \$10,000	5.6%	4.4%	4.7%
\$10,000-\$14,999	0.8%	3.6%	3.9%
\$15,000-\$24,999	4.0%	6.3%	6.9%
\$25,000-\$34,999	5.9%	5.5%	7.1%
\$35,000-\$49,999	5.7%	8.8%	10.0%
\$50,000-\$74,999	11.2%	12.8%	15.3%
\$75,000-\$99,999	15.6%	12.9%	12.3%
\$100,000-\$149,999	12.9%	16.9%	17.1%
\$150,000-\$199,999	15.2%	12.1%	9.4%
\$200,000 or More	23.0%	16.8%	13.3%

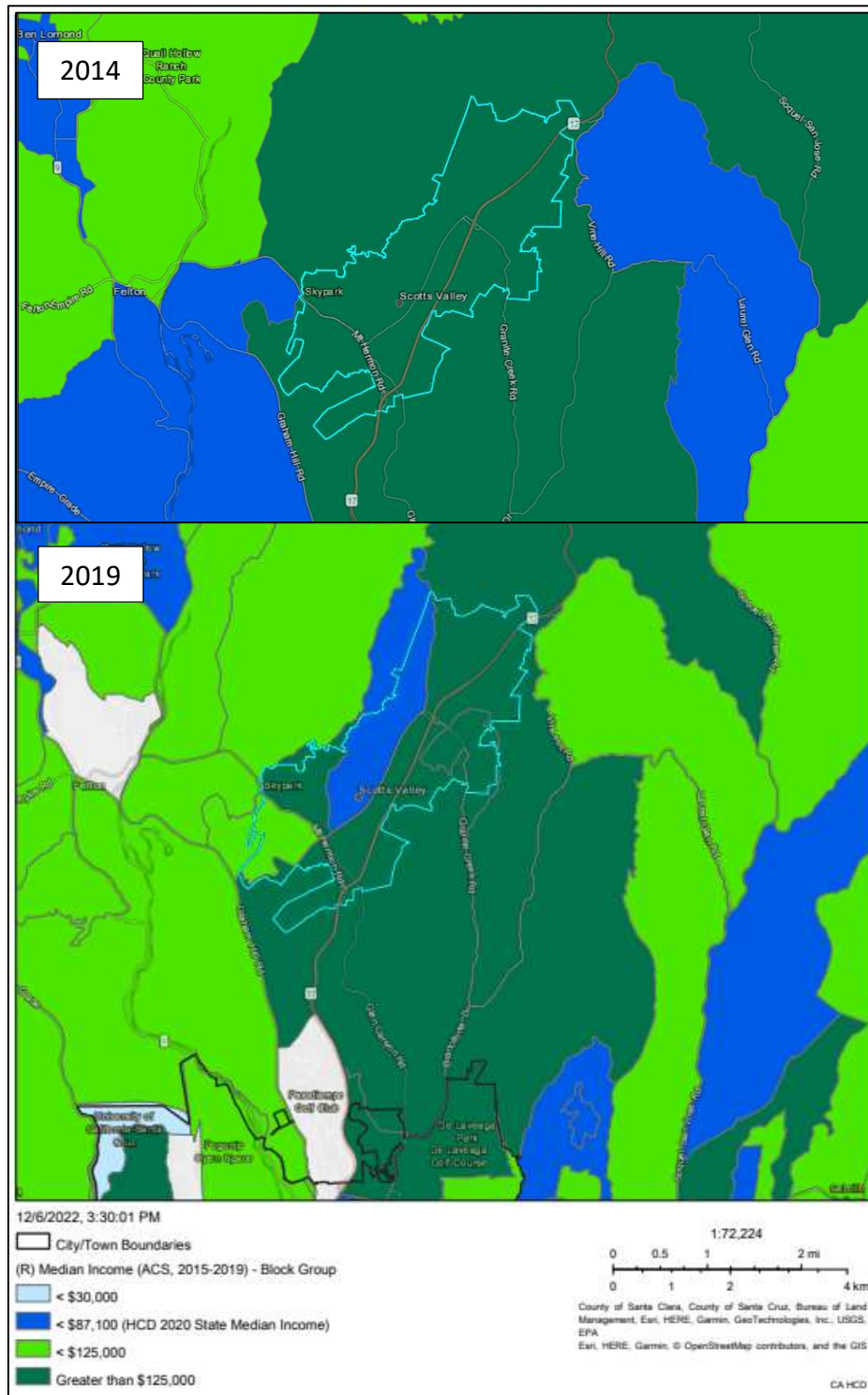
Source: American Community Survey, 5-Year Estimates, 2020.

To calculate projected housing needs for extremely low-income (ELI) households, the City assumed 50 percent of its very low-income RHNA are ELI households. As the City was allocated 392 very low-income units, approximately 192 units are projected for ELI households. Some ELI households could face other housing challenges depending on the age of the householder, tenure status, or household characteristics (mental or physical disabilities, household size, language proficiency, etc.) that could exacerbate housing problems.

Figure E-5 shows the median income change from 2014 to 2019 for Scotts Valley and the surrounding region. In 2014, all block groups in the City had a median income range greater than \$125,000. Median income has diversified in 2019 through Block Groups 1 and 3. Block Group 1/Census Tract 1208², located west of Whispering Pines Drive and south of Mount Hermon Road, had a median income of less than \$125,000, while Block Group 3/Census Tract 1209, located west of Scotts Valley Drive, had a median income of less than \$87,100.

² Block groups are a subdivision of a census tract – it is the smallest geographic unit for which the Census Bureau tabulates sample data. Census tracts are a small subdivision of a county delineated by a local committee of census data users for the purpose of presenting data.

Figure E-5: Median Income (2014-2019)



Source: California Department of Housing and Community Development – AFFH Data Viewer

There is a significant concentration of high-income levels in areas of high concentration of White population. As shown in Figure E-3b, areas with higher percentage of white population are in areas with a higher median income. As Scotts Valley continues to diversify in its demographics, it is important to address any issues that may exacerbate conditions in these areas and areas of lower household income.

Disability

In 1988, Congress added protections against housing discrimination for persons with disabilities through the Federal Housing Administration (FHA), which protects against intentional discrimination and unjustified policies and practices with disproportionate effects. The FHA also includes the following unique provisions to persons with disabilities: (1) prohibits the denial of requests for reasonable accommodations for persons with disabilities, if necessary, to afford an individual equal opportunity to use and enjoy a dwelling; and (2) prohibits the denial of reasonable modification requests. With regards to fair housing, persons with disabilities have special housing needs because of the lack of accessible and affordable housing, and the higher health costs associated with their disability. In addition, many may be on fixed incomes that further limit their housing options.

Table E-6 displays the data for persons with disabilities in the City, County, and State. Overall, about 10.6 percent of the California population reported having at least one disability. In the City, about 12.6 percent of persons reported at least one disability. The City reported higher than the County at 11.5 percent. Of the 12.6 percent of Scotts Valley residents who reported a disability, the most common disabilities were ambulatory difficulties and independent living, which could be tied with the City's senior population. Ease of reasonable accommodation procedures and opportunity for accessible housing can provide increased housing security for the population with disabilities.

Table E-6: Population by Disability Type, Compared by Geography, 2020

Disability	City of Scotts Valley	Santa Cruz County	California
Total with a Disability	12.6%	11.5%	10.6%
Hearing Difficulty	3.5%	3.4%	2.9%
Vision Difficulty	4.9%	2.4%	2.0%
Cognitive Difficulty	3.4%	4.9%	4.3%
Ambulatory Difficulty	6.3%	5.0%	5.8%
Self-care Difficulty	3.5%	2.3%	2.6%
Independent Living	6.2%	5.0%	5.5%

Source: American Community Survey, 5-Year Estimates, 2020.

The data in Figure E-6 below displays data for disability status in Scotts Valley by census tract. The data shows that in the City, all three of the census tracts report 10 to 20 percent of the population to have at least one disability. This is consistent with the surrounding region.



Appendices A, C and D provide detailed descriptions of services and resources for persons with disabilities. Furthermore, new housing opportunities throughout the City are available to people with disabilities. This is facilitated through the Federal Fair Housing Amendment Act (FHAA) and the California Fair Employment and Housing Act which require governments to make reasonable accommodations in their zoning laws and other land use regulations to afford persons with disabilities an equal opportunity to housing. Scotts Valley's Municipal Code includes Chapter 17.60 Requests for Reasonable Accommodation which complies with these legal requirements.

Overall, Scotts Valley has a slightly higher percentage of population with a disability than the State and County at 12.6 percent. Comparatively, the City of Santa Cruz had a lower percentage of 9.7 percent and Watsonville had a higher percentage of 12.9 percent. As shown in Figure E-6, there is no concentration of the population with a disability in the city. Although there is no significant concentration of the population to have at least one disability, it is the policy and practice of the City to take all reasonable steps to ensure its services, programs and activities are accessible to all members of the public including persons with disabilities.

Familial Status

Under the FHA, housing providers (e.g., landlords, property managers, real estate agents, or property owners) may not discriminate because of familial status. Familial status refers to the presence of at least one child under 18 years old, pregnant persons, or any person in the process of securing legal custody of a minor child (including adoptive or foster parents). Examples of familial status discrimination include refusing to rent to families with children, evicting families once a child joins the family (through birth, adoption, or custody), enforcing overly restrictive rules regarding children's use of common areas, requiring families with children to live on specific floors, buildings, or areas, charging additional rent, security deposit, or fees because a household has children, advertising a preference for households without children, and lying about unit availability.

Families with children often have special housing needs due to lower per capita income, the need for affordable childcare, the need for affordable housing, or the need for larger units with three or more bedrooms. Single parent households are also protected by fair housing law. Of particular consideration are female-headed households, who may experience greater housing affordability challenges due to typically lower household incomes compared to two-parent households. Often, sex and familial status intersect to compound the discrimination faced by single mothers.

Table E-7 displays household type for the State, County, and City. Overall, Scotts Valley has the largest percentage of married-couple households (55.4 percent) in comparison to the County and State. The City also has the largest percentage (49.2 percent) of households with at least one person over the age of 60. This trend has been largely consistent for the City of Scotts Valley for more than 20 years.

Different household types have varying housing needs – senior households may benefit from reasonable accommodation procedures and being located near medical facilities, single-parent households may benefit from affordable housing options due to limited income, and family households may benefit from larger housing units located near community areas and schools.

Table E-7: Population by Familial Status by Geography

Familial Status	City of Scotts Valley	Santa Cruz County	California
Total Households	4,799	96,275	13,103,114
Married-Couple Family Households	55.4%	48.1%	49.7%
With Children	17.5%	17.8%	17.8%
Non-Family Households	32.5%	36.8%	31.4%
Households with one or more people 60 years+	49.2%	44.3%	39.9%
Female Headed Households, No Spouse Present with Children	5.5%	10.1%	12.9%

Source: American Community Survey, 5-Year Estimates, 2020.

Scotts Valley has a relatively diverse familial status. Comparatively, Scotts Valley has the lowest percentage of female headed households, no spouse present with Children compared to the surrounding jurisdictions such as the City of Santa Cruz and Watsonville (7.4 percent and 7.5 percent, respectively). The percentage of children in married-couple family households rank the second highest between the two cities. This population is located west of the Highway 17. Scotts Valley has a high percentage of households with one or more people 60 years or older compared to the surrounding jurisdictions, which can be tied to Scotts Valley’s senior population.

3. Access to Opportunities

Access to opportunity is a concept to approximate the link between place-based characteristics (e.g., education, employment, safety, and the environment) and critical life outcomes (e.g., health, wealth, and life expectancy). Ensuring access to opportunity means both improving the quality of life for residents of low-income communities, as well as supporting residents' mobility and access to 'high resource' neighborhoods.

Mobility

Access to public transit is of paramount importance to households affected by low-incomes and rising housing prices, especially because lower income households are often transit dependent. Public transit should strive to link lower income persons, who are often transit dependent, to major employers where job opportunities exist. Access to employment via public transportation can reduce welfare usage and increase housing mobility, which enables residents to locate housing outside of traditionally low-income neighborhoods.

Transportation opportunities are depicted by two indices: (1) the transit trips index and (2) the low transportation cost index. The transit trips index measures how often low-income families in a neighborhood use public transportation. The index ranges from 0 to 100, with higher values indicating a higher likelihood that residents in a neighborhood utilize public transit. The low transportation cost index measures cost of transportation and proximity to public transportation by neighborhood. It too varies from 0 to 100, and higher scores point to lower transportation costs in that neighborhood.

AllTransit explores metrics that reveal the social and economic impact of transit, specifically looking at connectivity, access to jobs, and frequency of service. According to the data shown in Table E-8 and Figure E-9, Scotts Valley scored a 4.4 AllTransit performance score, illustrating a low combination of trips per week and number of jobs accessible that enable a moderate number of people to take transit to work. In total, 29,207 jobs are accessible within a 30-minute trip from Scotts Valley, and 1.42 percent of commuters use transit. Additionally, AllTransit identified the following transit related statistics for Scotts Valley:

- 45.1% of jobs in Scotts Valley are located within a half-mile of transit.
- 44.8% of low-income households (earning less than \$50,000) live within a half-mile of transit.
- 1.17% of workers who commute by walking live within a half-mile of transit.
- 0.34% of workers who commute by bicycle live within a half-mile of transit.

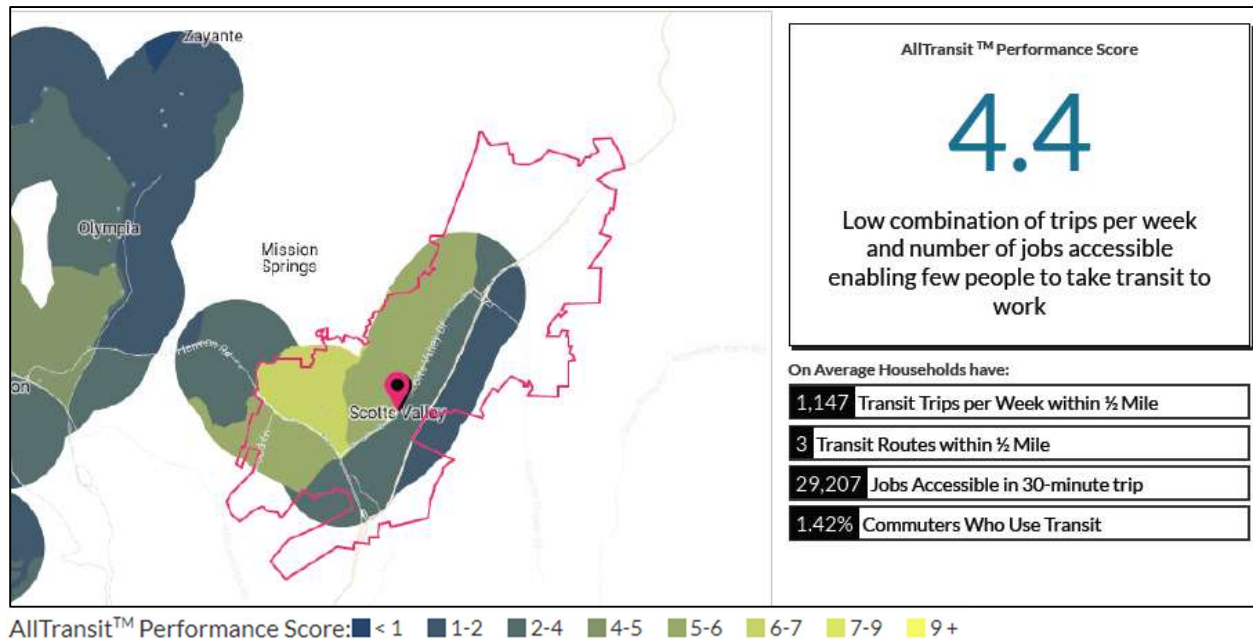
By comparison, Scotts Valley scored lower than neighboring jurisdictions of Watsonville (6.1) and Santa Cruz (7.0). Overall, Scotts Valley has a lower AllTransit score than the Santa Cruz County average (4.4 in Scotts Valley and 4.8 in the County).

Table E-8: AllTransit Index

Jurisdiction	AllTransit Performance Score	Transit Trips Per Week within ½ Mile	Jobs Accessible within 30-minute trip	Commuters Who Use Transit	Transit Routes within ½ Mile
Scotts Valley	4.4	1,147	29,207	1.42%	3
Santa Cruz County	4.8	1,269	33,599	2.99%	6

Source: AllTransit, Transit Scores. Accessed November 29, 2022.

Figure E-9: AllTransit Performance Score (2022)



Source: AllTransit Face Sheet, 2022.

Most of Scotts Valley has poor transit accessibility, but the areas with higher concentrations of all protected characteristics exhibit higher transportation scores in the City. Residents with protected characteristics may exhibit a disproportionate need for reliable public transportation. It is important to increase access to transportation throughout Scotts Valley to improve access for all protected classes. There is a correlation between low transit scores area and areas with RCAAs, so it is important to prevent such concentration by allocating units in areas with higher access to transportation and economic opportunities. The candidate housing sites in Appendix F show they are dispersed throughout the community with an emphasis on locating units where there is a high level of access to public services and transit. The distribution of potential units provides increased opportunities for low-income housing in areas with higher rates of low transportation access.

Census Tract 1

The AllTransit Map identified Census Tract 1 as an area with higher connectivity, access to jobs, and frequency of service. The Santa Cruz Metro service serves Census Tract 1 with various bus routes and the Cavallaro Transit Center is located in the southern portion of this tract. Scotts



Valley Drive bisects this area and connects to Highway 17, which connects the City to the County and the San Francisco Bay Area.

Census Tract 2

Census Tract 2 has lower connectivity, access to jobs, and frequency of services as identified in the AllTransit Map (Figure E-9). There are no identified transit routes in the area. Highway 17 is located on the western boundary of this area. This area offers less services as it is predominantly single-family neighborhoods. Hence, this area has the least number of units allocated; however, it does provide for some variety of housing options at varying costs. Census Tract 2 will continue to develop through planned residential rezoning as described in this Housing Element.

Census Tract 3

The AllTransit Map identified Census Tract 3 as an area with moderate connectivity, access to jobs, and frequency of service. Similar to Census Tract 2, the Santa Cruz Metro service serves this tract with bus routes and eight stops along Mount Hermon Road. This road forms the northern boundary of the tract and connects to Scotts Valley Drive and Highway 17.

Economic and Employment Opportunities

The TCAC/HCD Opportunity Maps illustrates opportunity levels based on the following five economic factors:

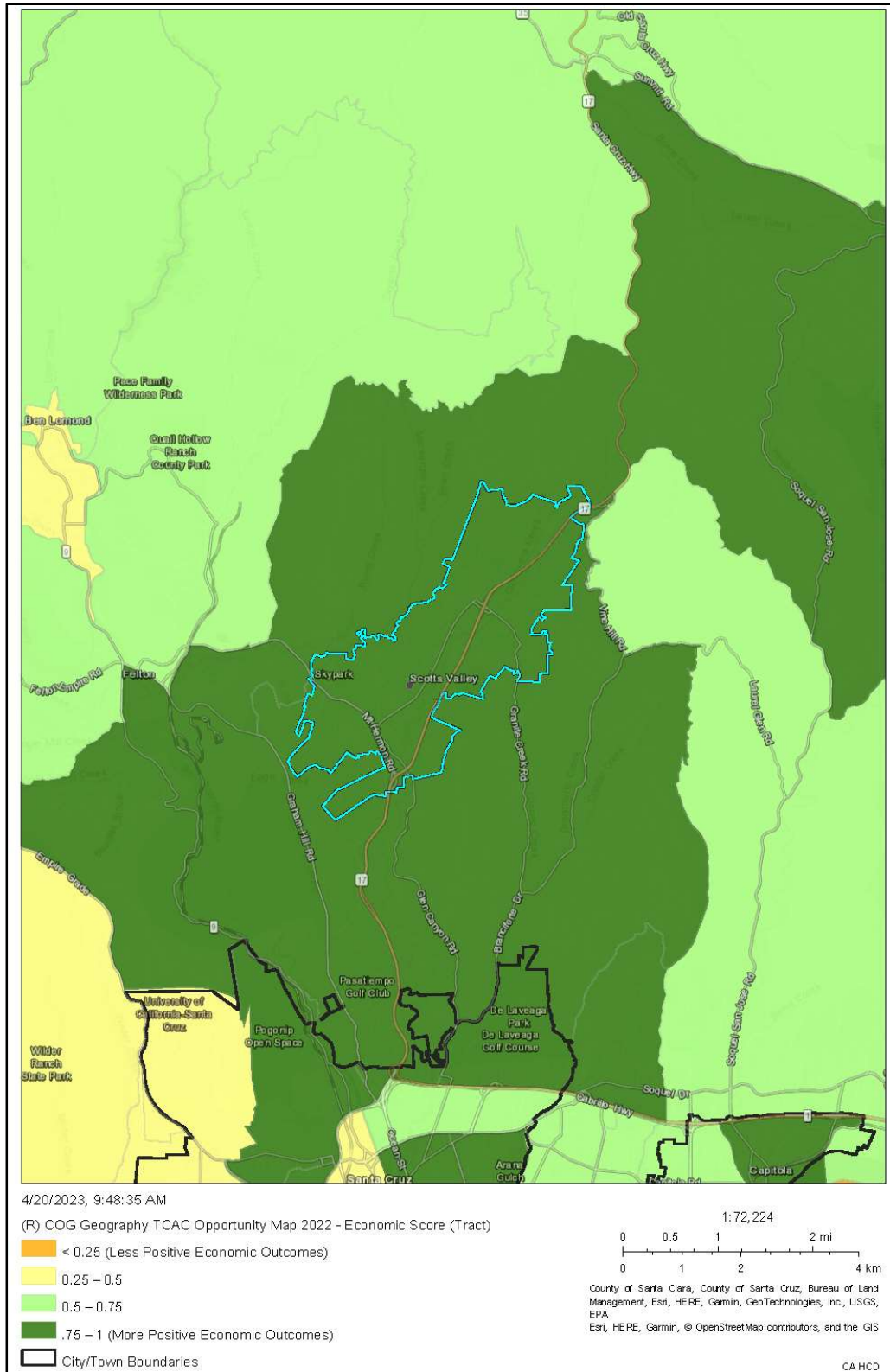
- **Poverty** – Percent of population with income above 200 percent of federal poverty line.
- **Adult Education** – Percent of adults with a bachelor's degree or above.
- **Employment** – Percent of adults aged 20-64 who are employed in the civilian labor force or in the armed forces.
- **Job Proximity** – Number of jobs filled by workers with less than a Bachelor of Arts degree that fall within a given radius (determined by the typical commute distance of low-wage workers in each region) of each census tract population-weighted centroid.
- **Median Home Value** - Value of owner-occupied units.

Figure E-10 shows economic opportunity scores for Scotts Valley and the surrounding region. Overall, the City has a more positive economic outcome rating of 0.75 to 1 compared to the surrounding region.

When comparing economic opportunity scores to proximity to jobs (Figure E-11), Scotts Valley residents generally live near employment opportunities. Scotts Valley residents that live closer to the City limit line have further proximity to jobs than those who live in the center. However, the economic opportunity score is positive for all census tracts in the City. Overall, Scotts Valley residents have moderate access to positive economic opportunities.

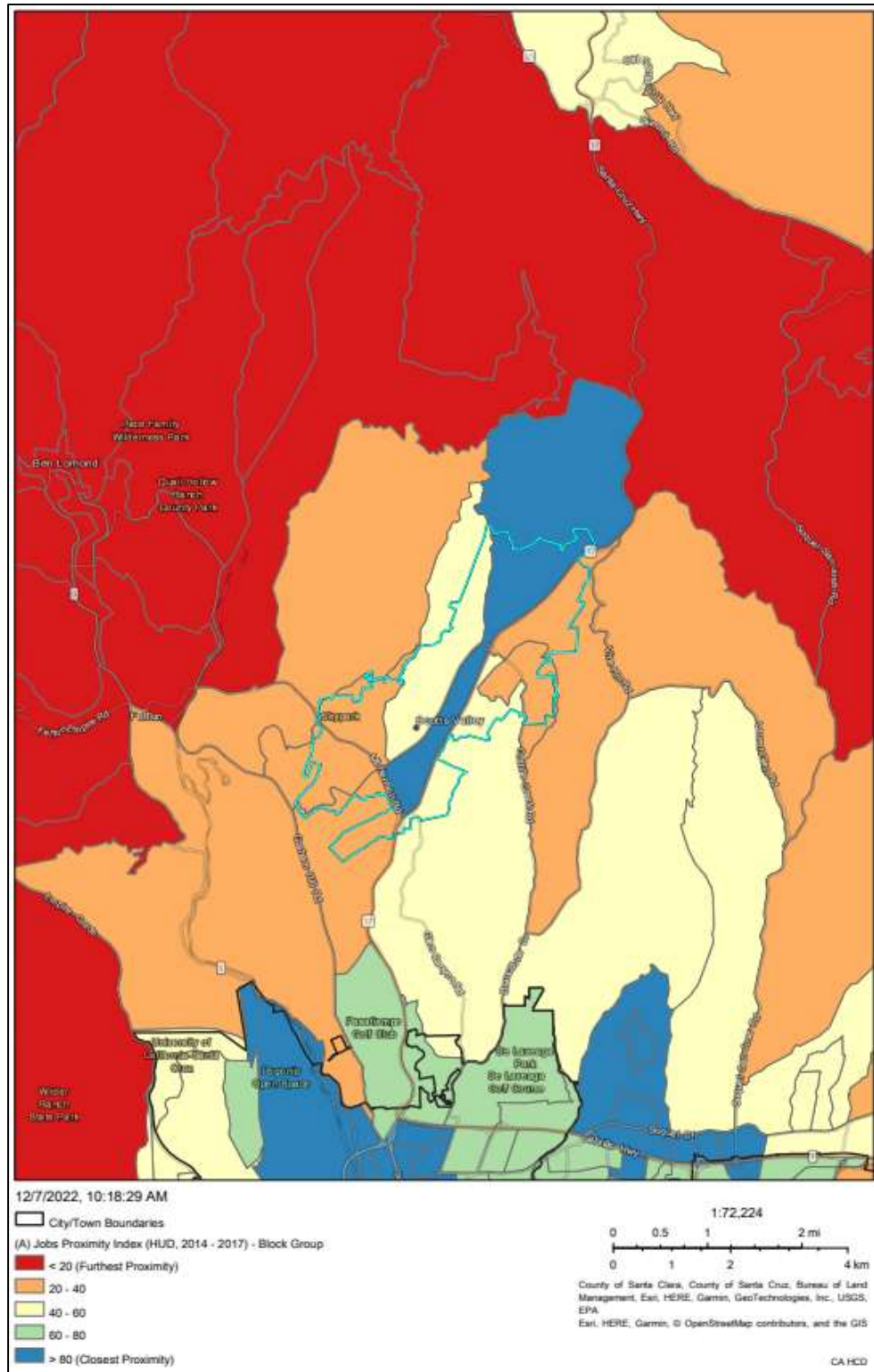
Future housing development will increase economic opportunities for existing and future residents. The candidate sites inventory includes various strategies to meet the City's RHNA targets including plans for mixed use development at higher densities for select sites along Scotts Valley Drive and Mount Hermon Road, and in the Town Center Specific Plan Area. The Cavallero Transit Center (Metro Parcel), also located in the Town Center Specific Plan Area, will continue to provide access to transit services such as the Highway 17 Express and other routes that provide access throughout Santa Cruz County. Additionally, the candidate sites inventory includes plans for residential development within a half mile of transit and job opportunities along Scotts Valley Drive and Mount Hermon Road.

Figure E-10: Economic Opportunity Scores



Source: California Department of Housing and Community Development – AFFH Data Viewer

Figure E-11: Jobs Proximity Index



Source: California Department of Housing and Community Development – AFFH Data Viewer



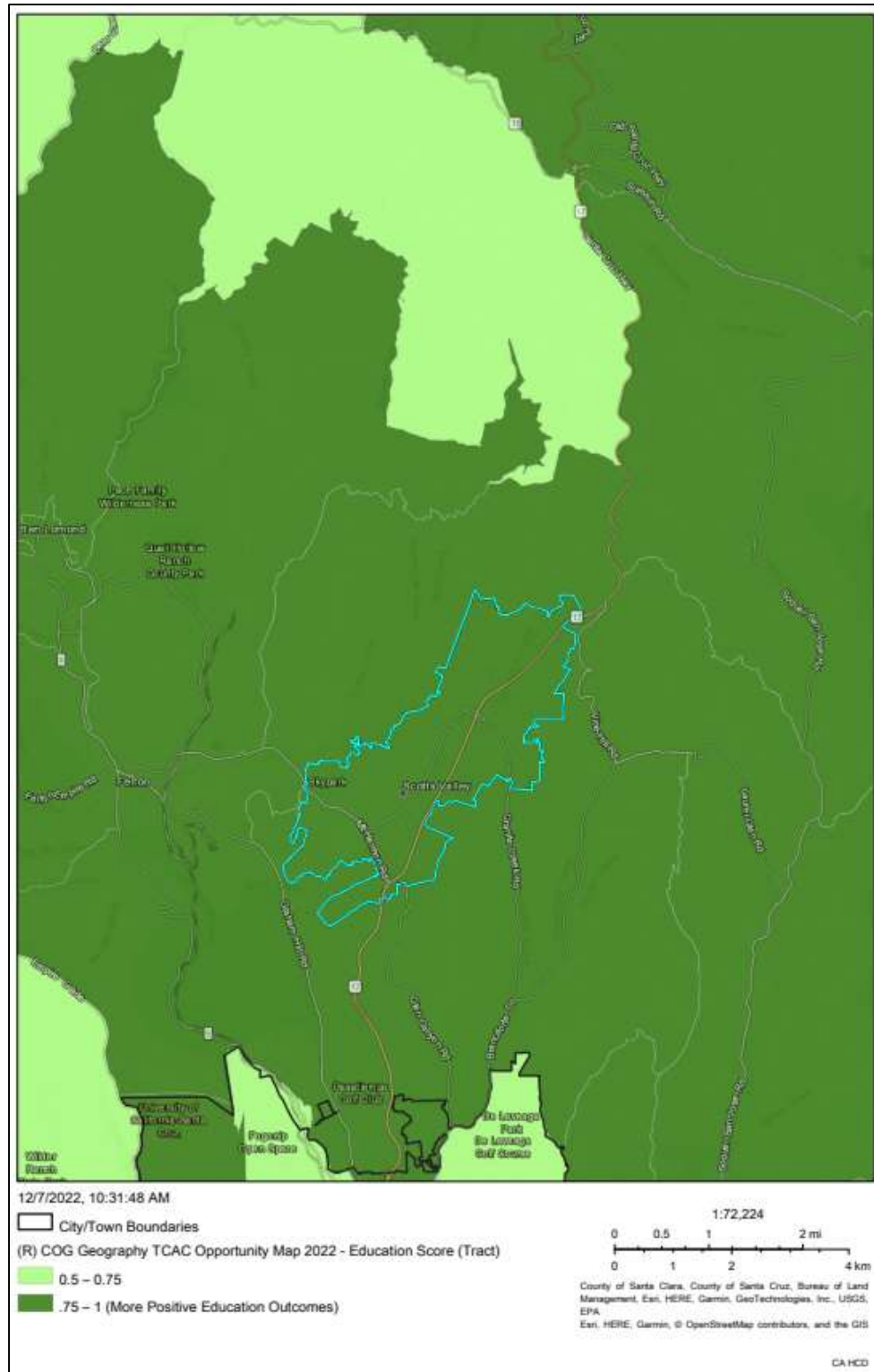
Education Opportunities

The TCAC/HCD Opportunity Area Maps include education data, as illustrated in Figure E-12. This data represents opportunity levels based on the following four factors:

- Math proficiency – Percentage of fourth graders who meet or exceed math proficiency standards.
- Reading proficiency – Percentage of fourth graders who meet or exceed literacy standards.
- High school graduation rates – Percentage of high school cohort that graduated on time.
- Student poverty rate – Percentage of students not receiving free or reduced-price lunch.

Figure E-12 shows educational scores for the City and the surrounding region. As shown, the City scored the highest positive education outcomes. This is consistent with the surrounding region, as the surrounding region scored most positive to second most positive education outcomes. Overall, Scotts Valley provides good opportunities for education achievement and in return Scotts Valley residents show high educational achievements and successes in achieving college degrees. Overall, future housing developments within the City will benefit from access to high levels of resources, bringing additional opportunities for existing and future residents.

Figure E-12: Education Opportunity Scores



Source: California Department of Housing and Community Development – AFFH Data Viewer



Census Tract 1

Census Tract 1 has a total of three schools. The following schools located in this area are the Scotts Valley High School, Vine Hill Elementary School, and the Scotts Valley Middle School, School Technology Resources, Scotts Valley Unified School District, and Baymonte Preschool. This area provides good opportunities for education. Hence, Census Tract 1 scored the highest positive education outcomes in the TCAC/HUD Opportunity Area Maps. Development will continue along Scotts Valley Drive through the various pipeline projects and mixed-use rezones. These developments will be in close proximity to the existing and future stock of schools.

Census Tract 2

Census Tract 2 has a variety of schools located in this area. This includes the Montessori Scotts Valley, Circle of Friends Preschool, and Baymonte Christian School. These schools are located near existing residential and future development. Parcels in between the three schools have been identified as a candidate residential rezone site. In total, 54 new units are proposed in this area. In general, new housing opportunities throughout Census Tract 2 will have access to positive levels to economic opportunities.

Census Tract 3

Census Tract 3 has only one school in the area. The Coast Redwood Montessori is located along Mount Hermon Road. Development will continue along Mount Hermon Road through pipeline projects, mixed-use rezone, and existing residential capacity strategies. These developments will be in close proximity to this school and other schools in neighboring Census Tracts 1 and 2. Actions under Program H-3.2 address RCAAs on a City-wide level. Actions include establishing specific incentives for the development of affordable units including, but not limited to, permit streamlining and reduced fees. In general, new housing opportunities throughout the City would have access to positive levels to economic opportunities.

Environmental Health

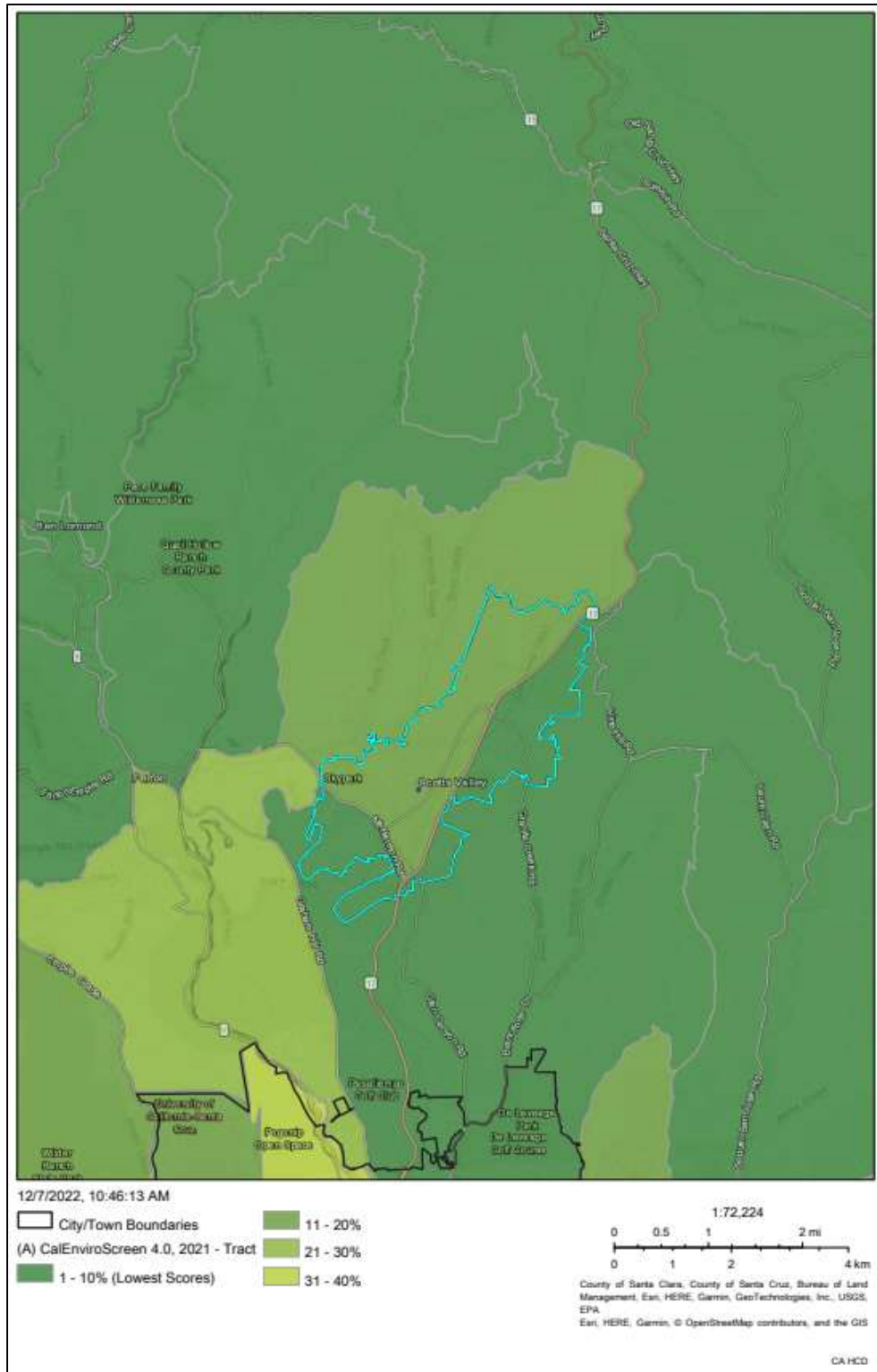
The California Office of Environmental Health Hazard Assessment (OEHHA) developed a screening methodology to help identify California communities disproportionately burdened by multiple sources of pollution, called the California Communities Environmental Health Screening Tool (CalEnviroScreen). In addition to environmental factors (pollutant exposure, groundwater threats, toxic sites, and hazardous materials exposure) and sensitive receptors (seniors, children, persons with asthma, and low birth weight infants), CalEnviroScreen also takes into consideration socioeconomic factors. These factors include educational attainment, linguistic isolation, poverty, and unemployment. Research has shown a heightened vulnerability of people of certain ethnicities and lower socioeconomic status to environmental pollutants.

The CalEnviroScreen 4.0 Model is made up of a suite of 20 statewide indicators of pollution burden and population characteristics associated with increased vulnerability to pollution's health effects. The model uses the following analysis and calculation to identify areas of health risk:

- Uses a weighted scoring system to derive average pollution burden and population characteristics scores for each census tract.
- Calculates a final CalEnviroScreen score for a given census tract relative to the other tracts by multiplying the pollution burden and population characteristics components together.
- Measures the relative pollution burdens and vulnerabilities in one census tract compared to others; the score is not a measure of health risk.

Figure E-12 displays mapped results of the CalEnviroScreen 4.0 for the City and surrounding region. The City has low levels of pollution burdens. As shown on Figure E-12, Census Tract 1 reports a higher pollution burden than the other two census tracts due to a higher number of vehicles along Scotts Valley Drive, Mount Hermon Road, and Highway 17, but is still considered a low CalEnviroScreen 4.0 score. Similarly, majority of the neighboring jurisdiction show low levels of pollution burdens, which are mountainous, and sparsely populated. In general, new housing opportunities throughout the City would have access to low levels of pollution burdens.

Figure E-12: CalEnviroScreen 4.0



Source: California Department of Housing and Community Development – AFFH Data Viewer

4. Disproportionate Housing Need and Displacement

The analysis of disproportionate housing needs within Scotts Valley evaluated existing housing need, need of the future housing population, and units within the community at-risk of converting to market-rate.

Disproportionate housing needs refer to disparities in cost burden, overcrowding, substandard housing, and displacement risk for special needs populations in comparison to the rest of the population. Housing needs are assessed by the HUD Comprehensive Housing Affordability Strategy (CHAS), based on ACS data. Housing problems and severe housing problems include the following elements:

Housing Problems

- Incomplete kitchen facilities
- Incomplete plumbing facilities
- 1+ person per room
- Cost burden greater than 30 percent

Severe Housing Problems

- Incomplete kitchen facilities
- Incomplete plumbing facilities
- 1.5+ person per room
- Cost burden greater than 50 percent

Overcrowding

Table E-9a displays data for household tenure (owner vs. Renter) for the State, County, and City of Scotts Valley. Homeownership is a crucial foundation for helping families with low incomes build strength, stability, and independence. The opportunity for transition into the homebuyer's market is important for persons and households in different communities, homeownership allows for increased stability and opportunity to age in place. As shown in Table E-9a, Scotts Valley has a higher rate of homeownership compared to the County and State.

Table E-9a: Households by Tenure, Compared by Geography, 2020

Overcrowding and Tenure	City of Scotts Valley	Santa Cruz County	State of California
Owner Households	73%	60.3%	55.3%
Renter Households	27%	39.7%	44.7%
Total Occupied Housing Units	4,779	96,275	13,103,114

Source: American Community Survey, 5-Year Estimates, 2020

Additionally, Table E-9b displays data for overcrowding in the State, County, and City over time. Overcrowding is defined as between 1.01 and 1.5 persons per room in a household, and severe overcrowding is defined as more than 1.51 persons per room. Overcrowding often occurs when nonfamily members combine incomes to live in one household, such as college students and roommates. Overcrowding also occurs when there are not enough size appropriate housing

options for large or multigenerational families. The City experiences a lower rate of overcrowding in comparison to the County and the State. According to the data, overcrowding occurs more frequently in renter households than in owner households. Similarly, the City of Santa Cruz showed similar rates of severely overcrowded at 0.2 percent for owners and renters. Other nearby jurisdictions had much higher rates such as Watsonville which had overcrowded rates at 3.2 percent for owners and 9.2 percent for renters.

In Scotts Valley, owner households that are overcrowded represent 0.5 percent of all households, and overcrowded renter households represent 0.2 percent. In Scotts Valley, owner households have seen a slight increase in overall overcrowding while renter households have seen a drop in overcrowding and a slight increase in severe overcrowding since 2010. In general, new housing opportunities in census tracts 1 through 3 will help alleviate overcrowding in both owner and renter households. In particular, actions under Program H-3.1 in the Housing Plans will aid low-income households extend rental subsidies. Overall, Scotts Valley showed lower rates of overcrowding compared to the local and state rates. Both the homeowners and renters with high overpayment rates were concentrated west of Highway 17 (40 percent to 60 percent).

Table E-9b: Overcrowding Change Over Time by Geography

Overcrowding and Tenure	City of Scotts Valley		Santa Cruz County		State of California	
	2010	2020	2010	2020	2010	2020
Owner Households						
Overcrowded (1.01 to 1.5 persons per room)	0.0%	0.5%	1.5%	1.7%	1.8%	1.7%
Severely Overcrowded (1.51+ persons per room)	0.0%	0.0%	0.5%	0.4%	0.5%	0.6%
Renter Households						
Overcrowded (1.01 to 1.5 persons per room)	0.8%	0.2%	2.3%	2.5%	3.5%	3.5%
Severely Overcrowded (1.51+ persons per room)	0.0%	0.4%	1.6%	2.3%	2.2%	2.4%

Source: American Community Survey, 5-Year Estimates, 2010 and 2020. Cost Burden

Housing cost burden, or overpayment, is defined as households paying 30% or more of their gross income on housing expenses, including rent or mortgage payments and utilities. Renters are more likely to overpay for housing costs than homeowners. Housing cost burden is considered a housing need because households that overpay for housing costs may have difficulty affording other necessary expenses, such as childcare, transportation, and medical costs.

Table E-10 and E-11 shows households that experience cost burden by tenure. In Scotts Valley, 37.2 percent of all households experience cost burden. Similar to Santa Cruz County, renters

experience higher rates of cost burdens than owners (51.8 percent to 31.4 percent in Scotts Valley).

Table E-10: Households that Experience Cost Burden by Tenure in Scotts Valley

Total Number of Households		Cost burden		Percentage of Households that Experience Cost Burden
		>30% to < 50%	> 50%	
Owners Only	3,165	625	370	31.4%
Renters Only	1,255	235	415	51.8%
All Households	4,420	860	785	37.2%

Source: HUD, 2015 - 2019

Table E-11: Households that Experience Cost Burden by Tenure in Santa Cruz County

Total Number of Households		Cost burden		Percentage of Households that Experience Cost Burden
		>30% to ≤ 50%	> 50%	
Owners Only	57,560	9,855	7,660	30.4%
Renters Only	38,255	9,140	11,460	53.8%
All Households	95,820	18,995	19,120	39.8%

Source: HUD, 2015 - 2019

Table E-12 displays data for households experiencing overpayment or cost burden in the State, County, and City for the years from 2016 to 2020. Housing Cost burden has a number of consequences for a household, mainly displacement from their existing living situation creating limited access essential goods and often employment by potentially increasing commute times. The percentage of households that experience a cost burden greater than 30 percent is lowest in the City (40.4 percent) while the County and State reported about 38 percent. The City has a higher percentage (approximately 2.6 percent and 3.6 higher than the County and State) of households that have a high-cost burden over 50 percent. There are no households within the City that didn't have the Cost Burden data available. Increased opportunity for affordable housing and housing assistance funds help to prevent cost burden on households. Compared to the previous two tables, the housing cost burden for both owner and renter households increased from the 2015 – 2019 to 2016 – 2020 analysis (325 owner households and 35 renter households, respectively). Similarly, the owner households in Santa Cruz County experienced an increase by 535 households. However, the number of renter households dropped by 75.

Table E-12: Households by Overpayment, Compared by Geography

Overpayment/Cost Burden	City of Scotts Valley	Santa Cruz County	State of California
Cost Burden > 30%	40.4%	38.2%	38.3%
Cost Burden > 50%	22.0%	19.4%	18.4%
Cost Burden Not Available	0.0%	0.9%	1.3%

Source: HUD, 2016 - 2020

Substandard Housing

Incomplete plumbing or kitchen facilities can be used to measure substandard housing conditions. Substandard housing is defined by the U.S. Census as:

- Housing without hot and cold piped water, a flush toilet and a bathtub or shower; and
- Households with kitchen facilities that lack a sink with piped water, a range or stove or a refrigerator.

Table E-13 below shows substandard housing within Scotts Valley, Santa Cruz County, and the State of California. The City of Scotts Valley has the highest percent of occupied housing units without complete kitchen facilities when compared to the County and State.

Table E-13: Substandard Housing

Jurisdiction	Total Occupied Housing Units	Without Complete Plumbing Facilities	Without Complete Kitchen Facilities
Scotts Valley	4,779	0.0%	1.9%
Santa Cruz County	96,275	0.35%	1.0%
California	13,103,114	0.41%	1.2%

Source: American Community Survey, 5-Year Estimates, 2020

Table E-14 below shows the substandard housing within the City compared to Santa Cruz County and California from 2010 to 2020. The City has seen an increase in occupied housing units in all substandard housing categories, except for housing units without complete plumbing facility. The number of housing units without a complete kitchen facility rose by 74 units and no telephone service available by 37 units within ten years. Both the County and State saw a decrease in occupied housing units without complete plumbing facilities, kitchen facilities, and no telephone service.

Table E-14: Substandard Housing Over Time by Geography

Factors	City of Scotts Valley		Santa Cruz County		State of California	
	2010	2020	2010	2020	2010	2020
Total Occupied Housing Units	4,297	4,779	93,802	96,275	12,392,852	13,103,114
Without Complete Plumbing Facilities	0	0	1,018	341	67,427	5,4342
Without Complete Kitchen Facilities	16	90	1,191	988	132,424	151,660
No telephone service available	58	95	1,863	901	305,058	184,117

Source: American Community Survey, 5-Year Estimates, 2020

Table E-15 below displays the County's housing stock by year built. Older housing may generally require more upkeep and regular maintenance and can cause a cost burden on both renter and

homeowners. Units over 30 years of age are considered older and more at-risk of requiring upgrades. Majority of the County's housing stock was built prior to 1980 (65.6 percent). These units should be considered for major rehabilitation. Majority of these units were built between 1970 to 1979 (21.7 percent). Approximately 34.4 percent of the housing stock was built after 1980 indicating a relatively newer housing stock.

Table E-15: Age of Santa Cruz County Housing Stock

Year Built	Number of Occupied Housing Units	Percent
2014 or later	1,038	1.0%
2010 to 2013	1,332	1.3%
2000 to 2009	8,432	8.0%
1990 to 1999	9,659	9.1%
1980 to 1989	15,918	15.0%
1970 to 1979	22,962	21.7%
1960 to 1969	15,273	14.4%
1950 to 1959	11,530	10.9%
1940 to 1949	7,607	7.2%
1939 or earlier	12,068	11.4%

Source: American Community Survey, 5-Year Estimates, 2020

Table E-16 below displays the City's housing stock by year built. Compared to the County's housing stock, majority of the stock housing was built after 1980 (60 percent). 40 percent of the occupied housing units were built prior to 1980 (40 percent). Majority of these units were built between 1990 to 1999 (22.1 percent).

Table E-16: Age of Scotts Valley Housing Stock

Year Built	Number of Occupied Housing Units	Percent
2014 or later	118	2.2%
2010 to 2013	165	3.1%
2000 to 2009	771	14.7%
1990 to 1999	1,159	22.1%
1980 to 1989	938	17.9%
1970 to 1979	1,101	21.0%
1960 to 1969	495	9.4%
1950 to 1959	235	4.5%
1940 to 1949	163	3.1%
1939 or earlier	107	2.0%

Source: American Community Survey, 5-Year Estimates, 2020

The current distribution of the age of homes in Scotts Valley also indicates that a majority of homes in the City were built prior to the 1990 Americans with Disabilities Act (ADA), which may result in a lack of accessible homes for those residents experiencing a disability. As the City's



existing housing stock ages, it will be rehabilitated consistent with current building regulations which could represent a barrier to some residents who have a lower or fixed income.

Displacement Risk

Displacement occurs when housing costs or neighboring conditions force current residents out and rents become so high that lower-income people are excluded from moving in. UC Berkeley's Urban Displacement Project (UDP) states that a census tract is a sensitive community³ if the proportion of very low-income residents was above 20 percent in 2018 and the census tracts meets two of the following criteria: (1) Share of renters above 40 percent in 2018; (2) Share of Non-White population above 50 percent in 2018; (3) Share of very low-income households (50 percent AMI or below) that are also severely rent burdened households above the county median in 2018; or (4) Nearby areas have been experiencing displacement pressures.

The potential for economic displacement risk can result from a variety of factors, including large-scale development activity, neighborhood reinvestment, infrastructure investments, and changes in local and regional employment opportunities. Economic displacement can be an inadvertent result of public and private investment, where individuals and families may not be able to keep pace with increased property values and market rental rates.

The U.C. Berkeley Urban Displacement Project developed a neighborhood change database to map neighborhood transformations and identify areas vulnerable to gentrification and displacement. This data was developed to assist local decision makers and stakeholders better plan for existing communities and provide additional resources to areas in need or at-risk of displacement and gentrification.

Figure E-13 shows the City has lower displacement risk. Overall, the City is surrounded by areas that are at lower displacement risk. Communities are considered sensitive communities if the neighborhoods with a high proportion of residents are vulnerable to displacement in the case of rising housing costs and market-based displacement pressures present in and/or near the community. Low displacement risk means that the population isn't vulnerable to increased redevelopment and drastic shifts in housing cost.

In addition to displacement and gentrification data, the UC Berkeley Urban Displacement Project also analyzes the occurrence of anti-displacement policies, as defined below:

- **Just Cause Eviction Ordinance.** Just cause eviction statutes are laws that allow tenants to be evicted only for specific reasons. These "just causes" can include a failure to pay rent or violation of the lease terms.

³ Sensitive communities are vulnerable communities concerned about exacerbated displacement pressures as "sensitive communities" – place that would receive five years for community planning to guide potential up zones towards more equitable outcomes.

- **Rent Stabilization or Rent Control.** Rent Control ordinances protect tenants from excessive rent increases, while allowing landlords a reasonable return on their investments. Such ordinances limit rent increase to certain percentages, but State law allows landlords to raise rents to the market rate once the unit becomes vacant.
- **Rent Review Board and/or Mediation.** Rent review boards mediate between tenants and landlords on issues related to rent increases and encourage them to come into voluntary agreement. As mediators, the board normally does not make binding decisions.
- **Mobile Home Rent Control.** Mobile home rent control places specific rent increase restrictions on the land rented by mobile homeowners, or the mobile homes themselves.
- **SRO (Single-Room Occupancy) Preservation.** Single room occupancies, also called residential hotels, house one or two people in individual rooms. Tenants typically share bathrooms and/or kitchens. These are often considered a form of permanent residence affordable for low-income individuals. SRO Preservation Ordinances help to preserve or create new SRO units.
- **Condominium Conversion Regulations.** In addition to state laws regulating the conversion of multi-family rental property into condominiums, many cities have enacted condominium conversion ordinances. These impose procedural restrictions and/or substantive restrictions on the ability to convert apartment units into condominiums to protect the supply of rental housing.
- **Foreclosure Assistance.** Many cities and counties have local programs that assist homeowners when they are at risk of foreclosure. These programs may be funded with federal grants.
- **Jobs-Housing Linkage Fee or Affordable Housing Impact/Linkage Fee.** Affordable housing impact/linkage fees are charges on developers of new market-rate, residential developments. They are based on the square footage or number of units in the developments and are used to develop or preserve affordable housing.
- **Commercial Linkage Fee/Program.** Commercial linkage fees are charged to developers per square foot of new commercial development. Revenues are used to develop or preserve affordable housing.
- **Housing Trust Fund.** A housing trust fund is a designated source of public funds—generated through various means—that is dedicated to creating affordable housing.
- **Inclusionary Zoning/Housing (Below Market Rate Housing).** Inclusionary housing policies require market-rate developers of rental or for-sale housing to rent or sell a certain percentage of units at affordable prices. Some policies include a provision for developers to pay “in-lieu fees” in place of building the housing; this revenue is used to develop affordable units elsewhere.

- **Density Bonus Ordinance.** Density bonuses allow developers of market-rate housing to build higher-density housing, in exchange for having a certain portion of their units offered at affordable prices. In this inventory, we only include a city as having this policy if they allow an additional density bonus beyond that mandated by the State.
- **Community Land Trusts.** Community land trusts are nonprofit, community-based organizations (supported by the city or county) whose mission is to provide affordable housing in perpetuity by owning land and leasing it to those who live in houses built on that land.
- **First Source Hiring Ordinances.** First Source hiring ordinances ensure that residents are given priority for new jobs created by municipal financing and development programs

Table E-17 identifies which of these policies the City has adopted, according to the Urban Displacement Project as specified as above. The City is at a low risk for displacement as a result of the anti-displacement policies in place. Furthermore, new housing opportunities throughout the City would not be at risk for displacement. The actions under Program H-3.2 in the Housing Plan create opportunities for increased diversity and access to a variety of affordable housing options. These actions will also help to protect the City’s existing lower-income population from possible displacement.

Table E-17: Anti-Displacement Policies

Anti-Displacement Measures	Scotts Valley Policy Measure
Just Cause Eviction Ordinance	No
Rent Stabilization or Rent Control	No
Rent Review Board and/or Mediation	No
Mobile Home Rent Control	Yes
SRO Preservation	No
Condominium Conversion Regulations	Yes
Foreclosure Assistance	No
Jobs-Housing Linkage Fee	No
Commercial Linkage Fee	No
Housing Trust Fund	No
Inclusionary Zoning	Yes
Density Bonus Ordinance	Yes
Community Land Trusts	No
First Source Hiring	No

Source: Urban Displacement Project, University of California Berkeley (2018), and the City of Scotts Valley.

Figure E-13: Displacement Risk



Source: California Department of Housing and Community Development – AFFH Data Viewer



Affordable Units at Risk of Converting to Market Rate

Jurisdictions are required by State Housing Element Law to analyze government-assisted housing that is eligible to convert from lower income to market rate housing over the next ten years. State law identifies housing assistance as a rental subsidy, mortgage subsidy or mortgage insurance to an assisted housing development. Government assisted housing may convert to market rate housing for several reasons, including expiring subsidies, mortgage repayments, or expiration of affordability restrictions. Affordable covenants help to ensure that certain housing units remain affordable for an extended period of time. Covenants help balance the housing market in a community and provide lasting affordable options to low and very low-income households. This section will provide:

- An inventory of assisted housing units that are at risk of converting to market-rate housing,
- An analysis of the costs of preserving and/or replacing these units,
- Resources that could be used to preserve at-risk units,
- Program efforts for preservation of at-risk housing units, and
- Quantified objectives for the number of at-risk units to be preserved during the Housing Element planning period.

Table E-18 below identifies deed-restricted, assisted rental properties within Scotts Valley, of which 22 units are at-risk of converting from affordable to market-rate units between 2023 and 2033. Consistent with the requirements to analyze impacts of potential conversion of these units to market-rate units, this section provides an analysis to preserve these at-risk units. The City is committed to working with property owners and utilizing appropriate funds, as available, to review covenants set to expire for renewal.

Table E-18: Assisted Affordable Housing and At-Risk Units in Scotts Valley

Project Name	Assisted Units	Type	Funding Source	Agreement Executed	Term	Units At-Risk
Rental Units						
Acorn Court Apartments	4	4 - 2 bed		10/20/1999	30 years – 2029	4
Bay Tree Apartments	9	8 - 2 beds 1 - 1 bed	RDA monthly subsidy	4/7/1999	30 years – 2029	9
Brookdale	20	All studios		6/3/1987	Indefinite	0
Emerald Hill Apartments	46	1 - 1 bed 7 - 2 bed 13 - 3 bed 1 - 4 bed	CDBG, HOME, City	11/22/1996	55 years – 2051	0
Markell Mixed-Use Apartments*	3	3 - 1 bed	RDA monthly subsidy	7/20/2005	55 years – 2060	0
Oak Lane Apartments	1	1 - 2 bed		11/17/2004	55 years – 2059	0
San Augustine Way Apartments	1	1 - 2 bed	Silent Second	11/20/1996	33 years - 2029	1
Rental Units At-Risk						14
For-Sale Units						
Acorn Commons	6	2 - 2 bed 4 - 3 bed		3/20/2019	55 years - 2074	0
Blue Bonnet Lane	5	5 - 2 bed		11/4/2003	45 years – 2048	0
Cathy Lane Condos	8	8 - 2 bed		10/16/1996	33 years - 2029	8
Kelly Court	1	1 - 3 bed		4/16/2003	50 years - 2053	0
2 MacLeod Way	1	1 - 3 bed		5/18/2005	45 years - 2050	0
Torrey Oaks Condos	2	2 - 3 bed		4/24/2003	33 years - 2036	0
Town Center	5	4 - 4 bed 1 - 3 bed	RDA	11/7/2012	45 years - 2057	0
The Cove	3	3 - 3 bed		5/25/2018	55 years - 2073	0
The Grove	7	7 - 3 bed	Silent Second	6/28/2016	45 years - 2061	0
The Manor	1	1 - 3 bed		4/22/2015	45 years - 2060	0
The Terrace	2	2 - 3 bed		3/20/2018	45 years - 2063	0
Windward Place	2	2 - 2 bed		9/3/2003	45 years - 2048	0
Woodside	7	7 - 4 bed		6/20/2012	45 years - 2047	0
Ownership Units At-Risk						8
TOTAL AT-RISK UNITS						22

*1-bedroom units rented at studio-level rents.

Source: City of Scotts Valley, Affordable Housing Action Plan Brochure

While there are many options to preserve at-risk units including providing financial incentives to property owners to extend lower income use restrictions, purchasing affordable housing units by a non-profit or public agency, or providing local subsidies to offset the difference between the affordable and market rate units, the strategy considered below, for analysis purposes, is to provide local rental subsidy to residents. Rent subsidy would provide financial assistance to residents if their affordable units converted to market-rate units. To determine the subsidy needed, fair market rents were compared to market-rate rents. Table E-19 below

outlines an estimated monthly subsidy that would be required to preserve these at-risk units. This analysis is not suggestion the City will provide rental subsidy, but it is used to assess the difference in cost between potential subsidy and direct replacement of lost affordable units. The analysis in Table E-19 shows that it would cost about \$1,524 annually to subsidize the at risk-units.

Table E-19: Estimated Monthly Subsidy to Preserve At-Risk Units

Unit Size	Monthly Rents		Number of Units At-Risk*	Difference	Monthly Subsidy	Annual Subsidy
	Fair Market Rents ¹	Market Rate Rents ²				
Efficiency	\$2,212	\$1,900	0	-	-	-
1-Bedroom	\$2,502	\$2,375	1	(\$127)	N/A	N/A
2-Bedroom	\$3,293	\$3,300	21	\$7	\$127	\$1,524
3-Bedroom	\$4,077	\$2,800	0	-	-	-
4-Bedroom	\$4,568	\$3,698	0	-	-	-
Total						\$1,524

Source: HUD FY 2023 Fair Market Rent Documentation System – Santa Cruz-Watsonville, CA HUD Metro FMR Area. Kimley-Horn and Associates Analysis.

In comparison, if the at-risk units are converted to market rate, they would need replacing with new construction. Construction cost estimates include all hard and soft cost associated with construction in addition to per unit land costs. The analysis assumes the replacement units are apartments with concrete block with steel frame buildings and parking provided on-site. Square footage estimates are based on estimated size of units to be replaced and assume housing units are developed on multi-family zoned properties. Land costs have been determined on a per unit basis. Table E-20 below estimates that approximately \$3,455,863 would be required to replace the at-risk units.

Table E-20: Replacement Cost of At-Risk Units

Unit Size	Cost per Square Foot ¹	Average Square Foot per Unit ²	Replacement Cost per Unit	Number of Units At-Risk*	Total Replacement Cost
Efficiency	\$160.35	N/A	N/A	-	-
1-Bedroom	\$160.35	699	\$112,084.65	1	\$112,084.65
2-Bedroom	\$160.35	993	\$159,227.55	21	\$3,343,778.55
3-Bedroom	\$160.35	1,199	\$192,259.65	-	-
4-Bedroom	\$160.35	1,737	\$278,527.95	-	-
Total					\$3,455,863.20

Source: International Code Council – August 2022; Kimley-Horn and Associates Analysis.

A variety of programs exist to help cities acquire, replace, or subsidize at-risk affordable housing units. The following summarizes financial resources available:

- **Community Development Block Grant (CDBG)** - CDBG funds are awarded to cities on a formula basis for housing activities. The primary objective of the CDBG program is the development of viable communities through the provision of decent housing,

- a suitable living environment and economic opportunity for principally low- and moderate-income persons. Eligible activities include administration, fair housing, energy conservation and renewable energy sources, assistance for economic development, public facilities and improvements, and public services.
- **HOME Investment Partnership** - Local jurisdictions can receive funds by formula from HUD to increase the supply of decent, safe, sanitary, and affordable housing to lower-income households. Eligible activities include housing acquisition, rehabilitation, development, homebuyer assistance, and rental assistance.
 - **Section 8 Rental Assistance Program** - The Section 8 Rental Assistance Program provides rental assistance payments to owners of private, market-rate units on behalf of very low-income tenants, senior citizens, disabled persons, and other individuals for securing affordable housing.
 - **Section 202/811 Program** - Non-profit and consumer cooperatives can receive no-interest capital advances from HUD under the Section 202 Program for construction of very low-income rental housing with the availability of supportive services for seniors and persons with disabilities. These funds can be used in conjunction with Section 811 funds, which can be used to develop group homes, independent living facilities, and immediate care facilities. The capital advance funding can also provide project rental assistance for the properties developed using the funds. Eligible activities include acquisition, rehabilitation, new construction, and rental assistance.
 - **California Housing Finance Agency (CalHFA) Multifamily Programs** - CalHFA's Multifamily Programs provide permanent financing for the acquisition, rehabilitation, and preservation of new construction of rental housing that includes affordable rents for low- and moderate-income families and individuals. One of the programs is the Preservation Loan program which provides acquisition/rehabilitation and permanent loan financing designed to preserve or increase the affordability status of existing multifamily housing projects.
 - **Low-Income Housing Tax Credit (LIHTC)** - This program provides tax credits to individuals and corporations that invest in low-income rental housing. Tax credits are sold to those with high tax liability and proceeds are used to create housing. Eligible activities include new construction, rehabilitation, and acquisition of properties.
 - **California Community Reinvestment Corporation (CCRC)** - The California Community Reinvestment Corporation is a multi-family affordable housing lender whose mission is to increase the availability of affordable housing for low-income families, seniors, and residents with special needs by facilitating private capital flow from its investors for debt and equity to developers of affordable housing. Eligible activities include new construction, rehabilitation, and acquisition of properties.



The following organizations have the experience and capacity to potentially assist in preserving future at-risk units:

- Eden Housing
- Mercy Housing
- Habitat for Humanity
- Mid-Peninsula Housing Coalition
- Housing Authority of the County of Santa Cruz

State law requires that jurisdictions establish the maximum number of units that can be preserved over the planning period. The City's objective is to preserve the 22 affordable units at-risk of converting to market-rate units as outlined in the Housing Plan.

FAIR HOUSING ENFORCEMENT AND OUTREACH CAPACITY

1. Fair Housing Enforcement and Outreach

Fair housing enforcement and outreach capacity refers to the ability of a locality and fair housing entities to disseminate information related to fair housing laws and rights and provide outreach and education to community members. Enforcement and outreach capacity also includes the ability to address compliance with fair housing laws, such as investigating complaints, obtaining remedies, and engaging in fair housing testing.

California's Department of Fair Employment and Housing (DFEH) has statutory mandates to protect the people of California from discrimination pursuant to the California Fair Employment and Housing Act (FEHA), Ralph Civil Rights Act, and Unruh Civil Rights Act (with regards to housing). The FEHA prohibits discrimination and harassment on the basis of race, color, religion, sex (including pregnancy, childbirth, or related medical conditions), gender, gender identity, gender expression, sexual orientation, marital status, military or veteran status, national origin, ancestry, familial status, source of income, disability, and genetic information, or because another person perceives the tenant or applicant to have one or more of these characteristics.

The Unruh Civil Rights Act (Civ. Code, §51) prohibits business establishments in California from discriminating in the provision of services, accommodations, advantages, facilities and privileges to clients, patrons and customers because of their sex, race, color, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, sexual orientation, citizenship, primary language, or immigration status. The Ralph Civil Rights Act (Civ. Code, § 51.7) guarantees the right of all persons within California to be free from any violence, or intimidation by threat of violence, committed against their persons or property because of

political affiliation, or on account of sex, race, color, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, sexual orientation, citizenship, primary language, immigration status, or position in a labor dispute, or because another person perceives them to have one or more of these characteristics.

2. Fair Housing Enforcement

The Consumer Affairs and Environmental Protection Division of the District Attorney's Office provides a variety of fair housing services. These services include:

- Telephone counseling and referrals to other agencies that deal with consumer issues;
- Landlord- tenant information, assistance and mediation efforts; and
- Information and referral service to other agencies.

Approximately 100 to 200 calls are received each month from tenants, landlords, and roommates. The most common complaints are about security deposits, evictions, and/or housing conditions. The Office primarily provides legal information and self-help advice to inquiring clients and makes referrals to other legal and nonprofit agencies. Because of a persistent lack of funding, the Office does not have a database that can provide more detailed information on the type of calls received. One volunteer is responsible for handling the majority of landlord-tenant questions and referrals; no paid staff members are involved in this effort.

The City refers fair housing discrimination activities to the Civil Rights Department (CRD); previously referred to as the State Department of Fair Employment and Housing. Violations of the anti-discrimination law include:

- Refusal to sell, rent, or lease rooms, apartments, condos or houses to protected individuals;
- Refusal to negotiate for the sale, rental, or lease of housing;
- Representation that a housing accommodation is not available for inspection, sale, or rental when it is in fact available;
- Denial of a home loan or homeowner's insurance;
- Cancellation or termination of a sale or rental agreement;
- Policies, practices, terms, or conditions that result in unequal access to housing or housing-related services;
- Offering inferior terms, conditions, privileges, facilities or services in connection with the housing accommodation;
- Sexual harassment involving unwanted sexual advances or requiring sexual favors for housing rights or privileges;



- Refusal to permit, at a disabled tenant's expense, reasonable modifications when necessary to accommodate a disability;
- Refusal to make reasonable accommodations in housing rules, policies, practices, or services where necessary to afford a disabled person equal opportunity to use and enjoy a dwelling;
- Retaliation against someone filing a complaint; and,
- Overly restrictive rules limiting the activities of daily life for families with children, including where children are allowed to play.

Fair Housing and Civil Rights Findings, Lawsuits, Enforcement, Settlements, or Judgements

The City's Planning Department works closely with residents, property owners, outside agencies, and other City departments to resolve health, safety, and public nuisance conditions that adversely affect the quality of life in Scotts Valley. The Planning Department is primarily responsible for enforcing the provisions of the Zoning Ordinance and the Building Department is primarily responsible for enforcing the provisions of the California Building Codes, the Scotts Valley Municipal Code, and the Uniform Housing Code.

In 2021, the City processed 20 code enforcement complaints relating to housing. These complaints addressed issues relating to property maintenance, access to heating and air conditioning, construction without building permits, and complete kitchen and plumbing facilities. None of the code enforcement complaints received by the City related to fair housing issues. During the 5th Cycle Housing Element, the City was not involved in any fair housing lawsuits, settlements, or judgments.

Fair Housing Laws

According to the AFFH data viewer, two fair housing, enforcement, and outreach (FHEO) cases were submitted from January 2013 to November 2022. The cases were submitted based on disability, national origin, and retaliation. The City processed less cases than the City of Capitola but more than the City of Santa Cruz, which has no recorded cases. Nevertheless, the City is in compliance with existing fair housing laws and there have been no findings against the City of Scotts Valley from the U.S. Department of Housing and Urban Development (HUD), Office of Fair Housing and Equal Opportunity (FHEO), or from the CRD.

The following lists State and local fair housing laws and specifies how the City complies:

State

- **California Fair Employment and Housing Act (FEHA):** The City continues to implement and update programs that promote fair and equal access to housing. The City also continues to review standards and requirements that may constrain equal access to housing and the development of affordable housing.

- **Government Code Section 65008:** The City continues to implement programs that encourage affordable housing development. The City's Affordable Housing Committee provides guidance to new residential development regarding affordability and meets on an as-needed basis. Additionally, programs are included in the Housing Plan to ensure compliance with the State's requirement for fair review of affordable housing development.
- **Government Code Section 8899.50:** The City's website contains a general complaint report form that can be used to submit complaints regarding fair housing issues. The City continues to implement programs and actions in compliance with State law that affirmatively furthers fair housing. As detailed in the Housing Plan, the City administers programs to promote equal housing access and affordable resources.
- **Government Code Section 11135:** The City promotes state-funded programs, such as the First-Time Homebuyer Loan Program, on the City's website and at the public counter. The City continues to implement and encourages programs that promote full and equal access to all programs and activities.
- **Density Bonus Law:** The City has an adopted Density Bonus Ordinance consistent with State Density Bonus Law. The City provides incentives to developers to produce affordable housing to very low-income households, low-income households, moderate-income households, senior citizens, transitional foster youth, disabled veterans, and persons experiencing homelessness, as well as for the development of childcare facilities.
- **No-Net-Loss Law:** The Housing Plan and Appendix F detail how the City maintains adequate sites to meet its RHNA.
- **Excessive Subdivision Standards:** The City continues to update its Zoning Ordinance, waive certain development fees, and offer incentive packages to facilitate housing development.
- **Housing Element Law:** The City identifies and includes an analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs.

Local

- **Local Ordinances:** The City has multiple local ordinances (Chapter 9.16 - Mobile Home Park Rent Stabilization; Chapter 17.60 - Requests for Reasonable Accommodation) that establish procedures for rezoning, development permit processing, affordable housing fees, and other programs that encourage fair housing practices.
- **Chapter 2: Housing Plan** details the City's goals, policies, programs, and objectives. The City addresses the need to provide additional housing opportunities, remove



constraints to affordable housing, improve the existing housing stock, and provide equal opportunities for current and future residents of Scotts Valley.

CONTRIBUTING FACTORS

Locally derived knowledge and contributing factors were developed in response to community participation in outreach events and through analysis conducted in Affirmatively Furthering Fair Housing development and analysis of sites inventory and feedback and comments on the draft Housing Element's data, analysis, and policy program. The contributing factors listed below were identified as creating, perpetuating, and/or increasing the severity of fair housing issues in Scotts Valley:

- **Housing Conditions and Senior Housing.** Affordability, design, and discrimination limit the supply of housing for persons with disabilities. Amendments to the Fair Housing Act, as well as State law, require ground-floor units of new multi-family construction with more than four units to be accessible to persons with disabilities. Units built prior to 1989 are not required to be accessible to persons with disabilities.
- **Access to Affordable Housing.** Due to its proximity to Silicon Valley, the City's average income is the highest in the County and median home prices are also high. This may lead to lower income households being priced out. When paired with lower affordable housing options, lower income households and local employees may not be able to find adequate housing within the City and have to commute in from other jurisdictions.
- **Housing Disbursement.**
The City has two RCAAs, indicating a concentration of affluent White populations. RCAAs may indicate historical exclusionary practices continue to affect the Scotts Valley community. More integrated, mixed-income housing is required to dissolve RCAAs.
- **Location and Type of Affordable Housing.** Scotts Valley community is generally affluent and has high housing costs. The manufacturing and education services, health care, social assistance sectors represent 33.7 percent of the City's total workforce but earns less than the City's median income. Persons working in these sectors, as well as other sectors earning below the City's median income, may not have the opportunity to live in the City in which they work and must commute long distances.
- **Housing Conditions and Senior Housing.** Affordability, design, and discrimination limit the supply of housing for persons with disabilities, Amendments to the Fair Housing Act, as well as State law, require ground-floor units of new multifamily construction with more than four units to be accessible to persons with disabilities.

Units built prior to 1989 are not required to be accessible to persons with disabilities. As shown in Table E-16, 57.9 percent of the City's housing stock was built prior to 1989. Aging housing units may have housing problems and require significant rehabilitation which may be costly for seniors and low-income residents.

The City recognizes the fair housing issues that exist within the community and is committed to reducing barriers to affordable housing to all persons. The Housing Plan includes goals, policies, and programs to increase housing opportunities, remove constraints to affordable housing, improve the existing housing stock, and provide equal opportunities for all current and future residents of Scotts Valley.

HISTORIC BACKGROUND

Scotts Valley is located in north Santa Cruz County and bisected by Highway 17. The City is located just a short distance from Monterey Bay, nestled in the redwoods on the upland slope of the Santa Cruz Mountains. Scotts Valley was incorporated in 1966. The first Land Use Plan was adopted in 1968 and the first Scotts Valley General Plan was adopted in 1972. It has been updated three times subsequently in 1978, 1986, and 1994. The City is currently in the process of updating its General Plan.

Residential uses include both single family and multiple-family residences, apartments, condominiums and mobile home parks. Residential development has been guided by the topography, geology, vegetative cover, access to transportation and services facilities. Larger lots with low densities have been developed in the hillsides with single family detached homes in the Whispering Pines, Granite Creek and Hacienda/Cadillac neighborhoods. Higher densities are located on the valley floor close to local shopping, public services and transportation facilities such as the neighborhoods on Blake Lane, Jolley Way, Trammel Way, and along Bean Creek Road. Mobile home parks within the City include Monteville, Spring Lakes and Mountain Brook are deed-restricted adult communities. The City's development patterns have remained largely unchanged over the course of the City's history, with single family residential uses developed along hillsides and higher densities residential/commercial/industrial uses located along the valley floor off Scotts Valley Drive and Mount Hermon Road.

As noted in the Land Use Element, 88 percent of the existing housing stock in Scotts Valley was constructed between 1960 and 2000. Most of these homes (56 percent) are detached, single family homes. The other 44 percent of the housing stock is made up of apartments and condominiums, attached houses, and mobile homes. A majority of Scotts Valley is designated for residential uses (72 percent), allowing for single and multiple-family residences, apartments, and condominiums. About 4 percent of land area is designated commercial, allowing for mixed use residential projects.

1. Affordable Housing

In 1994, the City adopted an Inclusionary Housing Ordinance in the Redevelopment Project Area (RDA). The ordinance requires all residential developments in the redevelopment project area (RDA boundary) consisting of one or more units to contribute to the provision of housing units for very-low-, low-, and moderate-income households in the City. All new residential developments with six or fewer units are required to pay an in-lieu fee. All new residential developments with seven or more units can meet the affordable housing requirement by setting aside 15 percent of the total housing unit approved for very low-, low-, and moderate-income households on site or off-site in very limited circumstances. The inclusionary housing ordinance has generated the creation of 84 affordable rental units and 50 affordable ownership units. The in-lieu fees for smaller housing projects have allowed for the provision of subsidies for smaller housing projects.

AFFH SUMMARY

Beginning of 2023, the City conducted a variety of outreach and engagement efforts to connect with as many members of the community as possible regarding the 6th Cycle Housing Element update. Community engagements were meant to notify, educate, and engage the public. The City outreached to special needs groups and organizations and groups representing or serving special needs groups. In response to the feedback received and solicited, the City drafted a Policy Plan and Sites Inventory that responded to the unique needs of Scotts Valley residents in an effort to affirmatively further fair housing.

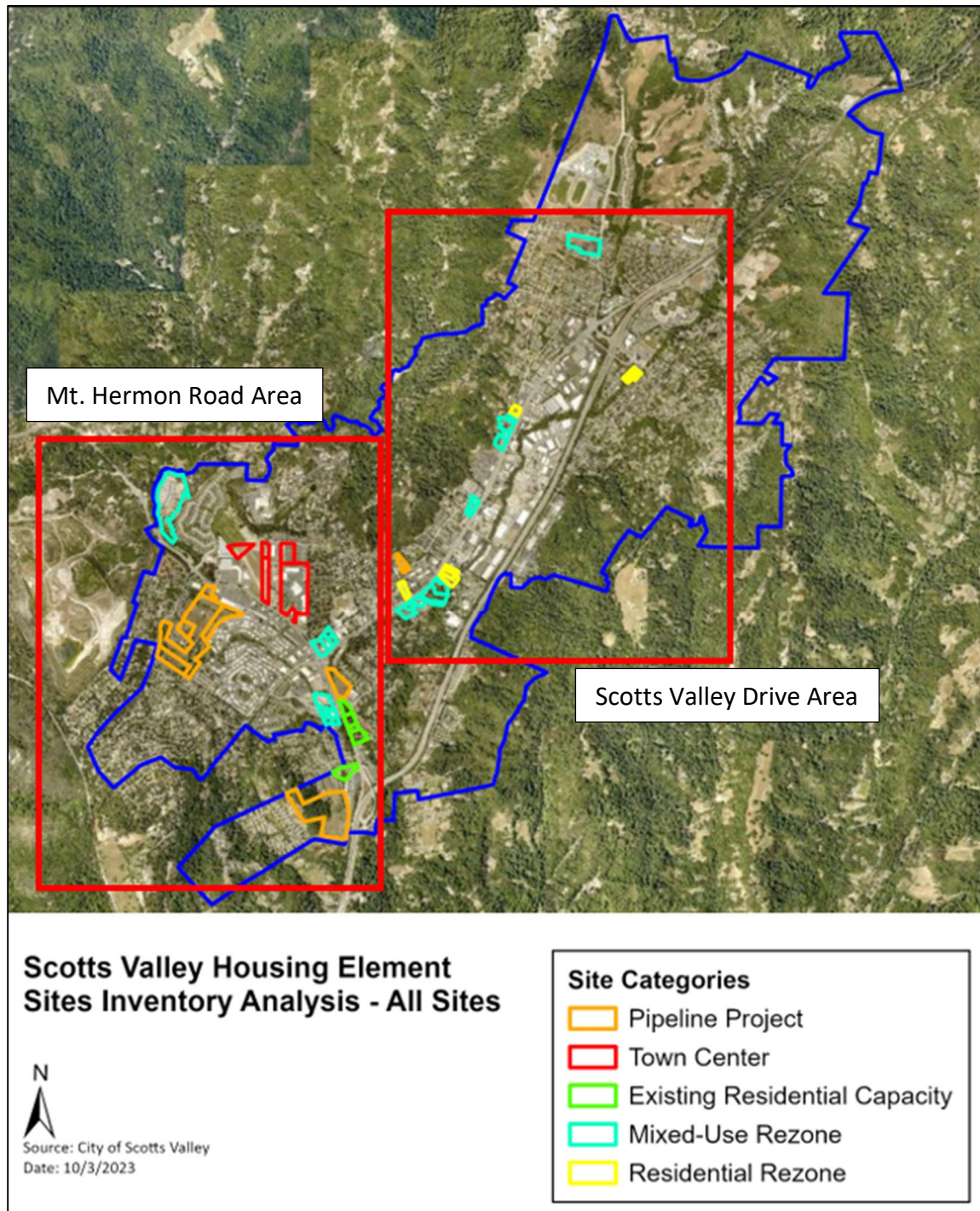
During community engagement events, the public expressed the need for affordable housing due to concerns about the high cost of housing and lack of housing choices. The public also expressed the need for a variety of housing types and multi-family housing such as townhomes, duplexes/triplexes, and housing for Persons with Disabilities. In direct response to the public's desire for more affordable housing options, the City drafted policies and programs to encourage housing variety and affordability in **Chapter 2** of this Housing Element.

In furtherance of fair housing, the City solicited feedback from populations that have historically experienced lower opportunities, lower incomes, and lower resources. Through a variety of community workshops and during the public comment period, the City engages residents in these areas to understand their unique needs and desires. In response to correspondence with affected groups in Scotts Valley, the City drafted a plan that will increase access to opportunities and resources for individuals who experience reduced access currently. The city's response to each submitted letter are shown in Table G-1 of **Appendix G**.

A comprehensive summary of the above AFFH analysis is provided within this section for each of the City's two planning areas, as shown in **Figure E-14** below. The Planning Areas are: Scotts

Valley Corridor and South Gateway. The planning areas provide a comparative analysis of how its RHNA and housing policies are affirmatively furthering fair housing. The Planning Areas were not established for zoning or regulatory purposes, but rather to assess the equitable distribution of RHNA sites throughout the City. The goal of the analysis is to ensure that the City's housing policy approach is not intentionally worsening existing fair housing challenges.

Figure E-14: City of Scotts Valley Planning Areas



1. Scotts Valley Drive Area

Local Context

The Scotts Valley Drive Area is comprised of a variety of land uses with commercial parcels along Scotts Valley Drive, industrial parcels, and medium density residential parcels. Open space and rural residential parcels surround the main corridor along the City boundaries to the north, east, and west. Scotts Valley Drive is the main corridor that bisects the city parallel to Highway 17 and leads towards the city's downtown area to the south. The commercial parcels are resident and visitor-serving that accommodate the needs of the neighborhood such as hotels/motels, auto repair shops, gas stations, home goods stores, banks, hair salons, and a variety of retail businesses.

AFFH Findings

The City identified commercial and industrial sites to rezone for residential and mixed uses as a prime solution to provide resident-serving needs and resources within proximity to housing. According to TCAC Opportunity Maps, the planning area has high resource and lower displacement risks census tracts. The area experiences moderate to lower diversity rates and low disability rates. There is an RCAA census tract in the southern portion of the planning area south of Highway 17. The median income reduced in the northern portion of the planning area north of Scotts Valley Drive from 2014 to 2019; however, the area is still considered moderate income and a majority of the planning area consists of above moderate-income households earning greater than \$125,000. There are high rates of positive economic outcomes with high rates of closest job proximity along the commercial corridor. CalEnviroScreen shows census tracts with lower scores of pollution burden throughout the planning area. As shown in **Table E-21** below, about a third of the sites are located in a high resource area, including 234 lower income sites. Mixed income housing projects are sited in this area to encourage pedestrian activity and potentially reduce infrastructure constraints by siting units in closer proximity to resources.

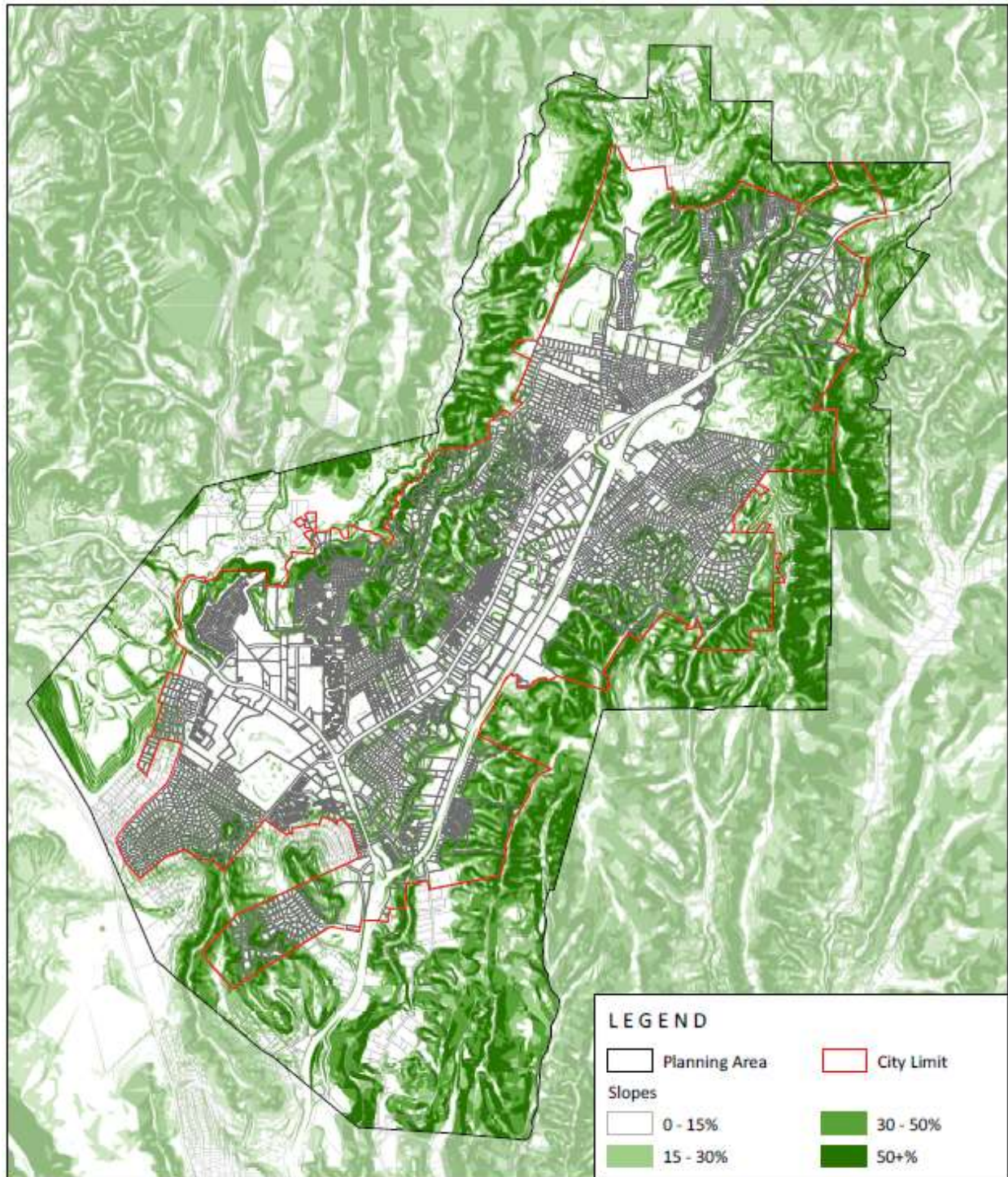
Candidate Sites

Candidate sites in the Scotts Valley Drive Area are predominantly located along Scotts Valley Drive, where a majority of the commercial sites will be rezoned to allow residential and mixed uses. A few rezone parcels are scattered to the north in existing neighborhoods throughout the planning area. The planning area includes more challenging topographic conditions (as shown in Figure E-15) to the north and south of Highway 17. The analysis does not include projected ADUs, which account for approximately 2 percent of the total sites inventory, and is further discussed in Appendix F.

Table E-21: Scotts Valley Corridor Candidate Site Units by Affordability

	Lower Income	Moderate- Income	Above Moderate-Income	TOTAL
Units	234	60	310	604
Percent of Total Units	10.8%	2.8%	14.3%	27.9%

Figure E-15: City of Scotts Valley Slopes Map



2. Mt. Hermon Road Area

Local Context

The Mt. Hermon Road Area is located in the City's Southwestern area and consists of areas north and south of Mount Hermon Road. The planning area is predominantly made up of single-family neighborhoods, with open space, and commercial uses along Mount Hermon Road. The area also includes the Kings Valley shopping center, Scotts Valley's top shopping destination. The Mt. Hermon Road was identified as a prime location for its location to major streets and variety of land uses. North of Mount Hermon Road is a variety of commercial, open space, and professional uses. This area serves as the main service area to the city and surrounding area. South of Mount Hermon Road is a wide variety of low- and high-density residential areas. The area offers close access to a number of restaurants, auto repair shops, gymnasiums, and grocery stores. The main arterial roads that bisect through this planning area include Scotts Valley Drive, Highway 17, and Mount Hermon Road. These roads offer access to jobs and connectivity to the County and San Francisco Bay Area.

AFFH Findings

The City identified existing residential capacity in the area to encourage residential development on vacant and non-vacant sites. The Town Center Specific Plan area is also located in the planning area. The City is working with developers to redevelop City-owned parcels and privately owned retail developments as a key strategy to provide affordable housing within the planning area. According to TCAC Opportunity Maps, the area contains census tracts with highest resource and lower displacement risk. The area experiences low disability rates, lower diversity rates, mostly white, and is an RCAA area. From 2014 to 2019, the median income among block groups remained relatively the same with some decrease but remain wealthy with moderate- to above-moderate median income households. The area has a higher positive economic outcomes score, moderate to low job proximity index, and low pollution burden scores.

Table E-22 shows that about a third of the lower-income units are provided within the area. The availability of lower income units throughout the City aims to spread its availability throughout the City and reduce impacts of concentrated income levels. Additionally, it is important to note that 100 percent affordable housing projects are sited on vacant and non-vacant commercial/retail parcels in the Town Center Specific Plan area along Mount Hermon Road. This strategy aims to address the planning area's low job proximity index and site affordable units in close proximity to resident-serving uses, public transit, and community resources in a generally affluent census tract. Furthermore, siting mixed use developments in the area complements the Specific Plan's intent to integrate residential and commercial/retail uses while taking advantage of the proximity to civic uses and transit centers. As mentioned in the Contributing Factors section above, poor housing conditions and access to affordable housing are described as some of the key contributors to fair housing issues.

Candidate Sites

The identified candidate sites are located along Mount Hermon Road, where the majority of the existing commercial and open space sites will be rezoned into mixed use and residential uses. A bulk of the candidate sites are located east of Scotts Valley Road. A few sites scattered in areas identified as open space west of the planning area. As shown in **Table E-22**, there are 1,521 units located in the Mt. Hermon Road Area. The analysis does not include projected ADUs, which account for approximately 2 percent of the total sites inventory and is further discussed in Appendix F.

Table E-22: Mt. Hermon Road Candidate Site Units by Affordability

	Lower Income	Moderate-Income	Above Moderate-Income	TOTAL
Units	638	96	786	1,521
Percent of Total Units	29.5%	4.4%	36.3%	70.2%



The Housing Element is required to identify a **Candidate Sites Inventory** by income category to meet the City’s Regional Housing Needs Allocation (RHNA). The sites identified within the 2023-2031 Housing Element represent the City’s ability to accommodate housing at the designated income levels during the 6th Cycle. All sites have been assessed for the highest potential for residential development during the Planning Period.

A. CANDIDATE SITES INVENTORY

The Housing Element is required to identify sites by income category to meet the City's Regional Housing Needs Allocation (RHNA). The sites identified within the 2023-2031 Housing Element represent the City's ability to accommodate housing at the designated income levels during the 2023-2031 planning period. For the 6th Cycle, the City of Scotts Valley was allocated a total of 1,220 units to plan for, as detailed in Table F-1.

Table F-1: City of Scotts Valley 6th Cycle RHNA by Income Category

Income Category	Percent of Area Median Income (AMI)	RHNA
Very Low-Income	0-50% AMI	392
Low-Income	51-80% AMI	257
Moderate-Income	81-120% AMI	154
Above Moderate-Income	>120% AMI	417
TOTAL RHNA		1,220

*The Santa Cruz County AMI is \$119,300 for a family of four, according to 2022 HCD Income Limits.

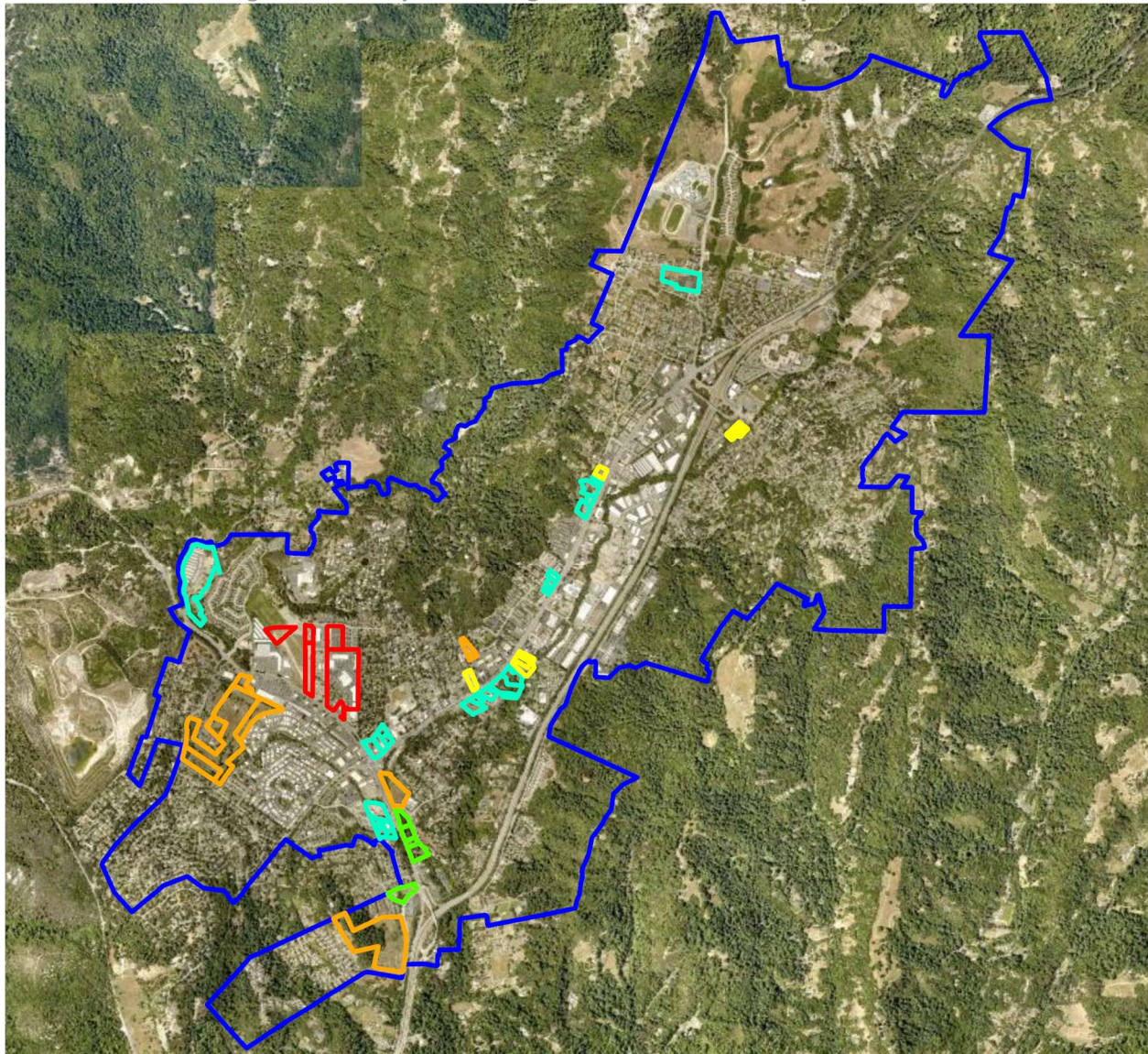
Table F-2 shows the City's ability to accommodate the 6th Cycle RHNA by income category through a variety of methods, including those listed below. Figure F-1 illustrates the location of the sites throughout Scotts Valley.

- Current capacity on residentially-zoned sites;
- Projects currently in the City's review pipeline;
- Accessory dwelling unit (ADU) projections; and,
- Rezone strategies to accommodate the remaining RHNA.

Table F-2: 6th Cycle RHNA Sites Inventory Analysis

Strategies		Very Low Income	Low Income	Moderate Income	Above Moderate Income	TOTAL
6th Cycle RHNA		392	257	154	417	1,220
Existing Residential Capacity		11		6	66	83
Pipeline Projects		51		13	353	417
Projected ADUs		24		12	4	40
Town Center Specific Plan		427		39	191	657
Rezones	Residential	65		14	89	168
	Mixed Use	318		84	399	801
TOTAL		896		168	1,102	2,166
Percent Over RHNA		38%		9%	164%	78%

Figure F-1: 6th Cycle Housing Element Sites Inventory – All Sites



Scotts Valley Housing Element Sites Inventory Analysis - All Sites



Source: City of Scotts Valley
Date: 10/3/2023

Site Categories

-  Pipeline Project
-  Town Center
-  Existing Residential Capacity
-  Mixed-Use Rezone
-  Residential Rezone



1. General Plan Consistency

The City's current General Plan was adopted in 1994. As of May 2023, efforts are currently underway to update the General Plan. The City will ensure that other Elements of the General Plan are consistent with the Housing Element as they are updated.

2. Zoning Consistency

Candidate housing sites identified in this Appendix propose rezoning options. The City's Zoning Code will, as such, be amended accordingly. The Chapter 2: Housing Plan establishes programs and actions to guide these rezones.

3. CEQA Streamlining

Candidate housing sites that are consistent with the existing zoning and the City's objective design standards are exempt from review under the California Environmental Quality Act (CEQA). Candidate housing sites that require discretionary review (e.g., a rezone) are subject to CEQA and will be evaluated concurrent with each development application.

4. Access to Transportation

Current transportation programs, services, and improvements support the proposed units of this 6th Cycle Housing Element. The City will continue to work with Santa Cruz METRO to ensure that new residential developments are adequately served.

5. Infrastructure and Public Services Capacity

Candidate housing sites identified in this Appendix are located in areas that adequately served by existing and planned infrastructure and public services. The Policy Plan establishes requirements for adequate infrastructure and public services for developments that include affordable housing units.

6. Affirmatively Furthering Fair Housing (AFFH)

The City has identified candidate sites to accommodate future housing growth based on existing access to community resources, services, and public transportation, while also considering the availability of land, developer interest, and general likelihood the sites would develop residential uses over the next eight years. Appendix E details how the Candidate Sites Inventory affirmatively furthers fair housing.

B. PROJECTED DEVELOPMENT

1. Accessory Dwelling Units (ADUs)

The State Department of Housing and Community Development (HCD) has supported a strategy to estimate future ADU development based on the average number of ADUs permitted in recent years. Table F-3 displays the City's past performance in permitting ADUs from 2018 through 2022. The average over these five years is 3; however, year-by-year, the applications submitted and approved have been on the rise. The City has reviewed 4 ADU building permit applications and has responded to 13 ADU inquiries from January to September of 2023.

The City recognizes ADUs as a cost-effective way of not only adding to the City housing stock, but also to provide affordable units in existing single-family neighborhoods. As such, a program is included in the Housing Plan with the goal of bolstering ADU development throughout the 6th Cycle. The program includes the following actions:

- Modify the current "Secondary Dwelling Unit Program" from the 5th Cycle Housing Element to comply with changes in State law regarding ADUs. This will include updating the City's "Secondary Dwelling Unit" Ordinance in compliance with State ADU laws. Submit revised ordinance to HCD in compliance with State law.
- Establish and promote permit-ready ADU plans to minimize design costs, expedite permit processing, and provide development certainty.
- Establish and maintain an ADU Manual guiding applicants through the permitting and construction of an ADU.
- Establish and maintain an ADU webpage informing the community on ADU related codes, processes, and incentives.
- Establish an incentive program for deed-restricted affordable ADUs such as waived permitting fees and/or priority processing.
- Establish an ADU monitoring program, and biennially review, for development trends for potential gaps. If gaps are identified, implement changes within one year.

Given these efforts and recent inquiries on ADU development, the City has applied a development projection of 150 percent of the average ADUs permitted since 2018. The City anticipates a total of 40 new ADUs between 2024 and 2031, with approximately 5 ADUs permitted annually. A percentage of ADUs are projected to develop at affordable rates based on the *Using ADUs to Satisfy RHNA* Technical Memo produced by the Association of Bay Area Governments (ABAG). ABAG's analysis consisted of the following steps:

1. Calculated maximum rent limits for RHNA income categories for one-person and two-person households by county;
2. Surveyed rents for ADUs in the ABAG region;

3. Used survey data to determine proportion of ADUs within each income category; and,
4. Created assumptions of how many persons will occupy each ADU.

While Scotts Valley is located in the Association of Monterey Bay Area Governments (AMBAG), this methodology from ABAG is comparable and can be used for projection purposes. Table F-4 shows the ADU projections by income category. As established in the Housing Plan's ADU program, the City will establish an ADU monitoring program and will assess trends biennially; if gaps are identified between what is anticipated in this analysis and what is built, the City will implement changes within a year.

Table F-3: ADU Projections

Year	ADUs Permitted
2018	1
2019	2
2020	1
2021	6
2022	4
2023	N/A
Projection Years	5 units per year
2024	5
2025	5
2026	5
2027	5
2028	5
2029	5
2030	5
2031	5
PROJECTED TOTAL	40

Table F-4: ADU Projections

Income Category	Percentage	Units
Low- and Very Low-Income	60%	24
Moderate-Income	30%	12
Above Moderate-Income	10%	4
TOTAL		40

Per Government Code section 65852.2, ADUs must be permitted in any residential or mixed-use zone – any zone where residential uses are permitted by-right or by conditional use.

Additionally, State law states that local governments cannot preclude the creation of ADUs, and any limitations should be accompanied by detailed findings of fact explain why ADU limitations are required and consistent with these factors. The City has a total of 3,856 parcels which currently permit residential uses (C-S, C-SC, OS, P, R-1-10, R-1-20, R-1-40, R-H, R-M-6, R-M-8, R-MT-5, R-R-2.5, R-VH) – this adds up to a total of 2,621.21 acres. As such, the City has an

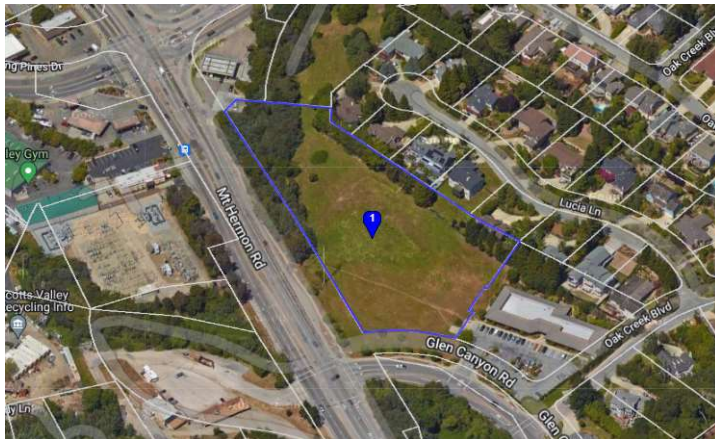
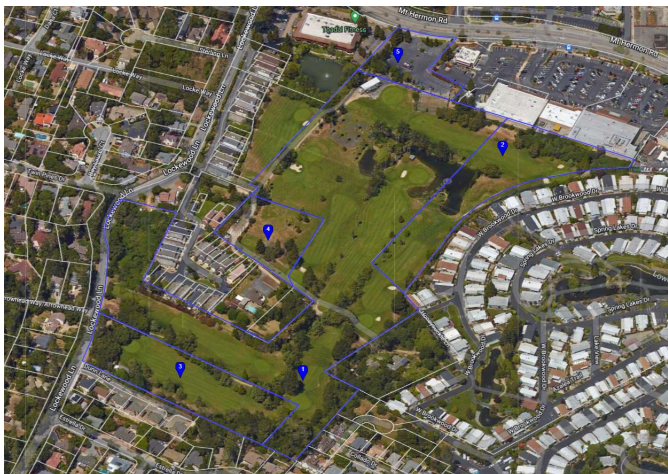
abundance of sites with potential to accommodate the total projected 40 ADUs over the following eight years.

2. Pipeline Projects

HCD guidance states that residential projects that are in review, approved, permitted, or receive a certificate of occupancy after the beginning of the RHNA period may be credited towards meeting the RHNA. Table F-5 provides a list of current pipeline projects (only projects with proposed affordable units are listed for the purposes of this analysis). The projects are also illustrated in Figure F-2. Projects listed do not have any known constraints or barriers which may hold-up or delay the entitlement and/or permitting process. As such, these sites are included for their anticipated development in the planning period.

Table F-5: Pipeline Projects

Pipeline Project	Acreage	Net Units	Lower	Moderate	Above Moderate
Erba Lane (APN: 022-481-18)	0.77	10	1	1	8
Currently a vacant parking lot near residential neighborhoods. Proposed 10-unit single-family development/duets. Project entitlements included a Planned Development Zoning Permit, Land Division, Design Review, and Environmental Review. The project includes deed restricted affordable units as required by the City's 15% Inclusionary Ordinance. The City Council approved the project June 16, 2021, and granted a two year a time extension on June 21, 2023. Next steps include submitting a Final Map for adoption by the City Council. Once the Final Map is adopted, the applicant can submit for grading and building permits. The City continues to work with the developer on post-entitlement coordination efforts by providing technical assistance on the Final Map submission and grading/building permit submission processes. 					
Oak Creek Park (APN: 022-162-76)	3.56	52	6	2	44
Currently vacant parcel proposing a mixed-use development with 52 units and 25,000 square-feet of commercial space. Project entitlements included a General Plan Amendment, Zoning Change with a Planned Development Zoning Overlay, Minor Land Division, Design Review Permit and Environmental Review. The project was approved by the City Council on December 7, 2022. The project includes deed restricted affordable units as required by the City's 15% Inclusionary Ordinance, including three very low-income units, two low income, and two moderate income units.					

Pipeline Project	Acreage	Net Units	Lower	Moderate	Above Moderate
	Next steps include submitting a Final Map for adoption by the City Council. Once the Final Map is adopted, the applicant can submit for grading and building permits. The City continues to work with the developer on post-entitlement coordination efforts by providing technical assistance on the Final Map submission and grading/building permit submission processes. 				
Valley Gardens (APNs: 021-231-07, 021-221-02, 021-231-08, 021-231-04, 021-231-02)	18.36	171	25	0	146
	The parcels currently include an old, unused, golf course. The mixed-use project currently proposes 171 units with 12,000 square-feet of commercial space. Project entitlements include a General Plan Amendment, Zone Change, Planned Development, Tentative Parcel Map, Design Review, Use Permit, and Environmental Review. While the project is not located in the City's Inclusionary Ordinance Boundary, the developer has proposed 15% of the total units be deed restricted as affordable. The project is currently under review by City staff. The project requires review by the Planning Commission who will forward to the City Council for approval of project entitlements. The City issued a Notice of Preparation to prepare an Environmental Impact Report and is in the process of completing an EIR for the project. City staff continue to meet with the developer on a frequent basis to provide technical assistance on City requirements and entitlements. 				

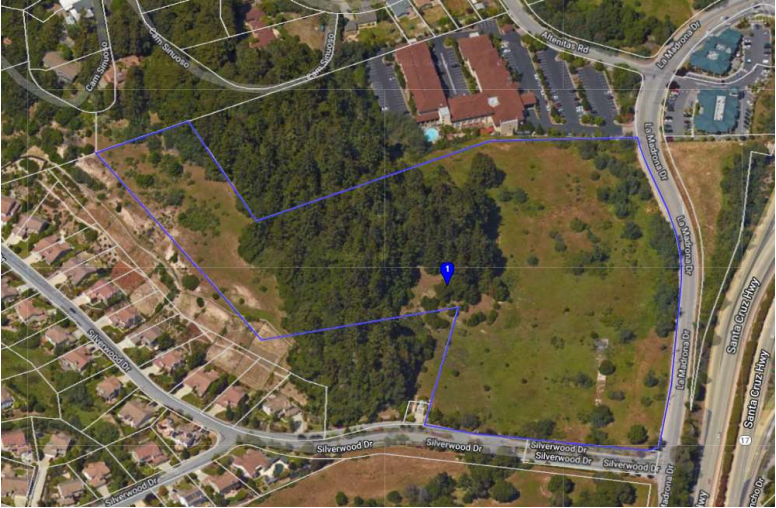
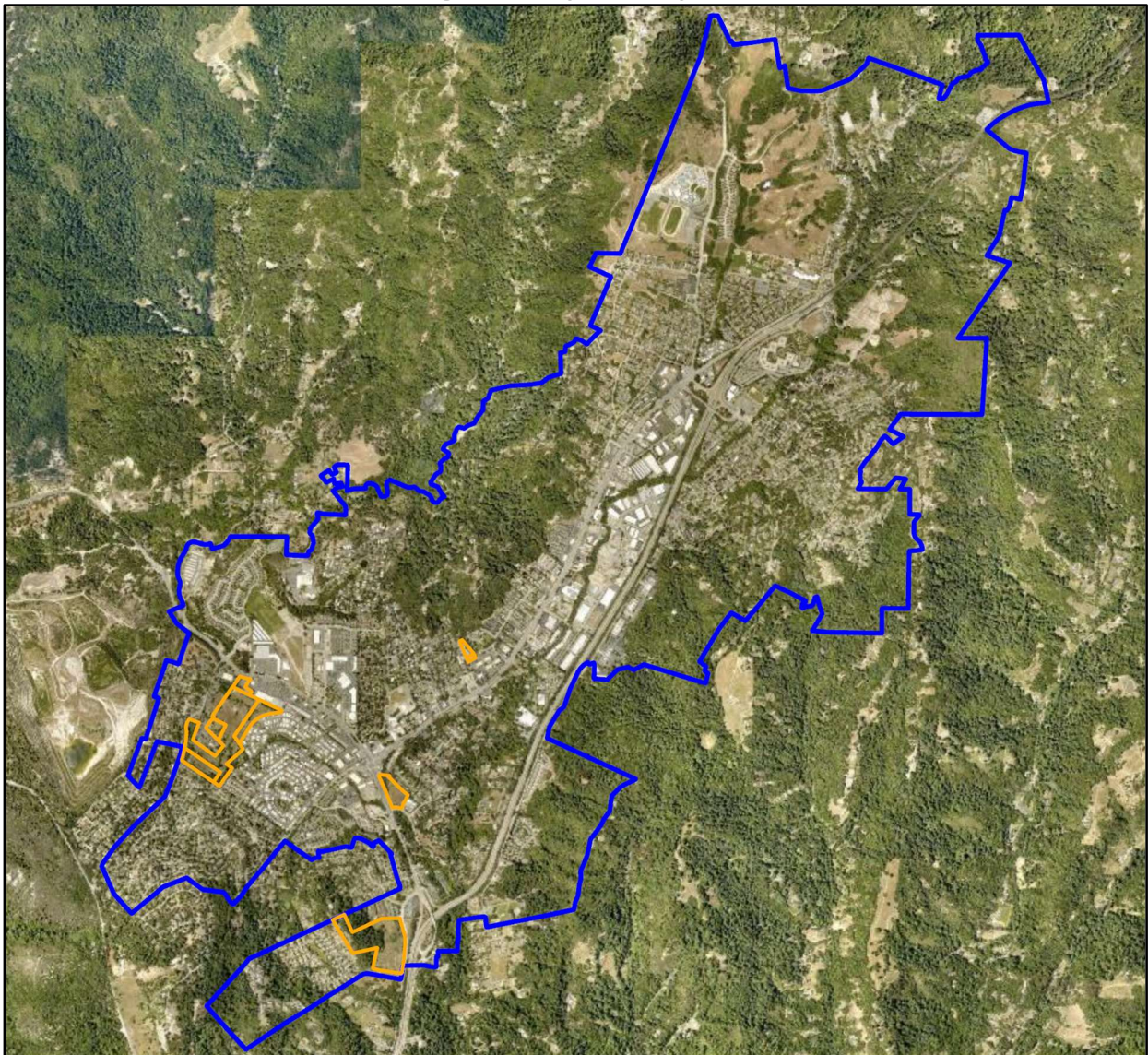
Pipeline Project	Acreage	Net Units	Lower	Moderate	Above Moderate
La Madrona – Gateway South (APN: 021-141-05)	17.6	184	19	10	155
Currently vacant parcel zoned open space proposing a mixed-use development with 184 units, a hotel, and 3,500 square-feet of commercial space. Project entitlements include General Plan Amendment, Zone Change, Planned Development, Specific Plan Amendment, Use Permit, Design Review, Minor Land Division, and Environmental Review. While the project is not located in the City’s Inclusionary Ordinance Boundary, the developer has proposed 15% of the total units be deed restricted affordable. The City issued a Notice of Preparation for an Environmental Impact Report and is in the process of completing an EIR for the project. The project requires review by the Planning Commission and approval of entitlements by the City Council. City staff continue to meet with the developer to provide technical assistance on City requirements and entitlements. 					
PIPELINE PROJECTS UNIT TOTAL:		417	51	13	353

Figure F-2: Pipeline Projects



Scotts Valley Housing Element Sites Inventory Analysis - Pipeline Projects



Source: City of Scotts Valley
Date: 5/15/2023

C. EXISTING RESIDENTIAL CAPACITY

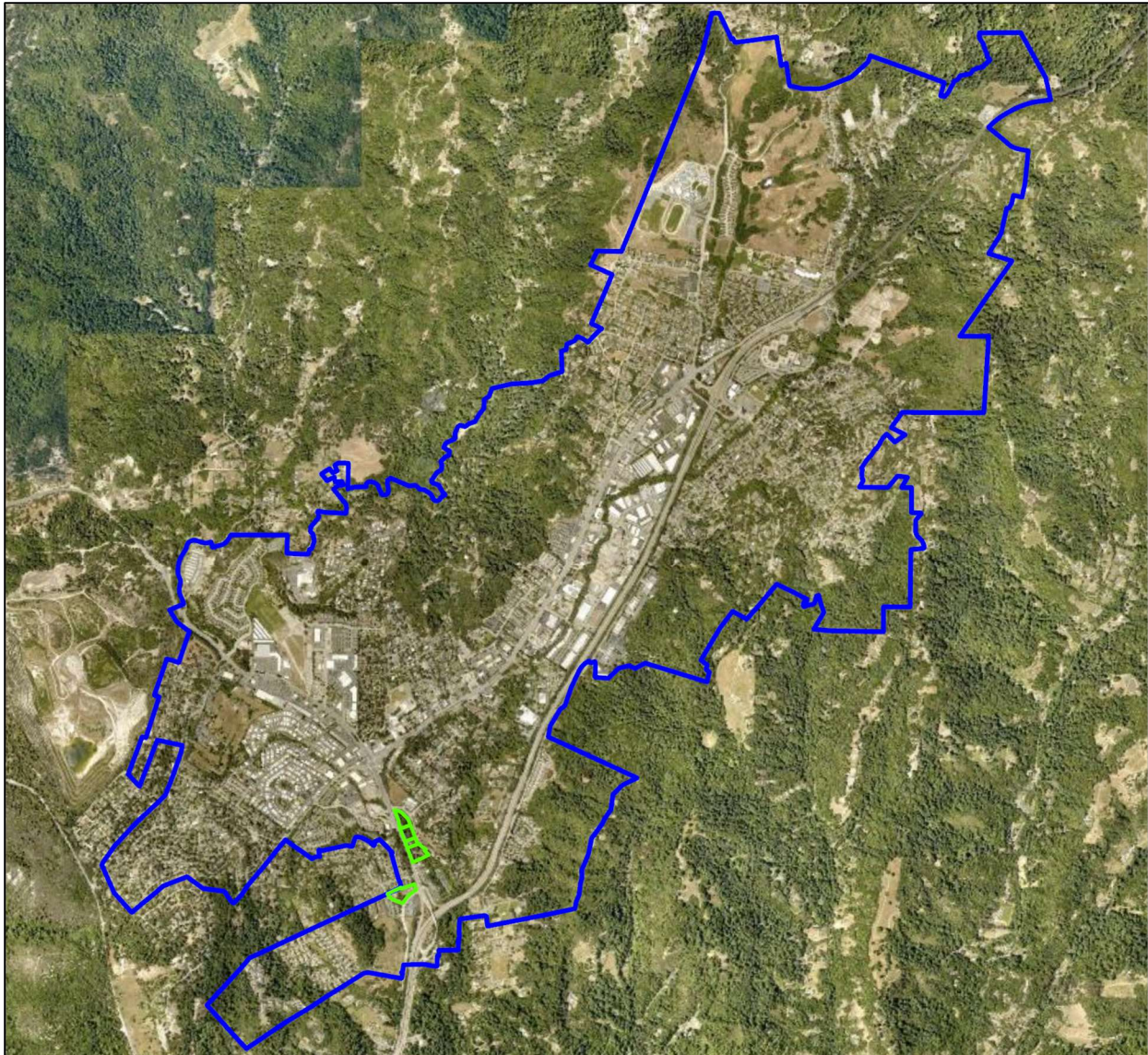
1. Residentially Zoned Land

The City has identified five parcels currently zoned for residential with the capacity to accommodate additional housing units. Four of these sites are considered underutilized and have a land value that is higher than the improvement value; the sites also have common ownership and are considered due to their ability to consolidate to develop a multi-family housing development with affordable units. The fifth parcel is a mostly vacant site with a structure previously used for a flooring company that is no longer open.

The projecting out development of these sites, the City assumes a realistic capacity of 70 percent. This capacity assumption is based on past projects density yields in comparison to what the site could permit at the maximum. On average, a sample size of six past projects noted an average density yield of 83 percent (with the highest yield at 123 percent and lowest yield at 67 percent each). Additionally, this capacity assumption accounts for development standards, sets a reduction to avoid a no-net loss scenario, and follow HCD guidance.

These conservative assumptions result in a development capacity of 72 potential units – 12 affordable to lower income households, 2 to moderate-income households, and 58 to above moderate-income households.

Figure F-3: Existing Residential Capacity



Scotts Valley Housing Element Sites Inventory Analysis - Existing Residential Capacity



Source: City of Scotts Valley
Date: 5/15/2023

2. Town Center Specific Plan

The Town Center Specific Plan is designed to be the heart of the city and offer convenient proximity between commercial and residential uses near community resources. The Plan area encompasses approximately 58 acres, including 15 acres of vacant land, and is surrounded by a mix of retail and civic uses. The Plan area is made up of multiple parcels with multiple property owners. Currently, the Specific Plan allows residential uses within the Town Center Specific Plan Area. In order to develop residential within that area, a Planned Development permit is required. However, residential uses are limited to certain areas and permitted densities are vague. The Specific Plan will be amended to increase the amount of residential uses allowed in the Specific Plan Area, to apply objective design standards to those uses to facilitate development and to designate additional areas for residential development. Subsequent to the adoption of the Specific Plan Amendment, necessary rezonings or zoning code amendments will be completed in accordance with the terms of the Specific Plan. It is anticipated that the Specific Plan Amendment will be adopted by December 2025 and the associated zoning changes will be implemented by December 2026. The City intends to sell the City owned properties in accordance with the requirements of the Surplus Lands Act and issue RFPs to interested developers.

Soil contamination has previously been an impediment to development; however, it is in the process of being eliminated and will not continue to pose a constraint to residential development during the planning cycle. The City is currently in contract with Weber Hayes to remediate the surface soil contamination on the effected City-owned properties. In addition, the City of Santa Cruz is expected to enter into a similar agreement with Weber Hayes on the parcels they own within Town Center. The surface soil remediation is expected to be completed by December 2023 (the remediation efforts have begun as of October 2023). An additional impediment to the development of the Town Center has been the amount of residential uses permitted under the Specific Plan. During prior attempts to develop the area, many developers expressed a need for additional residential development in order to ensure a successful project. This amendment will allow increased density of residential development in the Specific Plan Area.

Programs H-1.1 and H-1.10 in the Chapter 2 Housing Plan establish the actions and timelines the City commits to regarding the development of Town Center.

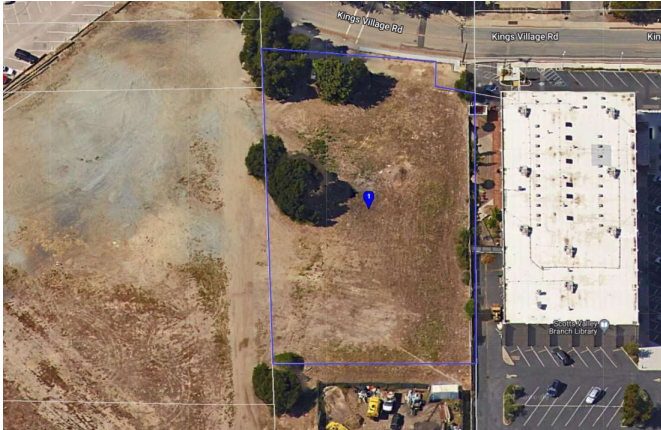
Historically, project applications have been submitted for the Plan, but development was not successful. Interest in developing the Town Center area has increased over recent years. Figure F-4 shows new developments within the Plan area.

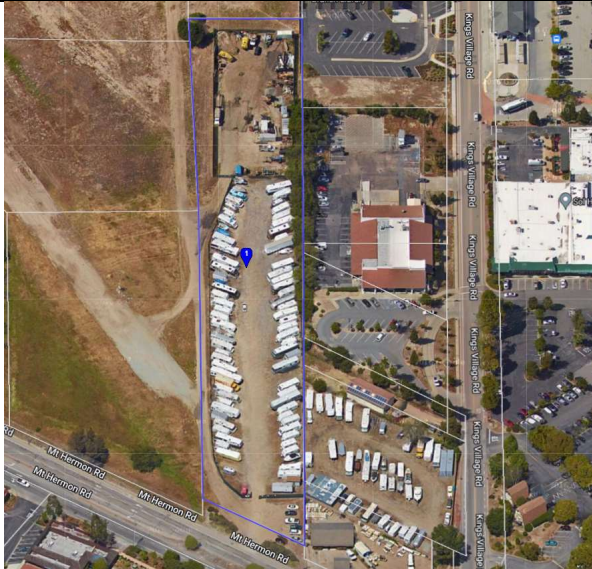
Figure F-4: Town Center Specific Plan – Recent Developments

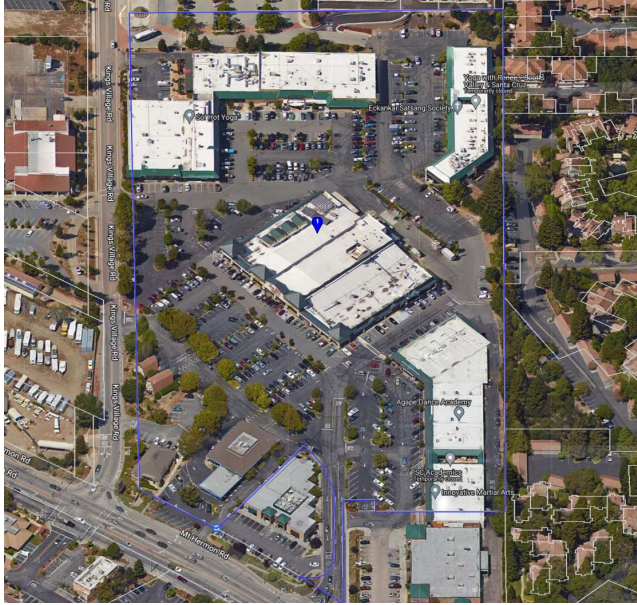


As part of the candidate housing sites analysis, the City has identified three City-owned parcels, one METRO-owned parcel (the transit center), and one privately-owned parcel part of the Kings Village Shopping Center. The goal in identifying the City-owned parcels is to directly ensure affordable housing development – the City will coordinate the development of the parcels with affordable housing developers. Regarding the METRO- and privately-owned parcel, the City will coordinate with both to facilitate and promote affordable housing development. Table F-6 provides details on each parcel identified. The City intends to sell the City-owned parcels to a developer for a mixed use project in accordance with the Surplus Lands Act once the Specific Plan Amendment and Rezonings are complete. This is anticipated to occur by December 2027.

Table F-6: Town Center Specific Plan

Town Center SP Parcels	Acreage	Density	Realistic Capacity	Net Units	Lower	Moderate	Above Moderate
022-721-06	2	40	80%	64	64	0	0
This vacant, City-owned parcel currently covers the Skypark Dog Park and the Scotts Valley Pump Track, as well as part of the Skypark Skate Park parking lot. The City anticipates developing the property in coordination with an affordable housing developer to create a fully-affordable housing development centrally located near public transit, community resource, and open space. 							
022-212-19	1.07	40	80%	32	32	0	0
This vacant, City-owned parcel is adjacent to the Scotts Valley Public Library and the new theatre. The City anticipates developing the property in coordination with an affordable housing developer to create a fully-affordable housing development centrally located near public transit, community resource, and open space. 							
022-601-01	2.9	40	80%	92	92	0	0
This non-vacant, City-owned parcel is adjacent to the post office and vacant land, and it is currently being used for trailer storage. The City anticipates developing the property in coordination with an affordable housing developer to create a fully-affordable housing development centrally located near public transit, community resource, and open space.							

Town Center SP Parcels	Acreage	Density	Realistic Capacity	Net Units	Lower	Moderate	Above Moderate
							
022-212-16	2.77	40	80%	86	86	0	0
This parcel contains the METRO Cavallero transit center and the Scotts Valley Park and Ride center. The City has been in discussions with METRO about converting the site to affordable residential units with workforce components. Redevelopment of the site would result in parking being moved underground or provided through a parking structure. This would allow for Transit-Oriented Development (TOD) to occur in partnership with the transit center. As mentioned above, the area offers much for community resources, open space, and commercial needs.							
							
022-601-18	13.69	40	80%	383	153	39	191
This parcel contains the Kings Village shopping center and is owned by the Ow family. The center includes a Goodwill Thrift Store, CineLux, Nob Hill Foods, Ace Hardware, UPS Store, Walgreens, various restaurant, smaller retail stores, and surface parking. The site has been identified as a candidate site with the vision of							

Town Center SP Parcels	Acreage	Density	Realistic Capacity	Net Units	Lower	Moderate	Above Moderate
redeveloping the northern portion of the sites into residential uses. While a large site, the City's Zoning Ordinance does not require parcelization to redevelop the site with affordable housing. The Specific Plan and Zoning Ordinance allow for mixed use development. Additionally, a program is included in the Housing Plan for the City to facilitate redevelopment of the property. Development is anticipated to include a mix of affordable and market rate units. 							



D. REZONE STRATEGIES

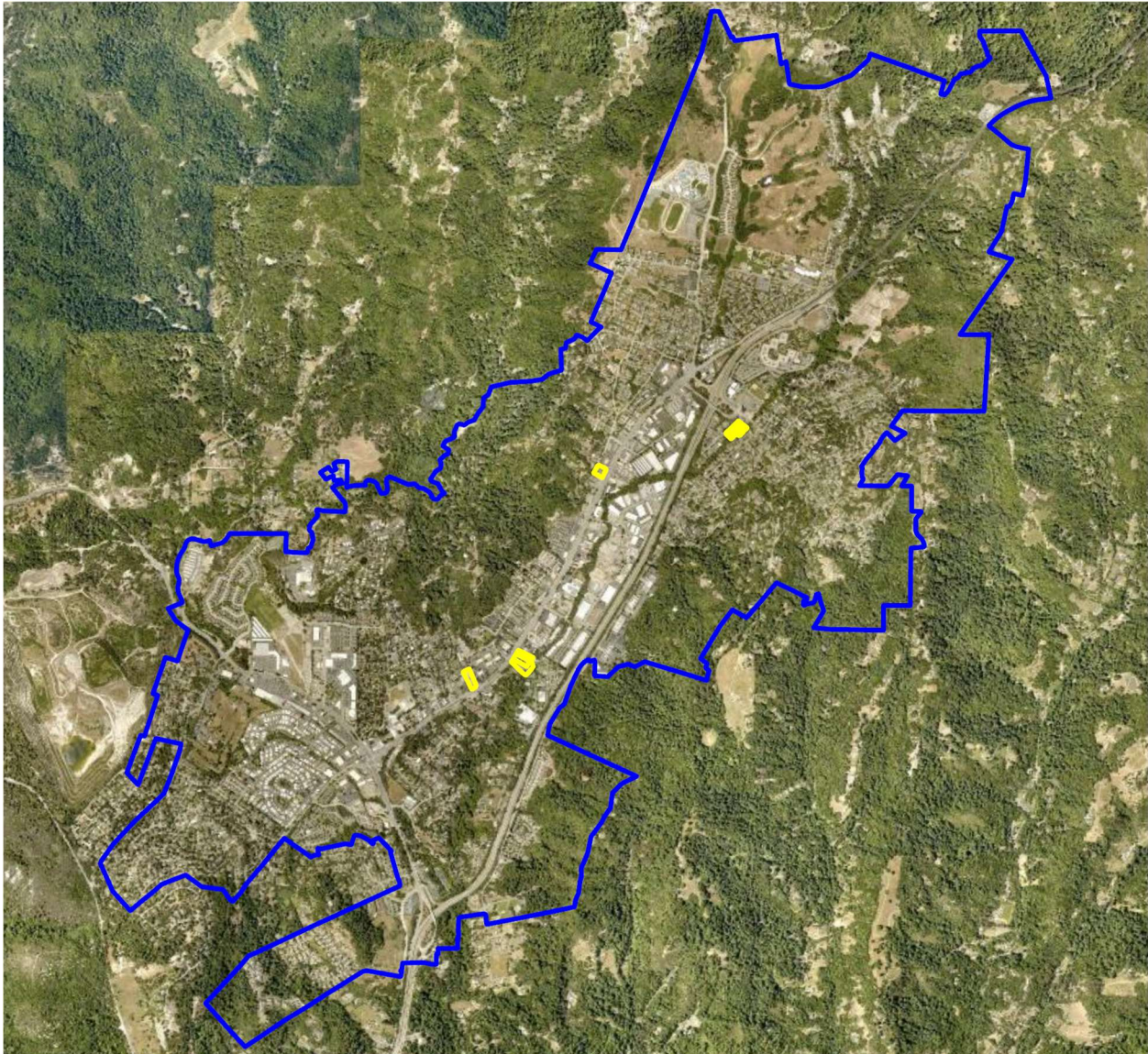
The City cannot fully accommodate the entirety of its RHNA through existing capacity. As such, two rezone strategies have been identified to expand the City's existing mixed-use zoning on identified sites and rezone particular parcels to accommodate high density residential development.

The intent of these rezones are to create additional residential development opportunities along Scotts Valley Drive and Mount Hermon Road – in areas that provide convenient access to community resources and public transportation, and in areas that have development interest. The City of Scotts Valley covers a small 4.61 square-miles in the Santa Cruz Mountains with steep hillsides and creeks. As such, adequate land suitable for higher density developments are minimal and result in more feasible sites requiring redevelopment of existing parcels. The following sections detail the City's plan to accommodate the remaining RHNA.

1. Residential Rezones

The City has identified six parcels totaling 4.23 acres to be rezoned to allow high density residential at an expected density of 40 dwelling units per acre. In total, the parcels identified for rezoning have potential to accommodate 65 very low- and low-income units, 14 moderate-income units, and 89 above moderate-income units. Projected development of these sites, the City assumes a realistic capacity of 80 percent. This capacity assumption is based on past projects density yields in comparison to what the site could permit at the maximum. On average, a sample size of six past projects noted an average density yield of 83 percent (with the highest yield at 123 percent and lowest yield at 67 percent each); see Table C-13b in Appendix C for a comprehensive list of recent development examples. Additionally, this capacity assumption accounts for development standards, sets a reduction to avoid a no-net loss scenario, and follow HCD guidance.

Figure F-5: Residential Rezones



Scotts Valley Housing Element Sites Inventory Analysis - Residential Rezones



Source: City of Scotts Valley
Date: 10/3/2023



2. Mixed-Use Rezones

The City currently allows for mixed-use developments with a maximum residential component of 50 percent. The City has identified 29 parcels totaling 36.6 acres to be rezoned to allow for higher density, mixed-use residential at an expected density of up to 40 dwelling units per acre and a commercial requirement lowered down to 30 percent. The City assumes a realistic capacity of 70 percent on these sites to account for the commercial component. This capacity assumption is based on past projects density yields in comparison to what the site could permit at the maximum. On average, a sample size of six past projects noted an average density yield of 83 percent (with the highest yield at 123 percent and lowest yield at 67 percent each); see Table C-13b in Appendix C for a comprehensive list of recent development examples.

Parcels identified for mixed-use rezoning have potential to accommodate 318 very low- and low-income units¹, 84 moderate-income units, and 399 above moderate-income units.

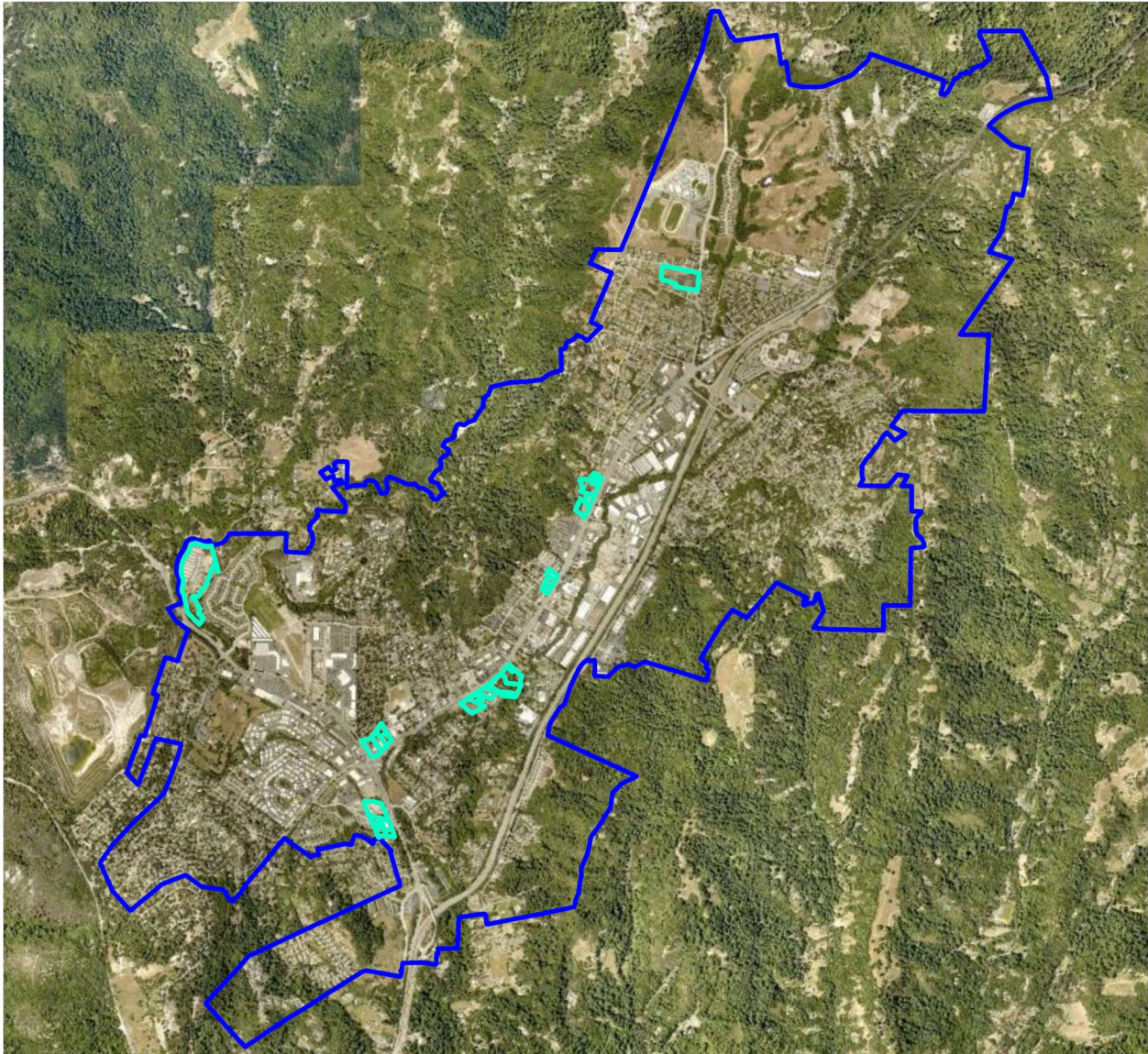
These sites were identified for a variety of reasons, including being considered underutilized (the land value exceeds the development value), property owner/developer stated interest, potential for lot consolidation with adjacent parcels, and/or the site was in an appropriate location in comparison to community resources.

Increasing the residential components of these sites will create additional opportunities for the properties to develop. Property owners along Scotts Valley Drive voiced interest in developing residential uses along the corridor and also noted the current 50 percent residential maximum was too low and restrictive to allow for worthwhile development. Specifically, it was noted that residential development is a key component for the financing of commercial development in mixed use projects, with an increase in residential development potential and a decrease in the commercial requirements needed for worthwhile development. During the 5th Cycle, the only solely commercial project reviewed in approved in the City was The Hangar development off Mount Hermon Road. More recently, the development trends along Scotts Valley Drive have typically included a mixed use approach to providing in-fill housing opportunities. Given the size of Scotts Valley and the importance of its two main corridors (Scotts Valley Drive and Mount Hermon Road), the City believes it remains important to allow for commercial development to benefit existing neighborhoods. As such, increasing the density and allowable residential percentage was considered the most appropriate solution.

Figure F-5 below maps the mixed-use rezone areas in the City.

¹ A total of 49 percent of lower income units identified to meet the RHNA are located on mixed-use sites.

Figure F-5: Mixed-use Rezones



Scotts Valley Housing Element Sites Inventory Analysis - Mixed-Use Rezones



Source: City of Scotts Valley
Date: 10/3/2023



E. ADEQUACY OF SITES

1. Availability of Water, Sewer, and Dry utilities

The City has existing and planned water, sewer, and dry utilities that can accommodate potential residential development identified for the 2023-2031 Housing Element. More information on utilities is provided in Appendix C.

Each candidate housing site has been evaluated to ensure there is adequate access to utility services and connections, including water, sewer, and dry utilities. Each site is situated with a direct connection to a public street that has the appropriate water and sewer mains and other infrastructure services.

2. Larger and Smaller Parcels

AB 1397 identifies parcels measuring between half-an-acre and 10 acres to be appropriate for the development of affordable housing. Parcels that are less than half-an-acre (“smaller”) or above 10 acres (“larger”) are not deemed adequate to accommodate lower income housing units unless past performance shows a tendency for affordable housing projects to develop on these types of parcels. The candidate sites inventory includes affordable units on sites that fall outside the size requirements.

Smaller Parcels

A total of 15 smaller parcels have been identified with assumed potential to develop lower income units. These sites were identified as they are adjacent to other candidate sites – the candidate sites inventory identifies which parcels could be consolidated – and have shared access. Additionally, some parcels that are located next to one another are under common ownership – facilitating their consolidation. These small sites may be consolidated into a parcel greater than 0.5 acres allowing for the development of a higher density residential project. The Housing Plan includes a program to facilitate lot consolidation for these parcels. Program H-2.8 facilitates the development of lots that are less than a half-an-acre in size for the development of affordable housing development. Through this program, the City shall establish and implement this program to facilitate lot consolidation for these parcels, as well as adopt and promote incentives for the development of these smaller sites.

Larger Parcels

A total of two parcels have been identified with assumed potential to develop lower income units. One of these parcels includes the Lockhart Gulch storage center. This site covers a total of 12.05 acres; however, only 4 acres are developable as the parcel has split zoning and topography make residential development impossible. The City would not require any subdivisions to facilitate development of this site as the portion of the site that is not

developable is zoned as Open-Space (OS). As such, the parcel has a realistic development capacity of approximately 33 percent and is not proposing to develop low-income units on a site that is 10 acres or greater in size. The second parcel is the Kings Village Shopping Center. The property is currently zoned in the Town Center Specific Plan to allow for mixed-use residential development and does not require any subdivisions to facilitate its development.

The Housing Plan includes a program to facilitate development of these two larger sites (Program 2.6). As the list of pipeline project shows, the City is currently reviewing two projects on sites that are over 10 acres (18.36 and 17.6 acres, respectively). As such, the City is able to show development interest in these types of parcels.

3. City-Owned Parcels

Three parcels identified in the candidate site inventory are owned by the City of Scotts Valley. All three of these parcels are part of the Town Center Specific Plan and have been identified at fully affordable assumptions. The City anticipates selling the properties to affordable housing developers to create opportunity for fully affordable housing projects. In total, these City-owned parcels would allow for 188 total affordable units over 5.97 acres. The City will comply with the Surplus Lands Act.

4. Vacant Parcels

A total of 6 vacant parcels have been identified as part of the candidate sites inventory with potential to accommodate 70 lower income units. This represents 10.8 percent of the lower income RHNA for Scotts Valley.

5. Non-Vacant Parcels

The City has identified 43 non-vacant parcels. These sites were identified for a variety of reasons including property owner and developer interest, underutilized uses, and appropriateness of the site location in relation to other uses and community resources.

Lease Analysis

Existing lease agreements on infill and non-vacant parcels may present potential impediments that may prevent residential development, particularly affordable residential development, within the planning period. The City made diligent efforts to review existing lease terms in evaluating the uses on non-vacant parcels; however, the City does not have access to private party lease agreements or other contractual agreement amongst private parties. While the City does not have access to lease structures, only sites that showed characteristics indicating they are likely to redevelop within the planning period were included. This includes sites that are considered underutilized and have not had recent structural improvements. Sites with property owner interest were also included.



Likelihood of Non-Residential Development

During and prior to the 6th Cycle Housing Element Update, the City has experienced an increase in development applications and inquiries focusing on solely residential redevelopment projects or seeking to increase residential capacity. As noted in Appendix G – Community Engagement, the development community has expressed interest in increased residential development with a lower commercial square footage requirement for mixed use projects than currently required by the City’s General Plan and Zoning Ordinance. As noted in Program H-1.1, Mixed Use Rezones will be eligible for a reduced commercial square footage requirement (from 50 percent to 30 percent of total project square footage) and an increase in allowable residential square footage (from 50 percent to 70 percent of total project square footage). Out of the six recent development projects discussed in Appendix C, two of the development projects involved were mixed use projects which included commercial and residential uses (Oak Creek Park and The Cove). In order to increase the residential density in those projects, the Oak Creek Park and The Cove entitlements included Zoning Amendment and Zoning Change requests to allow for additional residential development on site. Additionally, the City of Scotts Valley has only seen one solely commercial development project during the last Housing Element Cycle. The Hangar project within the Town Center Specific Plan Area involved the construction of a drive-through facility and a multi-tenant commercial building.

The EIR for the Town Center Specific Plan (2008) analyzed 300 dwelling units and 310,000 square feet of commercial space, emphasizing commercial development versus residential development. Despite this, numerous responses to requests for proposals (RFPs) between 2012 and 2018 revised this mix, emphasizing residential development over commercial development. At least two of the proposals submitted included approximately 27,000 square feet of commercial space instead of the previously contemplated 310, 000 square feet.

The City’s assumptions for increased residential development are based on current market conditions, developer feedback, and past development trends proving that non-residential development is unlikely and will not pose a constraint to the development of residential uses.

Redevelopment Factors

Given the size, location, and topography of the City, opportunities for development are limited. As such, the City has identified a greater percent of non-vacant sites to be rezoned and redeveloped throughout the planning period. These parcels were identified for a number of factors listed below. The candidate sites inventory refers to this list to further detail the likelihood of redevelopment.

1. Land value is greater than the improvement value
77 percent of non-vacant sites have land values that exceed the improvement values.

2. Existing structure was built prior to 1990 (it was built over 30 years ago)
95 percent of non-vacant sites have structures built at least 30 years ago, with the majority being well over 30 years.
3. Existing uses do not include housing units
51 percent of non-vacant sites have no existing units.
4. City-owned
5 percent of non-vacant sites are City-owned.
5. Development interest from a housing developer and/or property owner
9 percent of non-vacant sites have stated developer or property owner interest.

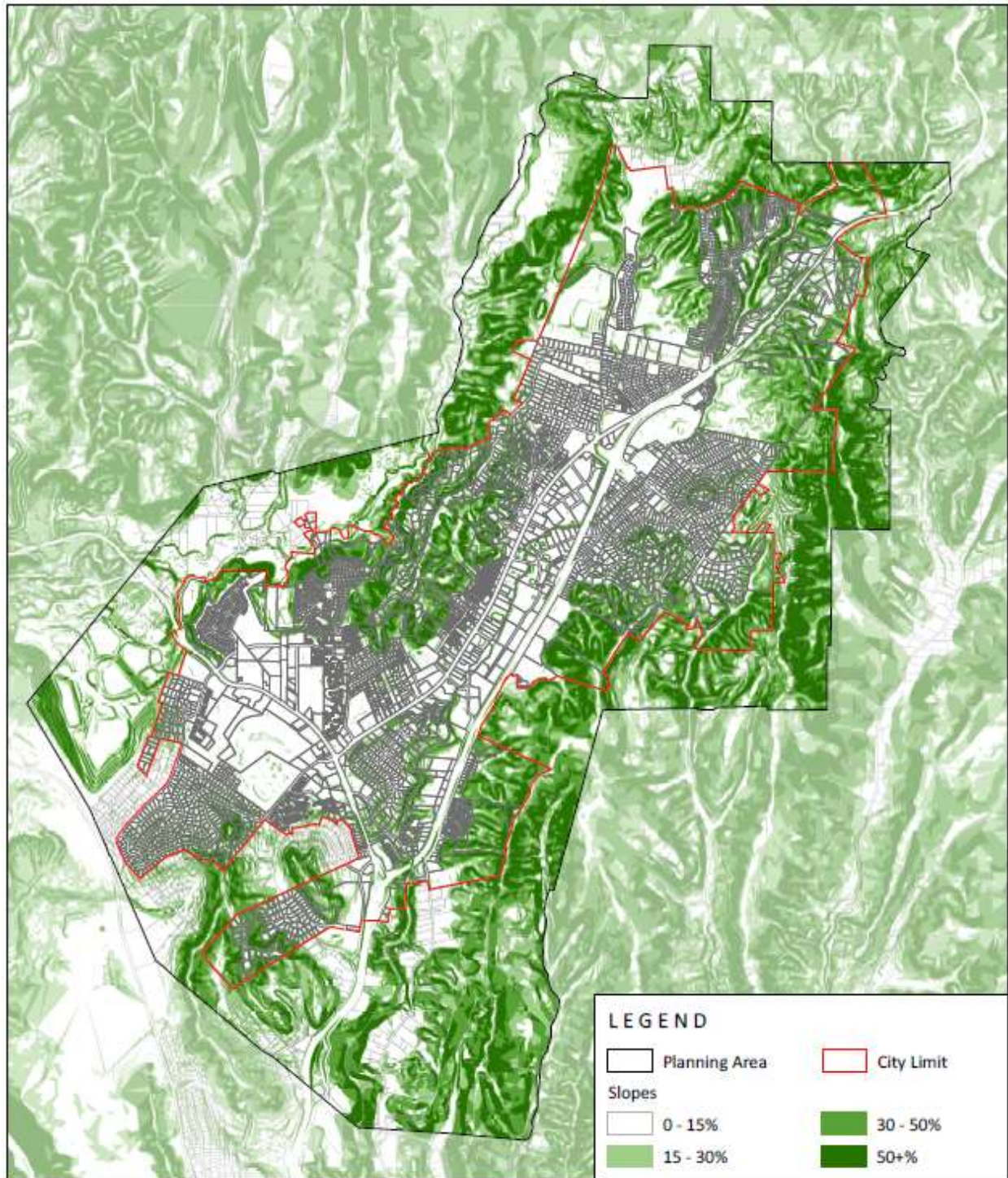
All but four of 43 total parcels have at least two identified redevelopment factors and 17 have at least three. Sites listed in the inventory were individually assessed for their likelihood to redevelop but also for their suitability to include residential units. This considers their location in comparison to neighboring uses, access to the two corridors that run through Scotts Valley, walkability potential to community and commercial resources and services, as well as parcel size and shape.

Furthermore, and as stated above, the City is very limited due to its topography. Figure F-6 shows that the City is located in a small valley and entirely encircled by steep slopes. The figure begins at 15 percent but ahead of that are smaller slopes that may still make development impossible or difficult, particularly for higher density residential projects. Given these limitations, the City must rely heavily on non-vacant parcels, while still ensure adequate opportunities for commercial and employment resources for residents and community amenities.

The Housing Plan includes programs to further support and facilitate the development of non-vacant sites, as well as programs which include development incentives which may be applied to non-vacant sites. These all include:

- Program H-1.11: Non-Vacant Sites Development
- Program H-1.2: By-Right Development Program
- Program H-1.3: Sites Inventory Monitoring Program
- Program H-1.6: Removal of Residential Development Constraints
- Program H-1.7: Mixed-Use Development
- Program H-1.8: Facilitation of Affordable Housing Development
- Program H-2.6: Development of Large Lots
- Program H-2.8: Lot Consolidation
- Program H-3.10: Density Bonus Ordinance

Figure F-6: City of Scotts Valley Slopes Map



6. 5th and 4th Cycle Housing Element Parcels

State law limits a jurisdiction's ability to re-use sites from the prior RHNA cycle. Vacant sites identified in the last two Housing Element cycles and non-vacant sites identified in the last Housing Element cycle may not be counted towards the lower income RHNA unless the sites are zones at the "default density" of 20 dwelling units per acre and the sites allow residential use by-right for housing developments in which at least 20 percent of the units are affordable to lower income households. A "by-right" use in this case refers to permitted residential development which does not require a conditional use permit, planned unit development permit, or any other discretionary local government review or approval.

A total of ten parcels were identified in this 6th Cycle inventory which were also identified in the 4th and 5th Cycles. Two of these sites are pipeline projects, three are City-owned parcels in the Town Center Specific Plan area, and five are considered existing residential capacity parcels. The Housing Plan includes a program to facilitate the appropriate rezones and permit "by-right" development of these sites (Program H-1.2). The program meets the standards established in AB 1398 and 1397 which states the State law on rezone properties and "by-right" Development.

Table F-8: Scotts Valley 6th Cycle Candidate Sites

APNS	Address	Property Owner	Acreage	Zoning	GPLU	Vacancy	Existing Units	Realistic Capacity	Expected Density	Potential Units				4 th /5 th Cycle	Existing Use and Additional Information
										Total	Low	Mod.	Above Mod.		
Existing Residential Capacity															
021-321-04	27 Mt Hermon Rd	Coast 1031 Exchange Inc	2.03	R-VH	Very High	Non-Vacant	1	70%	20	28	4	2	22	Yes	This site is developed with a single-family dwelling unit. The site is considered underutilized, the land value exceeds the improvement value of the single-family dwelling unit on the parcel. Approximately 70% of the lot is vacant. This parcel is adjacent to other residential units/residentially zoned parcels. Redevelopment Factors: 1,2
022-151-03	78 Mt Hermon Rd 1	Jaeger Theodore L & Garnet L H/W Jt	1.12	R-VH	Very High	Non-Vacant	2	70%	20	15	2	1	12	Yes	This site is developed with five dwelling units. This site is considered underutilized, the land value exceeds the improvement value of the residential structures on the parcel. Approximately 70% of the lot is vacant. This parcel is adjacent to other residential units/residentially zoned parcels enabling the possibility of consolidation and can feasible be redeveloped into higher intensity residential use. Redevelopment Factors: 1, 2
022-151-04	68 Mt Hermon Rd	Donato Jamie Quinn	0.57	R-M-8	Med High	Non-Vacant	2	70%	7	2	0	0	2	Yes	This site is developed with two dwelling units. This site is considered underutilized, the land value exceeds the improvement value of the residential structures on the parcel. Approximately 70% of the lot is vacant. This parcel is adjacent to other residential units/residentially zoned parcels enabling the possibility of consolidation and can feasibly be redeveloped into higher intensity residential use. Redevelopment Factors: 1, 2
022-151-05	58 Mt Hermon Rd	Ward Jonathan Z	1.69	R-VH	Very High	Non-Vacant	1	70%	20	23	3	2	18	Yes	This site is developed with a single-family dwelling unit. The site is considered underutilized, the land value exceeds the improvement value of the residential structures on the parcel. Approximately 80% of the lot is vacant. This parcel is adjacent to other residential units/residentially zoned parcels enabling the possibility of consolidation and can feasibly be redeveloped into higher intensity residential use. Redevelopment Factors: 1, 2
022-151-11	3535 Glen Canyon Rd	Green Valley Corporation	1.11	R-VH	Very High	Non-Vacant	1	70%	20	15	2	1	12	Yes	This is developed with a single-family dwelling unit. The site is considered underutilized, the land value exceeds the improvement value of the residential structures on the parcel.

APNS	Address	Property Owner	Acreage	Zoning	GPLU	Vacancy	Existing Units	Realistic Capacity	Expected Density	Potential Units				4 th /5 th Cycle	Existing Use and Additional Information
										Total	Low	Mod.	Above Mod.		
															Approximately 90% of the lot is vacant. This parcel is adjacent to other residential units/residentially zoned parcels enabling the possibility of consolidation and can feasibly be redeveloped into higher intensity residential use. Redevelopment Factors: 1, 2
Pipeline Projects															
022-481-18, 022-481-22	-	SV Housing LLC	0.77	R-H	High	Vacant	-	-	-	10	1	1	8	Yes	Currently vacant land near residential neighborhoods. Proposed 10-unit single-family development/duets. Project entitlements included a Planned Development Zoning Permit, Land Division, Design Review, and Environmental Review. The project includes deed restricted affordable units as required by the City's 15% Inclusionary Ordinance. The City Council approved the project June 16, 2021, and granted a two year a time extension on June 21, 2023. Next steps include submitting a Final Map for adoption by the City Council. Once the Final Map is adopted, the applicant can submit for grading and building permits.
022-162-76	3640 Glen Canyon Rd	NMSBPCSLDHB	3.56	C-S	C-S	Vacant	-	-	-	52	6	2	44	Yes	Currently vacant parcel proposing a mixed-use development with 52 units and 25,000 square-feet of commercial space. Project entitlements included a General Plan Amendment, Zoning Change with a Planned Development Zoning Overlay, Minor Land Division, Design Review Permit and Environmental Review. The project was approved by the City Council on December 7, 2022. The project includes deed restricted affordable units as required by the City's 15% Inclusionary Ordinance, including three very low-income units, two low income, and two moderate income units. The applicant can submit for grading and building permits once a Final Map is reviewed by the City Council.
021-231-07, 021-231-02, 021-231-04, 021-231-08, 021-221-02	263 Mt Hermon Rd	Valley Gardens Golf Course	18.36	C-P	C-P	Non-Vacant	-	-	-	171	25	0	146	-	The parcels currently include an old, unused, golf course. The mixed-use project currently proposes 171 units with 12,000 square-feet of commercial space. Project entitlements include a General Plan Amendment, Zone Change, Planned Development, Tentative Parcel Map, Design Review, Use Permit, and Environmental Review. While the project is not located in the City's Inclusionary Ordinance Boundary, the developer has proposed 15% of the total units be deed restricted as affordable. The project is currently under review by City staff. The project requires review by the Planning Commission who will forward to the City Council for approval of project entitlements. The City



APNS	Address	Property Owner	Acreage	Zoning	GPLU	Vacancy	Existing Units	Realistic Capacity	Expected Density	Potential Units				4 th /5 th Cycle	Existing Use and Additional Information
										Total	Low	Mod.	Above Mod.		
															issued a Notice of Preparation to prepare an Environmental Impact Report and is in the process of completing an EIR for the project.
021-141-05	-	Le Garden House LLC	17.60	C-S	C-P	Vacant	-	-	-	184	19	10	155	-	Currently vacant parcel zoned open space proposing a mixed-use development with 184 units, a hotel, and 3,500 square-feet of commercial space. Project entitlements include General Plan Amendment, Zone Change, Planned Development, Specific Plan Amendment, Use Permit, Design Review, Minor Land Division, and Environmental Review. While the project is not located in the City's Inclusionary Ordinance Boundary, the developer has proposed 15% of the total units be deed restricted affordable. The City issued a Notice of Preparation for an Environmental Impact Report and is in the process of completing an EIR for the project. The project requires review by the Planning Commission and approval of entitlements by the City Council.
Town Center Specific Plan															
022-721-06	-	Scotts Valley City Of	2.00	C-S	C-S	Non-Vacant	-	80%	40	64	64	0	0	Yes	This City-owned parcel currently covers the Skypark Dog Park and the Scotts Valley Pump Track, as well as part of the Skypark Skate Park parking lot. The City anticipates developing the property in coordination with an affordable housing developer to create a fully-affordable housing development centrally located near public transit, community resource, and open space. Redevelopment Factors: 1, 2, 3, 4
022-212-19	209 Bean Creek Rd	Scotts Valley City Of	1.07	C-S	C-S	Vacant	-	80%	40	32	32	0	0	Yes	This vacant City-owned parcel is adjacent to the Scotts Valley Public Library and the new theatre. The City anticipates developing the property in coordination with an affordable housing developer to create a fully-affordable housing development centrally located near public transit, community resource, and open space.
022-601-01	-	City Of Scotts Valley	2.90	C-S	C-S	Non-Vacant	-	80%	40	92	92	0	0	Yes	This nonvacant, City-owned parcel is adjacent to the post office and vacant land, and it is currently being used for trailer storage. The City anticipates developing the property in coordination with an affordable housing developer to create a fully-affordable housing development centrally located near public transit, community resource, and open space. Redevelopment Factors: 1, 2, 3, 4

APNS	Address	Property Owner	Acreage	Zoning	GPLU	Vacancy	Existing Units	Realistic Capacity	Expected Density	Potential Units				4 th /5 th Cycle	Existing Use and Additional Information
										Total	Low	Mod.	Above Mod.		
022-212-16	-	Santa Cruz Metropolitan Transit District Etal	2.77	P	P	Non-Vacant	-	80%	40	86	86	0	0	-	This parcel contains the METRO Cavallero transit center and the Scotts Valley Park and Ride center. The City has been in discussions with METRO about converting the site to affordable residential units with workforce components. Redevelopment of the site would result in parking being moved underground or provided through a parking structure. This would allow for Transit-Oriented Development (TOD) to occur in partnership with the transit center. As mentioned above, the area offers the opportunity to locate fully affordable housing development near community resources, open space, and commercial areas. Redevelopment Factors: 1, 2, 3, 5
022-601-18	216 Mt Hermon Rd A	Ow David L Trustee Etal	13.69	C-SC	C-SC	Non-Vacant	-	70%	40	383	153	39	191	-	This parcel contains the Kings Village shopping center and is owned by the Ow family. The center includes a Goodwill Thrift Store, CineLux, Nob Hill Foods, Ace Hardware, UPS Store, Walgreens, various restaurant, smaller retail stores, and surface parking. The site has been identified as a candidate site with the vision of redeveloping the northern portion of the sites into residential uses. While a large site, the City's Zoning Ordinance does not require parcelization to redevelop the site with affordable housing. The Specific Plan and Zoning Ordinance allow for mixed use development. Additionally, a program is included In the Housing Plan for the City to facilitate redevelopment of the property. Development is anticipated to include a mix of affordable and market rate units. Redevelopment Factors: 2, 3
Rezones – Residential															
024-152-30, 024-152-25, 024-152-27, 024-152-28, 024-152-29	-	Bergman Marlyn J	1.32	R-1-10	Medium	Non-Vacant	1	80%	40	43	17	4	22	-	Four of the parcels are vacant with one parcel (024-152-25) is developed with single family dwelling unit. The parcels are located in a single family neighborhood. The five parcels are under common ownership and the property owner has expressed interest in consolidating the lots to allow for higher density residential development. Redevelopment Factors: 1, 2, 3 (applicable to 4 parcels), 5
022-491-24	4556 Scotts Valley Dr A	Shaffer Wayne & Jo H/W Cp Rs As Tc Etal	1.11	C-S	C-S	Non-Vacant	8	80%	40	35	14	3	18	-	The site is currently developed with 8 residential dwelling units. The structures were built in the 1940s to 1960s. The parcel is adjacent to other candidate sites in the 6th Cycle and adjacent to a site that is under common ownership. This enables the possibility of consolidation and can be feasibly redeveloped into a

APNS	Address	Property Owner	Acreage	Zoning	GPLU	Vacancy	Existing Units	Realistic Capacity	Expected Density	Potential Units				4 th /5 th Cycle	Existing Use and Additional Information
										Total	Low	Mod.	Above Mod.		
															higher intensity residential use. Property will be rezoned to allow for 100% residential development, up from the currently allowed 50% residential development. Redevelopment Factors: 1, 2
022-491-23	4600 Scotts Valley Dr	Shaffer Wayne & Jo H/W Cp Rs As Tc Etal	0.75	C-S	C-S	Vacant	-	80%	40	24	9	2	13	-	The site is currently vacant. The site is considered underutilized, the land value exceeds the improvement value. This parcel is also adjacent to other candidate sites in the 6 th Cycle and adjacent to a site that is under common ownership. This enables the possibility of consolidation and can feasibly be redeveloped into higher intensity residential use. Property will be rezoned to allow for 100% residential development, up from the currently allowed 50% residential development. Redevelopment Factors: 1, 2
022-491-12	4602 Scotts Valley Dr 1	San Lorenzo Homes LLC	0.56	C-S	C-S	Non-Vacant	8	80%	40	17	6	1	10	-	The site is developed with two existing apartment buildings with a total of 8 units. The buildings were building in the 1940s and 1980s. Approximately 60% of the lot is vacant and majority of it is dedicated to surface parking. The site is considered underutilized, the land value exceeds the improvement value of the structures on the parcel. This parcel is also adjacent to other candidate sites in the 6 th Cycle, enabling the possibility of consolidation and can feasibly be redeveloped into higher intensity residential use. Property will be rezoned to allow for 100% residential development, up from the currently allowed 50% residential development. Redevelopment Factors: 1, 2
022-481-06	4425 Scotts Valley Dr	Bowers Robert Howard & Janice Kathleen	0.89	C-S	C-S	Non-Vacant	-	80%	40	28	11	2	15	-	The site is currently developed as a landscaping materials yard. The parcel is considered underutilized as the land value exceeds the improvement value of the yard. The parcel is adjacent to other residential uses, enabling the possibility of consolidation and can feasibly be redeveloped into a higher intensity residential use. Property will be rezoned to allow for 100% residential development, up from the currently allowed 50% residential development. Redevelopment Factors: 1, 2, 3
022-031-14	5311 Scotts Valley Dr	Bladat LLC	0.67	C-S	C-S	Non-Vacant	-	80%	40	21	8	2	11	-	The site is developed with a prefabricated building and landscape supply center constructed in the 1950s. This site is considered

APNS	Address	Property Owner	Acreage	Zoning	GPLU	Vacancy	Existing Units	Realistic Capacity	Expected Density	Potential Units				4 th /5 th Cycle	Existing Use and Additional Information
										Total	Low	Mod.	Above Mod.		
															underutilized, the land value exceeds the improvement value of the structures on the parcel. Approximately 50% of the lot is vacant. This parcel is adjacent to other residential units enabling the possibility of consolidation and can feasibly be redeveloped into higher intensity residential use. Property will be rezoned to allow for 100% residential development, up from the currently allowed 50% residential development. Redevelopment Factors: 1, 2, 3
Rezones – Mixed-Use															
022-801-17	4404 Scotts Valley Dr	Markell Rodney E	0.24	C-S	C-S	Non-Vacant	3	70%	40	6	2	1	2	-	There is an existing two-story mixed-use building with three residential units on this parcel constructed in 2007. Approximately 60% of the lot is vacant and majority of it is dedicated to surface parking. The site is considered underutilized, the land value exceeds the improvement value of the mixed use structure on the parcel. This parcel is also adjacent to other residential units enabling the possibility of consolidation and can feasibly be redeveloped into a higher intensity residential use. Potential consolidation for APNs: 022-491-27, 022-801-17, 022-491-06, 022-491-04, 022-871-01, 022-491-09
022-031-13	5297 Scotts Valley Dr	Lee James J & Rella S Trustees	0.33	C-S	C-S	Non-Vacant	-	70%	40	8	3	1	4	-	The site is developed with a commercial building and parking lot area that was constructed in the 1960s. Approximately 60% of this parcel is vacant. This parcel is adjacent to other residential units enabling the possibility of consolidation and can feasibly be redeveloped into higher intensity residential use. Redevelopment Factors: 2
022-031-16	5271 Scotts Valley Dr	St Philip The Apostle Episcopal Church In Scotts Valley	1.20	C-S	C-S	Non-Vacant	-	70%	40	33	13	3	17	-	The parcel is developed with a church and parking lot. l. Approximately 70% of the site is dedicated towards surface parking. The site is adjacent to other residential uses and other candidate sites in the 6 th cycle housing element. The site can feasible redeveloped into a higher residential use. Redevelopment Factors: 2, 3
022-031-01	5163 Scotts Valley Dr	Bfd Holdings 1 LLC	1.01	C-S	C-S	Non-Vacant	-	70%	40	28	11	3	14	-	The site is developed with a commercial building with parking lot area towards the front of the site. The building was constructed in the 1960s. The site is considered underutilized as the land value exceeds the improvement value. Approximately 60% of this parcel is vacant. The property owner has expressed interest in redeveloping this site at a higher intensity residential use. The site is also adjacent to another parcel held in common ownership.



APNS	Address	Property Owner	Acreage	Zoning	GPLU	Vacancy	Existing Units	Realistic Capacity	Expected Density	Potential Units				4 th /5 th Cycle	Existing Use and Additional Information
										Total	Low	Mod.	Above Mod.		
															This parcel can feasibly be redeveloped into higher intensity residential use. Redevelopment Factors: 1, 2, 3, 5
022-031-09	5215 Scotts Valley Dr A	Bfd Holdings 1 LLC	0.48	C-S	C-S	Non-Vacant	7	70%	40	13	5	1	7	-	The site is development with a mixed use building with commercial spaces on the first floor and four residential units on the second floor. The building was constructed in the 1970s. Approximately 60% of this parcel is vacant. The property owner has expressed interest in redeveloping this site at a higher intensity residential use. The site is also adjacent to another parcel held in common ownership. The parcel can feasibly be redeveloped into a higher intensity use with the adjacent parcel. Redevelopment Factors: 2, 5
022-031-12	5275 Scotts Valley Dr	Perry Karen A	0.20	C-S	C-S	Non-Vacant	1	70%	40	5	2	1	2	-	The site is developed with a commercial building and one dwelling unit. The buildings were constructed in the 1960s. The site is considered underutilized as the land value exceeds the improvement value. Approximately 50% of this parcel is vacant. This parcel is adjacent to another candidate site identified for the 6th Cycle enabling the possibility of consolidation. The site can feasibly be redeveloped into higher intensity residential use. Redevelopment Factors: 1, 2
022-491-06	4408 Scotts Valley Dr	Double-O Developments Inc	0.24	C-S	C-S	Non-Vacant	-	70%	40	6	2	1	3	-	This site is currently developed as part of parking lot for a commercial office center. The site was improved as a parking lot in the 1970s. The County Assessor's Office notes that the site is classified as vacant commercial land. The parcel is adjacent to another candidate site under common ownership, enabling the possibility of consolidation. The site can be feasible be redeveloped into higher intensity residential use. Potential consolidation for APNs: 022-491-27, 022-801-17, 022-491-06, 022-491-04, 022-871-01, 022-491-09 Redevelopment Factors: 1, 2, 3
022-491-04	4444 Scotts Valley Dr	Double-O Developments Inc	0.90	C-S	C-S	Non-Vacant	-	70%	40	25	10	3	12	-	The site is currently developed as a commercial office building with surface parking. The site was built in the 1970s. T The parcel is adjacent to another candidate site under common ownership, enabling the possibility of consolidation. The site can feasibly be redeveloped into higher intensity residential use.

APNS	Address	Property Owner	Acreage	Zoning	GPLU	Vacancy	Existing Units	Realistic Capacity	Expected Density	Potential Units				4 th /5 th Cycle	Existing Use and Additional Information
										Total	Low	Mod.	Above Mod.		
															Potential consolidation for APNs: 022-491-27, 022-801-17, 022-491-06, 022-491-04, 022-871-01, 022-491-09 Redevelopment Factors: 2, 3
022-491-27	4402 Scotts Valley Dr	Fontana Family Investments LLC	0.49	C-S	C-S	Non-Vacant	-	70%	40	13	5	1	7	-	The site is currently developed as a restaurant and surface level parking. The building was constructed in the 1960s. This parcel is considered underutilized, the land value exceeds the improvement value of the structure on this parcel. This parcel is adjacent to other candidate sites listed in the 6 th Cycle enabling the possibility of consolidation and can feasibly be redeveloped into higher intensity residential use. Potential consolidation for APNs: 022-491-27, 022-801-17, 022-491-06, 022-491-04, 022-871-01, 022-491-09 Redevelopment Factors: 1, 2, 3
023-113-31	257 Glenwood Dr	Roman Catholic Bishop Of Monterey	4.44	P/QP	P/QP	Non-Vacant	1	80%	40	96	38	10	48	-	The site is developed with an existing church with a surface level parking lot. Approximately 70% of the site is dedicated towards surface parking with the remaining 30% undeveloped. The site can feasibly be redeveloped into a higher residential use. Redevelopment Factors: 2
022-491-07	4548 Scotts Valley Dr	Luzzi Adrian J Trustee Etal	2.40	C-S	C-S	Non-Vacant	1	70%	40	67	27	7	33	-	The site is developed with a single family dwelling unit. The building was constructed in the 1910s. This site is considered underutilized, the land value exceeds the improvement value of the residential unit on the parcel. Approximately 80% of the lot is vacant. This parcel is adjacent to other candidate sites listed in the 6 th Cycle enabling the possibility of consolidation and can feasibly be redeveloped into higher intensity residential use. Potential consolidation for APNs: 022-491-07 and 022-491-05 Redevelopment Factors: 1, 2
022-491-05	4446 Scotts Valley Dr	Hoffman Edward L Trustee Etal	0.40	C-S	C-S	Non-Vacant	1	70%	40	6	2	1	3	-	The site is developed with a structure that was constructed in 1977. Approximately 70% of the lot is vacant. This parcel is underutilized, the land value exceeds the improvement value of the structure on the parcel. This parcel is adjacent to other candidate sites listed in the 6 th Cycle, enabling the possibility of consolidation and can feasibly be redeveloped into higher intensity residential use. Potential consolidation for APNs: 022-491-07 and 022-491-05 Redevelopment Factors: 1, 2
022-871-01	-	Shadow Oaks Professional	1.32	C-S	C-S	Non-Vacant	-	70%	40	36	14	4	18	-	The site is developed with commercial condominiums and a common parking lot area. The commercial center was developed

APNS	Address	Property Owner	Acreage	Zoning	GPLU	Vacancy	Existing Units	Realistic Capacity	Expected Density	Potential Units				4 th /5 th Cycle	Existing Use and Additional Information
										Total	Low	Mod.	Above Mod.		
		Center Owners Assoc													in the 1980s. Approximately 60% of the parcel is vacant. This parcel is adjacent to another candidate site enabling the possibility of consolidation and can feasibly be redeveloped into a higher intensity use. Potential consolidation for APNs: 022-491-27, 022-801-17, 022-491-06, 022-491-04, 022-871-01, 022-491-09 Redevelopment Factors: 1, 2, 3
022-491-09	4402 Scotts Valley Dr	Taylor Eric T & Elaine M	0.12	C-S	C-S	Non-Vacant	-	70%	40	2	1	0	1	-	The site is currently developed as common open space for the adjacent property. The parcel is adjacent to other candidate sites in the 6 th Cycle and adjacent to a site that is under common ownership, enabling the possibility of consolidation and can feasibly be redeveloped into a higher intensity residential use. Potential consolidation for APNs: 022-491-27, 022-801-17, 022-491-06, 022-491-04, 022-871-01, 022-491-09 Redevelopment Factors: 1, 2, 3
022-491-08	4550 Scotts Valley Dr A	Taylor Eric T & Elaine M	1.75	C-S	C-S	Non-Vacant	3	70%	40	50	20	5	25	-	The site is developed with three dwelling units. The structures were constructed in the 1930s. This site is considered underutilized, the land value exceeds the improvement value of the residential units on the parcel. The parcel is adjacent to other candidate sites in the 6 th Cycle and adjacent to a site that is under common ownership. This enables the possibility of consolidation and can feasibly be redeveloped into a higher intensity residential use. Redevelopment Factors: 1, 2
022-072-33	4865 Scotts Valley Dr	Franich John Anthony & Nancy Katherine Trustees	0.46	C-S	C-S	Non-Vacant	-	70%	40	12	5	1	6	-	The site is currently developed with a commercial building that was constructed in the 1940s and modified in the 1970s. The site is considered underutilized, the land value exceeds the improvement value of the existing commercial building. Parcel has a surface parking lot and the structure takes up approximately 40% of the property. The parcel is adjacent to other candidate sites in the 6 th Cycle and adjacent to a site that is under common ownership. This enables the possibility of consolidation and can feasibly redevelop into a higher intensity residential use. Redevelopment Factors: 2

APNS	Address	Property Owner	Acreage	Zoning	GPLU	Vacancy	Existing Units	Realistic Capacity	Expected Density	Potential Units				4 th /5 th Cycle	Existing Use and Additional Information
										Total	Low	Mod.	Above Mod.		
022-351-13	4901 Scotts Valley Dr	Franich John Anthony & Nancy Katherine	0.47	C-S	C-S	Non-Vacant	-	70%	40	13	5	1	7	-	The site is currently developed with a commercial building that was constructed in the 1940s. The parcel is considered underutilized; the land value exceeds improvement value of the commercial structure. Parcel has a surface parking lot and vacant land that take up approximately 50% of the property. The parcel is adjacent to other candidate sites in the 6 th Cycle and adjacent to a site that is under common ownership. This enables the possibility of consolidation and can feasibly redevelop into a higher intensity use. Potential consolidation for APNs: 022-072-41 and 022-351-13 Redevelopment Factors: 1, 2, 3
022-072-41	4859 Scotts Valley Dr	Ross Lawrence A R & Ruth J	0.29	C-S	C-S	Non-Vacant	-	70%	40	8	3	1	4	-	The site is currently developed with a commercial building that was constructed in the 1940s. The parcel is considered underutilized as the land value exceeds improvement value of the commercial structure. Parcel is developed with a surface level parking and structure that takes up approximately 50% of the lot. The parcel is adjacent to other candidate sites in the 6 th Cycle, enabling the possibility of consolidation and can feasibly redevelop into a higher intensity use. Potential consolidation for APNs: 022-072-41 and 022-351-13 Redevelopment Factors: 1, 2, 3
022-231-18	90 Lockhart Gulch Rd	Storage Depot LLC	12.05	I-L	I-L	Non-Vacant	-	33%	40	159	64	16	79	-	The site is currently developed as a mini-warehouse facility and was constructed in the 1990s. The parcel has a dual zoning designation of industrial and open space. Therefore, the developable area of the site is calculated at 4.35 acres. The City does not require the parcelization of this site as the environmentally sensitive area of the parcel is held in an open space designation which prohibits development. The parcel is adjacent to residential uses, community amenities, and can feasibly be redeveloped into a higher intensity residential use. Redevelopment Factors: 1, 3
021-271-04	75 Mt Hermon Rd 100	Kontoudakis John & Barbara H/W Jt	1.90	C-S	C-S	Non-Vacant	-	70%	40	53	21	5	27	-	The site is currently developed as a commercial shopping center and was constructed in the 1970s. This parcel is considered underutilized, land value exceeds the improvement value of the commercial structures on the parcel. The parcel is adjacent to other candidate sites in the 6 th Cycle and various residential uses. This enables the possibility of consolidation and can feasibly redevelop into a higher intensity residential use.

APNS	Address	Property Owner	Acreage	Zoning	GPLU	Vacancy	Existing Units	Realistic Capacity	Expected Density	Potential Units				4 th /5 th Cycle	Existing Use and Additional Information
										Total	Low	Mod.	Above Mod.		
															Redevelopment Factors: 1, 2, 3
021-281-07		Lexertus LLC	0.54	C-S	C-S	Vacant	-	70%	40	15	6	2	7	-	This parcel is vacant. The parcel is considered underutilized as the land value exceeds the improvement value. The site is adjacent to other candidate sites in the 6 th Cycle, various residential uses, and sites under common ownership. These factors enable consolidation. As such, the site can feasibly redevelop into a higher intensity residential use.
021-281-08	69 Mt Hermon Rd	Lexertus LLC	0.30	C-S	C-S	Non-Vacant	1	70%	40	8	3	1	4	-	The site is developed with a single dwelling unit. The site is adjacent to other candidate sites in the 6 th Cycle, various residential uses, and sites under common ownership. These factors enable consolidation with other sites. As such, the site can feasibly redevelop into a higher intensity residential use. Potential consolidation for APNs: 021-281-08 and 021-281-09 Redevelopment Factors: 2
021-281-09	69 Mt Hermon Rd	Lexertus LLC	0.49	C-S	C-S	Non-Vacant	-	70%	40	13	5	1	7	-	The parcel is developed as an outdoor storage area. The site is considered underutilized as the improvement value of the lot is less than the value of the land. The site is adjacent to other candidate sites in the 6 th Cycle, various residential uses, and sites under common ownership. These factors enable consolidation with other sites. The site can feasibly be redeveloped into a higher intensity residential use. Potential consolidation for APNs: 021-281-08 and 021-281-09 Redevelopment Factors: 1, 2, 3
021-281-15	59 Mt Hermon Rd	Bei-Scott Company LLC	0.62	C-S	C-S	Non-Vacant	-	70%	40	17	7	2	8	-	This site is developed with a commercial building constructed in the 1980s. The site is adjacent to other candidate sites in the 6 th Cycle, various residential uses, and a site under common ownership. These factors enable consolidation with other sites. The site can feasibly be redeveloped into a higher intensity residential use. Potential consolidation for APNs: 021-281-15 and 021-281-14 Redevelopment Factors: 2, 3
021-281-14	57 Mt Hermon Rd	Bei-Scott Company LLC	0.44	C-S	C-S	Non-Vacant	-	70%	40	12	5	1	6	-	The site is developed with a commercial building constructed in the 1970s. This site is considered underutilized, the land value exceeds the improvement value of the residential structures on the parcel. Approximately 60% of the lot is vacant. The site is adjacent to other candidate sites in the 6 th Cycle, various

APNS	Address	Property Owner	Acreage	Zoning	GPLU	Vacancy	Existing Units	Realistic Capacity	Expected Density	Potential Units				4 th /5 th Cycle	Existing Use and Additional Information
										Total	Low	Mod.	Above Mod.		
															residential uses, and a site under common ownership. These factors enable consolidation with other sites. The site can feasibly be redeveloped into a higher intensity residential use. Potential consolidation for APNs: 021-281-15 and 021-281-14 Redevelopment Factors: 1, 2
022-571-02	2 Bean Creek Rd	Se-Camp Evers LLC	0.55	C-S	C-S	Non-Vacant	1	70%	40	15	6	2	7	-	The site is developed with a single family residential dwelling unit that was constructed in the 1920s. The structure is in need of rehabilitation. The site is considered underutilized, the land value exceeds the value of the improvement value of the residential structure on the parcel. Approximately 70% of the parcel is vacant. The site is adjacent to other candidate sites in the 6 th Cycle and sites under common ownership. These factors enable consolidation with other sites. The site can feasibly be redeveloped into a higher intensity residential use. Redevelopment Factors: 1, 2
022-571-03	50 Mt Hermon Rd	Se-Camp Evers LLC	0.98	C-S	C-S	Non-Vacant	-	70%	40	27	11	3	13	-	The site is developed with multiple commercial buildings that were constructed in the 1960s. This site is considered underutilized, the land value exceeds the improvement value of the residential structures on the parcel. Approximately 50% of the parcel is vacant. The site is adjacent to other candidate sites in the 6 th Cycle and sites under common ownership. These factors enable consolidation with other sites. The site can feasibly be redeveloped into a higher intensity residential use. Redevelopment Factors: 1, 2, 3
022-571-05	3101 Scotts Valley Dr	Se-Camp Evers LLC	1.49	C-S	C-S	Non-Vacant	-	70%	40	41	16	4	21	-	The site is developed with multiple commercial buildings that were constructed in the 1960s. This site is considered underutilized, the land value exceeds the improvement value of the residential structures on the parcel. Approximately 50% of the parcel is vacant. The site is adjacent to other candidate sites in the 6 th Cycle and sites under common ownership. These factors enable consolidation with other sites. The site can feasibly be redeveloped into a higher intensity residential use. Redevelopment Factors: 1, 2, 3
022-571-01	6 Bean Creek Rd	Se-Camp Evers LLC	0.55	C-S	C-S	Non-Vacant	1	70%	40	15	6	2	7	-	The site is developed with a single family residential dwelling unit that was constructed in the 1930s. The structure is in need of rehabilitation. The site is considered underutilized, the land value exceeds the value of the improvement value of the residential structure on the parcel. Approximately 70% of the parcel is

APNS	Address	Property Owner	Acreage	Zoning	GPLU	Vacancy	Existing Units	Realistic Capacity	Expected Density	Potential Units				4 th /5 th Cycle	Existing Use and Additional Information
										Total	Low	Mod.	Above Mod.		
															vacant. The site is adjacent to other candidate sites in the 6 th Cycle and sites under common ownership. These factors enable consolidation with other sites. The site can feasibly be redeveloped into a higher intensity residential use. Additionally, the site is market as a potential sandhill habitat; however, this is not considered a constraint to residential development as the City has a history of successful residential development on such parcels which has not resulted in prolonged CEQA review or entitlement. More analysis is provided in Appendix C. Redevelopment Factors: 1, 2



APPENDIX G



Section 65583 of the Government Code states, “local government shall make diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort.” Meaningful community participation is also required in connection with the City’s Assessment of Fair Housing (AF). As such, a **Summary of Community Engagement** is included within this Appendix.

SUMMARY OF COMMUNITY ENGAGEMENT

Beginning of 2023, the City conducted a variety of outreach and engagement efforts detailed in this Appendix. As required by government Code Section 65585 (b)(2), all written comments regarding the Housing Element made by the public have been provided to each member of the City Council.

1. Community Workshop #1

On January 26th, 2023, the City held its first virtual community workshop to introduce the Housing Element update process and provide details on how the community could stay engaged through adoption and certification. The workshop and presentation were made available in both English and Spanish, and the recordings for both are available on the City's webpage. The workshop received a total of 30 attendees.

Participants were able to provide thoughts and input in real-time through live polling activities and a Q&A. Feedback received noted the high cost of housing in Scotts Valley and the lack of housing choices. Additionally, participants shared that the high cost of rent and property costs makes it too expensive to live in Scotts Valley.



When it came down to the selection of housing types, workshop participants noted a greater need for affordable housing units and multi-family housing. As shown below, Townhomes, Duplex/Triplex, and Housing for Persons with Disabilities were also tied as a need in housing types within the City.



Lastly, workshop participants were asked about what they valued about Scotts Valley's existing neighborhoods. They emphasized the importance of schools, walkability, proximity of resources, open space, parks, and low crime.

2. Community Workshop #2

On May 30th, 2023, the City held a second virtual community workshop to inform the community of the Public Review Draft Housing Element, provide details on strategies to address RHNA, and solicit input and feedback. The presentation was made available in Spanish on the Housing Element Update webpage. The workshop received a total of 19 attendees.

In conjunction with the release of the Public Review Draft on May 19, 2023, the City also released an online Feedback Form to collect responses on the Draft. Workshop attendees received guidance on submitting responses through the form and contacting Staff for more in-depth comments.

3. Joint City Council and Planning Commission Study Sessions

On April 5th, 2023, Staff presented to City Council, Planning Commission, and members of the public during a joint Study Session. The presentation provided introductory information on the Housing Element Update process, details on the City's RHNA allocation, and strategies for addressing the 6th Cycle RHNA. The Study Session was organized to solicit input and recommendations from Planning Commission, City Council, and members of the public. Recordings of the meeting is available on the Housing Element Update webpage.

On June 28th, 2023, Staff presented to City Council, Planning Commission, and members of the public during a second joint Study Session. The presentation provided information on the status of the Element, including public comments received during the Public Review Draft comment period and revisions made in response to those public comments and guidance received during the first Study Session. Staff collected feedback and recommendations from Planning Commission, City Council, and members of the public; and also received approval to submit the Draft Housing Element to HCD for an initial review. Recordings of the meeting is available on the Housing Element Update webpage.

Members of the public who attended the Study Session in-person and virtually were given the opportunity to make comments and ask questions.

4. Engaging Special Housing Needs Populations

The City is engaging special housing needs organizations throughout the Housing Element update. This engagement included providing Spanish translation needs at the first community workshop.

The City has outreached to the organizations listed below to solicit input and feedback. This included direct emails and phone calls to request both general input on the state of housing in the City, opportunities, challenges, etc., as well as to notify them when drafts of the Housing Element were made available for review. These organizations were identified for their specialized services to special housing needs households in Scotts Valley and the region. The

City has heard back from Community Bridges and Senior Network Services to schedule a one-on-one meeting, but did not receive a response from Encompass Community Services.

Senior Network Services

On October 27, 2023, City staff met with the staff of Senior Network Services. Senior Network Services provides specialized services for senior residents throughout Santa Cruz County. This includes information and assistance, Medicare counseling, senior housing, respite care, case management and a grant program. The organization provides a comprehensive Housing Options Resource Guide for Senior in Santa Cruz County (Senior Housing | Senior Network Services) in addition to housing navigation services. Two housing related programs the organization provides include a Shared Housing Program (SHP) where seniors in need of a housemate are matched with vetted individuals that can assist with non-medical housing and companionship needs. The Home Help Program (HHP) pairs seniors in need of home maintenance and upkeep with vetted providers.

Staff provided feedback on the varying housing needs of seniors, noting that since the end of COVID-19 rental protections, homelessness, and housing insecurity among seniors in Santa Cruz County is an issue. The organization encouraged the City to provide housing for seniors in close proximity to transit opportunities and service providers for seniors. For seniors to be securely housed and be able to age in place, they need to have access to community spaces and services where social integration is possible. When discussing the needs of Scotts Valley's senior population, staff noted the need for additional services and gathering places in Scotts Valley to allow for social integration opportunities. Chapter 2: Housing Plan provides some programs and policies to encourage the development of affordable housing and transit opportunities for special needs populations, including seniors.

Community Bridges

On November 2, 2023, City staff met with the staff of Community Bridges – Meals on Meals. Community Bridges is a non-profit in Santa Cruz County that provides a variety of services for children, adults, and seniors. This includes a food program, early education services, safe community spaces for women and children, family resources, senior day health care, door-to-door rides for seniors, and meals on wheels. Meals on Wheels provides 50 seniors in Scotts Valley with home delivered meals. Additionally, Community Bridges partnered with the Scotts Valley Senior Center to provide congregate dining services at the Senior Center once a week. This program was suspended during the COVID-19 pandemic but the City and Community Bridges are in discussions to bring this program back to the community.

Staff noted that Santa Cruz County has the fastest older adult growth rate in California. Scotts Valley's older adult population is 20% higher than the rest of Santa Cruz County. Out of the senior population in Scotts Valley, 71% of seniors are over the age of 74 and 35% of those seniors are over the age of 85.

Community Bridges noted the importance of having services near senior housing is key for seniors to age in place. This includes transportation options to get seniors to and from social service providers and other amenities (parks, grocery stores, etc.). In addition to bus stops and public transit located near housing opportunities, staff also noted that accessible (ADA) compliant housing units and public infrastructure improvements are helpful to assisting seniors aging in place. Chapter 2: Housing Plan provides some programs and policies to encourage the development of affordable housing and transit opportunities for special needs populations, including seniors.

Community Grant Program

The City of Scotts Valley has provided small grants to community benefit organizations that serve Scotts Valley as funding allows. The City's Strategic Plan includes two goals that support the funding allocation for the Community Grant Program – Maintaining the Quality of Life for Residents and Economic Development. Quality of life programs could include but are not limited to enhancing safety net services for seniors and youth, art, culture, as well as programs related to community health, inclusion, and connection. On October 18, 2023, the City Council authorized the funding allocations for the following organizations that provide housing and other social service-related services for special needs populations in Scotts Valley:

- **Assisted Living Project** – Provides housing for adults with traumatic injuries to live in Scotts Valley off Glenwood Drive. The Assisted Living Project provides stabilize housing opportunities for individuals with disabilities and education to the larger community about the importance of affordable housing and home care options for this special needs population.
- **Meals on Wheels** – A program of Community Bridges, Meals on Wheels provides nutritious meals for seniors and disabled adults in our community. Additionally, Meals on Wheels provides dining site services for daily hot meals for adults aged 60 and up.
- **Scotts Valley Senior Life Association** – Local non-profit organization established to provide education and support relating to the health and welfare of senior citizens living in and around Scotts Valley. The organization seeks to enhance and add enjoyment to the lives of seniors in the community, provide educational opportunities with a focus on healthy living habits, and provide access to facilities that help seniors create their own healthy and fulfilling lives.
- **Vista Center for the Blind and Visually Impaired** – Non-profit that provides evaluation, education, and training services to blind or visually impaired individuals in Santa Cruz County.

A program has been included in Chapter 2: Housing for the City to continue the community grants program as funding allows and for the program to continue to focus on maintaining the quality of life for residents of Scotts Valley.

Additionally, the City also contacted the following organizations to notify them of the available draft for feedback. These organizations include more regional groups and affordable housing developers.

- **Encompass Community Services** – Provides county-wide services in behavioral health, family and social well-being, early childhood education, housing, substance use recovery programs, reentry services, and health and financial services.
- **Housing Santa Cruz County** – Provides public advocacy, democratic accountability, and community education relating to affordable housing across Santa Cruz County.
- **Habitat for Humanity Monterey Bay** – Builds affordable homes and provides home ownership opportunities in Santa Cruz and Monterey Counties.
- **Association of Faith Communities** – Provides resources and services to persons experiencing homelessness across Santa Cruz County. This includes the following four programs: 1) Safe Spaces providing a place for persons to park with access to sanitary facilities and other amenities; 2) Shower Ministry providing hot showers; 3) Faith Community Shelter providing nightly shelter and food; and 4) SPIN which distributes socks to shelters and food pantries.
- **Seniors Council** – Operates several programs for seniors across Santa Cruz, San Benito, Monterey, and Santa Clara Counties. Programs include Aging and Disability Resources Connection (ADRC), Area Agency on Aging, Falls Prevention, Foster Grandparent Program (FGP), Project SCOUT, and Senior Companion Program (SCP).
- **Eden Housing** – Affordable housing developer
- **MidPen Housing** – Affordable housing developer
- **Santa Cruz Co. Housing Authority** – Operates the Housing Choice Voucher (HCV) Program and a number of additional programs for housing affordability, for farmworkers, and for prospective homeowners.

The City has received separate public comments from the organizations listed below regarding special housing needs populations. Letters and public comments are included within this Appendix and also detailed in Table G-1 with responses.

- Affordable Housing NOW!
- Santa Cruz YIMBY
- Housing Choices
- Santa Cruz Co. Housing Authority



5. Housing Element Update Webpage

The City maintains a Housing Element Update webpage that was created to provide background information and guide the public to outreach events and resources throughout the course of the update process. The website provides information about the update process, key features of the housing element, recorded meetings, a project timeline, resources, and contact information. The website is available at: <https://tinyurl.com/th67rbyn>

All outreach materials, reports, and Drafts are available to the public through the Housing Element Update webpage.

PUBLIC COMMENTS

The following section contains all public comments submitted throughout the Housing Element Update process through October 19, 2023, and Table G-1 provides a matrix of public comments received during the Public Review Draft Housing Element and responses noting how each have been considered or incorporated.

Table G-1: Public Review Draft Comments and Responses

Public Comments		City Response
Submitted Letters		
Housing Choices	Affirmatively Further Fair Housing by Producing More Extremely Low-Income Housing. Not only is disability the highest-ranked source of Fair Housing complaints in Santa Cruz County, a growing body of Santa Cruz County data indicates that Black, Indigenous and other People of Color (BIPOC) with disabilities experience higher rates of severe rent burden than either BIPOC without disabilities or whites with disabilities. Such disparities in the experience of severe rent burden, housing instability and displacement from the City of Scotts Valley are attributable to the shortage of housing priced to be affordable to Extremely Low Income (ELI) households with incomes below 30% of Area Median Income. Multiple barriers including high land and construction costs and limited funding make it difficult for developers to produce Extremely Low Income units that would help to reduce such disparities. Local zoning and other policies that lead to increased production of Extremely Low Income units, as well as city staff dedicated to implementing and overseeing those policies, will Affirmatively Further Fair Housing in the City of Scotts Valley and decrease displacement and homelessness for the most at-risk residents, including people with developmental disabilities. <i>Sample Language: The City of Scotts Valley's plans to Affirmatively Further Fair Housing for Black, Indigenous and other People of Color, particularly those with disabilities, shall include policies designed to increase the production of Extremely Low Income units, as well as adequate staff capacity to implement and monitor the impact of these policies.</i>	An action has been added into Program H-3.2.
	Establish and monitor a quantitative goal. Tracking the City's success in housing people with developmental disabilities is essential to determine whether policies and programs are having an effect in overcoming historic patterns of discrimination and exclusion of people with developmental disabilities from affordable housing. A goal of 20 new Extremely Low-Income housing units for City of Scotts Valley residents with developmental disabilities over the period of the 2023-2031 Housing Element would represent meaningful progress towards the total unmet housing need of this special needs group. <i>Sample Language: The City of Scotts Valley shall monitor progress towards a quantitative goal of 20 new Extremely Low Income housing units that are subject to a preference for people with developmental disabilities needing the coordinated services provided by San Andreas Regional Center to live inclusively in affordable housing.</i>	A metric has been added into Program H-3.2
	Target City-Owned Land, Land Dedicated to Affordable Housing and City Housing Funds to Achieve City-Specific Priorities.	Comment has been noted.

Public Comments	City Response
City-owned land, land dedicated to affordable housing development through a land trust or under an inclusionary housing ordinance, and city housing funds are often essential to the development of affordable housing that is financially feasible. In creating guidelines for the scoring of any competitive proposals for these scarce resources, the City should grant additional points to affordable housing projects that address the housing needs of the residents who are most difficult to house under existing state and federal housing finance programs--for example, by prioritizing proposals with a higher number of Extremely Low Income units or that make a percentage of units subject to a preference for identified categories of special needs people who would benefit from coordinated onsite services, including but not limited to people with developmental disabilities who benefit from services of the San Andreas Regional Center. Example: City of San Jose Housing Department NOFA; San Mateo County Affordable Housing Fund NOFA <i>Sample Language: In publishing requests for competitive proposals for any city-owned land, land dedicated to affordable housing or city housing funds, the City of Scotts Valley shall grant additional points to proposals that address the city's most difficult to achieve housing priorities, by, for example, providing a greater number of Extremely Low-Income units or committing to make a percentage of the units subject to a preference for people with special needs who will benefit from coordinated onsite services, such as people with developmental disabilities who receive services from the San Andreas Regional Center.</i>	
Amend Density Bonus Program. Like many state and federal housing finance programs, the state density bonus program incentivizes the production of housing at the Low and Very Low Income level. But in counties like Santa Cruz County, with one of the highest Area Median Incomes in the state, these incentives have the effect of making much of the available affordable housing out of reach for residents on fixed incomes (including seniors and persons with disabilities) or who are working in low wage jobs and are thus unable to meet minimum income requirements to afford the rent assigned to the Very Low Income category. The City of Scotts Valley should update its density bonus program to conform with current state density bonus law which has increased the maximum density bonus allowed. In addition, the city should include in its updated density bonus program incentives which go above and beyond the state density bonus law to make it more responsive to the impact of Santa Cruz County's high Area Median Income on the affordability of housing for Scotts Valley residents who are Extremely Low Income. The city should also include additional incentives for projects that make a percentage of units subject to a preference for identified categories of special needs populations who experience the greatest	Program H-3.10 is included in the Housing Plan to bring the existing Ordinance into compliance with recent State law updates; the program includes the following actions: • Adopt a Density Bonus Ordinance amendment to bring policies into compliance with State density bonus law. • Promote the Density Bonus Ordinance to multi-family developers on a project-by-project basis to promote affordable housing unit development.

Public Comments		City Response
	barriers to housing access including but not limited to people with developmental disabilities who benefit from services of the Golden Gate Regional Center. <i>Sample Language: In addition to implementing the California density bonus statute, the City shall provide an additional local density bonus, incentives, and/or concessions for housing projects that include at least 5% of the units for people at the Extremely Low-Income affordability level or commit to make a percentage of the units subject to a preference for people with special needs who will benefit from coordinated onsite services, such as people with developmental disabilities who receive services from the Golden Gate Regional Center.</i>	Program H-3.2 aims to affirmatively further fair housing. Two actions specifically relating to special needs households include: • Extend housing choice voucher search times for particular groups, such as larger families with children or persons with disabilities. Aim to assist 20 households with special needs access housing choice vouchers. • Facilitate the development of affordable housing units for special housing needs population. This may include, but is not limited to, technical assistance, support for funding applications, permitting fee waivers, and development standards concessions, and other similar actions.
	Amend Inclusionary Housing Ordinance to Apply Restrictions to Rental Housing. California law (AB 1505, the “Palmer Fix”) explicitly allows cities to adopt inclusionary housing ordinances that address a range of income levels from moderate-income to extremely low-income. The City should take advantage of this authority to make its ordinance more responsive to local needs by offering developers of rental housing a menu of options for including affordable units, for example, by setting a higher percentage of units priced for moderate income and a lower percentage of units priced for extremely low income or targeted to special needs populations. Such a menu would address a broader range of the City of Scotts Valley’s housing needs, while giving developers more options for meeting the inclusionary requirement. Example: San Mateo County Inclusionary Affordable Housing Ordinance; Redwood City Affordable Housing Ordinance <i>Sample Language: The City of Scotts Valley shall revise its inclusionary housing ordinance to require developers of rental housing units to restrict some units to moderate, low, very low, and/or extremely low-income households. In addition developers will be offered a menu of options for achieving affordability, adjusting the percentage of units required to be affordable</i>	Program H-1.8 has been updated to include some of the proposed language regarding restricting some units to moderate, low, very low, and/or extremely low-income households.

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<i>depending on the degree of affordability achieved (moderate-income, low income, very low income, and extremely low income) or special needs groups targeted, including, for example, people with developmental disabilities who will benefit from coordinated onsite services provided by the San Andreas Regional Center.</i>	
Extremely Low-Income Accessory Dwelling Units. As part of a larger plan to increase the supply of Accessory Dwelling Units (ADUs), the City should consider creating a financing program for homeowners who build ADUs and rent them for at least 15 years at Extremely Low Income rent levels or that are subject to a preference for identified categories of special needs people who would benefit from coordinated onsite services, including but not limited to people with developmental disabilities who benefit from services of the San Andreas Regional Center. Example: Portland System Development Charge Exemptions; LA Backyard Homes Project <i>Sample Language: Subject to funding availability, the City shall devise a program of financing for Accessory Dwelling Units subject to rent restrictions for at least 15 years at Extremely Low-Income rent levels and/or that target special needs populations, such as people with developmental disabilities who will benefit from coordinated services provided by the San Andreas Regional Center.</i>	Comment has been noted.
Reduce Parking Requirements for People with Developmental and Other Disabilities. Because most adults with developmental disabilities do not drive or own a car, the City should revise its ordinances to limit parking required for affordable units for people with developmental disabilities to 0.5 space for each affordable studio or 1 bedroom unit and 1 space for an affordable 2 bedroom unit or larger. A similar reduction is recommended for affordable, physically accessible units. Example: Sunnyvale Parking Requirements for Special Housing Developments <i>Sample Language: The City of Scotts Valley shall encourage the inclusion of people with developmental and other disabilities in affordable housing by recognizing their transit dependence and establishing lower parking ratios for units targeted to people with developmental and other disabilities than would otherwise be required for affordable housing.</i>	This comment has been noted. As part of Program H-1.6 the City will be conducting a study of residential development standards to determine any potential constraints to housing.
Affirmative Marketing of Physically Accessible Units: Developers are allowed to affirmatively market accessible units to disability-serving organizations in Santa Cruz County (i.e. San Andreas Regional Center, Housing Choices Coalition for Persons with Developmental Disabilities, Central Coast Center for Independent Living and others) but rarely take this step. Affirmative marketing is particularly needed by people with developmental disabilities who, because of cognitive, communication and social impairment, often rely on housing navigation services funded by the San Andreas Regional Center to learn about and apply for affordable housing.	This comment has been noted. The City encourages developers to affirmatively market accessible units.

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	<i>Sample Language: As a condition of the disposition of any city-owned land, the award of city financing, any density bonus concessions, or land use exceptions or waivers for any affordable housing project, the City of Scotts Valley shall require that the housing developer implement an affirmative marketing plan for state-mandated physically accessible units which, among other measures, provides disability-serving organizations adequate prior notice of the availability of the accessible units and a process for supporting people with qualifying disabilities to apply.</i>	
Letter from Michael Shulman	It is rather confusing that there is identical numbering for the Policies and the Programs, as (for example) Policy H-1.1 speaks to housing variety in general while Program H-1.1 is specific to the 6 th cycle RHNA. Since this document will be used for the next 10 years, there could be some benefit to having some nomenclature distinction between these two classes (“PoH-1.1” v “PrH-1.1”, for example).	Comment has been noted.
	Program H-1.1 (RHNA): Table F-2 shows very encouraging numbers that bely publicly expressed concerns over the RHNA assigned to SV. Table F-6 takes an appropriately expanded view of the housing opportunities at the Town Center, recognizing the potential to redevelop certain existing parcels beyond their current singularly commercial purpose. The re-zoning opportunities along SV Drive, in addition to offering housing sites, can also generate long-needed economic revitalization along this corridor. But it is not clear why the rezoning is being proposed for only 33 identified parcels. An overlay zone that allows all property owners an ability to participate avoids the potential trap of the City attempting to pick winners-and-losers based on the ephemeral and potentially transient reasons offered on Page F-19. Identifying just these 33 parcels also creates unjustified inequitable development opportunities between adjacent parcels that may put the City on tenuous legal footing. We can’t know who will want to redevelop or who will constructively engage in lot consolidation; properties can change hands and zoning-based advantages can simply raise the perceived value of a parcel rather than necessarily lead to its prompt development. There should also be more consideration given to allow 100% residential along at least some portions of this corridor rather than insist on minimum 30% commercial development. There simply may not be a viable market for commercial anytime soon and the encumbrance on all properties is counterproductive. The City’s economic viability no longer relies on the sales and business tax generation that was the basis for the non-residential legacy zoning of SV Drive. A high density residential overlay combined with PD (planned development) regulations along SV Drive, from Mt. Hermon all the way to Victor Square, could simplify and stimulate redevelopment, make great strides towards fulfilling our RHNA, and provide more resident wallets that will drive economic growth in our existing retail and employment centers.	Comment has been noted.

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Program H-1.4 (ADU) – ADUs are perceived as an easy fix to affordable housing challenges because their small size makes them inherently more affordable, and by spreading them out within existing neighborhoods it can diffuse the opposition often associated with larger residential developments. But we should not overlook the adverse impacts they can have on fully developed neighborhoods by introducing more cars and traffics without any commensurate expansion of infrastructure, the loss of vegetation and open space (which matters, even when on individual parcels), and the crowding of structures and potential loss of privacy (depending on how the ADU is sited). ADUs should be accommodated where they work well in a particular neighborhood but we should be cautious about incentivizing them (as per H-2.2, Design Review). We can achieve our RHNA through commercial rezoning and undeveloped residential properties without reliance on one-off ADUs that warrant selective support and individual consideration; they are essentially a neighborhood-level ‘remodel’ and the incentives should focus on retaining the positive qualities of that neighborhood rather than be driven by quantity of units. The total number of projected ADUs shown in Table F-2 (40) speak to their near irrelevance to meeting SV’s RHNA. Some actions proposed are contrary to good planning and pose enforcement challenges -- permit ready ADU plans may conflict with the character of a property or neighborhood, and affordability deed restrictions on individual property owners are intrusive, difficult to effectively regulate, and can generate conflict when the property changes hands.	Comment has been noted.
Program H-1.5 (removal of constraints) – This program needs more substance; it only says we’ll talk about it and conduct research. Yet despite this ambiguity, it seems to have concluded that parking requirements are a fair target. Everyone hates parking except when it is a challenge for them or their guests / customers to find a space. In MF and commercial developments, minimum parking requirements exist for clear and valid reasons. SV has other legacy development constraints (building heights, densities, commercial v residential percentages, etc.) that do not necessarily have such clear rationale, at least in a broad, one-size-fits-all sense; see also my comment on page C-3 below. The concept behind this program is worthwhile but the text is insufficiently ambitious. To say “if constraints are identified, adopt changes with(in) two years” will not lead to changes if those who have maintained the constraints are those who are now supposed to identify them. The Actions should identify both the process (who, how, and when) and specific objectives for the program. For example, the Planning Commission could be charged with identifying the nexus between the residential development standards and our planning objectives, and then making recommendations (within one year) for balancing these with our affordable housing goals.	Comment has been noted. HCD considers a parking requirement of 2 or more parking spaces per unit for multi-family developments as a constraint to affordable housing development. As part of Program H-1.6 the City will be conducting a study of residential development standards to determine any potential constraints to housing.

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	Program H-1.7 (affordable housing) – Applying the inclusion ordinance City-wide doesn’t change the financial realities associated with creating lower-cost housing from high-cost land. It simply creates a new constraint (see Program H-1.5) on hillside properties or existing neighborhoods whose development future is more likely to consist of replacement rather than additional housing. Instead, we might consider associating the inclusionary ordinance with zoning density and/or project scale, having it apply for all MF zones and developments exceeding 5 units where it is much more practical to create affordable units.	The expansion of the Inclusionary Ordinance only refers to its boundary; the Ordinance will continue to apply to projects that meet the specified requirements.
	Policy H-2.1 (property maintenance) – The Policy (and Program) statements refer to property maintenance standards, but it is not clear that local government has an enforceable role beyond issues associated with health and safety codes. Zoning and building codes are generally applied only during the permitting process. The H-2.1 Policy and Program (and its underlying actions) text may need clarification. The City does not want neighbors with different aesthetic preferences to drag the City into squabbles over paint colors, landscaping, and similar conflicts that can arise and really need to be resolved between the parties.	The City will continue to ensure quality housing through compliance with health and safety codes.
	Policy H-3.1 (special needs groups) – It is not clear whether the expansive identification of these groups (as discussed on pages B-15 through B-24) is defined by the State or just reflects the opinion of the authors. Large families, single parents, and college students have housing affordability challenges that seem quite similar to those of the general population. Identifying them as a “special needs group” dilutes our ability to focus on the unique affordability challenges of those dependent on special housing accommodations (such as seniors, disabled, and extremely low income). While page B-23 cites 2020 ACS data showing 1,267 college or grad school students living in SV (a full 10% of our population), it is likely that most live in their family home and have simply not yet reached financial independence. That doesn’t make them a special needs group. This policy should perhaps be less ambitious so the associated programs and actions can have better focus.	State law requires the assessment of each of these groups for special housing needs.
	Policy H-3.3 (equal housing opportunity) – housing discrimination is blatantly illegal and the City should refer any such matters to the District Attorney rather than just “discourage” it. The City’s housing plan shouldn’t soft-pedal such behavior.	Comment has been noted.
	Program H-3.2 (fair housing) – The first sentence of the second paragraph is a bit garbled. The entire RCAA discussion (pages E-9 and E-10) tries to discuss patterns of discrimination but it just doesn’t work on the scale of SV. The data used here seems to have been gleaned from the 2015-2019 ACS which, as noted on B-24 (below), had some serious accuracy problems in this timeframe. The statement (page E-10) that “RCAs may represent a public policy issue to the extent that they have been created and maintained through exclusionary and discriminatory	Comment has been noted.

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<i>land use and development practices</i>” is a charged accusation that seems reflective of our fraught political environment but it does nothing to help SV meet its housing goals. Appendix E overall fails to identify “racially concentrated areas of affluence” in SV, and there’s no reason given to “<i>establish specific incentives for the development of affordable units in the RCAAs</i>” rather than just city-wide. While some of this content may be legally required, it reads as an unnecessary and pointless distraction that looks to sound politically correct but is indecipherable in practice. Also under this program, the first action on page 2-15 suggests the City should “<i>provide home repair and rehabilitation assistance for at least 20 households.</i>” Any such assistance should be specifically targeted to those needing economic assistance and where the repair/rehab has a health or safety component; the City does not have the resources to just help everyone with their home improvement projects.	
Program H-3.3 (childcare facilities) – The phrasing here is misleading as the City does not “make” these services available, affordable, or accessible. The first sentence should be rephrased to “The City shall continue to support the availability of high quality childcare services that are affordable and accessible ...”.	This language correction has been made.
Program H-3.6 (housing for lower income households) – This is the core issue and it’s unfortunate to find it buried on page 27, with so little discussion and no tangible actions. “Coordinate” and “meet with” do not move the ball forward. Relevant actions that are cited elsewhere (such as rezoning, incentivizing lot consolidation, removal of development constraints, and density bonuses) should at least be referenced here.	Actions to address the needs of lower income households are included through a number of programs within Chapter 2; as such, Program H-3.6 does not reiterate the actions of other programs.
Program H-3.9 (emergency shelters) – the last bulleted action item may be overly ambitious and conflicts with our need to prioritize funding and incentives for affordable housing writ large. As noted in the Program text, the homeless population in Scotts Valley is quite small and prioritizing those housing needs will inherently deprioritize others. It should also be clarified as to whether the “projects” referred to in this action are separate emergency shelter facilities or programs to support emergency shelter functions at existing multi-purpose facilities.	Comment has been noted.
Program H-3.10 (density bonus) – Along with H-3.6, this program has a potentially large role to play in the City’s attainment of its RHNA. But it also can and should be coordinated with the otherwise underlying permitted zoning densities, proposed elsewhere (Program H-1.1) to permit up to 40 units per acre. Automatically applying PD zoning wherever density bonuses are offered can help address site and neighborhood compatibility.	Comment has been noted.
Program H-3.12 (condominium conversion) – Such an ordinance may have value for cities with centrally managed buildings full of condominiums; in SV, condominiums are individually owned and it is not practical or reasonable to prevent someone from selling their property when they	Comment has been noted.

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	no longer wish to maintain it as a rental unit. There is no rational means for the city to establish <i>“a maximum percent ... that can be converted over a certain period of time”</i> nor is there even a suggestion of evidence that this is a problem in need of a solution. Table B-29 in fact shows a significant increase (from 2010 – 2020) of multifamily homes being rented rather than owned. The trend across the region is of wealthier individuals (and corporations) purchasing properties for investment and income generation purposes, and not taking them out of the rental market. There is simply no need for this ordinance in SV.	
	Program H-4.3 (water and sewer service) – Since the City itself is the sewer provider, this text should be simplified by removing reference to providing coordination with the sewer service provider as if they are a separate entity.	Comment has been noted.
	Page B-7 (economic characteristics) – This page has a typo where it states <i>“The County of Santa Cruz’s median income for a household of four is \$199,300, according to the 2022 State of California Income Limits for Santa Cruz County.”</i> That correct number is \$119,300 in accordance with https://www.hcd.ca.gov/docs/grants-and-funding/inc2k22.pdf .	Typo has been corrected.
	Page B-24 (housing stock characteristics) – The acknowledged inaccuracy of the Table B-27 data, which suggests a significant decrease in housing units from 2010 (4661) to 2015 (4390) raises a question as to the accuracy of other estimates from the ACS surveys. It might be worthwhile for the City (or its consultant) to take careful stock of other numbers associated with these surveys to ensure that decisions and program choices are not being made based on bad or suspect data.	Comment has been noted.
	Tables C-3 (permitted residential densities) and C-5 (development standards) – these are the key constraints impacting SV’s ability to meet its diverse and affordable housing needs. The ‘very high density residential’ cap of 20 units per acre, 2100 sq ft/unit, and 35 ft building height have been in place since prior to the 1994 General Plan, when land was cheap and the driving force behind increased density was developer profitability. These constraints on multifamily developments promote two story, nicely spaced structures with plentiful recreational and landscape amenities, which are very nice. But such developments are quite low density relative to what is otherwise possible and palatable. We can and should allow significantly higher unit densities along the SV Drive and Mt. Hermon corridors, recognizing their more urban aesthetic along transportation corridors, the different needs of today’s younger, older, and non-traditional households, and the financial realities of providing housing for those with lower incomes.	The City plans on allowing higher densities through its rezoning program and will establish development standards for the new zones to appropriately match the allowed density. Candidate sites for rezoning were selectively chosen along Scotts Valley Drive and Mount Hermon Road to promote higher density development along major corridors with access to resources.
	Page C-44 (water supply) – The top of page C-46 cites only the decreased amount of effluent flowing to Monterey Bay as a result of the water reclamation facility (WRF), but that fact has	Comment has been noted.

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	only a modest relationship to increasing our housing stock. It would be of more value for this document to mention the significant decrease in potable water demand since the WRF came online and the positive impacts of various water conservation measures that have been implemented (including building code requirements for water efficient appliances). A frequent concern cited by those opposed to more housing in SV is the potential adverse impact to our sole-source water supply. Presenting the data showing how aquifer water levels have recovered since the early 2000s and discussing the relative water use rates between SF (with landscaping) vs MF units would go a long way towards making those discussions more rational and fact-based.	
Letter from C2G	Analysis included in the letter suggests that developers and property owners will not be able to meet the number of units assumed on each Mixed-Use Rezone parcel with the 30% commercial requirement given parking requirements for both commercial and residential. The letter suggests that an increase in the residential component at minimum to 90 percent, with 100% residential preferred, would be required for the development to be feasible.	Comment has been noted.
	With Scotts Valley being a transit corridor, these [mixed-use rezone] properties would be able to implement the State's Density Bonus Law. This could allow the density to increase by 35% with the affordable housing components required for these sites. This could increase the number of units to 54/Acre! The Density Bonus Law also reduces the parking requirements. Instead of relying on the State Density Bonus Law, it would make more sense for the City to reduce the parking requirements for these mix-use zoning areas with the new Housing Element. To the last topic, Residential Rezoning. When examining Table F-2 in the Housing Element, the RHNA housing goal is almost achieved without the rezoning of the three (3) suggested properties. If the Density Bonus Law was encouraged for the mix-use sites, the residential rezoning would not be needed.	HCD does not allow jurisdictions to rely on Density Bonuses in projecting development growth. However, units added through applied Density Bonuses will count towards the City's RHNA as projects develop.
	Also, SB9 and ADU laws should be encouraged by the City Planning staff and proactively reach out to the community via social media, local newspapers and local service community meetings. This approach would look better (than randomly picking properties to rezone with higher density) for the City in our professional opinion.	Program H-1.5 includes a number of actions the City is taking to proactively encourage ADU development. The City cannot rely on more ADUs than currently projected – the projections must be based on past performance and be supported with policy programs per HCD. Additionally, HCD does not allow jurisdictions to rely on housing development through SB9 as there is not enough evidence to support projections.

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Letter from Charlie Eadie	Add to your mixed use inventory of potential sites two parcels at 4627 Scotts Valley Drive, APNs 022-082-34.35. This site consists of just under an acre and would be a prime candidate for high density and/or mixed use high density housing.	Comment has been noted.
	Be explicit about the ratio of commercial to residential in mixed use projects in the Housing Element. The past policy in the General Plan (not the zoning ordinance) interpreted to require a 50/50 ratio (the "50 percent rule" so called), however well-intended, had the effect of killing numerous proposals for housing/commercial mixed use projects. Other jurisdictions are facilitating mixed use by either eliminating floor area ratio standards altogether, or setting the mix in a way that makes projects at least theoretically possible. For example, the County of SC now has proposed an 80/20 housing/commercial mix in their Housing Element.	Language specifying the increased ratio between residential and commercial is added in Program H-1.7
	Address processing issues. In particular, SV processing times have been extraordinarily long, and the Housing Element consultants should look into the history of that for various projects. One suggestion would be to reduce the high level of detailed engineering and other work now required by the City just to get to hearing on land use/design approval. This adds significant time and costs to getting a "complete" application, and can leave decision-makers frustrated because the project is essentially a "finished product" when they finally see it which inhibits their willingness/ability to make changes. Better to have the use and design considered and worked out before requiring the nth degree of detail in the plans.	Comment has been noted.
Letter from Affordable Housing Now	While the HE must address housing needs for all income levels, one of the greatest challenges is meeting the goals for very-low and low-income housing units. The density bonus law provides developers with powerful incentives to build lower income housing units. In the City of Santa Cruz, incentivizing the density bonus system has facilitated housing production, especially for very-low and low units, as the State law intended. The HE recommends updating to AB 2345 requirements (raising maximum bonus from 35% to 50%) and increasing the concessions. The reality is that Scots Valley has to compete with other jurisdictions to attract developers to deliver units, so it should entice them with density bonus incentives. With very few empty large lots available for new housing projects, bonus density applications including concessions and incentives will be critically important to help the City meets its 6th cycle HE housing goals.	Comment has been noted. Program H-3.10 is included to update the Density Bonus Ordinance in compliance with new State requirements. Included in the program is an action for the City to promote the use of density bonuses for multi-family developments as a way of promoting affordable housing development.
	One incentive successfully used in other jurisdictions that has not been formally used as an incentive in Scotts Valley is Section 8 Housing Vouchers. Since for years landlords have shunned using vouchers, the Housing Authority has been aggressive in securing dedicated voucher units in new projects and it is even doing its own project in the City of Santa Cruz. Both Santa Cruz and Watsonville allow for 5% of their inclusionary unit requirement to be met using housing vouchers, although at 20% their inclusionary rates are 5% higher than Scotts Valley's. This is a	Section 8 Vouchers (now referred to as Housing Choicer Vouchers) are addressed through Programs H-3.1 and H-3.2.

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	win-win as the developer gets market rate rents, but the voucher tenants who are the most needy, help deliver very-low and low housing units.	
	Affordable Housing NOW is concerned that too many of the RHNA units are tied to the Town Center. The HE indicates that 427 of the 649 very-low and low-income units would be built at the Town Center, and 657 of the total 1,220 units would be built there. Modifying the Town Center Specific Plan is vital. As we have argued before, standalone residential units are important, but for affordable housing units trading land for inclusionary requirements might yield more. However, the density bonus system would need to be employed for that and 100% affordable housing projects would have the highest bonuses and concessions.	Comment has been noted.
	The programs and policies included in the HE makes the city well-positioned to pursue the California Department of Housing and Community Development's Pro housing Designation. The benefit to receiving the prohousing designation includes being given preference and additional points when pursuing state grant funds for affordable housing projects. Funding for affordable housing is one of the greatest challenges to overcome and this designation could give the city a competitive edge when pursuing state funding for Affordable Housing and Sustainable Communities and Infill Infrastructure Grants. Working to obtain the Prohousing designation will take time, but the payoff would be worth it for both funding and the increased production of affordable housing units.	Comment has been noted.
	The city should also not overlook new state laws that have been enacted, or may be passed this year, to facilitate construction of affordable housing projects. Reduction of parking requirements, ministerial approvals, construction of projects on church property, and streamlining permitting and project approvals can all help move projects along and reduce the amount of time it takes to complete construction and make affordable units available to individuals and families in need of housing. Laws that allow ministerial approvals can help the city move forward with much needed larger housing projects that can provide workforce housing for our community and help the City reach its RHNA housing goals.	Comment has been noted. The Housing Element is required to comply with all State Housing laws.
	We support the city's plan to meet annually with the development community, although more often might be better. Improved communication with developers can help the city identify regulations that constrain or create barriers to the construction of new affordable housing, especially for extremely low and low income units. Amending ordinances and regulations that impede projects from going forward will facilitate increased production of those much needed housing units. We also encourage working in collaboration with developers in the early stages of project development to maximize potential for housing units in the very-low and low-income categories.	Comment has been noted.

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Letter from Eli May	Requesting the 125 Bethany site be removed due to: <u>Current redevelopment efforts at this property.</u> We have been working toward obtaining approvals to redevelop this property for over 3 years. We have applied for and paid for all application fees in excess of \$40,000 as well as over \$100,000 in additional reports requested by the city. We have been fully engaged in an ongoing and responsive exchange with city staff to move forward on the redevelopment of this property. This has involved serious and continuous community engagement. We have responded to over 100 items from public works and the planning department over the course of several redesigns and resubmittals. In fact, we will be entering environmental review for our redevelopment application this month. We have engaged in an incredibly lengthy, expensive, and involved process and we don't feel it's appropriate to include this property on a list to be rezoned for residential while in the middle of the application process to be redeveloped. This is particularly true when the "community engagement" process employed by consultants for the housing element has been seriously lacking in transparency and invalid by comparison to the process we have engaged in for a single redevelopment application and taken extensive time to seriously implement. We feel that we are legally entitled to proceed with processing our application under CEQA and welcome environmental review of our incredibly thoughtful and positive redevelopment plan. We are joined by our tenants and neighbors in looking forward to an approval for a new building that benefits the community and reduces - not increases - impacts. <u>Current Uses.</u> The current zoning of our property is commercial professional. It currently has ~ 14,000 gross sq ft, which is 100% occupied by businesses that serve the community. The current redevelopment plan would replace the existing amount of office space and create more opportunities for local businesses to operate and grow. As part of our resubmission in April 2022 we included half a dozen letters from businesses (existing and potential tenants) imploring the city to approve our redevelopment. These uses are an important part of the local economy and its loss would be a detriment to the community. <u>Neglected impacts of the draft designated use</u> In the process of applying to redevelop our property, the city asked us to perform a number of professional reports to study the impacts of the proposed redevelopment, which we did. This included extensive and expensive studies regarding noise, traffic and parking, as well as an	The 125 Bethany Drive site has been removed.

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arborist study and an archeologist study. The results of the studies showed that our proposed redevelopment would actually reduce impacts; it does not appear any similar studies have been performed to study the impacts of 41 residential units for this draft report. <u>Parking & Traffic</u> The traffic studies we had completed for our redevelopment show a delicate balance of parking on this property. 41 residential units at this site would make trip generations skyrocket and it would simply not be possible to park all of these units at this site. Furthermore, the site is a relative island with a noisy freeway on one side with no other parking available in the immediate area, which would be a huge issue. It does not appear that our existing study has been reviewed or that a similar study has been conducted for the specific use designated in the draft housing plan. Also, this property is at the same intersection as Vine Hill Elementary, which already causes significant congestion at the intersection during school drop-off and pick-up times. A 41-residential unit site at this intersection would further exacerbate traffic in this area, Neighbors who live on Tabor and Bethany would face far worse congestion and traffic than they already do. <u>Noise</u> This site sits along HWY 17, which creates significant noise that would not be acceptable for the 41 units without significant noise-barrier walls, and the site simply does not have the space for this. It does not appear that a study has been performed on the noise at this site for residential use, as we have done for our proposed use. <u>Arborist</u> We performed an arborist study for our redevelopment and the city has mandated that we keep existing mature trees and add more shade trees to the parking area. This condition has further inhibited the number of parking spaces we can fit. It does not seem that an arborist study has been performed for the use of 41 residential units at this site as we had been tasked with doing, as it would show a lack of necessary parking and the consequent elimination of mature trees. These studies would show that the site is simply not equipped for this type of residential use. <u>Community Engagement</u> During the process of our redevelopment efforts, we held meetings with many stakeholders in the city including a comprehensive community engagement plan. We built a website detailing the redevelopment and sent direct mail to all of our neighbors to communicate with them about the project and point them toward the website along with contact information. It appears there has been very little community engagement around the process to create the	

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	housing element draft plan. I was not informed in writing as an owner of one of the three properties identified for rezoning. The Scotts Valley Press Banner noted the same issue in its article “Scotts Valley Housing Element workshop features little community input”.	
	<u>Numerous opportunities elsewhere not identified</u> It is clear from the many public comments at the April 5th planning commission meeting that there are many property owners along Scotts Valley Dr that would be more than willing to build more dense residential projects, but are unable to because they would need to match 50/50 commercial to residential, which makes the projects not feasible. Allowing these property owners to build dense residential projects would create more foot traffic for the businesses along Scotts Valley Dr thus attracting more businesses and more revenue for the city. Instead, the Draft Housing Report identified only three parcels in the entire city for rezoning. We believe the city needs to look closer at other commercial parcels along Scotts Valley Dr and beyond to meet its plan. The draft housing element failed entirely to aggregate the 50/50 requirement on a larger basis - and did not assume anything for the assemblage of parcels. This is an abject failure on the part of the consultants to recognize and move on to an obvious solution.	Comment has been noted.
	Furthermore, we believe the draft report missed multiple appropriate and obvious opportunities elsewhere. This includes ADUs. Last year, California passed SB9 which allows for any single-family residence to build at least one ADU and in many cases more than one. Scotts Valley is truly unique in that the city contains numerous older and larger residential parcels that can take advantage of SB9 - and do so appropriately within existing residential neighborhoods. This would not only capitalize on existing infrastructure but will also significantly disperse any impacts from this incremental approach. Yet the public draft report used historic ADU origination numbers from the last 8 years of only 3 ADUs being built per year, without taking into account the tremendous growth in ADU construction which is just now occurring from this landmark legislation. There are also many other opportunities to account for more housing such as mobile home parks, which would be an obvious choice for more dense and affordable housing. In conclusion, rezoning the property at 125 Bethany is not appropriate for a myriad of reasons, and I formally request this property be immediately removed from the draft plan.	Program H-1.5 includes a number of actions the City is taking to proactively encourage ADU development. The City cannot rely on more ADUs than currently projected – the projections must be based on past performance and be supported with policy programs per HCD. Additionally, HCD does not allow jurisdictions to rely on housing development through SB9 as there is not enough evidence to support projections. The 125 Bethany Drive site has been removed.
Letter from Santa Cruz YIMBY	<u>Probability of Meeting Low Income Targets</u> “The City of Scotts Valley has facilitated the building of market rate housing in recent years, but has made little effort to develop housing for low income workers.” According to the site inventory Scotts Valley is expecting that all sites identified for rezoning will set aside roughly	Sites identified through the candidate sites inventory have been identified as having viable potential to be developed over the

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50% of their units for very-low, low, or moderate income families, while providing little evidence that this level of affordability will be realistically produced. Meanwhile, the city's four pipeline projects consist of only 18% affordable units. We would like the city to explain why it expects to achieve this 50% target, and how it will enable the development of additional housing if this target is not being met. For comparison, the City of Santa Cruz is projecting a 20% affordability rate for most parcels in its site inventory. If the city misses its target of 50% affordability, it faces the daunting task of identifying other sites to make up the difference under No Net Loss law. With nearly half of its very-low and low income units planned for through the Town Center Specific Plan, this single project not producing as many units as expected would subject the city to this law. Additionally, there is only a 9% buffer for moderate income units, HCD recommends a buffer of between 15 and 30 percent. In order for Scotts Valley to meet the needs of its most vulnerable residents, it is essential that plans for affordable housing not only sound good, but are workable and realistic.	next eight years with supportive programs included in the Housing Plan. Through a number of Programs, the City will provide incentives to development projects that include affordable housing units in order to meet its projections identified in the Candidate Sites Analysis – see Programs H-1.7, 1.8, and 3.6.
<u>Pipeline Projects</u> A significant source of new units for the city during the 6th cycle will be from pipeline projects. For jurisdictions relying heavily on pipeline projects, HCD recommends⁶ that "...the element should include programs with actions that commit to facilitating development and monitoring approvals of the projects, including the number of units and affordability (e.g., coordination with applicants to approve remaining entitlements, supporting funding applications, expediting approvals and monitoring of project progress, including rezoning or identification of additional sites, if necessary)." In order to meet this recommendation by HCD, the city should create policies to monitor the progress of pipeline projects. This could include automatic entitlement extensions until midway through the 6th cycle and proactively reaching out to all pipeline project developers to confirm that there is still development interest. In recent public meetings, local leaders said that they were contacting developers of existing pipeline projects to gauge their interest in resubmitting plans at a higher density or with additional units. The La Madrona and Valley Gardens projects together represent a vast majority of the city's pipeline units. We urge the city to work with the project developers to increase the amount of multifamily and missing middle housing, especially in those areas of the project site closest to Mt Hermon Road. The number of units in these two projects alone represents nearly 30% of the city's RHNA, and could easily fulfill more if they were revised to have majority multifamily units. These sites offer an opportunity for Scotts Valley to demonstrate leadership in building mixed density neighborhoods that bring people of different income levels together.	Comment has been noted. The City is actively coordinating with the developers and property owners of the pipeline projects.
<u>Goal H-1 – Housing Production</u>	Comments have been noted.

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With the city's RHNA increasing nearly tenfold from the 5th cycle, we see significant need for policies and programs which enable, not restrict, development. We applaud the city for identifying significant commercial and parking requirements as constraints to development but strongly disagree with the assertion that "...the City's standards for lot size, setbacks, height, and site coverage are not considered [constraints]..." As mentioned, the city has accurately identified its limit of 50% residential in mixed-use developments to be a constraint and is rezoning select parcels along main corridors to increase this cap to 70%. We would like to see the city go further and either remove this limitation entirely or allow for mixed-use development with an option for ground floor commercial only rather than as a percentage of total square footage. Additionally, granting this flexibility to all mixed-use projects in the city would incentivize development and allow developers to better respond to Scotts Valley's housing shortage. We would like to see the city commit to allowing more residential square footage in mixed-use developments if the proposed rezoning does not result in developer interest. With regards to parking requirements, the city should go much further in reducing or even eliminating requirements and the existing programs should have stronger language. Currently, program H-1.5 does not commit to lowering parking requirements and has a timeline of 2027. We would like to see this timeline moved up and a commitment to lowering requirements to no more than half a space per unit, uncovered. Creation of missing middle housing isn't mentioned within the policy plan - the city should adopt zoning regulations that would incentivize this form of housing. Examples include reducing minimum lot size, setbacks, and lot coverage restrictions. In Redwood City's compliant 6th cycle housing element amendments such as these are anticipated to result in an increase of at least 80 homes. Currently, duplexes are not conditionally or principally permitted in any of Scotts Valley's zoning districts.¹² The City of Scotts Valley should seek to allow a wide variety of housing types including duplexes, triplexes, fourplexes and other multifamily project types throughout the City. Much of this could be achieved without an EIR thanks to Senate Bill 10.	
<u>Unaddressed Constraints</u> Along with the commercial and parking constraints discussed in the prior section, there are other constraints that we believe the city should address to ensure that housing can be built. We expect projects to make use of State Density Bonus law for feasibility of development of affordable housing. Currently, Scotts Valley zoning code includes constraints and limitations that could limit affordable multifamily or mixed-use housing from achieving assumed base	Comment has been noted. As part of Program H-1.6 the City will be conducting a study of residential development standards to determine any potential constraints to housing. Program H-2.8 has been added to facilitate lot consolidation.

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densities. These include but are not limited to building height, FAR, and parking requirements. The city should better explore to what extent its density restrictions are a constraint to development. With the city's highest density residential zoning district capped at 20 du/acre, this is likely a significant barrier. We recommend the city expand its rezoning efforts to all 'Very High Residential' parcels at a minimum and allow up to 40 du/acre on such parcels. There are a number of small sites on the inventory which fall outside of the parcel size requirements set forth by AB 1397. These sites may still be included for a variety of reasons, in Scotts Valley's case "...a program to facilitate lot consolidation." There is no such program in the policy plan.	
<u>Town Center</u> One of the largest projects projected for Scotts Valley's 6th cycle will be further development of the Town Center Specific Plan, encompassing 58 acres in the heart of the city. This area is well situated to accommodate a significant amount of housing and associated amenities. While we are pleased that the city anticipates 657 units to be built on these sites we would like to see more in the housing element to indicate that the city is determined to see this housing come to fruition. This plan has been in the works since at least 2008 and has not seen a significant amount of the proposed housing be built in that time. According to the city, "...project applications have been submitted for the Plan, but development was not successful. Interest in developing the Town Center area has increased over recent years." Despite these failed developments and increased interest, there is no mention or analysis of the reasons for these failures or why development has not moved forward for this area in the housing element. Additionally, we would like the city to provide more detail on the affordability projections for the Kings Village parcel as part of the Town Center plan. While the other four parcels are publicly owned (by METRO or the city) this shopping center is privately owned. The city estimates that this parcel will produce a 50% affordable project, but provides no indication that there is interest from the owner, a developer, or any other type of agreement that would be required for housing production to happen.	Comment has been noted. Previously, surface soil contamination has been an obstacle to development in the Town Center Specific Plan area. The City is currently under contract to remediate the soil, which should be complete by Spring 2024.
<u>Mid-cycle Review</u> To ensure the city makes appropriate progress towards its 6th cycle goals we would like to see a commitment to a mid-cycle review and adjustment (if needed). Tying this review to programs to increase housing production such as rezoning, ADU incentives, or removing development constraints would allow the city to quickly make up lost ground and minimize impacts of falling behind in the 6th cycle. This would also be a time to review pipeline projects which have not progressed. Additional mid-cycle programs could include:	The City has included actions throughout programs to review trends and progress more often than once at mid-cycle. Program H-1.5 includes an action to establish an ADU monitoring program and biennially review ADU development progress.

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	- Ministerial approval process for all site inventory projects - SB10 upzoning of small sites to 10 units per parcel Tracking commercial occupancy, and if vacancy is too high, relaxing commercial requirements in favor of more residential, including live/work units	Program H-1.6 includes an action to annually review development trends and biennially meet with the development community to receive input and feedback, and adopt changes if constraints are identified. Program H-1.2 has been added to establish by-right development in compliance with AB 1398 and 1397.
	<u>Transit Oriented Development</u> Despite being home to the Cavallaro Transit Center (CTC), Scotts Valley lacks any current or planned high quality transit stops. In the 2040 MTP/SCS the CTC was identified as such a site, however, it was subsequently removed in the 2045 MTP/SCS19. We encourage the city to commit to working with AMBAG in the 2050 MTP/SCS (scheduled for June 2026) to designate the CTC as a planned high quality major transit stop. This designation would incentivise more sustainable, affordable, and equitable development in an area identified for a significant amount of new housing in the 6th RHNA cycle. Scotts Valley is currently not a pedestrian and bike friendly community. The transit center is a key connector for jobs and opportunities for low income people that do not own cars. Further investment in housing around transit stops has been shown to increase ridership on public transit. Denser housing and investments in walking and biking infrastructure between the Valley Gardens, Town Center, and the CTC could together make great strides in helping Scotts Valley achieve its housing, climate, and safety goals while also making it easier for people of all ages, abilities, and incomes to access the city.	Comment has been noted.
	<u>Tenant Protections</u> As a city with a growing percentage of renters, it is important to have strong tenant protections. The housing element notes that “[a]bout 51.8 percent of renters are cost burdened, and 33.1 percent are severely cost burdened.” There are a number of programs we would like to see implemented or expanded in the city including: - Elimination of or cap on rental application fees - Creation of a rental registry. This was recently passed by both Salinas and Monterey	Comment has been noted.

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	Local preference for people employed in the county COPA and TOPA programs Conduct a disparate impact analysis of non-high(est) resource areas and apply a live-work preference if it matches county demographics	
Online Feedback Form		
Comment from David Duquette	This is regarding the mixed-use rezones. I own a one acre parcel (5163 Scotts Valley drive) that is being considered for a rezone. The increase in the residential component from 50% to 70% is not enough to encourage development. If I imagine a building with 28 units averaging 850 square feet per unit, that would amount to 23,800 square feet. Under the 70% rule I would need an additional 10,200 square feet of commercial space. Adding more commercial space to an already saturated market will only add more "FOR LEASE" signs to the existing ones up and down Scotts Valley Drive. The parking requirements for the commercial space alone would be more than our lot could handle. At the standard 1 parking space for every 250 square feet for business/professional services, that would be 41 parking spaces for just the commercial. Relaxing the parking requirements won't help. I have owned commercial/retail buildings with inadequate parking and they are extremely difficult to rent. Tastefully designing 28 units on one acre is going to be very difficult by itself. This rezone makes Scotts Valley's housing problem worse. By increasing the density to 40 units per acre, it forces the property owners to go all in with an unprofitable and much larger commercial/retail investment. To make matters worse, we are expected to provide 50% of the units for low income. I don't see how this formula will make sense for any property owner. I strongly encourage the city to be more realistic about their needs regarding the amount of commercial space on Scotts Valley Drive, as well as the financial viability of asking property owners to shoulder such a large portion of affordable housing. Under this new zoning change, I will be unable to move forward on any future development.	Comments have been noted.
Comment from Jeanette Cook	Chapter 2: I do not see environmental sustainability included in any of the policies. Given the amount of growth encompassed in this plan, there should be specific actions related to mitigating and adapting to climate change. For example, requiring solar panels for new buildings. Although covered somewhat by policy Policy H-3.1, given the large number of seniors in the City, perhaps a specific goal could be included for new over-55 communities that are not mobile homes. Some of the larger sites (Valley Gardens, Avisa) could be targeted for a higher end senior community like The Villages.	Comments have been noted.

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	Appendix B: The projected growth in population does not seem to be aligned with the increased number of residences. Increase of 1.5% in population by 2040 (175 people) compared to the proposed addition of 1220-2000 new residences. Is the goal to attract a lot of new residents to the City and if not would not these units be vacant? Some perspective on where the people to fill these residences would come from would be helpful in understanding the plan and goals. Is it likely that there would be increased numbers of people coming from "over the hill" who would purchase single family homes? Do you anticipate a growth in jobs with local workers residing in the multi-family rental properties?	The City is mandated by the State to plan for its Regional Housing Needs Allocation (RHNA) based on regional housing need. The regional housing need for Scotts Valley is determined by the Association for Monterey Bay Area Governments (AMBAG)
	Appendix F: Why is the former Avisia site not included in this plan? More ADU's could be included and encouraged. Most parcels have room for them. The sites that contain existing buildings/use seem unlikely to be converted. Taking half of the Nob Hill shopping center? Removing the parking from the Transit Center? What would be required to make this actually happen? Bank of America on Scotts Valley Drive has a huge underutilized site. Why was it not included along with the other unlikely sites? The Lockhart Gulch Storage Locker site is problematic from the perspective of the residents of Lockhart Gulch and associated roads. Adding 139 new residential units to this already impacted intersection will require substantial upgrades to the infrastructure.	Program H-1.5 includes a number of actions the City is taking to proactively encourage ADU development. The City cannot rely on more ADUs than currently projected – the projections must be based on past performance and be supported with policy programs per HCD. Sites identified through the candidate sites analysis have been identified as having viable potential to be developed over the next eight years with supportive programs included in the Housing Plan.
	Additional comments: The fact that the state is requiring the City to plan for 1,220 new units is utterly ridiculous. It does not take into account environmental factors such as terrain, access to water, wildfire risk, etc. I haven't been able to read the entire plan, but would like to see more of a push back. This could be particularly important should it actually be impossible to implement what is in this plan. I do not see traffic issues addressed anywhere. What upgrades to roads will be required to accommodate this many new drivers and trips? This aggressive growth plan will change the character of the City profoundly. Lots of good things have been implemented over the past 40+ years that I have lived here. Could there be some explicit goals that aim to retain the positive aspects that we currently enjoy? For example, including some allocation for new parks (like Skypark) and green space.	Comment has been noted.
September HCD TA Public Review Comments		
Letter from John Swift	The property at 4850 Scotts Valley Drive, APN 022-091-12 is an appropriate site to be included in the list of Candidate Sites for Mixed Use Development in the 6th Cycle Housing Element.	Previously, the City reviewed this site for inclusion in the candidate sites inventory. Factors that precluded the site from its

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	The property owners are interested in pursuing a mixed use commercial/residential redevelopment of this 39,209 S.F.; .9acre parcel. Currently the property is zoned C-2, Service Commercial. There is a small retail convenience/liquor store located at the front of the property along Scotts Valley Drive. The majority of the property , roughly 80% or 32,000 SF is located behind the existing commercial use and has been largely vacant or used for marginal outdoor storage for decades. A portion of the rear of the property is within the flood plain. Residential units could be elevated above the flood plain by designing parking and storage at grade with housing above. The property is 100' wide. This is sufficient width to provide access to a residential project in the rear of the property while maintaining a viable commercial use along the Scotts Valley Drive frontage. Additional access options to the rear of the property from Carbonero Way may be possible through the adjacent properties to the east and/or south which also appear to be underdeveloped . There is a realistic potential for 30 or more residential units on this property in addition to maintaining a viable commercial use along Scotts Valey Drive. The land value of this property exceeds the current improvement/development value of the property. The property has excellent access to transportation and community resources. The owners of the property are interested and motivated to make a productive use of this land which has been underutilized for many years. Please consider incorporating this property in the list of Potential Candidate Sites for mixed use development in the 6th Cycle Housing Element,	inclusion in the inventory include its proximity to industrial land uses to the South, commercial redevelopment on adjacent properties to the east to west, and its location near the “gateway” to the City’s industrial core area. Additionally, the City Council provided direction to Staff at the Joint Study Session in April 2023 to avoid inclusion of and properties adjacent to industrial land in the sites inventory. Based on these factors and Council/Planning Commission direction, the sites inventory does not include parcels near this industrial “gateway” area.
October HCD Resubmittal Public Review Comments		
Comment from David Duquette	Not that anyone will listen but I will reiterate what I have said all along. I have real concern and disapproval of the 30% requirement for commercial space on Scotts Valley Drive. With the expected larger footprint that 40 units per acre is going to bring, 30% is just not workable. Given all the existing vacant commercial/retail space up and down Scotts Valley drive, more space is not only unprofitable but not needed. I have been at every meeting regarding this Housing element and I did not hear one comment from the public or any official that did not support relaxing the commercial requirement in order to promote housing. I don't know why the city is still pushing for such a large commercial requirement. Lastly, relaxing the parking requirement is no help. Whether we like it or not, Scotts Valley is a mountain town that requires a large number of its residents to commute. Not requiring enough parking is going to only hurt the surrounding neighborhoods and jeopardize the success of any housing project. This is only magnified by the push for a larger amount of low income housing. Lower income households have a disproportionate larger number of cars. Lower income households typically have a larger number of working adults that require more cars to get to work and or school. I	Analysis on the purpose of the mixed-use requirement decrease and the purpose of keeping a commercial requirement has been added to Appendix C – Housing Constraints. In addition, the section above it includes a development example for a theoretical mixed-use project using the average size of the candidate sites identified for mixed-use rezoning and the existing mixed-use development standards. It should also be noted that as part of the rezonings, the City will adopt objective design standards – these will not be more constrictive than

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	personally own a low income apartment and I say this from experience. Lowering the parking requirement will only result in a failed project.	existing standards, which the analysis shows can currently be accommodate.
Letter from John Swift	This letter is a follow up to my previous letter dated Sept 18,2023 regarding the property at 4850 Scotts Valley Drive, APN 022-091-12. This property is an appropriate site to be included in the list of Candidate Sites for Mixed Use Development in the 6th Cycle Housing Element. In the City’s draft response to the HCD Oct. 3, 2023 comment letter, City staff describes the redevelopment factors that are considered in the selection of candidate sites as follows: 1. Land value is greater than the improvement value. 77 percent of non-vacant sites have land values that exceed the improvement values. 2. Existing structure was built prior to 1990 (it was built over 30 years ago). 95 percent of non-vacant sites have structures built at least 30 years ago, with the majority being well over 30 years. 3. Existing uses do not include housing units. 51 percent of non-vacant sites have no existing units. 4. City-owned. 5 percent of non-vacant sites are City-owned. 5. Development interest from a housing developer and/or property owner. 9 percent of non-vacant sites have stated developer or property owner interest. All but four of 43 total parcels have at least two identified redevelopment factors and 17 have at least three. The subject property at 4850 Scotts Valley Drive complies with 4 out of 5 of these factors. It is not a City owned property. Interestingly only 9% of the candidate sites have owners that have indicated their interest in pursuing redevelopment of the property. The owners of this property have clearly expressed their interest in redeveloping this property. The land value clearly exceeds the improvement value. The existing structure was built prior to 1990. The existing uses do not include housing. My understanding of the proposed Mixed-Use policies is that only Candidate sites will be eligible for the 70/30 mix of residential uses to commercial uses. If a property in the C-S zone, subsequent to the adoption of the General Plan/Housing Element, is proposed to be developed with a mixed-use project it will be subject to the City’s current ratio of 50/50. Clearly this requirement is a disincentive for the redevelopment of these properties. The market realities of	Previously, the City reviewed this site for inclusion in the candidate sites inventory. Factors that precluded the site from its inclusion in the inventory include its proximity to industrial land uses to the South, commercial redevelopment on adjacent properties to the east to west, and its location near the “gateway” to the City’s industrial core area. Additionally, the City Council provided direction to Staff at the Joint Study Session in April 2023 to avoid inclusion of and properties adjacent to industrial land in the sites inventory. Based on these factors and Council/Planning Commission direction, the sites inventory does not include parcels near this industrial “gateway” area. The parcel has not been included in this October 2023 Draft version. However, the City will continue to evaluate the site given the additional information provided by the commenter.

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commercial uses will continue to make mixed use projects that are not designated as candidate sites unfeasible. There is no guarantee that candidate sites will be proposed for redevelopment. There are many complicated factors, such as taxes, estate issues, interest rates, etc. that can influence a property owner's decision to move forward with redevelopment. The property owners of 4850 Scotts Valley Drive are prepared to move forward with a mixed-use project that is expected to yield 30 or more housing units. Such a project could maintain the commercial use or allow for a modernization of the commercial structure that currently exists at the property frontage of Scotts Valley Drive. This property is over 140' removed from the commercial/industrial uses located to the south along El Pueblo Drive and is separated by a creek and a City Water District owned parcel of land. The presence of these industrial uses is not a realistic constraint to the redevelopment of this property with residential uses. This property has excellent access to transportation and community resources. The owners of the property are interested and motivated to make productive use of this land which has been underutilized for many years. Please consider incorporating this property in the list of Potential Candidate Sites for mixed use development in the 6th Cycle Housing Element,	
Letter from Santa Cruz YIMBY (11/21/23)	
<u>Scotts Valley added more factors on Page E-53 and more analysis on E-57+. Without substantial changes to their site inventory or rezoning, Scotts Valley perpetuates segregation and exclusivity. In particular, they are not addressing housing mobility including in their Racially Concentrated Areas of Affluence.</u>	<u>More background and information has been added to the RCAA analysis of Appendix E. The added information illustrates the heavy impact that households outside the City's limits have on the census tract data provided for the RCAA analysis. In addition, the information cites that about 13% of lower income units identified in Appendix F are located within the RCAA areas. A number of mobility strategies are established in Program H-3.2, and additional actions have been added.</u>
<u>Scotts Valley added more explanation regarding Census Tracts 2 and 3. Census Tract 2 and 3 can be targeted for more housing, especially Missing Middle housing.</u> <u>Both Census Tract 2 and 3 have large portions of R-1-10 zoning with 10,000 sq foot min lot size. (See Figure C-5 on page C-15) Lots are big enough.</u>	<u>Additional actions have been added to Program H-3.2 regarding missing middle housing and building on the number of actions addressing housing mobility. It should also be noted that the City does</u>

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<u>The City claims that both of these Census Tracts “...experience topographic conditions that make the development of housing, specifically affordable housing, more difficult. The topography of this portion of the City creates a financial constraint to the development of housing.”</u> <u>• Much of Census 2 and 3 R1-10 zoning has slope of 0-15% (See page E-59) There is no Missing Middle housing mentioned in the Housing Element:</u> <u>• Under Goal H-1, the City of Scotts Valley should commit to allowing a variety of housing types including duplexes, triplexes, fourplexes and other multifamily project types throughout the City.</u> <u>They have not addressed housing mobility throughout the city.</u>	<u>currently allow for a variety of housing choices, as shown on page C-14.</u>
<u>There is more language in Appendix F regarding the status and prospects of each of the pipeline projects. On page F-7: “Projects listed do not have any known constraints or barriers which may hold-up or delay the entitlement and/or permitting process. As such, these sites are included for their anticipated development in the planning period.”</u> <u>However, some pipeline projects have been around for a while, including in the last RHNA cycle. The Town Center project has been in discussion since at least 2008, La Madrona’s EIR was started in 2020, and Valley Gardens’ in 2021. In order to meet this recommendation by HCD, the city should create specific programs to monitor and expedite the progress of pipeline projects. This could include automatic entitlement extensions until midway through the 6th cycle and proactively reaching out to all pipeline project developers to confirm that there is still development interest.</u>	<u>Program H-1.3 includes a variety of actions the City will take to monitor all sites strategies and their implementation, as well as triggers should development not occur as outlined in the Candidate Sites Analysis Appendix.</u>
<u>Scotts Valley’s “facilitation of affordable housing development” (Program H-1.8) is focused on the inclusionary zoning (IZ). They are not going to meet their targets using a 15% IZ citywide.</u>	<u>This program is meant to focus on expanding the Inclusionary Housing Ordinance, which is not the only strategy being implemented to facilitate affordable housing development. There are a number of programs included throughout the Housing Plan to target affordable housing.</u>
<u>Scotts Valley’s Surplus Land Act program (H-1.10) indicates that City-owned land is for affordable housing. Town Center (city-owned) is identified as all lower-income and is the APNs identified in the Timeframe objective. However the Timeframe in H-1.10 allows for only 25% for lower income.</u> <u>The only reference to the Town Center Specific Plan is in Program H-1.1 and does not include alternative actions if development is not occurring in the planning period.</u>	<u>Alternative actions are listed in Program H-1.3. Program H-1.10 revised to clarify that the City intends for the parcels to be developed as 100% affordable.</u>
<u>The city has correctly identified significant commercial and parking requirements as barriers to development but does not go far enough to remove these constraints. We strongly disagree with the assertion that “...the City’s standards for lot size, setbacks, height, and site coverage are not considered [constraints].” (Page C-25)</u>	<u>An assessment of development standards is provided in Appendix C and finds that potential developments are able to meet</u>

Public Comments	City Response
<u>If this is the case, why hasn't there been more housing built in the last cycle?</u> • <u>In Program H-1.6, H-1.7, and H-1.8 the city should better explore to what extent its density restrictions are a constraint to development, especially of affordable housing. With the city's highest density residential zoning district capped at 20 du/acre, this is likely a significant barrier. We recommend a higher base density than 40 du/acre for Mixed-Use parcels along transit corridors. These programs should also occur sooner than 2027, nearly halfway through the 6th cycle.</u> • <u>In Program H-1.7, the city should commit to adopting a further reduction in residential square footage in mixed-use developments if the proposed rezoning does not result in developer interest as evidenced by at least one formally submitted project application where total unit count meets or exceeds the units expected in the site inventory.</u> • <u>Program H-1.7 should also include a comprehensive study on Mixed-Use development standards as constraints.</u> • <u>Program H-1.8 should include undertaking a study to ensure expansion of the inclusionary zoning policy will enable development of additional housing, not chill it.</u>	<u>the current maximum density limits with the current development standards; thus, they are not found to be constraints. However, the City will be updating development standards in conjunction with the rezonings, and as noted, new standards may allow for greater flexibility and will not exceed current standards.</u> • <u>Rezonings are included in the Housing Plan (Program H-1.1). The rezonings are required to occur within the first three years of the planning period, per State law and as established in Program H-1.1.</u> • <u>Program H-1.7 – As part of the rezonings, the City will be conducting an update to the development standards. Additional language has been added to the program to highlight the study that will be completed.</u> • <u>Program H-1.8 – As part of the Inclusionary Housing Ordinance amendment, the City will be studying the updates to consider and various requirements/methods of promoting affordable housing development. Language has been added to the program to highlight the work that will be done in advance of establishing an amendment to the Ordinance.</u>

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<u>There has been no change to Program H-2.8 which lacks active language and does not commit the City to any changes which would enable lot consolidation.</u>	<u>The program notes that the City will work directly with property owners to facilitate consolidation as development interest comes forward. The City will also be establishing incentives to promote lot consolidation.</u>
<u>There has been no change to Program H-2.6 which lacks active language and does not commit the City to any changes which would enable large lot development.</u>	<u>Appendix F notes that there are 2 sites with parcels greater than 10 acres; however, development is assumed at or below 10 acres, and thus no sites are considered “large” as defined by HCD. A program is still included for large sites generally throughout the City. Program H-2.6 notes that the City will establish an incentive program to facilitate the development of sites over 10 acres, as done for small sites.</u>
<u>Despite being home to the METRO Cavallero transit center and the Scotts Valley Park and Ride center, Scotts Valley lacks any current or planned high quality transit stops. A high-quality transit stop can help Scotts Valley/affordable housing developers in securing additional funding, e.g. through grant programs that focus on transit-oriented development or reduction of green-house gasses.</u> <u>We recommend Scotts Valley add a program objective::</u> <u>“Scotts Valley will work with AMBAG in the 2050 MTP/SCS (scheduled for June 2026) to designate the METRO Cavallero transit center as a planned high quality major transit stop.”</u>	<u>A new Program H-2.9 has been added noting the City will continue working with AMBAG and Santa Cruz METRO to provide and, when possible, expand services throughout the City and the region, as well as coordinate with and provide recommendation on various planning documents, such as the 2050 MTP/SCS.</u>



Affordable Housing NOW!

P.O. Box 2374, Santa Cruz, California 95063
(831) 566-2360

Every Unit Counts!

Wednesday, January 25, 2023

Scotts Valley City Planning Department
1 Civic Center Drive
Scotts Valley, CA 95066

RE: January 26, 2023 HE Community Workshop

Dear Mr. Bateman:

Affordable Housing NOW (AHN) appreciates the opportunity to provide input on the City's process for updating its Housing Element (HE) for 2023-31. AHN understands the challenges Scotts Valley faces as the City begins to plan to meet its housing needs for the next eight years. The new RHNA numbers will be difficult to achieve and yet it is undeniable that we have a critical shortage of affordable housing.

As you know, the 6th Cycle HE includes new requirements for the Community Engagement Plan. AHN believes it is vital that the community engagement process not be limited to vocal opponents to growth. There should be an effort to engage business owners with employees and individuals least likely to know about and participate in the process, including people who would be the residents of affordable housing projects and people who work in Scotts Valley but at this time cannot afford to live here. Involving community members early in the City's HE planning efforts will help create buy-in and support from city residents which will be essential to helping Scotts Valley achieve its 6th cycle HE housing goals.

By planning for the housing needs of a diverse population, the HE is an investment in our community. AHN offers our assistance in supporting the City's planning efforts to help promote a vibrant community that embraces diversity and provides sufficient housing opportunities for all in need of an affordable place to live. Everyone in the City of Scotts Valley deserves to have a place to call home.

Sincerely,

A handwritten signature in blue ink that reads "Tim Willoughby".

Tim Willoughby, AHN Chair



Affordable Housing NOW!

P.O. Box 2374, Santa Cruz, California 95063
(831) 566-2360

Every Unit Counts!

February 1, 2023

Scotts Valley City Council
1 Civic Center Drive
Scotts Valley, CA 95066

Dear City Council Members:

Affordable Housing NOW (AHN) understands the challenges Scotts Valley faces as the City begins the planning process for the 6th Cycle Housing Element (HE). The new RHNA numbers will be difficult to achieve and yet it is undeniable that we have a critical shortage of affordable housing. AHN has developed some recommendations specific to Scotts Valley for your Council's consideration on strategies to help increase the City's housing supply. We hope you find our recommendations helpful.

In addition to our recommendations you might want to see what other jurisdictions are doing. SV@Home put together background information and examples from Silicon Valley cities that you can view by going to <https://siliconvalleyathome.org/advocacy/housing-element-toolkit/#policies>.

Going forward, AHN is willing to support the City in any way that would be helpful as you work on the 6th Cycle HE and develop a plan to meet the housing needs of Scotts Valley residents for the next eight years.

Sincerely,

A handwritten signature in cursive script that reads "Tim Willoughby".

Tim Willoughby, AHN Chair



Affordable Housing NOW!

P.O. Box 2374, Santa Cruz, California 95063

(831) 566-2360

Every Unit Counts!

6th Cycle Housing Element Recommendations

Affordable Housing NOW recognizes the City of Scotts Valley has limited financial resources resulting in a small staff and that the Housing Element (HE) has been contracted out to Kimley-Horn Associates. As the City begins the 6th cycle HE planning process, we offer the following recommendations for your consideration to help meet Scotts Valley's RHNA numbers for the 2023-2031 HE.

The Challenge

Scotts Valley already faces challenges recruiting city staff, police officers, and teachers due to the affordable housing crisis. Local businesses also struggle to hire and retain workers due to the lack of affordable housing. Homes for sale have become out of reach for most city residents and rental units make up only a quarter of the city's housing units, far fewer than in most cities. This does not make for a dynamic, economically viable and inclusive community. As the city begins the planning process for the 6th cycle HE, it will need to initiate changes and develop strategies to address these housing challenges.

As you are well aware, the city's new RHNA numbers have significantly increased, with the expectation that the city will provide a total of 1220 new housing units in the next eight years, compared to 140 new units in the previous HE cycle. The table below demonstrates the sizable increases and the challenge the city is up against as it begins the planning process to determine how it will meet new housing goals for the 6th cycle HE.

Income Level	6th Cycle RHNA	5th Cycle RHNA
Very Low	392	34
Low	257	22
Moderate	154	26
Above Moderate	417	58
Total Units	1220	140

While it may seem as though the city has little control over meeting these numbers and that it is at the mercy of developers who propose projects, city policies can have a significant impact on increasing the supply of affordable housing. When developing the new HE, the city should consider reducing governmental constraints to housing production, providing incentives to create more affordable housing opportunities, and providing adequate zoning density to enable the city to achieve its 2023-2031 housing goals.

Site Inventory

The most vital part of the HE is the Site Inventory, which requires the most planning and can spark the most controversy. This can be broken down into two categories: (1) large lots like the Town Center lot and the former golf course property, and (2) the two main transit corridors, Mt. Hermon Road and Scotts Valley Drive. To meet the new RHNA

numbers, Council may need to revisit zoning for Scotts Valley Drive and carefully examine Mt. Hermon Road sites in combination with density/design components. If housing units are made the highest priority, the main goal of the Sites Inventory, different criteria should be applied. It will also be critically important to complete the process of expanding the city's inclusionary program boundaries to apply city-wide.

In the current HE, sites were limited mostly to the city's few undeveloped lots. The site inventory process needs to expand to include redevelopment possibilities keeping in mind that several lots can be combined for larger projects. If you look at the Santa Cruz City Housing Element you will find that most parcels along their major corridors are listed in their HE as potential sites. Three combined lots (depending on size) are often sufficient for a 50-unit project, depending on the units/area zoning.

The City of Santa Cruz commissioned Keyser Marston Associates, known affordable housing experts, to research what it takes to make a 100% affordable housing project viable. The report concluded that the minimum number of housing units was 50 and a half-acre the minimum lot size for an affordable housing project, and in most cases, five stories would necessary. Advocates say those minimums have been an important driver of housing costs because they reduce the number of units that can be built and hike the per unit cost of development.

In inventorying sites it might be worth the extra time to also list which ones might fall under State laws that provide for ministerial approvals like: SB 35, AB 2345, AB 2162, SB 9, and SB 10. While Council should prepare for the community angst if those bills are applied, using those bills as a criterion can allow the city to better assess the credibility of its Site Inventory. Builders of 100% affordable housing projects compete for funding and application scoring systems award points to projects for proximity to transit hubs, schools, shopping, healthcare and other services, as well as bus route frequency.

Ministerial exempted projects use many of the same criteria, so research for one would result in similar data for the other. Developers of inclusionary projects would also be using similar criteria to qualify for the density bonus. As a general guide, a 100% affordable housing project in our area does not pencil out if it is under 40-50 units (or has funding above what is usually acquired) Other factors to consider when identifying sites are new state laws that make it easier to build projects on church parking lots, school land, and other jurisdictional land not being used. Another new state law reduces parking requirements for projects close to transit centers and/or bus routes.

A note of caution: jurisdictions in the past have not taken the site inventory process seriously. HCD expects the inventory to be both realistic and demonstrating housing as a priority. If a community does not identify sufficient sites adequate to accommodate its RHNA numbers, properties must be rezoned within one year from the deadline for HE adoption. The HE will not be found in compliance until all required rezones are complete. Santa Cruz County did not identify sufficient sites to meet its RHNA numbers in a previous cycle resulting in a lawsuit. Housing advocates statewide will be scrutinizing Sites Inventories. State Bill AB 686, Affirmatively Furthering Fair Housing (AFFH), fortified the HCD monitoring of jurisdictions and added consequences should cities attempt to block or needlessly slow housing production, including blocking state funding grants, not just for housing.

ADU's- Likely Source of Affordable Housing Over the Long Term

Like many cities, Scotts Valley does not have acres of undeveloped land. For that reason alone, ADU's hold great potential, and the city has already taken some measures to incentivize them.

At the April 2022 Council meeting reviewing the annual HE progress report, the City's consultant suggested that ADUs may not count toward RHNA numbers. That is partially correct if you are assuming that when they are permitted the owner is not required to rent them at affordable housing rates. (this is done in some cities because it can be required as a condition for a permit since the ADU is being built on an already developed/zoned piece of property).

At the May 2022 Scotts Valley Affordable Housing Month event, Council Members Reed and Dilles heard Suzanne Ise explain the County's system for identifying ADUs that qualify for their RHNA numbers. The City of Santa Cruz currently counts ADUs in its RHNA numbers. There is an affordable rent condition for some ADUs, but not for most. It is assumed that some ADUs will be rented out at high rates to pay for the ADU and others will be used to house relatives or friends etc. that pay no rent, so they average the two. In the current cycle, excluding the large downtown affordable housing projects that are breaking ground this year, ADUs accounted for the largest number of RHNA number units.

Habitat For Humanity began an interesting program a few years ago in the City of Santa Cruz. Habitat would build an ADU and repair/remodel the main house in trade for the seniors moving into the ADU and designating the house as a long-term affordable housing unit. Scotts Valley could begin such a program if it could finance it. Some thoughts on this are included in our funding sources recommendations. This is a win, win, win program! Intergenerational housing has become one of the few ways families can remain together in the same community. Seniors are able to remain in the community where they have lived for many years while making their home available to younger families with children, which helps the school district maintain enrollment numbers.

The State has also enacted many ADU building incentives to stimulate their production and some jurisdictions have added additional ones to lower the cost of building, including fee waivers and the time it takes to attain permits. One example is SB9. At the very least, Scotts Valley should continue to give ADUs priority through additional incentives.

Bonus Density/Concessions and Incentives

Scotts Valley has adopted the State bonus density law (SV 17.62) that provides incentives to build affordable housing units. Since SV has enlarged the zoning areas for inclusionary requirements, future projects may produce more affordable units, and more importantly, more very-low and low units since the density bonus incentivizes them. With very few empty large lots available for new housing projects, bonus density applications including concessions and incentives will be critically important to help the City meet its 6th cycle HE housing goals.

However, the City's bonus density lacks concessions and incentives that other cities have adopted to increase housing production. One significant concession most cities have is a height concession. Scotts Valley has a building height limit of 35 feet that limits the number of housing units and there is also no variation in the 20 units/acre zoning.

Twenty units/acre is very low for transit corridors. As an example, Santa Cruz has sections with 30-35 units/acre in residential zones and 40-60 in commercial districts. A 2.75 floor area ratio in bonus density zones is also part of the density bonus system. Another incentive to increase density is for a developer to commit to providing Section 8 housing units in addition to the affordable units. Without these concessions the bonus density is not much of an incentive. As stated earlier, a 100% affordable housing project in our area does not pencil out if it is under 40-50 units unless it has funding above what is usually acquired.

Scotts Valley has listed the Town Center as the primary opportunity site for meeting its RHNA numbers. But according to the current HE only 254 units are planned, 30 of which would be designated as affordable. Since the City has codified the State density bonus system, the Town Center could provide a significant number of housing units if there were concessions and if density limits were changed. However, there are two different density bonus methods to consider and AHN recommends that the city push for the land donation bonus incentive. (The City already received one such proposal from Eden Housing using land donation that may have predated the density bonus adoption.)

Here are numbers worth thinking about. Using the bonus density, a developer planning a 200 base unit housing project (or a mixed-use project with 200 housing units included) could propose a project applying for a 35% density bonus for designating as few as 5% very-low units resulting in a project with only 10 affordable housing units and a total project of 270 units. (note- those 10 units are important as it is likely only when the bonus density system is used that a developer will do very-low units)

Using the land donation density bonus system (17.62.040), a non-profit developer doing a 100% affordable housing project (the amount required in the city's system is a minimum of one acre) could likely build 70 (or more) affordable units. There are different bonus density results depending on the number of affordable housing units and the level of affordability, but there is quite a difference possible with a land donation. It is important to note that a 100% affordable housing project is entitled to a greater bonus density and more concessions.

State Housing Laws

The City should also consider new state laws that support increased production of affordable housing. A state law AB1851 makes it easier to build projects on church parking lots, school land, and other jurisdictional land not being used. Another new state law AB2097 reduces parking requirements for projects close to transit centers and/or bus routes.

As mentioned earlier, several laws have recently been passed that provide for ministerial approvals including SB 35, AB 2345, AB 2162, SB 9, and SB 10. NIMBY voices are loud and vocal whenever a sizeable affordable housing project comes before your Council, but the only way the city will be able to achieve its RHNA goals will be with larger affordable developments. Laws which allow ministerial approvals can help the city move forward with much needed larger housing projects that can provide workforce housing for our community and help the City reach its RHNA housing goals.

Transportation and Climate Change

The State requires the HE to include a parallel process for transportation. Funding for affordable housing projects is competitive. Projects located near transit centers, schools,

shopping, and other services are awarded points that increase the likelihood the project will receive funding. Housing projects located near bus routes may also be able to reduce parking requirements, but the frequency of bus stops is a critical factor. Bus frequency in Scotts Valley, at this time, is an hour on the major thoroughfares. AHN would encourage the City to lobby the METRO for half/hour frequency which can increase the potential for affordable housing funding, as well as providing better service to city residents relying on bus transportation. It is also worth noting that locating projects near transit centers and bus routes can reduce carbon emissions by reducing the number of cars on the road and providing workforce housing in our community will reduce vehicle miles traveled when local workers don't have to commute from other communities to work in Scotts Valley. Projects with proximity to transit centers and bus routes may also qualify for ministerial approvals.

Prohousing Designation

The County of Santa Cruz is recommending that all jurisdictions work toward the Prohousing designation so they can be eligible for and be more competitive in securing state funding from Affordable Housing and Sustainable Communities and Infill Infrastructure Grants.

Much of what the City would need to do to receive this designation is included in our recommendations, such as updating zoning, reducing construction and development costs, reducing parking requirements, and providing incentives and increasing fee waivers. The system mirrors affordable housing funding grant requirements- applying a point system for such things as transportation infrastructure, parks and open spaces, amount of money in housing trust funds and other criteria. Working to obtain the Prohousing designation will take time, but the payoff would be worth it for both funding and the increased production of affordable housing units.

Funding Sources

Scotts Valley will only marginally meet its RHNA numbers without financial resources. Non-profit builders cannot buy land for projects. When competing for funding, the value of city-owned land increases the possibility of grants and tax credits, and even with the land subsidy they still fare better in securing funding if a city provides some of the funding.

The City previously invested in one project, to lower the affordability level of the inclusionary units. This is a common practice, as is using subsidy to increase the number of inclusionary units beyond the statutory minimums, but this requires a steady funding stream. Some cities, instead of having a dedicated funding source, have entered into agreements with developers to forgo or reduce property taxes, but that reduces general funds so it is not as viable as having a dedicated funding source.

AHN recommends that Scotts Valley consider raising the real estate transfer tax as many California cities have done. It is an easier tax to approve, requiring only a 50% threshold to pass. With continuing increases in real estate values, fewer people might object to some of that profit being taxed to support affordable housing. A half- percent tax increase can accumulate significant funding over time. Examples of other Bay Area cities' real estate tax increases (above the current base tax of .55) include: Alameda 1.2%, Berkeley 1.5%, Hayward .45% and San Jose, and Mountain View with a .33% tax.

The organizers of the county-wide housing bond have discussed attempting another bond measure. There is a statewide coalition working on getting a proposition on the 2024 ballot that would lower the threshold for passing housing bonds from the current 2/3rds to a majority vote. That would make the possibility of a county-wide housing bond more feasible. Since SV participated in the bond measure last time, we assume it would again.

Successful Strategies from other cities

The following are additional strategies for Council's consideration that other communities have adopted to increase the production of affordable housing.

1. Encourage redevelopment of existing single-story commercial buildings to include upper story residential units, where feasible.
2. Change the residential- commercial mixed-use requirement of 50%. Housing should be given priority, but also demand for commercial space is low so that percentage makes projects infeasible.
3. The State has passed many housing bills in the last few years, and many more are working their way through the system. Those already passed can be part of the HE process, but it would be worth looking at those working their way through the legislature and adopting relevant ones in anticipation of their passing.
4. Examine parking requirement constraints that may deter the development of Planned Developments.
5. Examine mixed-use zoning questioning whether apartment complexes should be given higher priority than the commercial space in a mixed-use project.
6. Work with the development community to streamline the project and design review processes to provide a greater level of certainty in the outcome of housing proposals. Also work in collaboration with developers in the early stages of project development to maximize potential for housing units in the needed income categories.
7. Review existing development fee structure, including water and sewer connection fees, to determine if the current structure is appropriate and equitable.
8. Consider adding provisions to allow Single Occupancy Units, and at the same time change how units per acre are calculated as 100 SRO units would not take up more space than 50 regular units. Why should a 400 square foot SRO count the same as a four- bedroom house with a garage for zoning purposes? There are very few small units in SV, SRO's are desperately needed. Not taking size of a unit into account, and having a 20-unit per acre maximum, provides no incentive for those most needed units. They are also affordable by design, so they are essentially 100% affordable projects.

In Conclusion

When housing choice and access are limited because of someone's race, sexual orientation, disability or income status, there are far-reaching impacts on access to job opportunity, access to quality education, and on one's quality of life, including mental and physical health. The new HE requirements under AB 686 seek to promote safe, affordable homes and vibrant, inclusive sustainable communities.

The 6th Cycle HE includes new requirements for the Community Engagement Plan. Adding housing in Scotts Valley has been controversial and affordable housing even more controversial. AHN believes it is vital that the community engagement process not be limited to vocal opponents to growth. There should be an effort to engage business owners with employees and individuals least likely to know about and participate in the process, including people who would be the residents of affordable housing projects and people who work in Scotts Valley but at this time cannot afford to live here. Involving community members early in the City's HE planning efforts will help create buy-in and support from city residents which will be essential to helping Scotts Valley achieve the 6th cycle HE housing goals.

By planning for the housing needs of a diverse population, the HE is an investment in our community. AHN offers our assistance in supporting the City's planning efforts to help promote a vibrant community that embraces diversity and provides sufficient housing opportunities for all in need of an affordable place to live. Everyone in the City of Scotts Valley deserves to have a place to call home.

6-9-23

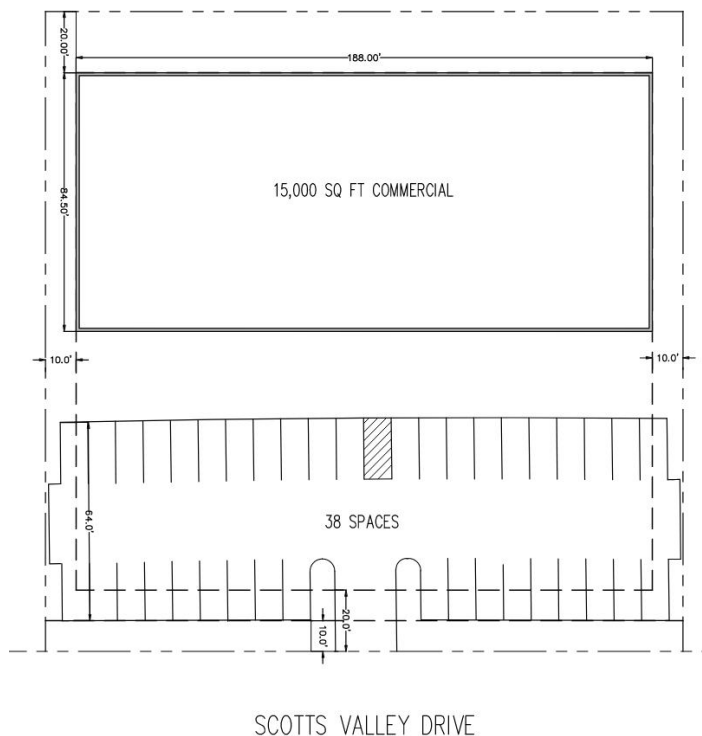
City of Scotts Valley
 Planning Department
 1 Civic Center Drive
 Scotts Valley, CA 95066

Subject: Infeasibility of 70/30 Residential Mix in Commercial Zone
 & impact on complying with Housing Element

C2G/Civil Consultants Group, Inc. (C2G) has reviewed the initial draft of the Housing Element for the City of Scotts Valley to address their Regional Housing Need Assessment (RHNA) mandate by State Housing Law required by the State of California Department of Housing and Community (HCD). It is clear the current draft will not meet the Housing Element's intent and is what we believe City is trying to achieve.

To substantiate this claim, C2G has run a hypothetical analysis (shown below) to help show how the proposed 70/30 mix for Mix-Use development does not go far enough in incentive a property owner to proceed with developing their property with a high residential density mix. This will result in the City drastically falling short of the RHNA numbers required in the 6th cycle.

Below C2G has shown a hypothetically vacant 1-acre property along Scotts Valley Drive that is currently zoned Commercial Service (CS) per the City's zoning standards. Since this lot is proposed to be adjacent to other mixed-use properties residential setbacks were used. This analysis also assumes a 50/50 split between residential and commercial per the city's **current** General Plan and **current** Zoning Standards (maximum 20 dwellings per acre).



The analysis for the 1-acre property on page 1 (with current zoning requirements) would result in the following:

15,000 SQ FT of Commercial

Parking (1 stall/500 SQ Ft) = 30 stalls required

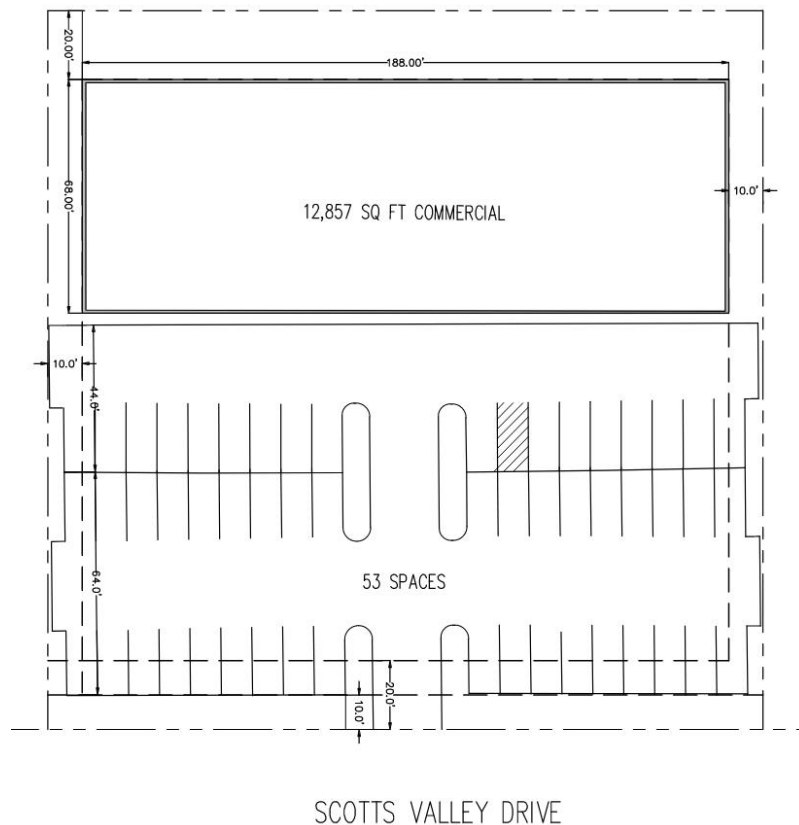
15,000 SQ FT of Residential (750 SQ. FT. Units)

Parking (2.2 stalls per unit) x 20 = 44 stalls

30,000 SQ FT of Total Mix-Use

38 stalls are shown, but 44 can be achieved with minor reconfiguration of the building footprint. Also assumes, commercial use does not coincide with residential use so parking can be shared.

When performing the same analysis with the proposed modification in the Draft Housing Element, the density increases (40 units/acre) and the ability to increase the residential component of the site goes up to 70-percent. Below is an exhibit of what a potential layout would look like.



This analysis for the same 1-acre property creates the following results with the 70/30 mix:

12,857 SQ FT of Commercial (30 percent)

Parking (1/500) = 25 stall required

30,000 SQ FT of Residential (750 SQ. FT. Units)

Parking (2.2) x 40 = 88 Stalls required

42,857 SQ FT

Parking cannot be met. This is substantially short of the required parking per the City's current parking standards for residential.

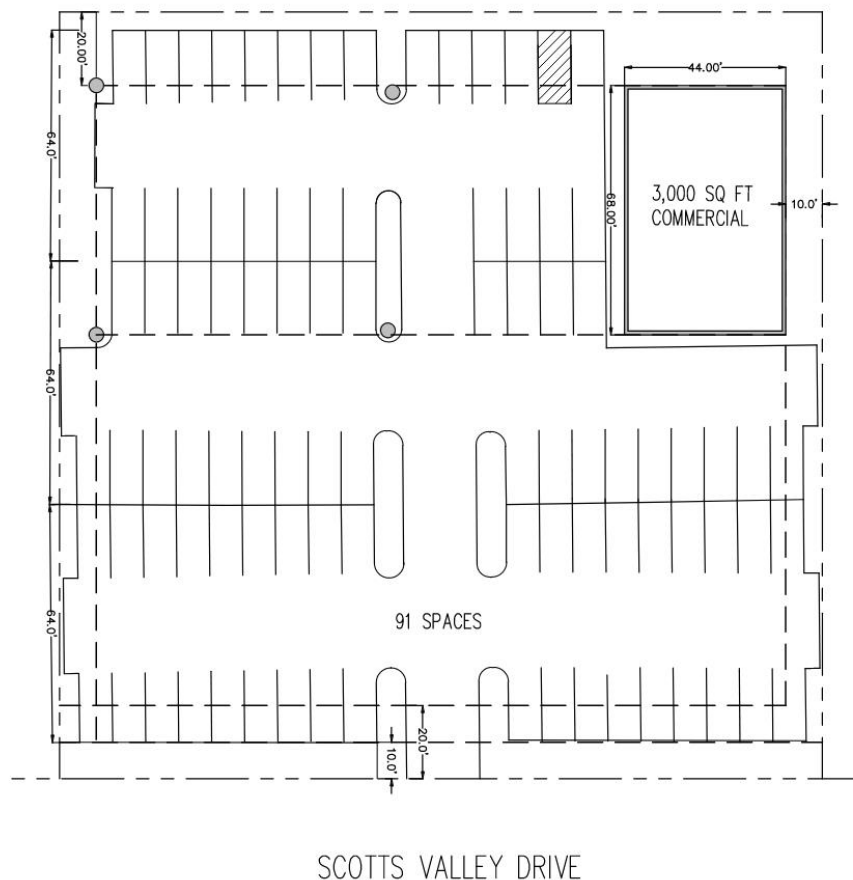
This layout would also require a 3-story building.

With the transition from the current zoning to the proposed Housing Element zoning, you will notice that the housing is currently dictated by the commercial size. The proposed Housing Element flips the scenario

where the size of the commercial square footage is dictated by the new residential density. Though the site has increased the residential component to 70-percent, the reduction in commercial is only 14% when comparing square footage size from the current zoning of commercial space.

C2G's professional experience with developers focusing on Scotts Valley understands this reduction is not enough to offset the increase in affordable housing associated with the density increase. In order for the City to entice a developer to proceed with a project with this type of density and still have a commercial component, the commercial reduction would need to be closer to 80-percent reduction.

In order to get a 780-percent reduction in commercial area the residential component would need to be 90%. This would result in the following exhibit below:



This analysis for the same 1-acre property creates the following results with the 90/10 mix:

3,000 SQ FT of Commercial (10 percent)
30,000 SQ FT of Residential (750 SQ. FT. Units)
33,000 SQ FT

Parking (1/500) = 6 stall required
Parking (2.2) x 40 = 88 Stalls required

Parking is met in this scenario.

This layout would be a podium style building and probably 4-stories in height. This would exceed the current City height requirements.

The analysis shows the suggested 70/30 does not work. The percentages would need to be 90/10 to work.



C2G suggest a better option would be allowing landowners to go 100-percent residential in these areas. This would make the most sense.

Also, it needs to be pointed out that with Scotts Valley being a transit corridor, these properties would be able to implement the State's Density Bonus Law. This could allow the density to increase by 35% with the affordable housing components required for these sites. This could increase the number of units to 54/Acre!

The Density Bonus Law also reduces the parking requirements. Instead of relying on the State Density Bonus Law, it would make more sense for the City to reduce the parking requirements for these mix-use zoning areas with the new Housing Element.

To the last topic, Residential Rezoning. When examining Table F-2 in the Housing Element, the RHNA housing goal is almost achieved without the rezoning of the three (3) suggested properties. If the Density Bonus Law was encouraged for the mix-use sites, the residential re-zoning would not be needed. Also, SB9 and ADU laws should be encouraged by the City Planning staff and proactively reach out to the community via social media, local newspapers and local service community meetings. This approach would look better (than randomly picking properties to rezone with higher density) for the City in our professional opinion.

If you have any questions on our calculations or would like to discuss them in more detail. Please call my office. Thank you.

Very truly yours,

C2G/CIVIL CONSULTANTS GROUP, Inc.



David Dauphin
Vice President / Associate Engineer



Todd Creamer
President/Principal Engineer



Eli May
Co-Owner, 125 Bethany Dr. Scotts Valley, CA
elinathanielmay@gmail.com
831-419-9641

June 21th, 2023

City of Scotts Valley
Planning Department
1 Civic Center Drive
Scotts Valley, CA 95066

Re: Scotts Valley Housing Element Public Review Draft

I am a co-owner of 125 Bethany Dr in Scotts Valley, which was identified as one of three properties to be rezoned in the recently released Scotts Valley Housing Element Draft Plan. The draft plan calls for changing the general plan and zoning of our 1.35-acre property from its current commercial zoning to multi-family residential use of up to 41 units.

We were surprised to learn our property was included in the housing element plan as we were never officially notified in writing at any point in time that it was being considered for rezoning. This shocking news was particularly surprising because our property is currently the subject of an active redevelopment application with the city and has been for several years. During this time we have been working very closely with the numerous and various planners who have come and gone during this process with city staff. We currently have a completed application with the city that is entering environmental review. We believe it is incumbent on the city to process our existing application for redevelopment and remove this property from the draft housing plan.

I am also very concerned about the lack of community engagement that has failed to occur with this process. Having never been officially notified, let alone consulted, regarding our property's inclusion in the housing plan, there was no proper opportunity to engage in the process. In fact, the *Scotts Valley Press Banner* noted the same issue in its article "[Scotts Valley Housing Element workshop features little community input](#)", which noted that the most recent public meeting *"was cut off after less than an hour—before all comments could be aired verbally."* This article was in response to the May 30th community workshop, which was the first meeting since the draft plan was released on May 19th. Unfortunately, the lack of public input and community engagement seriously threatens to leave the plan open to invalidation by HCD.

For these reasons and the ones explained below, this site does not actually have any real potential to be developed into 41 residential units, and I am formally requesting our property at 125 Bethany be removed from consideration in the draft plan.

Current redevelopment efforts at this property

We have been working toward obtaining approvals to redevelop this property for over 3 years. We have applied for and paid for all application fees in excess of \$40,000 as well as over \$100,000 in additional reports requested by the city. We have been fully engaged in an ongoing and responsive exchange with city staff to move forward on the redevelopment of this property. This has involved serious and continuous community engagement. We have responded to over 100 items from public works and the planning department over the course of several redesigns and resubmittals. In fact, we will be entering environmental review for our redevelopment application this month. We have engaged in an incredibly lengthy, expensive, and involved process and we don't feel it's appropriate to include this property on a list to be rezoned for residential while in the middle of the application process to be redeveloped. This is particularly true when the "community engagement" process employed by consultants for the housing element has been seriously lacking in transparency and invalid by comparison to the process we have engaged in for a single redevelopment application and taken extensive time to seriously implement.

We feel that we are legally entitled to proceed with processing our application under CEQA and welcome environmental review of our incredibly thoughtful and positive redevelopment plan. We are joined by our tenants and neighbors in looking forward to an approval for a new building that benefits the community and reduces - not increases - impacts.

Current Uses

The current zoning of our property is commercial professional. It currently has ~ 14,000 gross sq ft, which is 100% occupied by businesses that serve the community. The current redevelopment plan would replace the existing amount of office space and create more opportunities for local businesses to operate and grow. As part of our resubmission in April 2022 we included half a dozen letters from businesses (existing and potential tenants) imploring the city to approve our redevelopment. These uses are an important part of the local economy and its loss would be a detriment to the community.

Neglected impacts of the draft designated use

In the process of applying to redevelop our property, the city asked us to perform a number of professional reports to study the impacts of the proposed redevelopment, which we did. This included extensive and expensive studies regarding noise, traffic and parking, as well as an arborist study and an archeologist study. The results of the studies showed that our proposed redevelopment would actually reduce impacts; it does not appear any similar studies have been performed to study the impacts of 41 residential units for this draft report.

Parking & Traffic

The traffic studies we had completed for our redevelopment show a delicate balance of parking on this property. 41 residential units at this site would make trip generations skyrocket and it would simply not be possible to park all of these units at this site. Furthermore, the site is a relative island with a noisy freeway on one side with no other parking available in the immediate area, which would be a huge issue. It does not appear that our existing study has been

reviewed or that a similar study has been conducted for the specific use designated in the draft housing plan. Also, this property is at the same intersection as Vine Hill Elementary, which already causes significant congestion at the intersection during school drop-off and pick-up times. A 41-residential unit site at this intersection would further exacerbate traffic in this area, Neighbors who live on Tabor and Bethany would face far worse congestion and traffic than they already do.

Noise

This site sits along HWY 17, which creates significant noise that would not be acceptable for the 41 units without significant noise-barrier walls, and the site simply does not have the space for this. It does not appear that a study has been performed on the noise at this site for residential use, as we have done for our proposed use.

Arborist

We performed an arborist study for our redevelopment and the city has mandated that we keep existing mature trees and add more shade trees to the parking area. This condition has further inhibited the number of parking spaces we can fit. It does not seem that an arborist study has been performed for the use of 41 residential units at this site as we had been tasked with doing, as it would show a lack of necessary parking and the consequent elimination of mature trees. These studies would show that the site is simply not equipped for this type of residential use.

Community Engagement

During the process of our redevelopment efforts, we held meetings with many stakeholders in the city including a comprehensive community engagement plan. We built a website detailing the redevelopment and sent direct mail to all of our neighbors to communicate with them about the project and point them toward the website along with contact information. It appears there has been very little community engagement around the process to create the housing element draft plan. I was not informed in writing as an owner of one of the three properties identified for rezoning. The **Scotts Valley Press Banner** noted the same issue in its article "[Scotts Valley Housing Element workshop features little community input](#)".

Numerous opportunities elsewhere not identified

It is clear from the many public comments at the April 5th planning commission meeting that there are many property owners along Scotts Valley Dr that would be more than willing to build more dense residential projects, but are unable to because they would need to match 50/50 commercial to residential, which makes the projects not feasible. Allowing these property owners to build dense residential projects would create more foot traffic for the businesses along Scotts Valley Dr thus attracting more businesses and more revenue for the city. Instead, the Draft Housing Report identified only three parcels in the entire city for rezoning. We believe the city needs to look closer at other commercial parcels along Scotts Valley Dr and beyond to meet its plan. The draft housing element failed entirely to aggregate the 50/50 requirement on a larger basis - and did not assume anything for the assemblage of parcels. This is an abject failure on the part of the consultants to recognize and move on to an obvious solution.

Furthermore, we believe the draft report missed multiple appropriate and obvious opportunities elsewhere. This includes ADUs. Last year, California passed SB9 which allows for any single-family residence to build at least one ADU and in many cases more than one. Scotts Valley is truly unique in that the city contains numerous older and larger residential parcels that can take advantage of SB9 - and do so appropriately within existing residential neighborhoods. This would not only capitalize on existing infrastructure but will also significantly disperse any impacts from this incremental approach. Yet the public draft report used historic ADU origination numbers from the last 8 years of only 3 ADUs being built per year, without taking into account the tremendous growth in ADU construction which is just now occurring from this landmark legislation. There are also many other opportunities to account for more housing such as mobile home parks, which would be an obvious choice for more dense and affordable housing.

In conclusion, rezoning the property at 125 Bethany is not appropriate for a myriad of reasons, and I formally request this property be immediately removed from the draft plan.

Sincerely,
Eli May
Co-Owner of 125 Bethany Dr. Scotts Valley CA

[REDACTED]

From: Charlie Eadie <charlie@eadieconsultants.com>

Sent: Thursday, June 1, 2023 10:45 AM

To: Sarah Wikle <swikle@scottsvally.gov>

Cc: Taylor Bateman <tbateman@scottsvally.gov>; Wiseman, Bill <bill.wiseman@kimley-horn.com>

Subject: Housing Element

Hi Sarah:

Good talking to you today. Following up our conversation, here are three recommendations:

1. Add to your mixed use inventory of potential sites two parcels at 4627 Scotts Valley Drive, APNs 022-082-34.35. This site consists of just under an acre and would be a prime candidate for high density and/or mixed use high density housing.
2. Be explicit about the ratio of commercial to residential in mixed use projects in the Housing Element. The past policy in the General Plan (not the zoning ordinance) interpreted to require a 50/50 ratio (the "50 percent rule" so called), however well-intended, had the effect of killing numerous proposals for housing/commercial mixed use projects. Other jurisdictions are facilitating mixed use by either eliminating floor area ratio standards altogether, or setting the mix in a way that makes projects at least theoretically possible. For example, the County of SC now has proposed an 80/20 housing/commercial mix in their Housing Element.
3. Address processing issues. In particular, SV processing times have been extraordinarily long, and the Housing Element consultants should look into the history of that for various projects. One suggestion would be to reduce the high level of detailed engineering and other work now required by the City just to get to hearing on land use/design approval. This adds significant time and costs to getting a "complete" application, and can leave decision-makers frustrated because the project is essentially a "finished product" when they finally see it which inhibits their willingness/ability to make changes. Better to have the use and design considered and worked out before requiring the nth degree of detail in the plans.

Charles Eadie,
Principal



P.O. Box 1647, Santa Cruz, CA 95061-1647
831.431.3396 (cell) 831.426.7609 (fax)



June 19, 2023

To: Sarah Wikle, Senior Planner
CC: Scotts Valley City Council, Scotts Valley Planning Commission
City of Scotts Valley
1 Civic Center Drive
Scotts Valley, CA 95066

RE: Draft Housing Element (May 2023)

Santa Cruz YIMBY advocates for abundant housing at all levels of affordability to meet the needs of a growing population in Santa Cruz County. We support sustainable growth, including along transportation corridors and activity centers and a commitment to lower Vehicle Miles Traveled by housing people near services and jobs.

We submit the following comments on the City of Scotts Valley's 6th cycle Housing Element draft of May 19, 2023¹.

Probability of Meeting Low Income Targets

"The City of Scotts Valley has facilitated the building of market rate housing in recent years, but has made little effort to develop housing for low income workers."²

According to the site inventory³ Scotts Valley is expecting that all sites identified for rezoning will set aside roughly 50% of their units for very-low, low, or moderate income families, while providing little evidence that this level of affordability will be realistically produced. Meanwhile, the city's four pipeline projects consist of only 18% affordable units. We would like the city to explain why it expects to achieve this 50% target, and how it will enable the development of additional housing if this target is not being met. For comparison, the City of Santa Cruz⁴ is projecting a 20%

¹ [Scotts Valley Housing Element - Public Review Draft 5.19.2023](#)

² [Santa Cruz Civil Grand Jury - Housing Our Workers](#), page 18, Finding 9

³ Housing Element, F-23

⁴ The only jurisdiction in Santa Cruz County to meet its 5th cycle goals

affordability rate for most parcels in its site inventory.

If the city misses its target of 50% affordability, it faces the daunting task of identifying other sites to make up the difference under No Net Loss law. With nearly half of its very-low and low income units planned for through the Town Center Specific Plan, this single project not producing as many units as expected would subject the city to this law. Additionally, there is only a 9% buffer for moderate income units, HCD recommends a buffer of between 15 and 30 percent⁵.

In order for Scotts Valley to meet the needs of its most vulnerable residents, it is essential that plans for affordable housing not only sound good, but are workable and realistic.

Pipeline Projects

A significant source of new units for the city during the 6th cycle will be from pipeline projects. For jurisdictions relying heavily on pipeline projects, HCD recommends⁶ that “...the element should include programs with actions that commit to facilitating development and monitoring approvals of the projects, including the number of units and affordability (e.g., coordination with applicants to approve remaining entitlements, supporting funding applications, expediting approvals and monitoring of project progress, including rezoning or identification of additional sites, if necessary).”

In order to meet this recommendation by HCD, the city should create policies to monitor the progress of pipeline projects. This could include automatic entitlement extensions until midway through the 6th cycle and proactively reaching out to all pipeline project developers to confirm that there is still development interest.

In recent public meetings, local leaders said that they were contacting developers of existing pipeline projects to gauge their interest in resubmitting plans at a higher density or with additional units. The La Madrona and Valley Gardens projects together represent a vast majority of the city’s pipeline units. We urge the city to work with the project developers to increase the amount of multifamily and missing middle⁷ housing, especially in those areas of the project site closest to Mt Hermon Road. The number of units in these two projects alone represents nearly 30%⁸ of the city’s RHNA, and could easily fulfill more if they were revised to have majority multifamily units. These sites offer an opportunity for Scotts Valley to demonstrate

⁵ [Housing Element Sites Inventory Guidebook](#), page 22

⁶ [City of Brisbane’s 6th Cycle \(2023-2031\) Draft Housing Element](#), page 3

⁷ [Missing Middle Housing](#)

⁸ On a total unit basis, not 30% of all affordability categories

leadership in building mixed density neighborhoods that bring people of different income levels together.

Goal H-1 - Housing Production

With the city's RHNA increasing nearly tenfold from the 5th cycle, we see significant need for policies and programs which enable, not restrict, development. We applaud the city for identifying significant commercial and parking requirements as constraints to development but strongly disagree with the assertion that "...the City's standards for lot size, setbacks, height, and site coverage are not considered [constraints]..."⁹

As mentioned, the city has accurately identified its limit of 50% residential in mixed-use developments to be a constraint and is rezoning select parcels along main corridors to increase this cap to 70%.¹⁰ We would like to see the city go further and either remove this limitation entirely or allow for mixed-use development with an option for ground floor commercial only rather than as a percentage of total square footage. Additionally, granting this flexibility to all mixed-use projects in the city would incentivize development and allow developers to better respond to Scotts Valley's housing shortage.

We would like to see the city commit to allowing more residential square footage in mixed-use developments if the proposed rezoning does not result in developer interest.

With regards to parking requirements, the city should go much further in reducing or even eliminating requirements and the existing programs should have stronger language. Currently, program H-1.5 does not commit to lowering parking requirements and has a timeline of 2027. We would like to see this timeline moved up and a commitment to lowering requirements to no more than half a space per unit, uncovered.

Creation of missing middle housing isn't mentioned within the policy plan - the city should adopt zoning regulations that would incentivize this form of housing. Examples include reducing minimum lot size, setbacks, and lot coverage restrictions. In Redwood City's compliant 6th cycle housing element¹¹ amendments such as these are anticipated to result in an increase of at least 80 homes. Currently, duplexes are not conditionally or principally permitted in any of Scotts Valley's zoning districts.¹² The City of Scotts Valley should seek to allow a wide variety of housing types

⁹ Housing Element, C-24

¹⁰ Housing Element, F-19

¹¹ [Redwood City 2023-2031 Housing Element](#)

¹² Housing Element, C-16

including duplexes, triplexes, fourplexes and other multifamily project types throughout the City. Much of this could be achieved without an EIR thanks to Senate Bill 10¹³.

Unaddressed Constraints

Along with the commercial and parking constraints discussed in the prior section, there are other constraints that we believe the city should address to ensure that housing can be built.

We expect projects to make use of State Density Bonus law for feasibility of development of affordable housing. Currently, Scotts Valley zoning code includes constraints and limitations that could limit affordable multifamily or mixed-use housing from achieving assumed base densities. These include but are not limited to building height, FAR, and parking requirements.

The city should better explore to what extent its density restrictions are a constraint to development. With the city's highest density residential zoning district capped at 20 du/acre, this is likely a significant barrier. We recommend the city expand its rezoning efforts to all 'Very High Residential' parcels at a minimum and allow up to 40 du/acre on such parcels.

There are a number of small sites on the inventory which fall outside of the parcel size requirements set forth by AB 1397. These sites may still be included for a variety of reasons, in Scotts Valley's case "...a program to facilitate lot consolidation."¹⁴ There is no such program in the policy plan.

Town Center

One of the largest projects projected for Scotts Valley's 6th cycle will be further development of the Town Center Specific Plan, encompassing 58 acres in the heart of the city. This area is well situated to accommodate a significant amount of housing and associated amenities. While we are pleased that the city anticipates 657 units to be built on these sites we would like to see more in the housing element to indicate that the city is determined to see this housing come to fruition.

This plan has been in the works since at least 2008¹⁵ and has not seen a significant amount of the proposed housing be built in that time. According to the city, "...project applications have been submitted for the Plan, but development was not successful. Interest in developing the Town Center area has increased over recent

¹³ [SB 10 - California YIMBY](#)

¹⁴ Housing Element, F-21

¹⁵ [Scotts Valley Town Center Specific Plan EIR](#)

years.”¹⁶ Despite these failed developments and increased interest, there is no mention or analysis of the reasons for these failures or why development has not moved forward for this area in the housing element.

Additionally, we would like the city to provide more detail on the affordability projections for the Kings Village parcel¹⁷ as part of the Town Center plan. While the other four parcels are publicly owned (by METRO or the city) this shopping center is privately owned. The city estimates that this parcel will produce a 50% affordable project, but provides no indication that there is interest from the owner, a developer, or any other type of agreement that would be required for housing production to happen.

Mid-cycle Review

To ensure the city makes appropriate progress towards its 6th cycle goals we would like to see a commitment to a mid-cycle review and adjustment (if needed). Tying this review to programs to increase housing production such as rezoning, ADU incentives, or removing development constraints would allow the city to quickly make up lost ground and minimize impacts of falling behind in the 6th cycle. This would also be a time to review pipeline projects which have not progressed.

Additional mid-cycle programs could include:

- Ministerial approval process for all site inventory projects
- SB10 upzoning of small sites to 10 units per parcel
- Tracking commercial occupancy, and if vacancy is too high, relaxing commercial requirements in favor of more residential, including live/work units

Transit Oriented Development

Despite being home to the Cavallaro Transit Center (CTC), Scotts Valley lacks any current or planned high quality transit stops. In the 2040 MTP/SCS¹⁸ the CTC was identified as such a site, however, it was subsequently removed in the 2045 MTP/SCS¹⁹. We encourage the city to commit to working with AMBAG in the 2050 MTP/SCS (scheduled for June 2026) to designate the CTC as a planned high quality major transit stop. This designation would incentivise more sustainable, affordable, and equitable development in an area identified for a significant amount of new housing in the 6th RHNA cycle.

¹⁶ Housing Element, F-12

¹⁷ Parcel #022-601-18

¹⁸ [AMBAG 2040 Metropolitan Transportation Plan](#)

¹⁹ [AMBAG 2045 Metropolitan Transportation Plan](#)

Scotts Valley is currently not a pedestrian and bike friendly community. The transit center is a key connector for jobs and opportunities for low income people that do not own cars. Further investment in housing around transit stops has been shown to increase ridership on public transit. Denser housing and investments in walking and biking infrastructure between the Valley Gardens, Town Center, and the CTC could together make great strides in helping Scotts Valley achieve its housing, climate, and safety goals while also making it easier for people of all ages, abilities, and incomes to access the city.

Tenant Protections

As a city with a growing percentage of renters, it is important to have strong tenant protections. The housing element notes that “[a]bout 51.8 percent of renters are cost burdened, and 33.1 percent are severely cost burdened.”²⁰ There are a number of programs we would like to see implemented or expanded in the city including:

- Elimination of or cap on rental application fees
- Creation of a rental registry. This was recently passed by both Salinas²¹ and Monterey²²
- Local preference for people employed in the county
- COPA²³ and TOPA²⁴ programs
- Conduct a disparate impact analysis of non-high(est) resource areas²⁵ and apply a live-work preference if it matches county demographics

²⁰ Housing Element, B-14

²¹ [Salinas passes rental registry](#)

²² [Monterey City Council moves ahead with rental registry](#)

²³ [Community Opportunity to Purchase Act \(COPA\) | San Francisco](#)

²⁴ [EBCLC's Tenant Opportunity to Purchase Act \(TOPA\) - East Bay Community Law Center](#)

²⁵ [2023 CTCAC HCD Opportunity Map](#)

June 2, 2023

Sarah Wikle
City of Scotts Valley, Planning Dept.
Via email: swikle@scottsvalley.gov

Subject: Comments on the 2023-2031 Housing Element

Hello Sarah. Attached are my compiled comments on the Housing Element. Most are indexed to specific policies and programs, although some include reference to information from the Appendices. There are a few comments at the end related to information in Appendices B and C.

It is rather confusing that there is identical numbering for the Policies and the Programs, as (for example) Policy H-1.1 speaks to housing variety in general while Program H-1.1 is specific to the 6th cycle RHNA. Since this document will be used for the next 10 years, there could be some benefit to having some nomenclature distinction between these two classes ("PoH-1.1" v "PrH-1.1", for example).

I'll look forward to seeing the final draft. Feel free to reach out to me if there are any questions.

Michael Shulman
Scotts Valley resident
ms.ks@comcast.net

Cc: tbateman@scottsvalley.gov

Program H-1.1 (RHNA): Table F-2 shows very encouraging numbers that bely publicly expressed concerns over the RHNA assigned to SV. Table F-6 takes an appropriately expanded view of the housing opportunities at the Town Center, recognizing the potential to redevelop certain existing parcels beyond their current singularly commercial purpose. The re-zoning opportunities along SV Drive, in addition to offering housing sites, can also generate long-needed economic revitalization along this corridor. But it is not clear why the rezoning is being proposed for only 33 identified parcels. An overlay zone that allows all property owners an ability to participate avoids the potential trap of the City attempting to pick winners-and-losers based on the ephemeral and potentially transient reasons offered on Page F-19. Identifying just these 33 parcels also creates unjustified inequitable development opportunities between adjacent parcels that may put the City on tenuous legal footing. We can't know who will want to redevelop or who will constructively engage in lot consolidation; properties can change hands and zoning-based advantages can simply raise the perceived value of a parcel rather than necessarily lead to its prompt development.

There should also be more consideration given to allow 100% residential along at least some portions of this corridor rather than insist on minimum 30% commercial development. There simply may not be a viable market for commercial anytime soon and the encumbrance on all properties is counterproductive. The City's economic viability no longer relies on the sales and business tax generation that was the basis for the non-residential legacy zoning of SV Drive. A high density residential overlay combined with PD (planned development) regulations along SV Drive, from Mt. Hermon all the way to Victor Square, could simplify and stimulate redevelopment, make great strides towards fulfilling our RHNA, and provide more resident wallets that will drive economic growth in our existing retail and employment centers.

Program H-1.4 (ADU) – ADUs are perceived as an easy fix to affordable housing challenges because their small size makes them inherently more affordable, and by spreading them out within existing neighborhoods it can diffuse the opposition often associated with larger residential developments. But we should not overlook the adverse impacts they can have on fully developed neighborhoods by introducing more cars and traffics without any commensurate expansion of infrastructure, the loss of vegetation and open space (which matters, even when on individual parcels), and the crowding of structures and potential loss of privacy (depending on how the ADU is sited). ADUs should be accommodated where they work well in a particular neighborhood but we should be cautious about incentivizing them (as per H-2.2, Design Review). We can achieve our RHNA through commercial rezoning and undeveloped residential properties without reliance on one-off ADUs that warrant selective support and individual consideration; they are essentially a neighborhood-level 'remodel' and the incentives should focus on retaining the positive qualities of that neighborhood rather than be driven by quantity of units. The total number of projected ADUs shown in Table F-2 (40) speak to their near irrelevance to meeting SV's RHNA. Some actions proposed are contrary to good planning and pose enforcement challenges -- permit ready ADU plans may conflict with the character of a property or neighborhood, and affordability deed restrictions on individual property owners are intrusive, difficult to effectively regulate, and can generate conflict when the property changes hands.

Program H-1.5 (removal of constraints) – This program needs more substance; it only says we'll talk about it and conduct research. Yet despite this ambiguity, it seems to have concluded that parking

requirements are a fair target. Everyone hates parking except when it is a challenge for them or their guests / customers to find a space. In MF and commercial developments, minimum parking requirements exist for clear and valid reasons. SV has other legacy development constraints (building heights, densities, commercial v residential percentages, etc.) that do not necessarily have such clear rationale, at least in a broad, one-size-fits-all sense; see also my comment on page C-3 below. The concept behind this program is worthwhile but the text is insufficiently ambitious. To say “if constraints are identified, adopt changes with(in) two years” will not lead to changes if those who have maintained the constraints are those who are now supposed to identify them. The Actions should identify both the process (who, how, and when) and specific objectives for the program. For example, the Planning Commission could be charged with identifying the nexus between the residential development standards and our planning objectives, and then making recommendations (within one year) for balancing these with our affordable housing goals.

Program H-1.7 (affordable housing) – Applying the inclusion ordinance City-wide doesn’t change the financial realities associated with creating lower-cost housing from high-cost land. It simply creates a new constraint (see Program H-1.5) on hillside properties or existing neighborhoods whose development future is more likely to consist of replacement rather than additional housing. Instead, we might consider associating the inclusionary ordinance with zoning density and/or project scale, having it apply for all MF zones and developments exceeding 5 units where it is much more practical to create affordable units.

Policy H-2.1 (property maintenance) – The Policy (and Program) statements refer to property maintenance standards, but it is not clear that local government has an enforceable role beyond issues associated with health and safety codes. Zoning and building codes are generally applied only during the permitting process. The H-2.1 Policy and Program (and its underlying actions) text may need clarification. The City does not want neighbors with different aesthetic preferences to drag the City into squabbles over paint colors, landscaping, and similar conflicts that can arise and really need to be resolved between the parties.

Policy H-3.1 (special needs groups) – It is not clear whether the expansive identification of these groups (as discussed on pages B-15 through B-24) is defined by the State or just reflects the opinion of the authors. Large families, single parents, and college students have housing affordability challenges that seem quite similar to those of the general population. Identifying them as a “special needs group” dilutes our ability to focus on the unique affordability challenges of those dependent on special housing accommodations (such as seniors, disabled, and extremely low income). While page B-23 cites 2020 ACS data showing 1,267 college or grad school students living in SV (a full 10% of our population), it is likely that most live in their family home and have simply not yet reached financial independence. That doesn’t make them a special needs group. This policy should perhaps be less ambitious so the associated programs and actions can have better focus.

Policy H-3.3 (equal housing opportunity) – housing discrimination is blatantly illegal and the City should refer any such matters to the District Attorney rather than just “discourage” it. The City’s housing plan shouldn’t soft-pedal such behavior.

Program H-3.2 (fair housing) – The first sentence of the second paragraph is a bit garbled. The entire RCAA discussion (pages E-9 and E-10) tries to discuss patterns of discrimination but it just doesn't work on the scale of SV. The data used here seems to have been gleaned from the 2015-2019 ACS which, as noted on B-24 (below), had some serious accuracy problems in this timeframe. The statement (page E-10) that *"RCAAs may represent a public policy issue to the extent that they **have been created and maintained through exclusionary and discriminatory land use and development practices**"* is a charged accusation that seems reflective of our fraught political environment but it does nothing to help SV meet its housing goals. Appendix E overall fails to identify "racially concentrated areas of affluence" in SV, and there's no reason given to *"establish specific incentives for the development of affordable units in the RCAAs"* rather than just city-wide. While some of this content may be legally required, it reads as an unnecessary and pointless distraction that looks to sound politically correct but is indecipherable in practice.

Also under this program, the first action on page 2-15 suggests the City should *"provide home repair and rehabilitation assistance for at least 20 households."* Any such assistance should be specifically targeted to those needing economic assistance and where the repair/rehab has a health or safety component; the City does not have the resources to just help everyone with their home improvement projects.

Program H-3.3 (childcare facilities) – The phrasing here is misleading as the City does not "make" these services available, affordable, or accessible. The first sentence should be rephrased to "The City shall continue to support the availability of high quality childcare services that are affordable and accessible ...".

Program H-3.6 (housing for lower income households) – This is the core issue and it's unfortunate to find it buried on page 27, with so little discussion and no tangible actions. "Coordinate" and "meet with" do not move the ball forward. Relevant actions that are cited elsewhere (such as rezoning, incentivizing lot consolidation, removal of development constraints, and density bonuses) should at least be referenced here.

Program H-3.9 (emergency shelters) – the last bulleted action item may be overly ambitious and conflicts with our need to prioritize funding and incentives for affordable housing writ large. As noted in the Program text, the homeless population in Scotts Valley is quite small and prioritizing those housing needs will inherently deprioritize others. It should also be clarified as to whether the "projects" referred to in this action are separate emergency shelter facilities or programs to support emergency shelter functions at existing multi-purpose facilities.

Program H-3.10 (density bonus) – Along with H-3.6, this program has a potentially large role to play in the City's attainment of its RHNA. But it also can and should be coordinated with the otherwise underlying permitted zoning densities, proposed elsewhere (Program H-1.1) to permit up to 40 units per acre. Automatically applying PD zoning wherever density bonuses are offered can help address site and neighborhood compatibility.

Program H-3.12 (condominium conversion) – Such an ordinance may have value for cities with centrally managed buildings full of condominiums; in SV, condominiums are individually owned and it is not practical or reasonable to prevent someone from selling their property when they no longer wish to maintain it as a rental unit. There is no rational means for the city to establish “*a maximum percent ... that can be converted over a certain period of time*” nor is there even a suggestion of evidence that this is a problem in need of a solution. Table B-29 in fact shows a significant increase (from 2010 – 2020) of multifamily homes being rented rather than owned. The trend across the region is of wealthier individuals (and corporations) purchasing properties for investment and income generation purposes, and not taking them out of the rental market. There is simply no need for this ordinance in SV.

Program H-4.3 (water and sewer service) – Since the City itself is the sewer provider, this text should be simplified by removing reference to providing coordination with the sewer service provider as if they are a separate entity.

Page B-7 (economic characteristics) – This page has a typo where it states “*The County of Santa Cruz’s median income for a household of four is \$199,300, according to the 2022 State of California Income Limits for Santa Cruz County.*” That correct number is \$119,300 in accordance with <https://www.hcd.ca.gov/docs/grants-and-funding/inc2k22.pdf> (see page 12).

Page B-24 (housing stock characteristics) – The acknowledged inaccuracy of the Table B-27 data, which suggests a significant decrease in housing units from 2010 (4661) to 2015 (4390) raises a question as to the accuracy of other estimates from the ACS surveys. It might be worthwhile for the City (or its consultant) to take careful stock of other numbers associated with these surveys to ensure that decisions and program choices are not being made based on bad or suspect data.

Tables C-3 (permitted residential densities) and C-5 (development standards) – these are the key constraints impacting SV’s ability to meet its diverse and affordable housing needs. The ‘very high density residential’ cap of 20 units per acre, 2100 sq ft/unit, and 35 ft building height have been in place since prior to the 1994 General Plan, when land was cheap and the driving force behind increased density was developer profitability. These constraints on multifamily developments promote two story, nicely spaced structures with plentiful recreational and landscape amenities, which are very nice. But such developments are quite low density relative to what is otherwise possible and palatable. We can and should allow significantly higher unit densities along the SV Drive and Mt. Hermon corridors, recognizing their more urban aesthetic along transportation corridors, the different needs of today’s younger, older, and non-traditional households, and the financial realities of providing housing for those with lower incomes.

Page C-44 (water supply) – The top of page C-46 cites only the decreased amount of effluent flowing to Monterey Bay as a result of the water reclamation facility (WRF), but that fact has only a modest relationship to increasing our housing stock. It would be of more value for this document to mention the significant decrease in potable water demand since the WRF came online and the positive impacts of various water conservation measures that have been implemented (including building code requirements for water efficient appliances). A frequent concern cited by those opposed to more

housing in SV is the potential adverse impact to our sole-source water supply. Presenting the data showing how aquifer water levels have recovered since the early 2000s and discussing the relative water use rates between SF (with landscaping) vs MF units would go a long way towards making those discussions more rational and fact-based.



DEVELOPMENTAL DISABILITIES HOUSING NEEDS ANALYSIS FOR CITY OF SCOTTS VALLEY 2023-2031 HOUSING ELEMENT

Introduction to Developmental Disabilities

California state law defines developmental disabilities as a disabling condition that emerged before age 18, is expected to be lifelong, and is a substantial disability attributable to major impairment of cognitive and/or social functioning. A substantial disability is defined as “significant functional limitations...in three or more of the following areas of major life activity, as appropriate to the person's age: Receptive and expressive language; Learning; Self-care; Mobility; Self-direction; Capacity for independent living; and/or Economic self-sufficiency”. Developmental disabilities include intellectual disability, autism, Down syndrome, epilepsy, cerebral palsy, and other disabling conditions similar in their functional impact to an intellectual disability. A developmental disability by definition does not include conditions that are solely physical, psychiatric or learning disabilities (Section 4512 of the Welfare and Institutions Code and Section 54000-54002 of the Code of Regulations). Under California’s Lanterman Developmental Disabilities Services Act and the U.S. Supreme Court’s 1999 decision in *Olmstead v. L.C.*, people with developmental disabilities are entitled to receive community-based services that allow them to live in the least restrictive setting of their choosing. In California these services are accessed through the state’s 21 Regional Centers and funded by the Department of Developmental Disabilities. The shift to de-institutionalization has led to the closure of the most restrictive segregated settings and to the requirement, under SB 812, that local jurisdictions in their Housing Elements assess and plan specifically for the housing needs of people with developmental disabilities who receive supportive services from the Regional Center in order to live in their home community. San Andreas Regional Center serves all of Santa Cruz County and while they are able to fund the services needed for consumers to live independently they are not able to provide funding for housing.

Demographic and Other Trends Affecting the Housing Needs of People with Developmental Disabilities

Lower Rate of Adults with Developmental Disabilities Living in City of Scotts Valley than County

Overall. The City of Scotts Valley is home to 61 people with developmental disabilities of whom 61% are adults, lower than the County population overall where 71% of the population are adults. Instead a higher portion of the City of Scotts Valley population with developmental disabilities is under the age of 18 (39% vs 29%). This is most likely attributable to a lack of deeply affordable housing needed by adults with developmental disabilities wanting to live independently as compared to neighboring jurisdictions.

Table ____ City of Scotts Valley and Santa Cruz County Population with Developmental Disabilities

Age	City of Scotts Valley	City of Scotts Valley Percent of total	Santa Cruz County	Santa Cruz County % of total
Under age 18	24	39%	407	29%
18 and older	37	61%	1009	71%
Total	61	100%	1416	100%

Note: The City of Scotts Valley population with developmental disabilities was provided by San Andreas Regional Center as of November 2021. The Santa Cruz County population with developmental disabilities is based on county-level data published by the Department of Developmental Services as of June 2021.

Living Arrangements of City of Scotts Valley Adults with Developmental Disabilities. Assessing the housing needs of adults with developmental disabilities is of particular importance because as they age the adults will require a residential option outside the family home, whereas the family home is the preferred living option for children with developmental disabilities. As of November 2021, San Andreas Regional Center (SARC) reported that 76% of Scotts Valley adults with developmental disabilities still lived in the family home. This is significantly higher than the County overall where only 62% of adults live at home. As discussed below, overreliance on aging parents to provide housing for adults with developmental disabilities puts them at greater risk of homelessness or displacement as they age in place. Due to the lack of deeply affordable housing in the City of Scotts Valley only 22% of adults with developmental disabilities have been able to transition from the family home into their own apartment with supportive services, lower than Santa Cruz County adults with developmental disabilities overall, 25% of whom have transitioned to independent living. In addition, fewer adults with developmental disabilities are able to transition into licensed care facilities (3%) in the City of Scotts Valley as compared to Santa Cruz County adults overall (12%) further reducing housing options available to Scotts Valley adults with developmental disabilities when aging parents can no longer provide housing. By increasing the production of inclusive affordable housing options for people with developmental disabilities, where they can live in the community along with people without disabilities rather than in segregated settings, the City of Scotts Valley can Affirmatively Further Fair Housing by reducing the number of adults with developmental disabilities being displaced from the community or falling in to homelessness.

Table ____ Living Arrangements of Adults with Developmental Disabilities in the City of Scotts Valley Compared to Santa Cruz County

Adult Living Arrangements	City of Scotts Valley	City of Scotts Valley Percent of Total	Santa Cruz County	County Percent of Total
In the family home	28	76%	630	62%

Own apartment with supportive services	8	22%	248	25%
Licensed Facilities	1	3%	125	12%
Other	0	-	6	1%
Total Adults	37	100%	1009	100%

Note: The City of Scotts Valley population with developmental disabilities was provided by San Andreas Regional Center as of November 2021. The Santa Cruz County population with developmental disabilities is based on county-level data published by the Department of Developmental Services as of June 2021.

Decline in Licensed Care Facilities in Santa Cruz County. The Department of Developmental Services reports that between September 2015 and June 2021, there was a 7% decrease in the number of people with developmental disabilities able to be housed in licensed care facilities (including Community Care Facilities, Intermediate Care Facilities, and Skilled Nursing Facilities) in Santa Cruz County, even as the adult population in need of residential options outside the family home grew. This trend increases the need for affordable housing options coordinated with supportive services funded by the San Andreas Regional Center. The County's reduced supply of licensed care facilities increases the likelihood that City of Scotts Valley adults with developmental disabilities will be forced out of the County when their parents are no longer able to house them--unless there is a significant improvement in access to affordable housing.

Table ____ Changes in Living Arrangements of Adults with Developmental Disabilities from 2015-2021 in Santa Cruz County

Adult Living Arrangements	2015	2021	Percent Change
In the family home	477	630	32%
Own apartment with supportive services	231	248	7%
Licensed Facilities	135	125	(-7%)
Other (including homeless)	5	6	20%
Total Adults	848	1009	19%

Source: Department of Developmental Services Quarterly Report by County.

Note: These data assume that all people with developmental disabilities under age 18 live in the family home. The impact of this assumption, if incorrect, is to underestimate the number of adults living in the family home who may need other residential living options.

Increase of Autism Diagnosis Reflected in Increase in Adults in their 20s and 30s. Growth in the Santa Cruz County adult population with developmental disabilities correlates with a well-documented annual increase in the diagnosis of autism that began in the mid-1980s and did not level out until after 2015. The cumulative impact of this trend is already seen in the growth of the Santa Cruz County population

aged 18 to 41 with developmental disabilities and will continue into the future. This trend has significant implications for housing needs among City of Scotts Valley adults with developmental disabilities during the period of the 2023-2031 Housing Element, as the population can be expected to continue to grow at a faster rate than the general population.

Table __ Changes in Age Distribution of Adult Population in Santa Cruz County

Age	2015 Number	2021 Number	% Change
18 to 31	395	484	23%
32 to 41	185	192	4%
41 to 52	103	135	31%
52 to 61	118	114	(-3%)
62 plus	47	84	79%
Total adults	848	1009	19%

Source: Department of Developmental Services data reported at the county level in June 2021 and September 2015

Longer Life Spans. Between September 2015 and June 2021, the Department of Developmental Services reports that the number of Santa Cruz County residents with developmental disabilities age 62 and older grew by 79% (Table __). This increase is generally attributable to well-documented gains in life span rather than migration of seniors into high cost Santa Cruz County. Longer life spans mean that more adults with developmental disabilities will outlive their parents and family members who are a major source of housing for people with developmental disabilities in the City of Scotts Valley. And because older adults currently occupying a licensed facility in Santa Cruz County are living longer, this reduced rate of occupant turnover, coupled with closing facilities, will make it more difficult for other adults who have been living with aging parents in the City of Scotts Valley to transition to licensed care when their parents pass away.

Displacement. Notwithstanding 19% growth in Santa Cruz County's total population of adults with developmental disabilities, the Department of Developmental Services has documented a 3% decline in the age group 52 to 61 in Santa Cruz County between September 2015 and June 2021 (Table ____). In light of gains in life expectancy, this loss can reasonably be attributed to displacement from the county because of a lack of residential living options (either licensed care facilities or affordable housing) when an elderly family caregiver passes away or becomes unable to house and care for the adult. Due to increased reliance on the family home as a living arrangement (based on a 32% increase of adults remaining in the family home in Santa Cruz County between 2015-2021) this trend is expected to continue to worsen unless more inclusive affordable housing is developed during the 2023-2031 RHNA cycle. Displacement takes a particular toll on adults with developmental disabilities who depend on familiarity with transit routes and shopping and services, as well as support from community-based services and informal networks built up over years of living in the City of Scotts Valley.

Higher Rates of Physical Disabilities. People with developmental disabilities are more likely than the general population to have an accompanying physical disability. According to the Department of Developmental Services 26% of Santa Cruz County residents with developmental disabilities have limited mobility, 9% have a vision impairment and 4% have a hearing impairment. The need for an accessible unit coupled with the need for coordinated supportive services compounds the housing barriers faced by those with both cognitive and physical disabilities.

Ineligibility for Many Affordable Rental Units. Some adults with developmental disabilities depend on monthly income of around \$1,000 from the Supplemental Security Income (SSI) program, pricing them out of many of the limited number of affordable housing units in the City of Scotts Valley. Those with employment tend to work part-time in the lowest paid jobs and also struggle to income-qualify for many of the affordable housing units now available for rent in the City of Scotts Valley.

Transit-Dependent. Most adults with developmental disabilities do not drive or own a car so rely on public transit as a means to integration in the larger community.

Best Practices for Inclusion of People with Developmental Disabilities in Typical Affordable Housing

As demonstrated by a growing number of inclusive affordable housing developments in neighboring jurisdictions, the City of Scotts Valley can meet the housing needs of people with developmental disabilities by adopting policies and programs to continue promoting their inclusion with coordinated services in typical affordable housing. The following considerations should guide the City of Scotts Valley in this pursuit:

- **Integration in typical affordable housing** is a priority in order to Affirmatively Further Fair Housing for a group that has historically experienced no alternatives to segregated living and also to counter the displacement of adults with developmental disabilities out of the City of Scotts Valley.
- **Coordination of housing with onsite supportive services** funded by the San Andreas Regional Center should be encouraged. These fully funded coordinated services provide a supported pathway for people with developmental disabilities to apply for and retain an affordable apartment and are often as essential to a person with a developmental disability as a physically modified unit is to a person with a mobility, vision, or hearing impairment.
- **A mix of unit sizes** at inclusive housing properties would address the needs of those who require live-in aides, want to live with roommates or partners, or have children.
- **Location of housing near public transit** would accommodate the transit-dependency of most adults with developmental disabilities.
- **Deeply affordable housing is needed by people with developmental disabilities.** Per HCD guidance, the City of Scotts Valley should plan for at least 196 Extremely Low Income (ELI) units, or 50% of its Very Low Income RNHA allocation. ELI units are particularly important to people with developmental disabilities, and some of the City's planned production of ELI units should be subject to a preference for people with developmental disabilities.

Policy and Program Recommendations

The City of Scotts Valley has a responsibility not simply to assess the housing needs of people with developmental disabilities but also to create and implement policy, zoning, program and other changes that make it more feasible for affordable housing developers to include people with developmental disabilities in their housing plans. In order to meet the increasing needs of the City's population of adults with developmental disabilities, policies and programs that explicitly promote inclusion of people with developmental disabilities in affordable housing with coordinated services provided by the San Andreas Regional Center are needed. Below are examples of programs and policies which can help to incentivize the development of more deeply affordable, inclusive housing in order to prevent homelessness or displacement of these vulnerable residents as well as to provide opportunities for people with developmental disabilities to live in the least restrictive setting of their choosing.

- **Affirmatively Further Fair Housing by Producing More Extremely Low-Income Housing.** Not only is disability the highest-ranked source of Fair Housing complaints in Santa Cruz County, a growing body of Santa Cruz County data indicates that Black, Indigenous and other People of Color (BIPOC) with disabilities experience higher rates of severe rent burden than either BIPOC without disabilities or whites with disabilities. Such disparities in the experience of severe rent burden, housing instability and displacement from the City of Scotts Valley are attributable to the shortage of housing priced to be affordable to Extremely Low Income (ELI) households with incomes below 30% of Area Median Income. Multiple barriers including high land and construction costs and limited funding make it difficult for developers to produce Extremely Low Income units that would help to reduce such disparities. Local zoning and other policies that lead to increased production of Extremely Low Income units, as well as city staff dedicated to implementing and overseeing those policies, will Affirmatively Further Fair Housing in the City of Scotts Valley and decrease displacement and homelessness for the most at-risk residents, including people with developmental disabilities.

Sample Language: The City of Scotts Valley's plans to Affirmatively Further Fair Housing for Black, Indigenous and other People of Color, particularly those with disabilities, shall include policies designed to increase the production of Extremely Low Income units, as well as adequate staff capacity to implement and monitor the impact of these policies.

- **Establish and monitor a quantitative goal.** Tracking the City's success in housing people with developmental disabilities is essential to determine whether policies and programs are having an effect in overcoming historic patterns of discrimination and exclusion of people with developmental disabilities from affordable housing. A goal of 20 new Extremely Low-Income housing units for City of Scotts Valley residents with developmental disabilities over the period of the 2023-2031 Housing Element would represent meaningful progress towards the total unmet housing need of this special needs group.

Sample Language: The City of Scotts Valley shall monitor progress towards a quantitative goal of 20 new Extremely Low Income housing units that are subject to a preference for people with

developmental disabilities needing the coordinated services provided by San Andreas Regional Center to live inclusively in affordable housing.

- **Target City-Owned Land, Land Dedicated to Affordable Housing and City Housing Funds to Achieve City-Specific Priorities.** City-owned land, land dedicated to affordable housing development through a land trust or under an inclusionary housing ordinance, and city housing funds are often essential to the development of affordable housing that is financially feasible. In creating guidelines for the scoring of any competitive proposals for these scarce resources, the City should grant additional points to affordable housing projects that address the housing needs of the residents who are most difficult to house under existing state and federal housing finance programs--for example, by prioritizing proposals with a higher number of Extremely Low Income units or that make a percentage of units subject to a preference for identified categories of special needs people who would benefit from coordinated onsite services, including but not limited to people with developmental disabilities who benefit from services of the San Andreas Regional Center. Example: City of San Jose Housing Department NOFA; San Mateo County Affordable Housing Fund NOFA

Sample Language: In publishing requests for competitive proposals for any city-owned land, land dedicated to affordable housing or city housing funds, the City of Scotts Valley shall grant additional points to proposals that address the city's most difficult to achieve housing priorities, by, for example, providing a greater number of Extremely Low-Income units or committing to make a percentage of the units subject to a preference for people with special needs who will benefit from coordinated onsite services, such as people with developmental disabilities who receive services from the San Andreas Regional Center.

- **Amend Density Bonus Program.** Like many state and federal housing finance programs, the state density bonus program incentivizes the production of housing at the Low and Very Low Income level. But in counties like Santa Cruz County, with one of the highest Area Median Incomes in the state, these incentives have the effect of making much of the available affordable housing out of reach for residents on fixed incomes (including seniors and persons with disabilities) or who are working in low wage jobs and are thus unable to meet minimum income requirements to afford the rent assigned to the Very Low Income category. The City of Scotts Valley should update its density bonus program to conform with current state density bonus law which has increased the maximum density bonus allowed. In addition, the city should include in its updated density bonus program incentives which go above and beyond the state density bonus law to make it more responsive to the impact of Santa Cruz County's high Area Median Income on the affordability of housing for Scotts Valley residents who are Extremely Low Income. The city should also include additional incentives for projects that make a percentage of units subject to a preference for identified categories of special needs populations who experience the greatest barriers to housing access including but not limited to people with developmental disabilities who benefit from services of the Golden Gate Regional Center.

Sample Language: In addition to implementing the California density bonus statute, the City shall provide an additional local density bonus, incentives, and/or concessions for housing projects that include at least 5% of the units for people at the Extremely Low-Income affordability level or commit to make a percentage of the units subject to a preference for people with special needs who will benefit from coordinated onsite services, such as people with developmental disabilities who receive services from the Golden Gate Regional Center.

- **Amend Inclusionary Housing Ordinance to Apply Restrictions to Rental Housing.** California law (AB 1505, the “Palmer Fix”) explicitly allows cities to adopt inclusionary housing ordinances that address a range of income levels from moderate-income to extremely low-income. The City should take advantage of this authority to make its ordinance more responsive to local needs by offering developers of rental housing a menu of options for including affordable units, for example, by setting a higher percentage of units priced for moderate income and a lower percentage of units priced for extremely low income or targeted to special needs populations. Such a menu would address a broader range of the City of Scotts Valley’s housing needs, while giving developers more options for meeting the inclusionary requirement. Example: San Mateo County Inclusionary Affordable Housing Ordinance; Redwood City Affordable Housing Ordinance

Sample Language: The City of Scotts Valley shall revise its inclusionary housing ordinance to require developers of rental housing units to restrict some units to moderate, low, very low, and/or extremely low-income households. In addition developers will be offered a menu of options for achieving affordability, adjusting the percentage of units required to be affordable depending on the degree of affordability achieved (moderate-income, low income, very low income, and extremely low income) or special needs groups targeted, including, for example, people with developmental disabilities who will benefit from coordinated onsite services provided by the San Andreas Regional Center.

- **Extremely Low-Income Accessory Dwelling Units.** As part of a larger plan to increase the supply of Accessory Dwelling Units (ADUs), the City should consider creating a financing program for homeowners who build ADUs and rent them for at least 15 years at Extremely Low Income rent levels or that are subject to a preference for identified categories of special needs people who would benefit from coordinated onsite services, including but not limited to people with developmental disabilities who benefit from services of the San Andreas Regional Center. Example: Portland System Development Charge Exemptions; LA Backyard Homes Project

Sample Language: Subject to funding availability, the City shall devise a program of financing for Accessory Dwelling Units subject to rent restrictions for at least 15 years at Extremely Low-Income rent levels and/or that target special needs populations, such as people with developmental disabilities who will benefit from coordinated services provided by the San Andreas Regional Center.

- **Reduce Parking Requirements for People with Developmental and Other Disabilities.** Because most adults with developmental disabilities do not drive or own a car, the City should revise its

ordinances to limit parking required for affordable units for people with developmental disabilities to 0.5 space for each affordable studio or 1 bedroom unit and 1 space for an affordable 2 bedroom unit or larger. A similar reduction is recommended for affordable, physically accessible units. Example: Sunnyvale Parking Requirements for Special Housing Developments

Sample Language: The City of Scotts Valley shall encourage the inclusion of people with developmental and other disabilities in affordable housing by recognizing their transit dependence and establishing lower parking ratios for units targeted to people with developmental and other disabilities than would otherwise be required for affordable housing.

- **Affirmative Marketing of Physically Accessible Units:** Developers are allowed to affirmatively market accessible units to disability-serving organizations in Santa Cruz County (i.e. San Andreas Regional Center, Housing Choices Coalition for Persons with Developmental Disabilities, Central Coast Center for Independent Living and others) but rarely take this step. Affirmative marketing is particularly needed by people with developmental disabilities who, because of cognitive, communication and social impairment, often rely on housing navigation services funded by the San Andreas Regional Center to learn about and apply for affordable housing.

Sample Language: As a condition of the disposition of any city-owned land, the award of city financing, any density bonus concessions, or land use exceptions or waivers for any affordable housing project, the City of Scotts Valley shall require that the housing developer implement an affirmative marketing plan for state-mandated physically accessible units which, among other measures, provides disability-serving organizations adequate prior notice of the availability of the accessible units and a process for supporting people with qualifying disabilities to apply.



September 1, 2023

To: Clare Blackwell, Housing Policy Analyst, HCD

CC: Sarah Wikle, Senior Planner, Scotts Valley

RE: Scotts Valley Submitted Housing Element (July 2023)

Santa Cruz YIMBY advocates for abundant housing at all levels of affordability to meet the needs of a growing population in Santa Cruz County. We support sustainable growth, including along transportation corridors and activity centers and a commitment to lower Vehicle Miles Traveled by housing people near services and jobs.

The following are our comments on the City of Scotts Valley's submitted Housing Element of July 5, 2023.

Justification and Analysis of Low Income Targets

"The City of Scotts Valley has facilitated the building of market rate housing in recent years, but has made little effort to develop housing for low income workers."¹

Scotts Valley is expecting that all sites identified for rezoning² will develop roughly 50% of their units for very-low, low, or moderate income families, while providing little to no evidence (historic or otherwise) that this level of affordability will be realistically produced. The city's four pipeline projects consist of only 18% affordable units. We would like the city to explain why it expects to achieve this 50% target.

Most of the parcels in the Site Inventory under Rezones-Mixed Use are non-vacant, as is the largest one in the Town Center Specific Plan. The City has not described the realistic development potential of each site, including, as HCD recommends, "...the extent that the nonvacant site's existing use impedes additional residential development, the jurisdiction's past experience converting existing uses to higher density residential development, market trends and conditions, and regulatory or

¹ [Santa Cruz Civil Grand Jury - Housing Our Workers](#), page 18, Finding 9

² Housing Element, F24-26

other incentives or standards that encourage additional housing development on the nonvacant sites.”³

This is compounded by the fact that these sites (Rezoned-Mixed Use and the Town Center Specific Plan parcel) account for more than 50% of the lower income RHNA, so “...the existing use is presumed to impede additional residential development, unless the housing element describes findings based on substantial evidence that the use will likely be discontinued during the planning period.”⁴ The city has not provided such findings aside from noting surface soil contamination in the process of remediation at the town center site.

If the city misses its target of 50% affordability on even just a few parcels (especially its larger sites), it faces the daunting task of identifying other sites to make up the difference under No Net Loss law. Additionally, there is only a 9% buffer for moderate income units, HCD recommends a buffer of between 15 and 30 percent⁵.

In order for Scotts Valley to meet the needs of its most vulnerable residents, it is essential that plans for affordable housing not only sound good, but are workable and realistic.

Pipeline Projects

A significant source of new units for the city during the 6th cycle will be from pipeline projects. For jurisdictions relying heavily on pipeline projects, HCD recommends⁶ that “...the element should include programs with actions that commit to facilitating development and monitoring approvals of the projects, including the number of units and affordability (e.g., coordination with applicants to approve remaining entitlements, supporting funding applications, expediting approvals and monitoring of project progress, including rezoning or identification of additional sites, if necessary).”

In order to meet this recommendation by HCD, the city should create specific programs to monitor the progress of pipeline projects. This could include automatic entitlement extensions until midway through the 6th cycle and proactively reaching out to all pipeline project developers to confirm that there is still development interest.

³ [Housing Element Sites Inventory Guidebook](#), Page 24

⁴ [Housing Element Sites Inventory Guidebook](#), Page 27

⁵ [Housing Element Sites Inventory Guidebook](#), page 22

⁶ [City of Brisbane's 6th Cycle \(2023-2031\) Draft Housing Element](#), page 3

Town Center

One of the largest projects projected for Scotts Valley's 6th cycle will be further development of the Town Center Specific Plan, encompassing 58 acres in the heart of the city. This area is well situated to accommodate a significant amount of housing and associated amenities. While we are pleased that the city anticipates 657 units to be built on these sites we would like to see more in the housing element to indicate that the city is determined to see this housing come to fruition.

This plan has been in the works since at least 2008⁷ and has not seen a significant amount of the proposed housing be built in that time. According to the city, "...project applications have been submitted for the Plan, but development was not successful. Interest in developing the Town Center area has increased over recent years."⁸ The city also notes that "surface soil contamination has been an obstacle to development." The City should include a program to ensure that the soil contamination remediation will be completed successfully and that the site will be developable after.

With nearly half of its very-low and low income units planned for through the Town Center Specific Plan, this single project not producing as many units as expected would subject the city to the No Net Loss law. It is imperative that the city demonstrate that these sites are appropriate to accommodate lower income RHNA.

Additionally, we would like the city to provide more detail on the affordability and development potential projections for the Kings Village parcel⁹ as part of the Town Center plan. While the other four parcels in this plan are publicly owned (by METRO or the city) this shopping center is privately owned. The city claims that this parcel will produce a 50% affordable project with 383 total units - almost 18% of the City's RHNA. The only evidence cited is that "the City is currently reviewing two projects on sites that are over 10 acres."¹⁰ These two projects are on vacant land and have a 15% affordability component, whereas the Kings Village parcel is currently occupied by numerous commercial tenants and is projected to have a 50% affordability component. Without further evidence from the City to the contrary, it is hard to accept the cited pipeline projects as development interest in an occupied parcel's conversion to 50% affordable housing.

⁷ [Scotts Valley Town Center Specific Plan EIR](#)

⁸ Housing Element, F-13

⁹ Parcel #022-601-18

¹⁰ Housing Element, F-22

Goal H-1 - Housing Production

With the city's RHNA increasing nearly tenfold from the 5th cycle, we see significant need for policies and programs which enable, not restrict, development. The city has correctly identified significant commercial and parking requirements as barriers to development but does not go far enough to remove these constraints. We strongly disagree with the assertion that "...the City's standards for lot size, setbacks, height, and site coverage are not considered [constraints].." ¹¹

To ensure the city makes appropriate progress towards its 6th cycle goals we would like to see a commitment in **Program H-1.1** to a mid-cycle review or circuit-breaker language for progress beyond only ADUs (~3% of RHNA). Tying this to programs developed now would allow the city to quickly make up lost ground and minimize impacts of falling behind in the 6th cycle. Additional mid-cycle programs could include:

- Ministerial approval process for all site inventory projects
- SB10 upzoning of small sites to 10 units per parcel
- Automatic entitlement extensions for pipeline projects
- Tracking commercial occupancy, and if vacancy is too high, relaxing commercial requirements in favor of more residential, including live/work units

As mentioned, the city has accurately identified its limit of 50% residential in mixed-use developments to be a constraint and is rezoning select parcels along main corridors to increase this cap to 70%. ¹² Based on feedback the city received from local planning consultants and Scotts Valley property owners interested in development, this reduction still does not allow for development. ¹³ In **Program H-1.7**, we would like to see the city commit to adopting a further reduction in residential square footage in mixed-use developments. This should occur if the proposed rezoning does not result in developer interest as evidenced within the first year by at least one formally submitted project application with a total unit count that meets or exceeds the units expected in the site inventory for the given site at all income levels.

With regards to parking, the city should go much further in reducing or even eliminating such requirements. Currently, **Program H-1.6** does not commit to lowering parking requirements and has a timeframe of 2027. We would like to see this timeline moved up and a commitment to lowering requirements to no more than a space per unit, uncovered.

¹¹ Housing Element, C-25

¹² Ibid, F-19

¹³ Ibid, Appendix G, Letters from Civil Consultants Group, Charles Eadie, and David Duquette

There are other constraints that we believe the city should address to ensure that housing can be built as well.

In **Program H-1.6, H-1.7, and H-1.8** the city should better explore to what extent its density restrictions are a constraint to development, especially of affordable housing. With the city's highest density residential zoning district capped at 20 du/acre, this is likely a significant barrier. We recommend the city expand its rezoning efforts to all 'Very High Residential' parcels at a minimum and allow up to 40 du/acre on such parcels. We recommend a higher base density than 40 du/acre for Mixed-Use parcels along transit corridors. These programs should also occur sooner than 2027, nearly halfway through the 6th cycle.

We expect projects to make use of State Density Bonus law for feasibility of development of affordable housing. Currently, Scotts Valley zoning code includes constraints and limitations that could limit affordable multifamily or mixed-use housing from achieving assumed base densities. These include but are not limited to building height, FAR, and parking requirements. **Program H-1.7** should also include a "comprehensive study" on Mixed-Use development standards as constraints, as they are a different portion of the current zoning code.

Program H-1.8 should include undertaking a study to ensure expansion of this policy will enable development of additional housing, not chill it. This could take the form of a study similar to Capitola's 2021 affordable housing fee assessment.¹⁴

Creation of missing middle housing isn't mentioned within the policy plan. Under **Goal H-1**, the City of Scotts Valley should seek to allow a wide variety of housing types including duplexes, triplexes, fourplexes and other multifamily project types throughout the City. Much of this could be achieved without an EIR thanks to Senate Bill 10¹⁵. This would be a significant addition to **Program H-3.2**. We recommend that the city develop objective standards for multi-family projects - this would fit into **Program H-2.7** for SB35 streamlining.

Program H-2.6 and H-2.8 lack active language and do not commit the City to any changes which would enable large lot development or lot consolidation. These programs should be more specific and commit to specific actions as outlined in the description of each. There are a number of sites on the inventory which fall outside of the parcel size requirements for lower income housing set forth by AB 1397.¹⁶ In addition, the City has not included a sufficient analysis of these parcels. Despite this, all of these parcels are projected to provide lower income housing.

¹⁴ [Capitola Affordable Housing Study 2021](#)

¹⁵ [SB 10 - California YIMBY](#)

¹⁶ [Housing Element Sites Inventory Guidebook](#), Page 16-17

Transit Oriented Development

Despite being home to the Cavallaro Transit Center (CTC), Scotts Valley lacks any current or planned high quality transit stops. In the 2040 MTP/SCS¹⁷ the CTC was identified as such a site, however, it was subsequently removed in the 2045 MTP/SCS¹⁸. We encourage the city to commit to working with AMBAG in the 2050 MTP/SCS (scheduled for June 2026) to designate the CTC as a planned high quality major transit stop. This designation would incentivise more sustainable, affordable, and equitable development in an area identified for a significant amount of new housing in the 6th RHNA cycle.

Scotts Valley is currently not a pedestrian and bike friendly community. The transit center is a key connector for jobs and opportunities for low income people that do not own cars. Further investment in housing around transit stops has been shown to increase ridership on public transit. Denser housing and investments in walking and biking infrastructure between the Valley Gardens, Town Center, and the CTC could together make great strides in helping Scotts Valley achieve its housing, climate, and safety goals while also making it easier for people of all ages, abilities, and incomes to access the city.

Scotts Valley includes no programs to promote development near transit.

Tenant Protections

As a city with a growing percentage of renters, it is important to have strong tenant protections. There are a number of programs we would like to see implemented or expanded in the city to protect tenants:

- Elimination of or cap on rental application fees
- Creation of a rental registry. This was recently passed by both Salinas¹⁹ and Monterey²⁰
- Local preference for people employed in the county
- COPA²¹ and TOPA²² programs
- Conduct a disparate impact analysis of non-high(est) resource areas²³ and apply a live-work preference if it matches county demographics

¹⁷ [AMBAG 2040 Metropolitan Transportation Plan](#)

¹⁸ [AMBAG 2045 Metropolitan Transportation Plan](#)

¹⁹ [Salinas passes rental registry](#)

²⁰ [Monterey City Council moves ahead with rental registry](#)

²¹ [Community Opportunity to Purchase Act \(COPA\) | San Francisco](#)

²² [EBCLC's Tenant Opportunity to Purchase Act \(TOPA\) - East Bay Community Law Center](#)

²³ [2023 CTCAC HCD Opportunity Map](#)

From: David Kellogg <david.kellogg@gmail.com>
Sent: Friday, November 18, 2022 6:23 PM
To: Housing Elements@HCD
Subject: Public Comment on Housing Element

Nov 18, 2022

On behalf of David Kellogg (a Contra Costa County resident), 350 Contra Costa, Greenbelt Alliance, CaRLA, Scott O'Neil (a resident of Palo Alto), Watson Ladd (a resident of Berkeley), Marven Normal (a resident of San Bernadino), Dara Dadachanji (a resident of San Francisco), and George Grohwin (a resident of San Francisco), we provide the following comment on the Housing Element from SCOTTS VALLEY.



Issue

- The Housing Element from SCOTTS VALLEY fails to adequately analyze compliance with one of the state's fundamental streamlining laws.
- Under PRC 21080.1 & 21080.2, a lead agency must determine if a housing development is exempt from CEQA within 30 days of completeness, or if an EIR or other CEQA document will be required.
- For CEQA-exempt housing, this CEQA determination then triggers a 60-day approval clock (with deemed approved remedies) under the Permit Streamlining Act. Thus, if state housing laws were followed, CEQA-exempt housing projects should generally receive approvals in about 120 days.
 1. 30 days to determine completeness
 2. 30 days for CEQA review
 3. 60 days for approval.
- SCOTTS VALLEY does not appear to issue determinations of CEQA-exemption within 30 days of completeness. As a result, **builders and the public are denied the right to the timely approval of housing**. Additionally, the builders are forced into an unreasonable bargaining position, as they lack the "deemed approved" options they should have. This improperly empowers jurisdictions to treat builders arbitrarily in the entitlement process.
- Moreover, SCOTTS VALLEY has no apparent good-faith basis for delaying CEQA-exemption determinations beyond the allowance of Public Resources Code 21080.1 & 21080.2. In the vast majority of instances, these exemptions are uncontested and straightforward.

Recommendation

- The Housing Element from SCOTTS VALLEY should include an analysis of compliance in its approval process with PRC 21080.1 & 21080.2.
- The Housing Element from SCOTTS VALLEY should add a program to specify (i) who is responsible for making the CEQA determination of PRC 21080.1, specify (ii) that their decision will be made within the timeframe permitted by PRC 21080.2, and specify that (iii), when they determine a project is exempt

from CEQA, their determination triggers the Permit Streamlining Act (PSA) 60-day deadline (Gov. Code 65950(a)(5)). If existing local practices or regulations are incompatible with these state laws, the program should commit to enacting reforms necessary to achieve compliance within a reasonable and definite timeline.

HCD Technical Assistance Letter

- The CEQA issues mentioned herein are discussed in the June 3, 2022 Technical Assistance letter sent to Berkeley by Shannan West, Housing Accountability Unit Chief (copy included below).
- In the letter, HCD notes that Berkeley had been issuing “recommendations” of CEQA-exemption and that the actual “determinations” were made more than 30 days beyond the completeness date. HCD notes that such practice was in violation of PRC 21080.1 & 21080.2 and “may act as a governmental constraint on housing.”

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



June 3, 2022

Sharon Gong, Senior Planner
City of Berkeley
1947 Center Street, 2nd Floor
Berkeley, CA 94704

Dear Sharon Gong:

RE: Berkeley – Letter of Technical Assistance

The purpose of this letter is to provide technical assistance to the City of Berkeley (City). The California Department of Housing and Community Development (HCD) has become aware of potential conflicts between the practices of the City's Zoning Adjustments Board (ZAB) concerning determinations for projects determined to be exempt from the California Environmental Quality Act (CEQA) and timelines pursuant to Public Resources Code section 21080.1, subdivision (a), and Public Resources Code section 21080.2. HCD is concerned that these actions may act as a governmental constraint on housing development and requests the City review the CEQA determination process in Berkeley's 6th Cycle Housing Element and include programs to mitigate or remove constraints as necessary.

Obligations Under Public Resources Code sections 21080.1 & 21080.2

HCD has been made aware of at least five development applications where the final ZAB determination was made more than 30 days after the relevant permit was determined to be complete. As the City is aware, under the Public Resources Code, a lead agency must make a determination under CEQA for projects exempt from environmental review within 30 days of a project application being deemed complete. These provisions are critical to meeting the Permit Streamlining Act requirement set in Government Code section 65950, subdivision (a) (5), and generally facilitate the processing of housing developments.

6th Cycle Housing Element

As Berkeley is updating its 6th Cycle Housing Element, the City must describe and analyze the permit process from application to approvals, including a discussion on timeframes for each step in the process, impediments, and how it addresses the

application of state law on application processing pursuant to Government Code section 65583, subdivision (a)(5). In addition, the element must also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need and include program actions to remove or mitigate identified constraints pursuant to Government Code section 65583, subdivision (c)(3). Excessive CEQA review timeframes can delay project approval and pose a constraint to the development of housing and should be reviewed as part of the City's housing element update.

Conclusion

HCD understands that the City is currently reviewing its compliance with these provisions and is looking at strategies to transparently document the process to ensure timely approval of CEQA determinations and provide additional transparency. HCD supports these efforts and encourages the City to take meaningful steps to ensure that its processes comply with provisions of state housing law.

If you have questions or need additional information, please contact Kevin Hefner at Kevin.Hefner@hcd.ca.gov

Sincerely,

A handwritten signature in black ink, appearing to read "Shannan West".

Shannan West
Housing Accountability Unit Chief

Swift Consulting Services

9/18/2023

Sarah Wikle
City of Scotts Valley Planning Dept.
Sarah Wikle <swikle@scottsvally.gov>

RE: 4850 Scotts Valley Drive-Potential Candidate Site for Housing Element

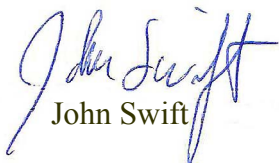
The property at 4850 Scotts Valley Drive , APN 022-091-12 is an appropriate site to be included in the list of Candidate Sites for Mixed Use Development in the 6th Cycle Housing Element.

The property owners are interested in pursuing a mixed use commercial/residential redevelopment of this 39,209 S.F.; .9acre parcel. Currently the property is zoned C-2, Service Commercial. There is a small retail convenience/liquor store located at the front of the property along Scotts Valley Drive. The majority of the property , roughly 80% or 32,000 SF is located behind the existing commercial use and has been largely vacant or used for marginal outdoor storage for decades.

A portion of the rear of the property is within the flood plain. Residential units could be elevated above the flood plain by designing parking and storage at grade with housing above. The property is 100' wide. This is sufficient width to provide access to a residential project in the rear of the property while maintaining a viable commercial use along the Scotts Valley Drive frontage. Additional access options to the rear of the property from Carbonero Way may be possible through the adjacent properties to the east and/or south which also appear to be underdeveloped .

There is a realistic potential for 30 or more residential units on this property in addition to maintaining a viable commercial use along Scotts Valey Drive. The land value of this property exceeds the current improvement/development value of the property. The property has excellent access to transportation and community resources. The owners of the property are interested and motivated to make a productive use of this land which has been underutilized for many years.

Please consider incorporating this property in the list of Potential Candidate Sites for mixed use development in the 6th Cycle Housing Element,


John Swift



Galmiche, Ines

From: Galmiche, Ines
Sent: Thursday, October 5, 2023 10:54 AM
To: Galmiche, Ines
Subject: FW: 6th cycle element redline comments

From: Corbett Wright <corb323@hotmail.com>
Sent: Sunday, September 17, 2023 1:23 PM
To: Sarah Wikle <swikle@scottsvalley.gov>
Cc: Taylor Bateman <tbateman@scottsvalley.gov>; Mali LaGoe <mlagoe@scottsvalley.gov>
Subject: 6th cycle element redline comments

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Please convey the following to council for consideration.

Section H 1.10

The requirement states 25% minimum lower income households. This seems to be inconsistent with statement as to minimum 300 bmr on a gross development total.

Is the city anticipating 1,200 units on the town center parcels? $300 \text{ min bmr} / 25\% \text{ bmr} = 1,200 \text{ gross du}$
Please consider amending to 20% of gross units.

Additionally, it states that the requirement will be to enter into an agreement to build 300 below market rate units. Please consider amending to 20% of the total units and provide the city discretion with the total mix of affordable vs market rate for the orderly economic development of the town center specific plan.

Corbett Wright
174 West Cliff Drive
Santa Cruz, CA 95060
1(408)205-7998

Sent from my iPhone. Please disregard typos.

Galmiche, Ines

From: Galmiche, Ines
Sent: Monday, October 16, 2023 12:48 PM
To: Galmiche, Ines
Subject: FW: Housing element - Public Comment

From: David Duquette <dukeprop@gmail.com>
Sent: Monday, October 16, 2023 10:58 AM
To: Sarah Wikle <swikle@scottsvalley.gov>
Subject: Housing element

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Hi Sarah,

Not that anyone will listen but I will reiterate what I have said all along. I have real concern and disapproval of the 30% requirement for commercial space on Scotts Valley Drive. With the expected larger footprint that 40 units per acre is going to bring, 30% is just not workable. Given all the existing vacant commercial/retail space up and down Scotts Valley drive, more space is not only unprofitable but not needed. I have been at every meeting regarding this Housing element and I did not hear one comment from the public or any official that did not support relaxing the commercial requirement in order to promote housing. I don't know why the city is still pushing for such a large commercial requirement. Lastly, relaxing the parking requirement is no help. Whether we like it or not, Scotts Valley is a mountain town that requires a large number of its residents to commute. Not requiring enough parking is going to only hurt the surrounding neighborhoods and jeopardize the success of any housing project. This is only magnified by the push for a larger amount of low income housing. Lower income households have a disproportionate larger number of cars. Lower income households typically have a larger number of working adults that require more cars to get to work and or school. I personally own a low income apartment and I say this from experience. Lowering the parking requirement will only result in a failed project.

Dave Duquette

Swift Consulting Services

October 16, 2023

Sarah Wikle
City of Scotts Valley Planning Dept.
Sarah Wikle <swikle@scottsvalley.gov>

RE: 4850 Scotts Valley Drive-Potential Candidate Site for Housing Element

This letter is a follow up to my previous letter dated Sept 18, 2023 regarding the property at 4850 Scotts Valley Drive , APN 022-091-12. This property is an appropriate site to be included in the list of Candidate Sites for Mixed Use Development in the 6th Cycle Housing Element.

In the City's draft response to the HCD Oct. 3, 2023 comment letter , City staff describes the redevelopment factors that are considered in the selection of candidate sites as follows:

- 1. Land value is greater than the improvement value. 77 percent of non-vacant sites have land values that exceed the improvement values.*
- 2. Existing structure was built prior to 1990 (it was built over 30 years ago). 95 percent of non-vacant sites have structures built at least 30 years ago, with the majority being well over 30 years.*
- 3. Existing uses do not include housing units . 51 percent of non-vacant sites have no existing units.*
- 4. City-owned. 5 percent of non-vacant sites are City-owned.*
- 5. Development interest from a housing developer and/or property owner. 9 percent of non-vacant sites have stated developer or property owner interest.*

All but four of 43 total parcels have at least two identified redevelopment factors and 17 have at least three.

The subject property at 4850 Scotts Valley Drive complies with 4 out of 5 of these factors. It is not a City owned property.

Interestingly only 9% of the candidate sites have owners that have indicated their interest in pursuing redevelopment of the property.

The owners of this property have clearly expressed their interest in redeveloping this property.
The land value clearly exceeds the improvement value.
The existing structure was built prior to 1990.
The existing uses do not include housing.

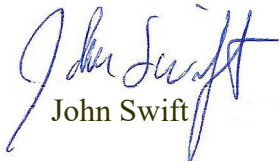
My understanding of the proposed Mixed-Use policies is that only Candidate sites will be eligible for the 70/30 mix of residential uses to commercial uses. If a property in the C-S zone, subsequent to the adoption of the General Plan/Housing Element, is proposed to be developed with a mixed-use project it will be subject to the City's current ratio of 50/50. Clearly this requirement is a disincentive for the redevelopment of these properties. The market realities of commercial uses will continue to make mixed use projects that are not designated as candidate sites unfeasible.

There is no guarantee that candidate sites will be proposed for redevelopment. There are many complicated factors, such as taxes, estate issues, interest rates, etc. that can influence a property owner's decision to move forward with redevelopment. The property owners of 4850 Scotts Valley Drive are prepared to move forward with a mixed-use project that is expected to yield 30 or more housing units.

Such a project could maintain the commercial use or allow for a modernization of the commercial structure that currently exists at the property frontage of Scotts Valley Drive.

This property is over 140' removed from the commercial/industrial uses located to the south along El Pueblo Drive and is separated by a creek and a City Water District owned parcel of land. The presence of these industrial uses is not a realistic constraint to the redevelopment of this property with residential uses.

This property has excellent access to transportation and community resources. The owners of the property are interested and motivated to make productive use of this land which has been underutilized for many years. Please consider incorporating this property in the list of Potential Candidate Sites for mixed use development in the 6th Cycle Housing Element,



John Swift

Attachment: Sept. 18, 2023 letter to Sarah Winkle

Swift Consulting Services

9/18/2023

Sarah Wikle
City of Scotts Valley Planning Dept.
Sarah Wikle <swikle@scottsvally.gov>

RE: 4850 Scotts Valley Drive-Potential Candidate Site for Housing Element

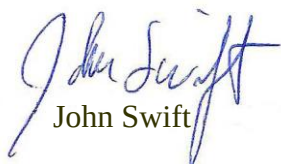
The property at 4850 Scotts Valley Drive , APN 022-091-12 is an appropriate site to be included in the list of Candidate Sites for Mixed Use Development in the 6th Cycle Housing Element.

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A portion of the rear of the property is within the flood plain. Residential units could be elevated above the flood plain by designing parking and storage at grade with housing above. The property is 100' wide. This is sufficient width to provide access to a residential project in the rear of the property while maintaining a viable commercial use along the Scotts Valley Drive frontage. Additional access options to the rear of the property from Carbonero Way may be possible through the adjacent properties to the east and/or south which also appear to be underdeveloped .

There is a realistic potential for 30 or more residential units on this property in addition to maintaining a viable commercial use along Scotts Valey Drive. The land value of this property exceeds the current improvement/development value of the property. The property has excellent access to transportation and community resources. The owners of the property are interested and motivated to make a productive use of this land which has been underutilized for many years.

Please consider incorporating this property in the list of Potential Candidate Sites for mixed use development in the 6th Cycle Housing Element,



John Swift



November 21, 2023

To: Clare Blackwell, Housing Policy Analyst, HCD
CC: Taylor Bateman, Director, Community Development Department
Sarah Wikle, Senior Planner

RE: Scotts Valley Submitted Housing Element (October 20, 2023)

Santa Cruz YIMBY advocates for abundant housing at all levels of affordability to meet the needs of a growing population in Santa Cruz County. We support sustainable growth, including along transportation corridors and activity centers and a commitment to lower Vehicle Miles Traveled by housing people near services and jobs.

The following are our comments on the City of Scotts Valley's submitted [Housing Element of October 20, 2023](#) as they relate to [HCD's letter dated October 3, 2023](#)

AFFH - General

HCD comment: Contributing Factors: The element identifies two contributing factors to fair housing issues. However, these issues and goals do not appear to be rooted in the AFFH analysis and do not appear adequate to facilitate the formulation of meaningful action to AFFH. The element should re-assess contributing factors upon completion of analysis and make revisions as appropriate

Scotts Valley added more factors on Page E-53 and more analysis on E-57+. Without substantial changes to their site inventory or rezoning, Scotts Valley perpetuates segregation and exclusivity. In particular, they are not addressing housing mobility including in their Racially Concentrated Areas of Affluence.

AFFH - Census Tract 1

HCD comment: Identified Sites and AFFH: The element analyzed the identified sites for various fair housing components including access to opportunity and segregation and integration of income. However, the element states (p. E-11) that the City allocated a majority of its low- and very low-income Regional Housing Needs Allocation (RHNA) to Census Tract 1 since it has the lowest median income. The element must include analysis and reasoning about the location of sites and impact on current fair housing conditions. The element should discuss whether this strategy potentially isolates a significant number of the housing need for lower-income households and

include actions as appropriate to promote inclusive communities and equitable quality of life throughout the City.

Scotts Valley added more explanation regarding Census Tracts 2 and 3. Census Tract 2 and 3 can be targeted for more housing, especially Missing Middle housing.

- Both Census Tract 2 and 3 have large portions of R-1-10 zoning with 10,000 sq foot min lot size. (See Figure C-5 on page C-15) Lots are big enough.

The City claims that both of these Census Tracts “...experience topographic conditions that make the development of housing, specifically affordable housing, more difficult. The topography of this portion of the City creates a financial constraint to the development of housing.”

- Much of Census 2 and 3 R1-10 zoning has slope of 0-15% (See page E-59)

There is no Missing Middle housing mentioned in the Housing Element:

- Under Goal H-1, the City of Scotts Valley should commit to allowing a variety of housing types including duplexes, triplexes, fourplexes and other multifamily project types throughout the City.

They have not addressed housing mobility throughout the city.

Monitoring - Pipeline Projects

HCD comment: While the describes the status of each project, to fully demonstrate these units are expected to be constructed during the planning period, the element should provide information on anticipated remaining steps and any known barriers to development in the planning period. For example, the element could analyze infrastructure schedules, City's past completion rates on pipeline projects, outreach with project developers, and should describe any anticipated timelines for final approvals. This is particularly important given that several of these projects were identified to accommodate the RHNA during the last planning period but have not yet been constructed.

In addition, given the element's reliance on pipeline projects, the element should include a program that commits to facilitating development and monitoring approvals of the projects (e.g., coordination with applicants to approve remaining entitlements, supporting funding applications, expediting approvals, and monitoring of project progress, including rezoning or identification of additional sites, if necessary).

There is more language in Appendix F regarding the status and prospects of each of the pipeline projects. On page F-7: “Projects listed do not have any known constraints or barriers which may hold-up or delay the entitlement and/or permitting process. As such, these sites are included for their anticipated development in the planning period.”

However, some pipeline projects have been around for a while, including in the last RHNA cycle. The Town Center project has been in discussion since at least 2008, La Madrona’s EIR was started in 2020, and Valley Gardens’ in 2021. In order to meet this recommendation by

HCD, the city should create specific programs to monitor and expedite the progress of pipeline projects. This could include automatic entitlement extensions until midway through the 6th cycle and proactively reaching out to all pipeline project developers to confirm that there is still development interest.

Non Vacant sites - Lower Income

HCD comment: In addition, the housing element relies upon nonvacant sites to accommodate more than 50 percent of the RHNA for lower-income households. For your information, the housing element must demonstrate existing uses are not an impediment to additional residential development and will likely discontinue in the planning period (Gov. Code, §65583.2, subd. (g)(2)). Absent findings (e.g., adoption resolution) based on substantial evidence, the existing uses will be presumed to impede additional residential development and will not be utilized toward demonstrating adequate sites to accommodate the RHNA

Scotts Valley's "facilitation of affordable housing development" (Program H-1.8) is focused on the inclusionary zoning (IZ). They are not going to meet their targets using a 15% IZ citywide.

City-owned land - Lower Income (Town Ctr)

Program H-1.10 (Surplus Land): While the Program commits to surplus sites and comply with the surplus land act, it should include additional steps the City will take to encourage development in the planning period, including facilitating entitlements, assisting with funding, issuing building permits and taking alternative actions by a specified date if development will not occur in the planning period

Scotts Valley's Surplus Land Act program (H-1.10) indicates that City-owned land is for affordable housing. Town Center (city-owned) is identified as all lower-income and is the APNs identified in the Timeframe objective. However the Timeframe in H-1.10 allows for only 25% for lower income.

The only reference to the Town Center Specific Plan is in Program H-1.1 and does not include alternative actions if development is not occurring in the planning period.

Constraints

HCD Comment: Finally, While the element provides a brief analysis of development controls, the analysis must address height limits, minimum lot size, setbacks, site coverage and maximum density requirements. The analysis should address any impacts on cost, supply, housing choice, affordability, timing, approval certainty and ability to achieve maximum densities and include programs to address identified constraints.

HCD Comment: In addition, while the element includes Program H-1.1 to increase the residential cap on R-H zoned sites from 50 percent to 70 percent, the commercial requirement may constrain residential development. The element should analyze the 30 percent commercial requirement as a constraint on multifamily development and add or modify programs as appropriate.

The city has correctly identified significant commercial and parking requirements as barriers to development but does not go far enough to remove these constraints. We strongly disagree with the assertion that "...the City's standards for lot size, setbacks, height, and site coverage are not considered [constraints].." (Page C-25)

If this is the case, why hasn't there been more housing built in the last cycle?

- In **Program H-1.6, H-1.7, and H-1.8** the city should better explore to what extent its density restrictions are a constraint to development, especially of affordable housing. With the city's highest density residential zoning district capped at 20 du/acre, this is likely a significant barrier. We recommend a higher base density than 40 du/acre for Mixed-Use parcels along transit corridors. These programs should also occur sooner than 2027, nearly halfway through the 6th cycle.
- In **Program H-1.7**, the city should commit to adopting a further reduction in residential square footage in mixed-use developments if the proposed rezoning does not result in developer interest as evidenced by at least one formally submitted project application where total unit count meets or exceeds the units expected in the site inventory.
- **Program H-1.7** should also include a comprehensive study on Mixed-Use development standards as constraints.
- **Program H-1.8** should include undertaking a study to ensure expansion of the inclusionary zoning policy will enable development of additional housing, not chill it.

Consolidation - Small Sites

HCD Comment: Small Sites: Sites smaller than half an acre are deemed inadequate to accommodate housing for lower-income households unless it is demonstrated, with sufficient evidence, that sites of equivalent size and affordability were successfully developed during the prior planning period or other evidence demonstrates the suitability of these sites. The element mentions some parcels are located next to one another and under common ownership but should also discuss the potential for consolidation. For example, the element could evaluate the circumstances potentially leading to consolidation such as existing shared access, necessity for consolidation to share access, necessity for consolidation to promote financial feasibility, meet development standards or facilitate site planning. Based on the outcomes of this analysis, the element should

add or modify actions (Program H-2.8) to encourage lot consolidation. For example, the element could consider graduated density as an additional incentive to promote lot consolidation.

There has been no change to Program H-2.8 which lacks active language and does not commit the City to any changes which would enable lot consolidation.

Large Lots

HCD Comment: Large Sites: Sites larger than ten acres in size are deemed inadequate to accommodate housing for lower-income housing unless it is demonstrated that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower-income housing units as projected for the site or unless the housing element describes other evidence to HCD that the site is adequate to accommodate lower-income housing (Gov. Code, § 65583.2, subd. (c)(2)(A)). While the element mentions parceling is not necessary, it should also discuss how the site facilitate developments with units affordable to lower-income households, particularly how the level of affordability could be achieved as assumed in the inventory. Alternatively, the element could adjust affordability assumptions similar to the application of inclusionary requirements.

Program H-2.6 (Development of Large Lots): The Program should commit to establish incentives to promote affordability on identified large sites as assumed in the inventory.

There has been no change to Program H-2.6 which lacks active language and does not commit the City to any changes which would enable large lot development.

Transit Oriented Development

Scotts Valley added language on Page F-31: "This parcel contains the METRO Cavallero transit center and the Scotts Valley Park and Ride center. The City has been in discussions with METRO about converting the site to affordable residential units with workforce components.

Redevelopment of the site would result in parking being moved underground or provided through a parking structure. This would allow for Transit-Oriented Development (TOD) to occur in partnership with the transit center."

Despite being home to the METRO Cavallero transit center and the Scotts Valley Park and Ride center, Scotts Valley lacks any current or planned high quality transit stops. A high-quality transit stop can help Scotts Valley/affordable housing developers in securing additional funding, e.g. through grant programs that focus on transit-oriented development or reduction of green-house gasses.

We recommend Scotts Valley add a program objective::

"Scotts Valley will work with AMBAG in the 2050 MTP/SCS (scheduled for June 2026) to designate the METRO Cavallero transit center as a planned high quality major transit stop."



APPENDIX H



The [Glossary](#) appendix provides definitions of terms and a list of acronyms used throughout the Housing Element.

GLOSSARY

Above Moderate-Income Household. A household with an annual income usually greater than 120 percent of the area median income adjusted by household size, as determined by a survey of incomes conducted by a city or a county, or in the absence of such a survey, based on the latest available legibility limits established by the U.S. Department of Housing and Urban Development (HUD) for the Section 8 housing program.

Accessory Dwelling Unit (ADU). A smaller, independent residential dwelling unit located on the same lot as a standalone single-family home. The Planning and Zoning Law authorizes a local agency to provide, by ordinance, for the creation of accessory dwelling units in single-family and multifamily residential zones and requires such an ordinance to impose standards on accessory dwelling units, including, among others, lot coverage. Existing law also requires such an ordinance to require the ADU to be either attached to, or located within, the living area of the proposed/existing primary dwelling, or detached from the proposed/existing primary dwelling and located on the same lot as the proposed or existing primary dwelling.

Agricultural Housing. Dwellings and/or living quarters for farm laborers, or other types of dwellings determined to be substantially similar to the above by the Director of Community Development.

Affirmatively Furthering Fair Housing (AFFH). Taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. The duty to affirmatively further fair housing extends to all of a public agency's activities and programs relating to housing and community development.

Affordable Housing Cost. For lower-income households is defined in State law as not more than 30 percent of gross household income with variations (Health and Safety Code Section 50052.5).

Area Median Income (AMI). The midpoint of a geographic area's income distribution, to account for regional differences in cost of living.

Assisted Housing. Generally multi-family rental housing, but sometimes single-family ownership units, whose construction, financing, sales prices, or rents have been subsidized by federal, state, or local housing programs. These types of units include, but are not limited to Federal Section 8 (new construction, substantial rehabilitation, and loan management set-asides), Federal Sections 213, 236, and 202, Federal Sections 221 (d) (3) (below-market interest rate program), Federal Sections 101 (rent supplement assistance), CDBG, FMHA Sections 515, multi-family mortgage revenue bond programs, local redevelopment and in lieu fee programs, and units developed pursuant to local inclusionary housing and density bonus programs.

Below-Market-Rate (BMR). Any housing unit specifically priced to be sold or rented to low- or moderate income households for an amount less than the fair-market value of the unit. Both the State of California and the U.S. Department of Housing and Urban Development set standards for determining which households qualify as “low income” or “moderate income.” The financing of housing at less than prevailing interest rates.

Build-Out. That level of urban development characterized by full occupancy of all developable sites in accordance with the General Plan; the maximum level of development envisioned by the General Plan. Build-out does not assume that each parcel is developed to include all floor area or housing units possible under zoning regulations.

Building Height. The vertical distance from the highest point of a structure to either the natural grade or the finished grade of the structure pad, whichever is greater, excluding basements or crawl spaces around the structure which are below grade and not created by a fill; provided, however, that for the purposes of measuring height, chimneys, flagpoles, and radio and television aerials shall not be considered a part of the structure.

California Department of Housing and Community Development (HCD). The State Department responsible for administering State-sponsored housing programs and for reviewing housing elements to determine compliance with State housing law.

Community Care Facility. A 24-hour residential facility providing care for persons, including: the elderly, persons in an alcoholism or drug abuse recovery or treatment facility, persons in a facility for mentally disordered, handicapped persons or dependent and neglected children, persons in an intermediate care facility/developmentally disabled-habilitative, intermediate care facility/developmentally disabled-nursing, and congregate living health facilities. A Community Care Facility may be located in any type of residence.

Community Development Block Grant (CDBG). A grant program administered by the U.S. Department of Housing and Urban Development (HUD) on a formula basis for entitled communities and administered by the State Department of Housing and Community Development (HCD) for non-entitled jurisdictions. This grant allots money to cities and counties for housing rehabilitation and community development, including public facilities and economic development.

Condominium. A multi-family building where the units are individually owned, and the common space is owned collectively by condominium unit owners. A condominium structure may have two or more units.

Covenants, Conditions, and Restrictions (CC&Rs). A term used to describe limitations that may be placed on property and its use, and which usually are made a condition of holding title or lease.



Density Bonus. A density increases for residential units over the otherwise allowed residential density under the applicable zoning and land use designation when a percentage of the units provided are for lower income households on the date an application is deemed complete.

Deed. A legal document which affects the transfer of ownership of real estate from the seller to the buyer.

Developable Land. Land that is suitable as a location for structures and that can be developed free of hazards to, and without disruption of, or significant impact on, natural resource areas.

Discretionary Action. An action or approval which requires the exercise of judgment or deliberation when the City decides to approve or disapprove a project.

Down Payment. Money paid by a buyer from his own funds, as opposed to that portion of the purchase price which is financed.

Dwelling. Any building or portion thereof, designed or used as the residence or sleeping place of one or more persons.

Dwelling, Multifamily. Building, or portion thereof, designed or used for residence purposes by two or more families or housekeeping units.

Dwelling, Single-Family. Detached building designed or used for residence purposes by one family or housekeeping unit.

Dwelling Unit. Any building, or portion thereof, designed or used as the residence or sleeping place of one or more persons.

Emergency Shelters. Housing with minimal supportive services that is limited to occupancy of six months or less.

Extremely Low-Income Household. A household with an annual income that is less than 30 percent of the area median family income adjusted by household size, as determined by a survey of incomes conducted by a city or a county, or in the absence of such a survey, based on the latest available eligibility limits established by the U.S. Department of Housing and Urban Development (HUD) for the Section 8 housing program.

Family. A person or persons related by blood, marriage or adoption or a group of not more than five persons, excluding servants, not related by blood, marriage or adoption, living together as a single housekeeping unit in a dwelling unit.

Fair Market Price. The rent, including utility allowances, determined by the United States Department of Housing and Urban Development for purposed of administering the Section 8 Program.

General Plan. The General Plan is a legal document, adopted by the legislative body of a City or County, setting forth policies regarding long-term development. California law requires the preparation of seven elements or chapters in the General Plan: Land Use, Housing, Circulation, Conservation, Open Space, Noise, and Safety. Additional elements are permitted, such as Economic Development, Urban Design and similar local concerns.

Goal. A general, overall, and ultimate purpose, aim, or end toward which the City will direct effort.

Gross Monthly Income (GMI). Total income before any deductions.

HAMFI. HUD Area Median Family Income. This is the median family income calculated by HUD for each jurisdiction, in order to determine Fair Market Rents (FMRs) and income limits for HUD programs.

Housing and Community Development Department (HCD). The State agency that has principal responsibility for assessing, planning for, and assisting communities to meet the needs of low- and moderate-income households.

Housing Choice Voucher Program. (See “Section 8 Rental Assistance Program.”)

Housing Cost. Commonly includes rent or mortgage payments, utilities (gas, electricity, water, sewer, garbage, recycling, green waste), and property taxes and insurance on owner-occupied housing.

Housing Element. One of the seven State-mandated elements of a local general plan, it assesses the existing and projected housing needs of all economic segments of the community, identifies potential sites adequate to provide the amount and kind of housing needed, and contains adopted goals, policies, and implementation programs for the preservation, improvement, and development of housing. Under State law, Housing Elements must be updated every five years.

Housing Unit. The place of permanent or customary abode of a person or family. A housing unit may be a single-family dwelling, a multi-family dwelling, a condominium, a modular home, a mobile home, a cooperative, or any other residential unit considered real property under State law.

HUD (U.S. Department of Housing and Urban Development). An executive departments of the U.S. federal government which administers federal housing and urban development laws. **Infill Development.** Refers to building within unused and underutilized lands within existing development patterns, typically but not exclusively in urban areas.

Jobs-Housing Balance. A ratio used to describe the adequacy of the housing supply within a defined area to meet the needs of persons working within the same area. The General Plan



uses SCAG's definition which is a job total equal to 1.2 times the number of housing units within the area under consideration.

Land Use Classification. A system for classifying and designating the appropriate use of properties.

Live-Work Units. Buildings or spaces within buildings that are used jointly for commercial and residential purposes where the residential use of the space is secondary or accessory to the primary use as a place of work.

Low Barrier Navigation Centers (LBNC). A "Housing First," low barrier, temporary, service-enriched shelter that helps homeless individuals and families to quickly obtain permanent housing.

Lot. Parcel of land consisting of a single parcel of record.

Lot Coverage. The maximum lot area which may be covered with buildings and structures. Buildings and structures include all land covered by principal buildings, garages and carports, accessory structures, covered decks and gazebos, and other enclosed and covered areas; but not standard roof overhangs, cornices, eaves, uncovered decks, swimming pools, paved areas such as walkways, driveways, patios, uncovered parking areas or roads. All areas of coverage are computed in terms of net lot area at ground level.

Low-Income Household. A household with an annual income usually between 51 and 80 percent of the area median income adjusted by household size, as determined by a survey of incomes conducted by a city or a county, or in the absence of such a survey, based on the latest available eligibility limits established by the U.S. Department of Housing and Urban Development (HUD) for the Section 8 housing program.

Low-Income Housing Tax Credits. Tax reductions provided by the federal and State governments for investors in housing for low-income households.

Mixed Use. Development that contains both commercial (retail or office) uses and residential uses.

Mobile Home. A vehicle designed and equipped for human habitation, and for being drawn behind a vehicle. Such mobile home must either be constructed after September 15, 1971 and issued an insignia of approval by the California Department of Housing and Community Development and permanently located on a permanent foundation system, or be constructed after July 15, 1976, and issued an insignia of approval by the U.S. Department of Housing and Urban Development and permanently located on a permanent foundation system, or other type of housing determined to be substantially similar to the above.

Mobile Home Park. A development or subdivision of an existing parcel, or contiguous parcels, of land for the purpose of separate sale, lease, or financing to allow the installation of mobile homes or manufactured homes.

Moderate-Income Household. A household with an annual income usually between 81 and 120 percent of the area median income adjusted by household size, as determined by a survey of incomes conducted by a city or a county, or in the absence of such a survey, based on the latest available eligibility limits established by the U.S. Department of Housing and Urban Development (HUD) for the Section 8 housing program.

Multi-Family Residence. A building or a portion of a building used and/or designed as residences for two or more families living independently of each other. This Includes: duplexes, triplexes, and fourplexes (detached buildings under one ownership with two, three, or four residential units (respectively) in the same building); and apartments (five or more units under one ownership in a single building); attached unit projects such as condominiums and townhouses; and Boarding House. This use type may include other residential types determined to be substantially similar to the above by the City of Scotts Valley Director of Community Development, or designee.

Ordinance. A law or regulation set forth and adopted by a governmental authority, usually a city or county.

Overcrowding. The U.S. Census defines an overcrowded unit as one occupied by 1.01 persons or more per room. Units with more than 1.5 persons per room are considered severely overcrowded. Overcrowding increases health and safety concerns and stresses the condition of the housing stock and infrastructure. Overcrowding is strongly related to household size and the availability of suitably sized housing. Overcrowding impacts both owners and renters; however, renters are generally more significantly impacted. In 2000, renter households were three times more likely than owners to be overcrowded, regardless of household size.

Parcel. A lot or tract of land.

Person with a Disability. Any individual (1) with a physical or mental impairment that substantially limits one or more major life activities; (2) with a record of such impairment; or (3) who is regarded as having such an impairment. A physical or mental impairment includes, but is not limited to, conditions such as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, Human Immunodeficiency Virus (HIV), developmental disabilities, mental illness, drug addiction, and alcoholism.

Planning Area. The area directly addressed by the general plan. A city's planning area typically encompasses the city limits and potentially annexable land within its sphere of influence.

Planned Unit Development (PUD). Form of development usually characterized by a unified site design for a number of housing units, clustered buildings and the provision of common open space, density increases and a mix of building types and land uses.

Planning Commission. Planning Commission of the City of Scotts Valley.

Policy. A specific statement of principle or of guiding action that implies clear commitment but is not mandatory. A general direction that a governmental agency sets to follow, in order to meet its objectives before undertaking an action program. (See “Program.”)

Poverty Level. As used by the U.S. Census, families and unrelated individuals are classified as being above or below the poverty level based on a poverty index that provides a range of income cutoffs or “poverty thresholds” varying by size of family, number of children, and age of householder. The income cutoffs are updated each year to reflect the change in the Consumer Price Index.

Program. An action, activity, or strategy carried out in response to adopted policy to achieve a specific goal or objective. Policies and programs establish the “who,” “how” and “when” for carrying out the “what” and “where” of goals and objectives.

Quasi-Public Uses. Uses owned or operated by a nonprofit, religious or philanthropic institution and providing educational, cultural, recreational, religious or similar types of public programs.

Recreation, Commercial. Clubs or recreation facilities operated as a business which may or may not be open to the general public for a fee.

Recreation, Private. Clubs or recreation facilities of a noncommercial nature operated by a nonprofit organization and open only to bona fide members of such nonprofit organizations.

Residential. Land designated in the General Plan and zoning ordinance for building consisting of dwelling units. May be improved, vacant, or unimproved. (See “Dwelling Unit.”)

Residential Care Facility. A facility that provides 24-hour care and supervision to its residents

Retail Service. Use engaged in providing retail sale or rental of items primarily intended for consumer or household use, including but not limited to the following: groceries, meat, vegetables, dairy products, baked goods, candy and other food products; liquor and bottled goods; household cleaning and maintenance products; drugs; cards, stationery, notions, tobacco products, cosmetics and specialty items; flowers, plants and garden products; hobby materials; toys; handcrafted items; clothing, shoes, apparel, jewelry, fabrics and like items; cameras and photography equipment; furniture, furnishings, appliances, antiques, art objects, paint and wallpaper, floor coverings and lighting fixtures; office supplies; musical instruments; hardware and building supplies; and bicycles, mopeds and automotive parts and accessories.

Rezoning. An amendment to the map to effect a change in the nature, density, or intensity of uses allowed in a zoning district and/or on a designated parcel or land area.

Section 8 Rental Assistance Program. A federal (HUD) rent-subsidy program, which is one of the main sources of federal housing assistance for low-income households, operates by providing “housing assistance payments” to owners, developers, and public housing agencies to make up the difference between the “Fair Market Rent” of a unit (set by HUD) and the household’s contribution toward the rent, which is calculated at 30 percent of the household’s adjusted gross monthly income (GMI). “Section 8” includes programs for new construction, existing housing, and substantial or moderate housing rehabilitation. Now referred to as Housing Choice Voucher Program.

Senior Housing. Typically, one- and two-bedroom apartments or condominiums designed to meet the needs of persons 62 years of age and older or, if more than 150 units, persons 55 years of age and older, and restricted to occupancy by them.

Shared Living Facility. The occupancy of a dwelling unit by persons of more than one family in order to reduce housing expenses and provide social contact, mutual support, and assistance. Shared living facilities serving six or fewer persons are permitted in all residential districts by Section 1566.3 of the California Health and Safety Code.

Single-Family Dwelling, Attached. A dwelling unit occupied or intended for occupancy by only one household that is structurally connected with at least one other such dwelling unit. (See “Townhouse.”)

Single-Family Dwelling, Detached. A dwelling unit occupied or intended for occupancy by only one household that is structurally independent from any other such dwelling unit or structure intended for residential or other use.

Single Housekeeping Unit. A residence with two or more members, whose members are a non-transient interactive group of persons jointly occupying a single dwelling unit, including but not limited to the joint use of common areas and sharing household activities and responsibilities such as meals, chores, and expenses.

Single Room Occupancy (SRO). A building or buildings constructed or converted for residential living consisting of one-room dwelling units, where each unit is occupied by a single individual or two persons living together as a domestic unit, and where the living and sleeping space are combined. A one-room dwelling unit is not required to contain a bathroom or a kitchen except that if a bathroom or kitchen is not provided within the unit such common facilities shall be provided on-site for residents. A unit that contains both a bathroom and kitchen shall be considered a studio unit and not a Single Room Occupancy Unit. Common facilities for laundry may or may not be provided on-site.



Site Coverage. Percentage of site area covered by impervious surfaces, including all structures, opened, or enclosed or projections of structures.

Special Needs Group. Government Code Section 65583 (a)(7) defines special housing needs includes the elderly; persons with disabilities, including a developmental disability, as defined in Section 4512 of the Welfare and Institutions Code; large families; farmworkers; families with female heads of households; and families and persons in need of emergency shelter.

Substandard Housing. Residential dwellings that, because of their physical condition, do not provide safe and sanitary housing.

Supportive Housing. Housing with no limit on length of stay, that is occupied by the target population, and that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community; as defined by Section 50675 of the California Health and Safety Code.

Target Population. Target population refers to people with low incomes who have one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health condition, or individuals eligible for services provided pursuant to the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code) and may include, among other populations, adults, emancipated minors, families with children, elderly people, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and people experiencing homelessness.

Tenure. If a unit is owner occupied or renter occupied.

Townhouse. A single-family unit constructed in a group of three or more attached units in which each unit extends from the foundation to the roof and with its own front and rear access to the outside. A townhouse unit can be individually owned.

Transitional Housing. Temporary rental housing intended for occupancy by target populations transitioning to permanent housing that is operated under program requirements calling for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six months as defined in Section 50675.2 of the California Health and Safety Code.

Use. Purpose for which a site or structure is arranged, designed, intended, constructed, erected, moved, altered or enlarged or for which either a site or structure(s) may be occupied or maintained.

Zone or Zoning district. Portion of the territory of the city within which certain uniform regulations and requirements or various combinations thereof, apply under the provisions of Scotts Valley Municipal Code (SVMC) Title 17.

Zoning Map. Official zoning map or maps of the City of Scotts Valley, adopted by the city council and effective upon the effective date of the ordinance codified in this title, together with all amendments thereto hereafter made.

Zoning Permit. Document signed by the building inspector, as required in this title, as a condition precedent to the commencement of a use or the erection, construction, reconstruction, restoration, alteration, conversion or installation of a structure or building which acknowledges that such use, structure or building complies with the provisions of this title.

ACRONYMS

AMBAG: Association of Monterey Bay Area Governments

ACS: American Community Survey.

ADU: Accessory Dwelling Unit

ACS: American Community Survey

ADA: Americans with Disabilities Act

AFFH: Affirmatively Furthering Fair Housing

AMI: Area Median Income

BMR: Below Market Rate

CAR: California Association of Realtors

CEQA: California Environmental Quality Act

CCCE: Central Cost Community Energy

CCCIL: Central Coast Center for Independent Living

CDDS: California Department of Developmental Services

CDBG: Community Development Block Grant

CHAS: Comprehensive Housing Affordability Strategy

CPCU: California Public Utilities Commission

DFEH: Department of Fair Employment and Housing

ELI: Extremely Low-Income

FHEO: Office of Fair Housing and Equal Opportunity

FAR: Floor Area Ratio

FEMA: Federal Emergency Management Agency

FMR: Fair Market Rate

GMI: Gross Median Income

HAMI: HUD Area Median Income

HAMFI: HUD Area Median Family Income

HCD: Housing and Community Development

HUD: Development Housing and Urban Development

HCVP: Section 8 Housing Choice Voucher

HH: Household

HMDA: Home Mortgage Disclosure Act

HOA: Homeowners Association

ICC: International Code Council

LBNC: Low-Barrier Navigation Center

LEAP: Local Early Action Planning

LIHTC: Low Income Housing Tax Credit

MCC: Mortgage Credit Certificate

MHI: Median household Income

MSA/MD: Metropolitan Statistical Area/ Metropolitan Division

OEHHA: Office of Environmental Health Hazard Assessment

PIT: Point-in-Time

PG&E: Pacific Gas and Electric Company

RMCC: Reissued Mortgage Credit Certificate

R/ECAP: Racially Concentrated Areas of Poverty

RCAA: Racially Concentrated Areas of Affluence

RHNA: Regional Housing Needs Assessment

ROI: Regional Opportunity Index

SRO: Single-Room Occupancy Unit

SVSLA: Scotts Valley Senior Life Association

SVMC: Scotts Valley Municipal Code

SB: Senate Bill

TCAC: California Tax Credit Allocation Committee

UC: University of California



AGENDA

Special Meeting of the
Scotts Valley Planning Commission
In-Person and Remote Access
Date: December 7, 2023
Time: 6:00 PM

CONTACT INFORMATION	MEETING LOCATION	POSTING
City of Scotts Valley 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5600	City Council Chambers 1 Civic Center Drive Scotts Valley, CA 95066 OR Zoom Video Conference: https://us02web.zoom.us/j/88671741298	The agenda was posted on 12-1-2023 at City Hall, SV Public Works Building, SV Senior Center and online at www.scottsvally.gov

ELECTED OFFICIALS	CITY STAFF MEMBERS
Lori Gentile, Chair Chuck Maffia, Vice Chair David Hodgin, Commissioner Shawn Mosley, Commissioner Steve Simonovich, Commissioner	Taylor Bateman, Community Development Director Sarah Wikle, Senior Planner Cathie Simonovich, City Clerk

MEETING NOTICE AND AGENDA PACKET MATERIALS
Notice regarding Planning Commission Meetings: The Planning Commission meets regularly on the 2nd Thursday of each month (unless otherwise noticed) at 6pm in the City Hall Council Chambers located at 1 Civic Center Drive, Scotts Valley, CA 95066. Currently meetings are being held remotely. Agenda and Agenda Packet Materials: The Planning Commission agenda and the complete agenda packet are available for review by 5pm the Friday before the Thursday meeting on the Internet at the City's website: https://www.scottsvally.gov/129/Agendas-Minutes Public Participation: The meeting will be available in person and on Zoom. For those wishing to participate via Zoom, you can join from a PC, Mac, iPad, iPhone or Android device by entering or clicking on the following URL: https://us02web.zoom.us/j/88671741298 You will be given an opportunity to provide public comment at the appropriate times throughout the meeting via Zoom.

How to comment via Zoom:

1. At the appropriate times during the meeting for public comment on items not on the agenda and on specific agenda items, the Planning Commission Chair will announce that public comment will be accepted. Our usual time limits of three minutes per individual, or five minutes for an individual who is representing a group of three or more, will apply. Please note that per our standard practice, this is not a question and answer time, but simply a time for you to provide comments to the Planning Commission.
2. There is an option on Zoom to raise your hand. Please click on this option when the Chair announces that public comments will be taken. If you are participating via dial-up only, use *9 to raise your hand at the requested time. Zoom places people in line automatically. When it is your turn, you will be un-muted and you will be able to make your comments based on the above time frames. Once your time is up, you will once again be muted and the next person in line will be given their opportunity to speak.

CALL TO ORDER 6:00 PM

(The Planning Commission Chair calls the meeting to order.)

PLEDGE OF ALLEGIANCE

ROLL CALL

(Planning Department staff conduct roll call of the Planning Commission.)

PUBLIC COMMENT TIME

This is the opportunity for individuals to make and/or submit written or oral comments to the Commission on any items within the purview of the Commission, which are NOT part of the Agenda. No action on the item may be taken, but the Commission may request the matter be placed on a future agenda.

ALTERATIONS TO PUBLIC HEARING AGENDA

(Commission can remove or add items to the Regular Agenda.)

PUBLIC HEARING AGENDA

(Persons wishing to speak on any item may do so by raising their hand to be recognized by the Chair.)

1. Consider a recommendation to the City Council to adopt the 2023-2031 Housing Element update

DISCUSSION ITEMS AND FUTURE AGENDA ITEMS

(The Planning Commission or Community Development Director may request to schedule items on future agendas.)

WRITTEN COMMUNICATIONS – FOR INFORMATION ONLY DIRECTOR UPDATES

(The Community Development Director may provide any department or city updates that are available.)

ADJOURNMENT

(Adjournment shall be no later than 11pm unless extended by a four-fifths vote of all Planning Commission members or a unanimous vote of the members present per City Municipal Code Section 2.21.010.)

The City of Scotts Valley does not discriminate against persons with disabilities. The City Council Chambers is an accessible facility. If you wish to attend a Planning Commission meeting and require assistance such as sign language, a translator, or other special assistance or devices in order to attend and participate at the meeting, please call the Community Development Department at 831-440-5630 five to seven days in advance of the meeting to make arrangements for assistance. If you require the agenda of a Planning Commission meeting be available in an alternative format consistent with a specific disability, please call the Community Development Department. The California State Relay Service (TTY/VCO/HCO to Voice: English 1-800-735-2929, Spanish 1-800-855-3000; or, Voice to TTY/VCO/HCO: English 1-800-735-2922, Spanish 1-800-855-3000), provides Telecommunications Devices for the Deaf and Disabled and will provide a link between the TDD caller and users of telephone equipment.

CITY OF SCOTTS VALLEY

Planning Commission Staff Report

DATE: December 7, 2023

TO: Planning Commission

FROM: Bill Wiseman and Ines Galmiche, Kimley-Horn & Associates

APPROVED: Taylor Bateman, Community Development Director

SUBJECT: **Adoption of the City of Scotts Valley 2023-2031 Housing Element Update**

BACKGROUND

The Housing Element is one of seven mandated elements of the City's General Plan. It identifies the current and future housing needs of the City with proposed actions to facilitate the provision of housing to meet those needs at all income levels. Updates to the Housing Element are required by State law every eight years and reflects the State's housing goal of "attaining decent housing and a suitable living environment for every California family," as well as incorporating the unique concerns of the community. The current Housing Element, which was adopted by the City Council in March 2016 and certified by the State, covers the planning period from 2015 to 2022 (the 5th Cycle). The next Housing Element Update (the 6th Cycle) must be adopted by December 2023, to address the period from 2023 to 2031. State law establishes a series of very specific requirements as to the scope, content, and process by which a Housing Element is updated and adopted, including review and approval (known as certification) by the California Department of Housing and Community Development (HCD).

California Government Code Section 65580 lists six Housing Element goals to help ensure that every resident has access to housing and a suitable living environment.

1. The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
2. The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.

3. The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of the government.
4. Local and State governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
5. The Legislature recognizes 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 and to cooperate with other local governments and the State in addressing regional housing needs.
6. Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality's housing need for all income levels is essential to achieving the State's housing goals and the purposes of this article.

Regional Housing Needs Allocation

Through the Housing Element update, the City must show that it can accommodate its Regional Housing Needs Allocation (RHNA). The RHNA target for this Housing Element cycle was developed by HCD and then refined by the Association of Monterey Bay Area Governments (AMBAG). It provides each jurisdiction a specified target number of housing units in four different affordability levels. For the 6th Cycle, the City of Scotts Valley was allocated a total of 1,220 housing units (see [Table 1 – 6th Cycle RHNA](#)). The City is required to identify strategies and exact parcels with the capacity to accommodate the entirety of the RHNA.

Table 1 – 6th Cycle RHNA

Income Category	Percent of Area Median Income (AMI)	Income Range ¹		RHNA (Housing Units)
		Minimum	Maximum	
Very Low Income	0 – 50%	--	\$77,750	392
Low Income	51 – 80%	\$77,751	\$124,750	257
Moderate Income	81 – 120%	\$124,751	\$143,150	154
Above Moderate Income	>120%	\$143,150	--	417
TOTAL				1,220 units

The total number of units the City needs to plan for is 1,220. To put this number in perspective, the total RHNA units for Scotts Valley in the current 5th Cycle is 140. The increase in this housing target is the State recognizing the underproduction of housing statewide for some time.

It is important to note that while the City may assist with the development of affordable housing through various programs and funding sources, it is not the direct role of the City to construct housing. Rather, the City is responsible for ensuring that adequate opportunities exist for housing development through zoning and by removing regulatory impediments to housing production.

Community Outreach

Throughout the housing element development process, the City has held a number of public meetings to keep the community informed and solicit feedback. City staff has also reached out to various housing advocate stakeholders. Public meetings and public review drafts of the Housing Element to date include the following:

On January 26, 2023, the City hosted a virtual Community Workshop #1 in English and Spanish via Zoom on the 2024-2031 Housing Element Update process. The meeting

¹ Income range is based on the 2022 HUD Area Median Income (AMI) for Santa Cruz County of \$119,300 for a family of 4.

provided an overview on the Housing Element Update process, information on the City's Regional Housing Needs Assessment (RHNA) allocation, and next steps.

On March 15, 2023, the City provided an informational update on the Housing Element process to the City Council. The presentation included an overview of the Housing Element process, a discussion on RHNA, site selection process and potential strategies, the role of community engagement, and a discussion of next steps.

On April 5, 2023, the City Council and Planning Commission conducted Joint Study Session #1 on strategies to address the 6th Cycle RHNA. The discussion reviewed the following strategies and topics: projects in the entitlement pipeline, projected ADU development, existing zoning capacity, opportunity areas, and potential zoning code amendments.

On May 19, 2023, the City of Scotts Valley published the Public Review Draft of the 2023-2031 Housing Element. The Public Review Draft was available for review and comment through June 19, 2023.

On May 30, 2023, the City of Scotts Valley hosted Community Workshop #2 for interested parties to learn about the Public Review Draft Housing Element and how to provide review questions and comments.

On June 28, 2023, the City Council and the Planning Commission conducted Joint Study Session #2. The meeting included a discussion on the Public Review Draft Housing Element, changes to the candidate sites inventory since the last study session, and community efforts to date.

On July 5, 2023, the City published the Housing Element Update to HCD for review. This 1st HCD Submittal Draft included revisions based on City Council, Planning Commission, and community member guidance and input.

Throughout the Housing Element update process, Staff have also met with various stakeholders, including property owners, community-based organizations, community members, and local developers to discuss the Housing Element update. These discussions and feedback were considered when continuing to develop subsequent Housing Element drafts.

Based on preliminary comments from HCD, the City revised the 1st HCD Submittal Draft. This 1st HCD Resubmittal Draft was available for public review from September 11 through September 18, 2023.

Based on receiving a formal comment letter from HCD on October 3, 2023, the City prepared the 2nd HCD Submittal Draft, which was made available for public review from October 12 to October 19, 2023.

On October 20, 2023, the City formally submitted the 2nd HCD Submittal Draft to HCD. Comments from HCD are still pending.

A website for the Housing Element – <https://scottsvally.gov/445/Housing-Element-Update> – has been maintained throughout the process. Each draft Housing Element Update circulated for public comment, as well as each draft submitted to HCD (with edits in redline), is included on the website. Information on the Housing Element, RHNA, the update process, community outreach efforts, and Affirmatively Furthering Fair Housing (AFFH) is provided to help inform the community about this important update effort.

The Community Engagement appendix (Appendix G) provides more details on the engagement efforts conducted and responses to community comments.

HOUSING ELEMENT COMPONENTS

The 2023-2031 Housing Element includes the following chapters and appendices:

- Chapter 1: Introduction
- Chapter 2: Housing Plan
- Appendix A: Review of Past Performance
- Appendix B: Housing Needs Assessment
- Appendix C: Housing Constraints
- Appendix D: Housing Resources
- Appendix E: Affirmatively Furthering Fair Housing (AFFH)
- Appendix F: Candidate Housing Sites
- Appendix G: Community Engagement Summary
- Appendix H: Glossary of Terms

Collectively, this update provides a comprehensive view of the City's past, present, and future actions as they relate to supporting programs and housing for all needs and all affordability levels.

To support meeting the RHNA targets and drive housing decisions for the next eight years, the Housing Element Update does two key things: 1) it provides goals, policies, and objectives to address housing needs and support future housing growth for all income levels, and 2) it identifies an inventory of sites to show that the City has capacity to accommodate its RHNA housing unit targets. Aside from these two sections, much of the Housing Element focuses on providing existing conditions analysis and local context to inform and further support the policy and site inventory decisions.

Policy Programs

The [Chapter 2: Housing Plan](#) establishes the goals, policies, and programs that the City will implement throughout the planning period to meet its RHNA, address potential constraints to housing development, and affirmatively further fair housing. The programs include concrete actions and timeframes, per HCD guidelines. Additional programs have also been added in response to the analysis conducted in the Draft Housing Element's appendices; these include new State law requirements and actions to further facilitate affordable housing development and remove development constraints.

Program topics included in the Housing Plan include:

- Actions to facilitate ADU development;
- Removal of development constraints, such as parking requirements for multi-family developments;
- Affirmatively Furthering Fair Housing (AFFH);
- Update to the city's definition of "Family" to remove limitations to the number of unrelated persons and differentiation between related and unrelated individuals living together
- Amending zoning to permit employee housing;
- Amending zoning to update parking requirements for emergency shelters, expand the City's definition of "emergency shelters," and monitor an inventory of sites appropriate to accommodate emergency shelters;
- Update the Density Bonus Ordinance to comply with recent update to State law; and
- Amending zoning to permit low barrier navigation centers in compliance with State law.

Affirmatively Furthering Fair Housing (AFFH)

New to the 6th Cycle Housing Element updates statewide is the inclusion of AFFH requirements. Beginning on January 1, 2019, Assembly Bill (AB) 686 established new requirements for all California jurisdictions to ensure that local laws, programs, and activities affirmatively further fair housing and that all Housing Elements due after January 1, 2021, contain an assessment of fair housing. Under State law, affirmatively furthering fair housing means "taking meaningful actions, in addition to combatting discrimination, that overcome patterns of segregation and foster inclusive communities free of barriers that restrict access to opportunity based on protected characteristics (such as race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability)." The State requires Scotts Valley to show how its housing decisions are furthering fair housing, and HCD assigns special focus on this new portion of the document in its certification review. Summary and analysis of AFFH can be found

in the Fair Housing appendix, and numerous AFFH policies are designated in the Policy section to provide actions/objectives to meet the noted State goals.

Candidate Sites

Through the Housing Element Update, the City must show that it can accommodate its Regional Housing Needs Allocation (RHNA). For the 6th Cycle, the City of Scotts Valley was allocated a total of 1,220 housing units (see [Table 1](#)). The City is required to identify strategies and exact parcels with the capacity to accommodate the entirety of the RHNA, plus a buffer to avoid a “No-Net-Loss” situation. This refers to a site developing less units than identified in the Housing Element and thus falling below the required RHNA; in which case, the City would have to update its Housing Element and identify new sites to accommodate the shortfall. To avoid this, HCD recommends each jurisdiction accounts for buffers of 15 to 30 percent at each income category.

On April 5, 2023, City staff presented the City Council and Planning Commission a number of strategies to accommodate this RHNA and received guidance on preferred methods and recommendations. Recommendations included: 1) proceed with including mixed-use development opportunities along Scotts Valley Drive, 2) consider additional capacity at Town Center, 3) outreach to current project applications to increase unit capacity on respective properties, 4) proceed with studying commercial and residential areas for higher density residential development capacity, 5) decrease the total and above moderate-income buffer.

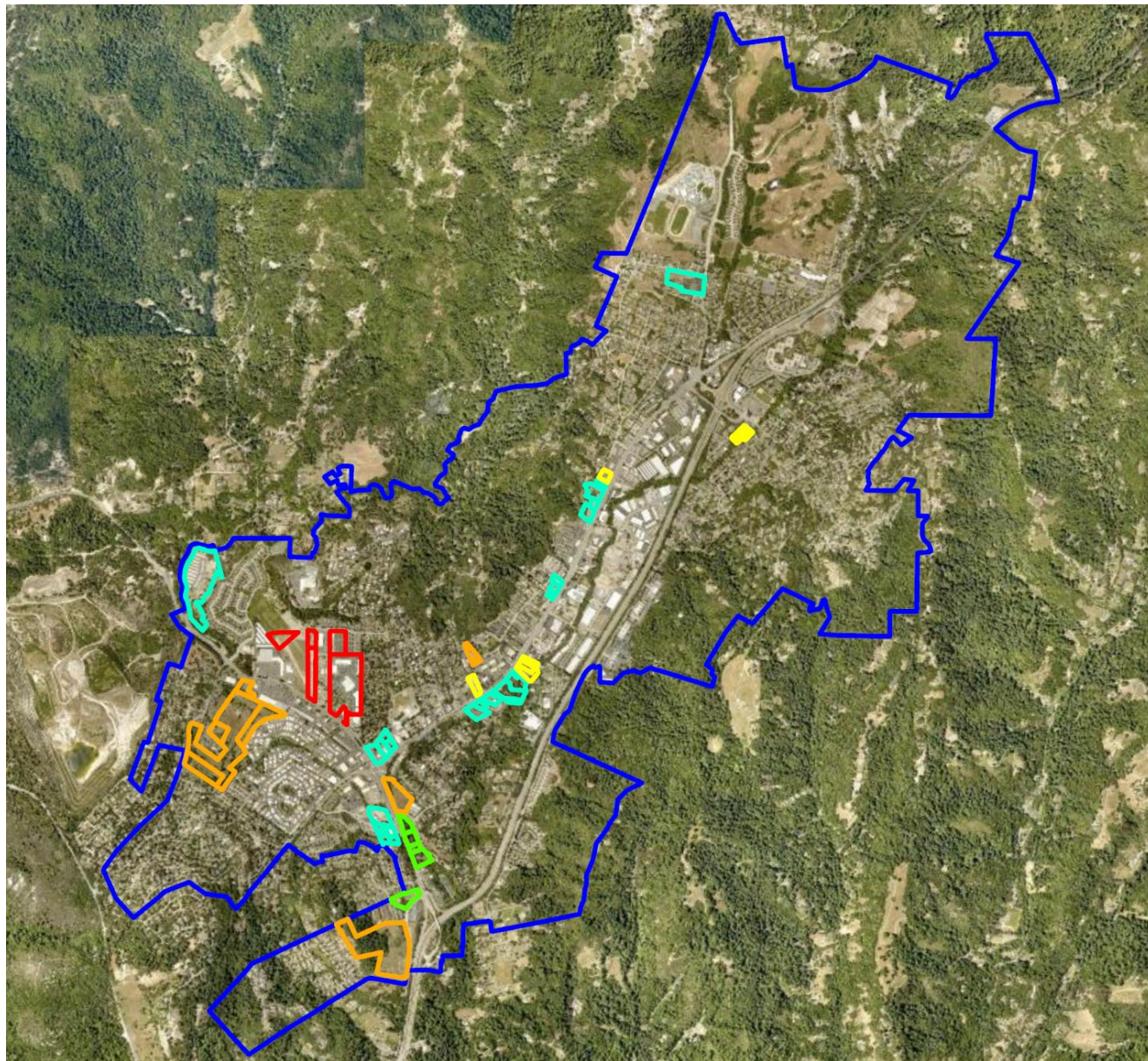
Staff also received recommendations from stakeholders and local property owners to increase the mixed-use residential maximum over the current 50 percent. Based on further guidance from the City Council and Planning Commission from the first Joint Study Session, the number of properties identified for mixed-use rezoning was increased.

[Table 2: 6th Cycle RHNA Sites Inventory Analysis](#) shows the City’s ability to accommodate the 6th Cycle RHNA by income category through a variety of methods, including those listed below. [Figure 1: 6th Cycle Housing Element Sites Inventory – All Sites](#) illustrates the location of the sites.

Table 2: 6th Cycle RHNA Sites Inventory Analysis

Strategies		Very Low Income	Low Income	Moderate Income	Above Moderate Income	TOTAL
6 th Cycle RHNA		392	257	154	417	1,220
Existing Residential Capacity		11		6	66	83
Pipeline Projects		51		13	353	417
Projected ADUs		24		12	4	40
Town Center Specific Plan		427		39	191	657
Rezones	Residential	65		14	89	168
	Mixed Use	318		84	399	801
TOTAL		896		168	1,102	2,166
<i>Percent Over RHNA (Buffer)</i>		<i>38%</i>		<i>9%</i>	<i>164%</i>	<i>78%</i>

Figure 1: 6th Cycle Housing Element Sites Inventory – All Sites



Scotts Valley Housing Element Sites Inventory Analysis - All Sites



Source: City of Scotts Valley
Date: 10/3/2023

Site Categories

- ▭ Pipeline Project
- ▭ Town Center
- ▭ Existing Residential Capacity
- ▭ Mixed-Use Rezone
- ▭ Residential Rezone

Existing Residential Capacity

At the April 5, 2023, Joint Study Session Meeting, the City Council and Planning Commission directed staff the total and above-moderate income “buffer”. In response, Staff removed all vacant residential sites and underutilized residential sites with the zoning capacity to accommodate only above moderate-income units. Only sites with the existing zoning capacity to accommodate low-income units remain in the inventory.

The City has identified five parcels currently zoned for residential with the capacity to accommodate additional housing units for low-income units. Four of these sites are considered underutilized and have a land value that is higher than the improvement value; the sites are considered due to their ability to consolidate to develop a multi-family housing development with affordable units. The fifth parcel is a mostly vacant site.

This resulted in a development capacity of 83 units; 11 affordable to lower income households, six to moderate-income households, and 66 to above moderate-income households.

Pipeline Projects

HCD guidance states that residential projects that are in review, approved, permitted, or receive a certificate of occupancy after the beginning of the RHNA period may be credited towards meeting the RHNA. These projects and their estimated number of units by income type are shown in [Table 3: Pipeline Projects](#).

Table 3: Pipeline Projects

Pipeline Project	Acreage	Net Units	Lower	Moderate	Above Moderate
Erba Lane	0.77	10	1	1	8
Oak Creek Park	3.56	52	6	2	44
Valley Gardens	18.36	171	25	0	144
La Madrona – Gateway South	17.6	184	19	10	155
TOTAL	40.29	417	51	13	353

Accessory Dwelling Units (ADUs)

The City anticipates a total of 40 new ADUs between 2024 and 2031, with approximately five ADUs permitted annually. [Table 4: ADU Projections](#) shows the ADU projections by income category. As established in the Housing Plan's ADU program, the City will establish an ADU monitoring program and will assess trends annually through the Annual Progress Report (APR) process; if gaps are identified between what is anticipated in this analysis and what is built, the City will implement changes within a year.

Table 4: ADU Projections

Income Category	Percentage	Units
Low- and Very Low-Income	60%	24
Moderate-Income	30%	12
Above Moderate-Income	10%	4
TOTAL		40

Per Government Code section 65852.2, ADUs must be permitted in any residential or mixed-use zone – any zone where residential uses are permitted by-right or by conditional use. Additionally, State law states that local governments cannot preclude the creation of ADUs, and any limitations should be accompanied by detailed findings of fact explain why ADU limitations are required and consistent with these factors. The City has a total of 3,856 parcels which currently permit residential uses. This equates to a total of 2,621 acres. As such, the City has a sufficient number of sites with the potential to accommodate the total projected 40 ADUs over the eight-year cycle.

HCD guidelines recommend reviewing past construction trends and inclusion of programs that incentivize ADU construction to inform ADU projections for the 6th Cycle. This will be facilitated through a number of program actions included in the Housing Plan. [Program H-1.1 6th Cycle Regional Housing Needs Allocation](#) addresses the City's total RHNA and its identified housing unit capacity through projects in various strategies, including the projected ADU development. Through [Program H-1.5 Accessory Dwelling Unit Program](#), the City shall facilitate the development of ADUs per State law requirements. The City will establish an ADU monitoring program to track ADU development, review ADU production and affordability levels annually, and implement actions in this Program as a means of promoting increased ADU development.

Town Center Specific Plan

The Town Center Specific Plan area encompasses approximately 58 acres, including 15 acres of vacant land, and is surrounded by a mix of retail and civic uses. The Plan area is made up of multiple parcels with multiple property owners.

As part of the candidate housing sites analysis, the City has identified three City-owned parcels, one METRO-owned parcel (the transit center), and one privately-owned parcel part of the Kings Village Shopping Center. The goal in identifying the City-owned parcels is to directly ensure affordable housing development – the City will coordinate the development of the parcels with affordable housing developers. Regarding the METRO- and privately-owned parcel, the City will coordinate with both to facilitate and promote affordable housing development. [Table 5: Town Center Specific Plan Candidate Sites](#) provides details on each parcel identified. [Programs H1.1 6th Cycle Regional Housing Needs Allocation](#) and [H1.6 Surplus Land Act](#) outline the City's intent to sell the City owned-parcels or partner with an affordable housing developer to a developer for a mixed-use project which includes affordable housing once the Specific Plan Amendment updates are complete. This is anticipated to occur by December 2026.

Table 5: Town Center Specific Plan Candidate Sites

Parcels	Acreage	Density	Realistic Capacity	Net Units	Lower	Moderate	Above Moderate
Skypark Dog Park and Pump Track ¹ (APN 022-721-06)	2	40	80%	64	64	0	0
Vacant Parcel West of City Library ¹ (APN 022-212-19)	1.07	40	80%	32	32	0	0
RV Storage Parcel ¹ (APN 022-601-01)	2.9	40	80%	92	92	0	0
METRO Cavallaro Transit Center (APN 022-212-16)	2.77	40	80%	86	86	0	0

Parcels	Acreage	Density	Realistic Capacity	Net Units	Lower	Moderate	Above Moderate
Kings Village Shopping Center ² (APN 022-601-18)	13.69	40	80%	383	153	39	191
TOTAL	22.43	--	--	657	427	39	191

Notes:

1. City-owned property.
2. Santa Cruz METRO
3. Private property

Rezone Strategies

The City cannot fully accommodate the entirety of its RHNA through existing capacity. As such, two rezone strategies have been identified to expand the City's existing mixed-use zoning on identified sites and rezone particular parcels to accommodate high density residential development.

The intent of the rezones are to create additional residential development opportunities along Scotts Valley Drive and Mount Hermon Road – in areas that provide convenient access to community resources, public transportation, and in areas that have development interest.

Residential Rezones

The City has identified six parcels totaling 4.23 acres to be rezoned to allow high density residential at an expected density of 40 dwelling units per acre. In total, the parcels identified for rezoning have potential to accommodate 65 very low- and low-income units, 14 moderate-income units, and 89 above moderate-income units. The location of these parcels are shown on [Figure 1: 6th Cycle Housing Element Sites Inventory – All Sites](#).

Mixed-Use Rezones

The City currently allows for mixed-use developments with a maximum residential component of 50 percent. The City has identified 29 parcels totaling 36.6 acres to be rezoned to allow for higher density, mixed-use residential at an expected density of up to 40 dwelling units per acre and a commercial requirement lowered down to 30 percent. The City assumes a realistic capacity of 70 percent on these sites to account for the commercial component. This capacity assumption is based on past projects density yields in comparison to what the site could permit at the maximum. On average, a sample size of six past projects noted an average density yield of 83 percent (with the highest yield at 123 percent and lowest yield at 67 percent each).

Parcels identified for mixed-use rezoning have potential to accommodate 318 very low- and low-income units , 84 moderate-income units, and 399 above moderate-income units. The location of these parcels are shown on [Figure 1: 6th Cycle Housing Element Sites Inventory – All Sites](#).

HCD REVIEW

On July 5, 2023, the City of Scotts Valley formally submitted the Housing Element Update for HCD Review. On September 19, 2023, the City revised and resubmitted the Housing Element Update to HCD based on preliminary comments received in mid-September. Revisions to the Housing Element included the following:

- Revisions to Chapter 2: Housing Plan to provide discrete timelines for select programs and policies and addition of programs in compliance with specific State Housing Laws
- Revisions to Appendix C: Housing Constraints to provide additional information on various governmental and non-governmental constraints as they relate to production of affordable housing in Scotts Valley
- Revisions to Appendix E: AFFH to provide more current information on the City's Housing stock as it relates to regional housing stock, compliance with Fair Housing Laws, and background context on housing growth and production in Scotts Valley
- Revisions to Appendix F: Candidate Sites Inventory to provide more information on timing for Pipeline projects, the Town Center Specific Plan, and analysis for rezone sites

The City received formal comments from HCD on October 3, 2023. HCD comments requested additional information on the following items: housing needs, resources, constraints, housing programs, and public participation. On October 20, 2023, the City resubmitted the revised Housing Element for review to HCD. Revisions to the Housing Element included the following:

- Revisions to Appendix A: Review of Past Performance to analyze 5th Cycle Housing Element program effectiveness for specific special needs housing populations in Scotts Valley.
- Changes to Chapter 2: Housing Plan to refine timeframes for program implementation and revisions to programs based on updated Appendix A.
- Revisions to Appendix B: Housing Needs Assessment to reflect updates to Appendix A and Chapter 2 related to the review of past performance and updated housing programs.

- Revisions to Appendix C: Housing Constraints to elaborate on various governmental constraints and discussion of various programs that address the governmental constraints.
- Additional analysis added to Appendix E: AFFH revised to indicate how the location of sites in the candidate sites inventory affirmatively furthers fair housing.
- Revisions to Appendix F: Candidate Sites Inventory to clarify the redevelopment potential and likelihood of development on rezone sites. Also included rezoning of select sites on Scotts Valley Drive from the mixed-use rezone strategy to the residential rezone strategy.

On November 21, 2023, the City received a comment letter from Santa Cruz YIMBY (Attachment 3) regarding additional comments on the Housing Element update. Staff are in the process of reviewing the comments.

ENVIRONMENTAL REVIEW

The Housing Element is exempt from further CEQA review per Section 15061(b)(3), given this project consists of activities covered by the “common sense exemption” that CEQA allows when a project would not cause a significant effect on the environment.

As proposed, the Housing Element would not result in any direct or indirect physical changes to the environment. The Housing Element is a policy document and does not provide entitlements to any specific land use projects. It does not make any changes to the General Plan land use map and does not modify any land use designations, allowed densities, or land use intensities currently established in the General Plan. It neither entitles, proposes, or otherwise requires the construction of new development or rehabilitation of existing development, nor does it change the rate or location of new development.

Rather, the goals, policies, and programs established by the Housing Element only facilitate the development, preservation, and rehabilitation of housing consistent with existing and planned uses, as identified in the General Plan and as mandated under State law. As such, the impacts of the proposed 6th Cycle Housing Element are also covered by the Environmental Impact Report that was certified by the City Council for the General Plan. The proposed modifications to the Housing Element do not create any impacts on the environment that were not previously evaluated as part of the General Plan.

All future proposed housing development projects submitted to the City will be reviewed pursuant to CEQA, when required, concurrent with other permitting and regulatory requirements. Similarly, any future policy changes will be evaluated for CEQA compliance prior to adoption of any such changes.

NEXT STEPS

The deadline for Housing Element certification is December 2023. If the Planning Commission recommends approval of the Housing Element, the City Council will consider adoption of the Housing Element by that date. Until that time, staff will work with HCD to finalize the document and address any outstanding issues. It is anticipated that a Housing Element in substantial compliance with Housing Element Law as provided in Government Code section 65580 et seq. Will be presented to the City Council later this month. The timely development and implementation of a Housing Element is essential to avoid consequences that come from failing to do so. Among these could be the inability of the City to qualify for certain state or federal funding programs for transportation, infrastructure, and housing; shortened deadlines for completing any necessary rezones associated with Housing Element Law compliance; “Builder’s Remedy” projects ²; lawsuits from third party organizations or the State; suspension of local control on building matters; and fines. In a growing effort by the State to increase accountability and enforcement of new State housing laws and to better address the housing needs of Californians, HCD increased its accountability efforts and formed the Housing Accountability Unit (HAU). The HAU is in charge of holding jurisdictions accountable for their Housing Element commitments, as well as compliance with other State housing laws. Violations of these laws may lead to consequences including revocation of housing element certification and/or referral to the California Office of the Attorney General.

RECOMMENDATION

Staff recommends that the Planning Commission recommends that the City Council adopt the 2023-2031 Housing Element update and authorize staff to submit the Housing Element to HCD for certification.

FISCAL IMPACTS

There are no additional financial impacts anticipated as a result of this action. The cost of the Housing Element Update is included as part of the contract agreement approved by City Council on October 5, 2022.

² Government Code section 65589.5(d)(5) prevents jurisdictions without a substantially compliant Housing Element from denying residential projects that meet specific requirements even if they do not comply with the Zoning Code or General Plan. These projects must be predominantly made up of residential uses and meet the affordability threshold.

ATTACHMENTS

Attachment 1 – Resolution No. 1790

Attachment 2 – 2023-2031 Housing Element

Attachment 3 – Comment Letter – Santa Cruz YIMBY (Received November 21, 2023)

RESOLUTION NO. 1790

A RESOLUTION OF THE CITY OF SCOTTS VALLEY PLANNING COMMISSION RECOMMENDING THAT THE CITY COUNCIL ADOPT A GENERAL PLAN AMENDMENT TO REPEAL THE 2015-2023 SCOTTS VALLEY HOUSING ELEMENT AND ADOPT THE 2023-2031 HOUSING ELEMENT OF THE GENERAL PLAN FOR THE PERIOD OF 2023-2031 AND ADOPTING FINDINGS THAT THE PROJECT IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA), IN COMPLIANCE WITH STATE HOUSING ELEMENT LAW.

WHEREAS, the California Legislature has found that “California has a housing supply and affordability crisis of historic proportions. The consequences of failing to effectively and aggressively confront this crisis are hurting millions of Californians, robbing future generations of the chance to call California home, stifling economic opportunities for workers and businesses, worsening poverty and homelessness, and undermining the state’s environmental and climate objectives” (Gov. Code Section 65589.5.); and

WHEREAS, the Legislature has further found that “Among the consequences of those actions are discrimination against low-income and minority households, lack of housing to support employment growth, imbalance in jobs and housing, reduced mobility, urban sprawl, excessive commuting, and air quality deterioration” (Gov. Code Section 65589.5.); and

WHEREAS, the Legislature recently adopted the Housing Crisis Act of 2019 (SB 330) which states that “[i]n 2018, California ranked 49th out of the 50 states in housing units per capita... California needs an estimated 180,000 additional homes annually to keep up with population growth, and the Governor has called for 3.5 million new homes to be built over 7 years”; and

WHEREAS, the State Housing Element Law (Government Code Sections 65580, *et seq.*) requires that the City Council adopt a Housing Element for the eight-year period 2023-2031 to accommodate the City of Scotts Valley (City) regional housing need allocation (RHNA) of 1,220 housing units, comprised of 392 very-low income units, 257 low-income units, 154 moderate-income units, and 417 above moderate-income units; and

WHEREAS, California Government Code section 65300.9 states that with respect to the adoption and administration of general plans, “[t]he Legislature recognizes that the capacity of California cities and counties to respond to state planning laws varies due to the legal differences between cities and counties, both charter and general law, and to differences among them in physical size and characteristics, population size and density, fiscal and administrative capabilities, land use and development issues, and human needs” and further states that “the intent of the Legislature in enacting this chapter [is] to provide an opportunity for each city and

county to coordinate its local budget planning and local planning for federal and state program activities, such as community development, with the local land use planning process, recognizing that each city and county is required to establish its own appropriate balance in the context of the local situation when allocating resources to meet these purposes”; and

WHEREAS, to comply with the State Housing Element Law, Scotts Valley has prepared the 2023-2031 Housing Element, dated December 2023, and incorporated herein by reference (the Housing Element) in compliance with the State Housing Element Law and has identified sites that can accommodate housing units meeting the City’s RHNA; and

WHEREAS, as provided in Government Code Section 65350, *et. seq.*, adoption of the Housing Element constitutes a General Plan Amendment; and

WHEREAS, as provided in Government Code Sections 65352 – 65352.5 the City mailed a public notice to all California Native American tribes provided by the Native American Heritage Commission and to other entities listed; and

WHEREAS, the Housing Element must be adopted to comply with State law, accommodate the RHNA, affirmatively further fair housing, and facilitate and encourage a variety of housing types for all income levels, including multifamily housing (Gov. Code Sections 65583.2 and 65583(c)); and

WHEREAS, the preparation, adoption, and implementation of the Housing Element requires a diligent effort to include all economic segments of the community; and

WHEREAS, the City has conducted community outreach starting in early 2023, including two community workshops, one public meetings, two joint study sessions before the Planning Commission and City Council, and one-on-one meetings with property owners, developers, community members, and community-based organizations; and

WHEREAS, in accordance with Government Code Section 65585 (b), on May 19, 2023, the City posted the draft Housing Element and requested public comment for a 30-day review period, and on July 5, 2023, after responding to public comments and meeting with City Council and Planning Commission, the City submitted the draft Housing Element to the State Department of Housing and Community Development (HCD) for its review; and

WHEREAS, on September 19, 2023, the City resubmitted an updated Draft Housing Element addressing preliminary comments from HCD after completing a seven-day public review; and

WHEREAS, on October 3, 2023, the City received a letter from HCD providing its comments and findings on the draft Housing Element; and

WHEREAS, on October 20, 2023, the City resubmitted an updated Draft Housing Element addressing the comment letter received from HCD, after completing a seven-day public review; and

WHEREAS, on November 22, 2023, the City gave public notice of a Planning Commission public hearing to be held to consider adoption of the 2023-2031 Housing Element; and

WHEREAS, on December 7, 2023, the Planning Commission conducted a duly and properly noticed public hearing to take public testimony and consider this Resolution regarding the 2023-2031 Housing Element, reviewed the Housing Element and all pertinent maps, documents and exhibits, the staff report and all attachments, and oral and written public comments; and

WHEREAS, the City has determined that the Project is exempt from the California Environmental Quality Act ("CEQA") pursuant to Section §15061(b)(3) and Section §15332 of the CEQA Guidelines because it can be seen with certainty that there is no possibility that the proposed 2023-2031 Housing Element Update would have a significant effect on the environment.

NOW, THEREFORE, BE IT RESOLVED that the Planning Commission of the City of Scotts Valley based on the entire record of proceedings, including the oral and written staff reports and all public comment and testimony:

1. Finds that the foregoing recitals are true and correct and are incorporated by reference into this action; and
2. Finds that the 2023-2031 Housing Element substantially complies with Housing Element Law, as provided on Government Code section 65580 et seq., and contains all provisions required by Housing Element Law, including the City's goals, quantifiable objectives, and policies to affirmatively further fair housing and the maintenance, preservation, improvement and development of housing per Government Code Section 65583(b), as shown in Exhibit A to this resolution; and
3. Finds that the 2023-2031 Housing Element shall be incorporated into the City's General Plan as an element required by Government Code section 65302 and is consistent and compatible with the rest of the General Plan; and
4. Finds, as required by Government Code Section 65585(e), that the City has considered the findings made by HCD included in their letter to the City

dated September 19, 2023, consistent with Government Code Section 65585(f), and the City has modified the Housing Element in response to the findings of HCD to substantially comply with the requirements of State Housing Element Law.

5. Recommends that the 2023-2031 Housing Element should be approved by the City Council and that the 2015-2023 Housing Element should be repealed; and
6. Directs the Community Development Director (Director) to transmit the recommendation to the City Council for its earliest action and review as provided by law; and further directs and authorizes the Director to make changes to the Housing Element as required to make it internally consistent, or to address any changes or amendments requested by HCD to achieve a finding of conformance with State Housing Element Law; and
7. Finds that the Project is exempt from the California Environmental Quality Act ("CEQA") pursuant to Section §15061(b)(3) of the CEQA Guidelines.

The above and foregoing resolution was duly and regularly adopted and passed by the Planning Commission of the City of Scotts Valley at a regular meeting held on the 7th day of December 2023, by the following vote:

AYES:

NOES:

ABSENT:

RECUSE:

Lori Gentile, Chair

Taylor Bateman, Community Development Director



Scott Valley 6th Cycle Housing Element 2023 - 2031

HCD Letter Resubmittal

October 2023



Kimley»Horn

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HOUSING ELEMENT



The **Housing Element** identifies and plans for the City of Scotts Valley’s existing and projected housing needs for all economic segments of the community, as well as maintains compliance with all State housing laws. It contains a detailed work program of the City’s goals, policies, programs, and objectives that preserve, improve, and ensure housing for a sustainable future. Each eight-year planning cycle, the City is allocated a specific number of housing units to plan for – the Regional Housing Needs Allocation (RHNA) – and is determined by the Association of Monterey Bay Area Governments (AMBAG). The RHNA quantifies current and future housing growth for all jurisdictions within the region. Through research and analysis, the Housing Element identifies available candidate housing sites and establishes policies and programs to accommodate the RHNA.

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STATE REQUIREMENTS

California State Housing Element Law (California Government Code Article 10.6) establishes requirements for the Housing Element. California Government Code Section 65588 also requires that local governments review and revise the Housing Element of their comprehensive General Plans not less than once every eight years.

Section 65580 of the California Government Code states:

- a.* The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- b.* The successful development of housing requires cooperative participation of government and the private sector to expand housing opportunities and accommodate the housing needs of Californians in all economic levels.
- c.* The provisions of housing, affordable to low- and moderate-income households, requires the cooperation of all levels of the government.
- d.* Local and State governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for housing needs of all economic segments of the community.
- e.* The Legislature recognizes 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 and to cooperate with other local governments and the state in addressing regional housing needs.
- f.* Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality's housing need for all income levels is essential to achieving the state's housing goals and the purposes of this article.

Table 1-1 summarizes the Housing Element requirements and identifies where these requirements are addressed in this document.

Table 1-1: Housing Element Requirements

Housing Element Requirement(s)	Government Code Chapter	Section Reference
Analysis of employment trends.	Section 65583.a	Appendix B
Projection and quantification of existing and projected housing needs for all income groups.	Section 65583.a	Appendix B
Analysis and documentation of the City's housing characteristics, including cost for housing compared to ability to pay, overcrowding, and housing condition.	Section 65583.a	Appendix B
An inventory of land suitable for residential development including vacant sites and sites having redevelopment potential.	Section 65583.a	Appendix F
Analysis of existing and potential governmental constraints upon the maintenance, improvement or development of housing for all income levels.	Section 65583.a	Appendix C
Analysis of existing and potential nongovernmental (private sector) constraints upon maintenance, improvement or development of housing for all income levels.	Section 65583.a	Appendix C
Analysis concerning the needs of the homeless.	Section 65583.a	Appendix B
Analysis of special housing needs: handicapped, elderly, large families, farm workers, and female-headed households.	Section 65583.a	Appendix B
Analysis of opportunities for energy conservation with respect to residential development.	Section 65583.a	Appendix D
Identification of Publicly Assisted Housing Developments.	Section 65583.a	Appendix E
Identification of Units at Risk of Conversion to Market Rate Housing.	Section 65583.a	Appendix E
Identification of the City's goal relative to the maintenance, improvement, and development of housing.	Section 65583.a	Chapter 2
Analysis of quantified objectives and policies relative to the maintenance, improvement, and development of housing.	Section 65583.b	Chapter 2
Identification of adequate sites that will be made available through appropriate action with required public services and facilities for a variety of housing types for all income levels.	Section 65583.c(1)	Appendix F
Identification of strategies to assist in the development of adequate housing to meet the needs of low and moderate-income households.	Section 65583.c(2)	Chapter 2
Description of the Public Participation Program in the formulation of Housing Element Goals, Policies, and Programs.	Section 65583.d	Appendix G
Description of the Regional Housing Needs Allocation (RHNA) prepared by the Association of Monterey Bay Area (AMBAG) Governments.	Section 65583.e	Chapter 1
Analysis of Fair Housing, including Affirmatively Furthering Fair Housing.	Section 8899.50	Appendix E
Review of the effectiveness of the past Housing Element, including the City's accomplishments during the previous planning period.	Section 65583.f	Appendix A

Source: State of California, Department of Housing and Community Development.

REGIONAL HOUSING NEEDS ALLOCATION

Government Code Section 65583 sets forth the requirements of local jurisdictions to provide their “fair share” of regional housing needs. RHNA is the methodology used for determining housing need by income category and is based on trends in population, households, and employment. The statewide determination is under the administration of California Department of Housing and Community Development (HCD), who reviews, certifies, and enforces Housing Elements. The quantified housing need is then allocated among the State’s 18 Metropolitan Planning Organizations (MPOs) – AMBAG for the City of Scotts Valley.

In accordance with California Government Code Section 65583, AMBAG is tasked with creating a methodology for distributing the RHNA to its member jurisdiction. The City’s RHNA is divided into four income categories, which is based on the Santa Cruz County HUD Area Median Family Income (HAMFI) for an assumed family of four. Table 1-2 identifies the Scotts Valley’s RHNA by household income category for the 2023-2031 planning period.

Table 1-2: City of Scotts Valley 6th Cycle RHNA by Income Category

Income Category	Percent of HUD Area Median Family Income (HAMFI)	RHNA
Very Low-Income	0-50% HAMFI	392
Low-Income	51-80% HAMFI	257
Moderate-Income	81-120% HAMFI	154
Above Moderate-Income	>120% HAMFI	417
Total RHNA		1,220

*The Scotts Valley AMI is \$119,300 for a family of four, according to the 2022 HCD Income Limits.

RELATIONSHIP TO OTHER GENERAL PLAN ELEMENTS

The Housing Element works in tandem with all Scotts Valley General Plan Elements. The General Plan was adopted in 1994. In 2012 the City began the process to update the Plan through 2040. The other Elements of the Scotts Valley General Plan include those listed below. The Housing Element must remain consistent with each of these Element.

- Land Use
- Circulation
- Open Space and Conservation
- Noise
- Safety
- Public Service and Facilities
- Parks and Recreations

The Land Use Element is the guide for decision makers on the pattern, distribution, density, and intensity of land uses that help the City achieve its vision for the future. By designating

residential development, the Land Use Element establishes the densities and types of housing units constructed in the City. Land use patterns and decisions are influenced by:

- Population
- Economic growth (which create market demand)
- Transportation access and opportunities
- Availability of infrastructure
- Environmental constraints
- Quality of life reflected in parks and recreational actives
- Look and feel of the City
- Cultural amenities

The presence and potential for jobs affects the current and future demand for housing at the various income levels in the City.

The Housing Element also works with the Circulation Element to connect housing, community resources and services, employment, and recreation. Scotts Valley's Circulation Element supports continuing programs to improve travel by vehicles, bikes, and walking. It also provides guidance on expanding options for transit and active transportation. In conjunction with the Housing Element, the Circulation Element provides policies and incentives that consider the types of infrastructure essential for residential developments, in addition to mitigating the effects of growth in the City.

The Housing Element has been reviewed for consistency with the 1994 General Plan Elements; policies and programs are generally consistent with the policy direction contained in other parts of the Scotts Valley General Plan. The Land Use Element will need to be revised to include the rezones proposed in this Housing Element. As the General Plan is currently undergoing an update, it will need to consider the policies and programs included in the Housing Element for consistency.

PUBLIC PARTICIPATION

Public participation is a vital component to the Housing Element update process. Public engagement creates opportunities for community members to provide their input and feedback, information which then directs the Housing Element's goals, policies, and programs. Section 65583 of the Government Code states, "local government[s] shall make diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort." Community participation ensures that a variety of stakeholders and community members are offered a platform to engage in the City's planning process.

As required by Government Code Section 65585(b)(2), all written comments regarding the Housing Element have been provided to each member of the City Council. Appendix G contains all outreach conducted and public comments received during the update process.



The Housing Element’s fundamental priority is to provide housing that fulfills the diverse needs of the Scotts Valley community – the [Housing Plan](#) provides the methodology to achieve that. The goals and policies contained in this chapter address Scotts Valley’s identified housing needs, which are implemented by a series of housing programs. Housing programs include current City efforts and new initiatives that address the City’s unmet housing needs and updates to State housing law.

Goals, Policies & Programs

Goal H-1 Promote a balanced mix of housing types, prices, and opportunities by increasing the number of housing units to accommodate population and employment growth.

Policies

- Policy H-1.1** **Housing Variety**
Encourage the production of new residential development which provides a choice of housing type, density, and cost to meet the housing needs of all segments of the community.
- Policy H-1.2** **Appropriate Infrastructure**
Ensure that new residential sites have appropriate community services and public facilities, including streets and roadways, water, sewer, and other needed infrastructure.
- Policy H-1.3** **Mixed-Use Development**
Facilitate and encourage the development of mixed-use residential and commercial projects at appropriate locations along major corridors, within established design guidelines.
- Policy H-1.4** **Affordable Housing Development Incentives and Concessions**
Offer regulatory incentives and concessions for affordable housing, such as modified development standards, density bonuses, or fee waivers where deemed to be appropriate.
- Policy H-1.5** **Town Center Specific Plan**
Continue to support the development of Town Center to provide a range of housing types, retail, commercial uses, public facilities, and open space that serve as the focal point for the community.
- Policy H-1.6** **Quality Affordable Housing**
Encourage density levels and incentives, for affordable housing, sufficient to facilitate the production of quality affordable housing.

Programs

Program H-1.1 6th Cycle Regional Housing Needs Allocation

The City has a total RHNA of 1,220. State law requires the City to identify sites to accommodate its fair share allocation for the 2023-2031 planning cycle. The City has identified housing unit capacity through projects in the pipeline, projected ADU development, and the Town Center Specific Plan. To meet the remaining RHNA need across all income categories, the City has identified the rezone actions listed below, including increased density residential rezones and mixed-use rezones with higher residential percentages at higher densities.

Additionally, the City shall continue to use the Town Center Specific Plan and appropriate zoning to ensure that adequate sites are available (as defined by Government Code section 65583) to accommodate the City's RHNA for all income categories throughout the planning period.

The City shall also monitor housing development city-wide on an ongoing basis to ensure that the sites identified in Appendix F are developed at densities appropriate for fulfilling its RHNA requirement for the 6th Cycle. Should a project be approved on a sites with a lower density than that identified in the 6th Cycle Housing Element, the City will assess its continued ability to accommodate the RHNA. Should the project result in a shortfall in sites, the City will address the "No Net Loss" requirements by identifying additional sites to replenish the candidate sites inventory in accordance with State law within 180 days.

Actions:

- **Residential Rezones:** Adopt a zoning ordinance and General Plan Land Use amendment to rezone 4.23 acres on 6 parcels (identified in Appendix F) to permit residential uses ranging up to a density of 40 dwelling units per acre. The rezoning would accommodate 168 units, including 65 lower income units.
- **Mixed-Use Rezones:** Adopt a zoning ordinance and General Plan Land Use amendment to rezone 36.6 acres on 29 parcels (identified in Appendix F) to permit mixed-use developments ranging up to a density of 40 dwelling units per acre with up to 70 percent residential. The rezoning would accommodate 801 units, including 318 lower income units.
- **Town Center Specific Plan:** Adopt a Specific Plan amendment to allow for residential development at the scale established in Appendix F:

- The City is in contract to remediate surface soil contamination by December 2023. [Remediation efforts have begun as of October 2023.](#)
- By December 2025, amend the Specific Plan to increase the density for residential uses on the City-owned sites identified in Appendix F.
- By December 2026, complete the necessary rezonings to accommodate the increased density.
- Continue to implement appropriate zoning to ensure that adequate sites are available (as defined by Government Code section 65583) to accommodate the City’s RHNA for all income categories.

Responsible Agency: Planning Department
Funding Source: General Fund
Timeframe: Adopt rezones within 3 years of the 6th Cycle Housing Element statutory deadline

Program H-1.2 By-Right Development Program

AB 1398 states that a jurisdiction which cannot identify sufficient sites to adequately accommodate its regional housing need must commit to rezone properties within three years to allow “by-right” development of 20 percent Below Market Rate (BMR) projects.

Additionally, AB 1397 amended Housing Element Law to require that sites identified in prior Housing Elements must be allow residential developments “by-right” if they offer at least 20 percent affordable units and meet the standards established by the Government Code.

The City will establish a By-Right Development program to comply with State law [and all requirements established in Government Code section 65583.2 \(c\), \(h\), and \(i\).](#)

Actions:

- Adopts and implement a By-Right Development Program to comply with the AB 1398 and 1397 requirements, [as well as requirements established in Government Code section 65583.2 \(c\), \(h\), and \(i\).](#)

Responsible Agency: Planning Department
Funding Source: General Fund
Timeframe: By January 2025

Program H-1.3 Sites Inventory Monitoring Program

Establish a Sites Inventory Monitoring Program consisting of an ongoing record of the number of units and income categories of the development approved on sites listed in the Housing Element, to ensure that the City at all

times maintains an ongoing supply of available sites with appropriate densities to meet projected housing needs for all income categories. As part of the Annual Progress Report, the City will monitor the progress of pending projects, ADU projections, and development on City-owned parcels, parcels with existing residential capacity, and rezoned parcels. If residential development is not sufficiently progressing towards building permits or if the City is not meeting the pro-rated share of the RHNA at all income levels by midway through the planning period, the City will evaluate its sites inventory and capacity to maintain adequate sites throughout the planning period and, if necessary, identify strategies to streamline and/or assist projects through entitlement (including, but not limited to, technical assistance, expedited review, and/or support of funding applications), adopt amendments to the ADU development regulations, or implement other strategies, such as General Plan and zoning changes to allow for greater residential densities.

The City will also make findings required by 'no net loss' law (Section 65863) if projects are approved with fewer units or different income categories than shown in the Housing Element. If project approval results in fewer units in any income category to meet the City's remaining RHNA, take action, including rezoning, within 180 days to make adequate sites available.

Actions:

- Establish and maintain a Sites Inventory Monitoring Program.
- Adopt findings with each City approval for residential projects identifying the breakdown of units by income category and establish whether 'no net loss' findings to be made, if either fewer units are developed than shown in the housing element, or if the units are being developed in different income categories than projected. If 'no net loss' findings must be made, the City must either find that it is maintaining enough sites to accommodate the remaining RHNA, or if there are not enough sites to accommodate the remaining RHNA. If there are not enough sites, the City has 180 days to make adequate sites available.
- Annually monitor the progress of pending projects, ADU projections, and development on City-owned parcels, parcels with existing residential capacity, and rezoned parcels through the APR.
- If residential development is not sufficiently progressing towards building permits or if the City is not meeting the pro-rated share of the RHNA at all income levels by December 2028, the City will identify strategies to maintain adequate sites throughout the planning period.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Establish a Sites Inventory Monitoring Program by January 2025; adopt findings with each City-approval for residential projects on a Housing Element site; annually monitor development progress through the APR.

Program H-1.4 **Planned Development**

Provide development flexibility through the Planned Development District (PD). The PD District is designed to enable projects to modify specific development standards for a site that facilitate quality development and respond to unique site or environmental conditions. For example, a PD district allows for increased site intensities, location and height than normally allowed under the Zoning Code. In these cases, the PD district provides a means of flexibility to secure modifications to otherwise set development standards. PD districts are not pre-established throughout the City; rather, an applicant would apply for one if they were seeking to modify specific development standards.

Actions:

- Continue to provide flexible design through the PD zoning district.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: On a project-by-project basis.

Program H-1.5 **Accessory Dwelling Unit Program**

The City shall facilitate the development of Accessory dwelling units (ADUs; also referred to as secondary dwelling units or “granny units”) per State law requirements. ADUs are accessory to a primary residence and include complete independent living facilities. ADUs may be detached or attached to the primary structure; converted existing space, such as a garage, storage area, or similar use; or a Junior ADU (JADU) which is entirely contained within an existing or proposed single-family residence. Existing single-family parcels may provide a cost-effective solution for current housing needs through ADU development.

State law updates since 2016 have played an important role in facilitating ADU development. The City will modify its current “Secondary Dwelling Unit Program” from the 5th Cycle Housing Element to comply with changes in State law regarding ADUs. This will include updating the City’s “Secondary Dwelling Unit” to comply with State law.

The City will establish an ADU monitoring program to track applications and affordability to ensure adequate ADU development is occurring to meet the 6th Cycle RHNA goals. The City will review ADU production and affordability levels annually to determine if assumptions made in the Housing Element are accurate. If assumptions are not met, and depending on the results of the survey, the City will take additional actions, which could include additional public outreach efforts, modifications to processes, further streamlining and incentivization, rezoning additional sites, or similar actions.

The City will also implement the actions listed in this Program as a means of promoting increased ADU development, as projected in Appendix F of this Housing Element, and facilitating the development of affordable ADUs.

Actions:

- Modify the current “Secondary Dwelling Unit Program” from the 5th Cycle Housing Element to comply with changes in State law regarding ADUs. This will include updating the City’s “Secondary Dwelling Unit” Ordinance in compliance with State ADU laws. Submit revised ordinance to HCD in compliance with State law.
- Establish and promote permit-ready ADU plans to minimize design costs, expedite permit processing, and provide development certainty.
- Establish and maintain an ADU Manual guiding applicants through the permitting and construction of an ADU.
- Establish and maintain an ADU webpage informing the community on ADU related codes, processes, and incentives.
- Establish an incentive program for deed-restricted affordable ADUs such as waived permitting fees and/or priority processing.
- Establish an ADU monitoring program, and by the mid-cycle point of the planning period, if assumptions for production and affordability are not meeting what was assumed, then the City will implement changes within one year. Changes include, but are not limited to, additional outreach and incentives. If the gap between assumptions and production is “large” then the City will identify additional capacity in the inventory and rezone, if applicable.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Amend the “Secondary Dwelling Unit Program” by January 2025; Establish permit-ready ADU plans, an ADU Manual, an ADU webpage, an incentives program by January 2026. Monitor ADUs annually through the APRs and if assumptions for production and affordability are not meeting what was assumed then the City will implement changes within one year.

Program H-1.6 Removal of Residential Development Constraints

The City shall facilitate housing development, particularly affordable housing, by reviewing residential development standards for possible constraints. The City will continue to monitor development trends and meet with the development community to discuss the permitting and development process.

As of May 2023, the City requires two parking spaces for each multi-family dwelling units, plus one space for each five units. Per HCD guidance, this requirement may create a constraint to the development of affordable housing units. The City will conduct research and adopt changes to the parking requirements to address this constraint, including, but not limited to, a sliding scale based on the number of bedrooms or a set reduced requirement no greater than 2 spaces per unit.

Through the rezoning process, the City shall review its applicable residential development standards and may amend or establish certain standards for the identified zones, including, but not limited to, height limits. The City will not establish more constrictive development standards during rezoning.

Actions:

- Conduct a comprehensive study of residential development standards applicable to developments in zones that permit residential uses to determine which standards are potential constraints to housing.
- Adopt a Zoning Ordinance amendment to residential development standards to address and reduce constraints, including parking requirements for multi-family developments such as, but not limited to, a sliding scale based on the number of bedrooms or a set reduced requirement no greater than 2 spaces per unit.
- Annually review development trends and biennially meet with the development community to receive input and feedback. If constraints are identified that inhibit the development of affordable housing, adopt changes within two years.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Conduct a study of development standards by zoning designation within one year of the Housing Element Statutory deadline; Adopt an amendment to the Zoning Ordinance by January 2026; Annually review development trends and biennially meet with the development community; if constraints are identified throughout the Planning Period, adopt changes within two years.

Program H-1.7 Mixed-Use Development

The City shall continue to allow for mixed-use developments along corridors to create opportunities for higher density residential paired with commercial uses that promote convenient access to jobs, shopping services, recreation, and multi-modal transportation. Residents in these developments and adjacent neighborhoods may benefit from less dependency on single-vehicle occupancy resulting in decreased congestion, reduced emissions, and decreased household expenses for vehicle use.

Through Program H-1.1, the City shall rezone 29 parcels to allow for a density of up to 40 dwelling units per acre and a residential component of 70 percent in order to facilitate the development of 801 possible units.

Actions:

- Adopt development incentives, such as, but not limited to, decreasing the commercial component for projects that include a greater number of affordable units, for candidate sites identified for mixed-use rezoning.
- Annually meet with the development community and property owners to identify development opportunities and interest.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Adopt development incentives in conjunction with the rezones; annually meet with the development community and property owners

Program H-1.8 Facilitation of Affordable Housing Development

In addition to rezoning strategies to facilitate affordable housing development, the City shall expand the existing Inclusionary Housing Ordinance city-wide which require developers of housing units to restrict some units to moderate-, low-, very low-, and/or extremely low-income households. The City shall also collaborate with affordable housing developers to identify opportunities, incentives, and funding to facilitate affordable housing development.

Actions:

- Amend the City's Inclusionary Housing Ordinance to apply city-wide, restrict units based on affordability.
- Annually meet with the development community and property owners. Based on the feedback received, adopt changes, incentives, and seek funding to facilitate affordable housing development.
- Create and maintain information on the City's website on the development of affordable housing.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Amend the Inclusionary Housing Ordinance by January 2027; Meet with the development community and property owners annually; create an informational webpage by January 2027

Program H-1.9 Senate Bill 330

The City shall continue to comply with SB 330 restrictions for residential developments. This includes: 1) suspending enactment of local downzoning and housing construction moratoriums; 2) requiring timely processing of housing permits following existing local zoning rules; 3) lifting required parking minimums; 4) eliminating certain fees on low income units; 5) postponing requirements for voter approval of zoning, general plan changes; 6) protecting rent controlled or Section 8 units from demolition; and 7) requiring resettlement benefits and first right of refusal in new units or compensation for rehousing for renters who may be displaced.

Actions:

- Continue to comply with SB 330 restrictions.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Through the end of the SB 330 10-year timeframe.

Program H-1.10 Surplus Land Act

The Surplus Lands Act (SLA) of California (Government Code Section 54220 et. seq.) and AB 1486 (2019) requires the City to declare property to be “surplus land” before the City can take any action (sale or lease) to dispose of the property. Surplus land is land deemed not necessary for a local agency’s use, including that according to a local agency’s plan, including but not limited to, utility sites or land used for conservation purposes. The City will maintain a list of all surplus City-owned lands, including identification of address, APN, General Plan land use designation, zoning, current use, parcel size, and status (surplus land or exempt surplus land), in accordance with State Housing Law. In accordance with State Housing Law, should surplus land be identified in the future, the City will work with non-profits and public agencies to evaluate the feasibility of transferring surplus city-owned lands not committed to other City purposes for development of affordable housing by the private sector. The inventory will be updated annually in conjunction with the Annual Progress Report program. Any disposition of future surplus lands shall be conducted consistent with the requirements of Government Code Section 54220 et. seq.

The City has identified sites in the Appendix F that are owned by the City and are planned to accommodate a portion of the City's Regional Housing Needs Allocation (RHNA) during the Planning Period. In accordance with the Surplus Lands Act, these sites are planned to be put out to competitive bid and sold to a developer as part of a mixed use project. The project will be larger than one acre mixed use development with a minimum of 300 residential units, at least 25% of which are reserved for lower income households.

Actions:

- By December 2026, declare City-owned sites (APNs 022-721-06, 022-212-19, 022-601-01) as surplus and approve a resolution making the findings that the project will be put out to competitive bid and will be larger than one acre mixed use development with a minimum of 300 residential units, at least 25% of which are reserved for lower income households. A successful bidder will be required to enter into a regulatory agreement establishing the minimum affordability requirements.
- The City shall provide assistance to a successful bidder by offering technical assistance; facilitating entitlements; assisting with funding, as available, and/or supporting funding applications.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: By December 2026, declare City-owned sites (APNs 022-721-06, 022-212-19, 022-601-01) as surplus and approve a resolution making the findings that the project will be put out to competitive bid and will be larger than one acre mixed use development with a minimum of 300 residential units, at least 25% of which are reserved for lower income households.

Program H-1.11 Non-Vacant Sites Development

The City has identified a number of non-vacant candidate sites to accommodate future potential housing development. These sites were assessed for their likelihood and potential for redevelopment. To facilitate the residential development of these non-vacant candidate sites, the City will provide additional incentives such as, but not limited to, technical assistance, support funding applications, and reduced development standards.

Actions:

- Provide additional incentives on a project-by-project basis such as, but not limited to, technical assistance, support funding applications, and reduced development standards.
- Engage property owners annually to discuss development opportunities.
- See Program H-1.3 for additional actions should development not occur as anticipated in this Housing Element.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Provide incentives on a project-by-project basis; Engage property owners annually

Goal H-2 Foster high-quality, safe, and livable housing and residential neighborhoods through the preservation of Scotts Valley’s current housing stock. Preserve the City’s supporting services and programs that are intended to maintain and preserve the quality, the continued availability, and the affordability of housing and the City’s residential neighborhoods.

Policies

- Policy H-2.1 Property Maintenance Standards**
Maintain the quality of ownership and rental housing through periodic revision and enforcement of housing and property maintenance standards.
- Policy H-2.2 Access to Infrastructure**
Continue to support the repair and upgrade of infrastructure, services, and public facilities in existing neighborhoods.
- Policy H-2.3 High Quality Residential Design**
Continue to ensure residential projects are of high quality and thoughtful design through the implementation of architectural and design standards.
- Policy H-2.4 Preservation of Affordable Housing**
Preserve the supply of affordable rental housing, including mobile home parks, and subsidized rental housing, and special needs housing.

Programs

- Program H-2.1 Code Enforcement**
Continue to enforce City ordinances related to property maintenance, building conditions, and other issues through the City’s Building Department. Zoning and building codes are designed to preserve housing in good condition and maintain the quality of neighborhoods.

Actions:

- Continue to implement an active code enforcement program through the Building Department and inform residents of rehabilitation assistance grants when available at City Hall and on the City's website. Also continue to offer online and physical forms for residents to submit Code Enforcement complaints through.
- Conduct a biennial review of code enforcement cases to identify potential trends in the location or type of case. Adopt prevention and assistance programs if trends are identified to proactively decrease future issues.

Responsible Agency: Planning and Building Departments

Funding Source: General Fund

Timeframe: Implement an active code enforcement program throughout the Planning Period; provide information at City Hall and online by January 2027; Conduct a biennial review of cases – if trends are identified adopt prevention assistance programs within one year

Program H-2.2 Design Review

Continue to require Design Review to ensure that new housing projects blend in with the character of the neighborhood, respect topographical and environmental features in Scotts Valley, and ensure compatibility with surrounding land uses. Design Review is required for mixed-use projects, multifamily residential projects, and projects located in the hillside combining district.

Actions:

- Continue to review projects to ensure consistency with the General Plan Zoning Ordinance and area design guidelines. Priority processing will go to affordable housing projects.
- Review the Residential Design Handbook and design review process for subjective language and adopt modifications.
- Adopt objective design standards for all residential uses.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Review projects and provide priority to affordable housing projects as applications are submitted; Review the Residential Design Handbook and design review process and adopt modifications by January 2025; Adopt objective design standards by January 2025

Program H-2.3 Monitor and Preserve Affordable Housing

The City will inventory and gather information to proactively monitor publicly assisted housing units that have the potential to convert to market rate. Appendix E of this Housing Element identifies 22 affordable units at-risk of conversion through 2033.



The City will continue to monitor the status of projects and provide technical and financial assistance as feasible to ensure the projects remain affordable for the long-term.

Actions:

- Continue to maintain the Affordable Housing Opportunities Database with detailed information on all subsidized units, including those that have affordability covenants.
- Pursue funding sources such as HUD Section 208/811 loans, HOPE II and II Homeownership Program funds, HOME funds, CDBG funds, Low-Income Housing Tax Credit Programs, California Housing Finance Agency single-family and multi-family programs, and other similar programs to stimulate private developer and non-profit entity efforts in the development and financing of housing for lower and moderate-income households.
- Pursue partnership opportunities with non-profits to preserve and expand affordable housing in the City, as well as to provide educational opportunities and assistance for tenants.
- Pursuant to Government Code sections 65583.2(g)(3), 65915(c)(3), and 66300(d), ensure that when existing housing is demolished, at least an equivalent number of units are created, and that lower income housing and relocation payments are required as specified by these statutes.
- Coordinate with property owners to preserve affordable units at risk to maintain and extend affordability. This may include technical assistance, funding application support, and/or recommending agencies or organizations that may provide additional assistance.
- Comply with noticing requirements pursuant to Government Code section 65863.10.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Maintain the Affordable Housing Opportunities Database throughout the Planning Period; Annually pursue funding sources and partnerships until at-risk units are maintained; Begin coordination with property owners upon adoption of the Housing Element and outreach annually until at-risk units are maintained

Program H-2.4 **Mobile Home Park Conversion Ordinance**

Continue to implement the City's Mobile Home Park Conversion Ordinance which recognizes that the unrestricted conversion of mobile home parks to other uses can further diminish the availability of mobile home parks and rental space and can subject tenants to the costs and inconvenience of relocation. The Ordinance provides a formal application procedure for mobile home park conversion and requires approval by the Planning Commission or City Council.

Actions:

- Continue to implement the Mobile Home Park Conversion Ordinance in an effort to protect existing mobile home parks and the supply of affordable housing, subject to the limitations imposed by State law.
- Provide information on the Mobile Home Park Conversion Ordinance and other fair housing information on the City's website and at City Hall.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Implement the Mobile Home Park Conversion Ordinance throughout the Planning Period; Provide information at City Hall and online by January 2027

Program H-2.5 **Mobile Home Park Rent Stabilization Ordinance**

Continue to implement the Mobile Home Park Rent Stabilization Ordinance which recognizes the need to protect the residents of mobile homes from unreasonable space rent increases, while at the same time recognizing the need for mobile home park owners to receive a reasonable income and return on investment. The City receives, investigates, and holds hearings on requests for rent adjustments through the City's Mobile Home Rent Review Commission.

Actions:

- Continue to implement the Mobile Home Park Rent Stabilization Ordinance in an effort to promote and enhance fairness in the economic relationship between mobile home park owners and mobile homeowners.
- Provide information on the Mobile Home Park Conversion Ordinance and other fair housing information on the City's website and at City Hall.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Implement the Mobile Home Park Rent Stabilization Ordinance throughout the Planning Period; Provide information at City Hall and online by January 2027^e



Program H-2.6 Development of Large Lots

The City shall adopt a program to facilitate the development of lots larger than ten acres, particularly for the development of affordable housing units. This includes, but is not limited to, streamlining parcelization of these large sites and providing technical assistance to property owners and developers seeking to develop a parcel over ten acres.

The City shall provide information on this program online and promote it as an option when meeting with potential developers and property owners.

Actions:

- Adopt and implement a program to facilitate the development of lots larger than ten acres.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Adopt and implement the program by January 2026

Program H-2.7 SB 35 Streamlining

The City shall establish written procedures to comply with California Government Code Section 65913.4 and publish those procedures for the public, as appropriate, to comply with the requirements of Senate Bill 35 (SB 35), Chapter 366 Statutes 2017. These requirements apply at any point in time when the City does not meet the State mandated requirements, based upon the SB 35 Statewide Determination Summary Report for Housing Element progress and reporting on Regional Housing Needs Assessment (RHNA). The City shall process development projects with at least 50 percent affordable units through a streamlined permit process set forth in State law. All projects covered by SB 35 are still subject to the objective development standards of the Municipal Code, including the Building and Fire Codes. However, qualifying projects cannot be subject to discretionary review or public hearings; and in many cases, the City cannot require parking. Reduced parking requirements would be established consistent with the requirements of SB 35 for qualified streamlining projects.

Actions:

- Establish SB 35 procedures and provide information online.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Establish and implement the program by January 2026

Program H-2.8 Lot Consolidation

In its candidate sites inventory, the City has identified sites that are less than half-an-acre in size. The City will facilitate the consolidation of vacant and underutilized lots for residential development through incentives such as, but not limited to, technical assistance, reduction in lot size and setback requirements, and/or parking reductions. Consolidation will provide the opportunity to develop vacant and underutilized lots to their fullest potential. The City will evaluate the appropriateness of a variety of incentives and provide this information to the developers and other interested parties through the City's website and at City Hall.

Actions:

- Facilitate the consolidation of vacant and underutilized lots or residential development.
- Adopt and promote incentives online and at City Hall.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Adopt and implement the program by January 2026

Goal H-3 Expand and protect a range of housing opportunities for all demographic, economic, and special needs groups in the community.

Policies

- Policy H-3.1 Housing for Special Needs Groups**
Encourage the provision of support and housing services for special needs groups, including seniors, large families, disabled persons, persons with developmental disabilities, single parents, college students, persons experiencing homelessness, farmworkers, and others.
- Policy H-3.2 Partnerships with Nonprofit Housing and Service Providers**
Work with nonprofit housing and service providers to ensure that housing and supportive service needs of residents are met.
- Policy H-3.3 Promote Equal Housing Opportunities**
Promote equal housing opportunities and discourage discrimination in the sale, rental, or occupancy of housing.

Programs

- Program H-3.1 Promoting Housing Choice Voucher (HCV) Program**
The City shall promote the Housing Choice Voucher (HCV) Program which extends rental subsidies to very low-income households. The program offers a voucher that pays the difference between the current fair market rent established by the Santa Cruz County Housing Authority and what a tenant can afford to pay (i.e. 30 percent of household income).
- The HCV Program also includes a homeownership opportunity – renters who have participated in the Program for a minimum of one year, are ready to buy a house, and are pre-qualified for a mortgage loan from a participating lender, may have their monthly housing assistance payment applied to a mortgage payment rather than rent. A three percent down-payment is required to be paid by the prospective homebuyer. As the City has little control over how the County's programs are administered, the City will facilitate information sharing and coordination with the County.

Actions:

- Continue to participate in the Housing Authority of Santa Cruz County Voucher Rental Assistance Program.
- Annually host an informational workshop with the Housing Authority of Santa Cruz County for renters, property owners, and prospective homeowners to provide information on the voucher program and source of income discrimination, as well as increase participating properties.
- Continue to refer residents to the County program and provide information at City Hall and on the City's website.
- Biennially outreach to property owners and landlords to market the voucher program and enforce State law banning source of income discrimination.

Responsible Agency: Planning Department; Housing Authority of Santa Cruz County

Funding Source: HUD HCD Fund

Timeframe: Continue to participate in the Housing Authority of Santa Cruz County Voucher Rental Assistance Program and refer residents throughout the Planning Period; Annually host a workshop; Biennially outreach to property owners

Program H-3.2 Affirmatively Furthering Fair Housing

Pursuant to Assembly Bill 686 (AB 686), the City shall affirmatively further fair housing by taking meaningful actions that foster inclusive communities free from barriers that restrict access to opportunities based on protected characteristics, as defined by State law.

Based on analysis in Appendix E, Scotts Valley is made up of high resource areas with high economic, education, and in proximity to employment sources. Scotts Valley households may currently be defined as mostly White, affluent, and with no risk of displacement. Residents in the City also benefit from very low environmental burdens. Given the City's high quality level of living and access to resources, this program's actions aim to create opportunities for increased diversity and access to a variety of affordable housing options. The actions also aim to protect the City's existing lower income population from possible displacement. In the process, the City shall collaborate with the community, stakeholders, and appropriate organizations and agencies to address potential fair housing issues.

Actions	Geographic Target	Timeframe
Housing Mobility Strategies		
Create and promote informational materials on the location of participating voucher properties and availability of voucher programs/financial assistance. See Action H-3.1.	City-wide.	By January 2026; throughout the Planning Period
Annually outreach to landlords to expand the location of participating voucher properties.	Census tracts 12.08, 12.09, 12.12.	Annually throughout the Planning Period
Partner with the Santa Cruz Housing Authority to host an annual educational workshop on voucher programs and source of income discrimination.	City-wide.	Annually throughout the Planning Period
Extend housing choice voucher search times for particular groups, such as larger families with children or persons with disabilities. Aim to assist 20 households with special needs access housing choice vouchers.	City-wide and aimed at special housing needs populations in the City.	By January 2026
Affirmatively market government assistance and new affordable housing units, as available, to community organizations and agencies assisting lower income households in the region. Promote the information in multiple languages on the City's website and at City Hall.	City-wide with a goal of addressing RCAAs.	As new units and resources become available; annually throughout the Planning Period
Affirmatively further fair housing for Black, Indigenous, and other People of Color, particularly those disabilities by facilitating the development of extremely low-income units. Aim to develop 20 new extremely low-income units.	City-wide	Throughout the Planning Period
New Housing Choices and Affordability in Areas of Opportunity		
Continue to implement the Inclusionary Housing Below Market Rate (BMR) Program. See Action H-1.8.	City-wide and on candidate sites.	Throughout the Planning Period and as project applications are submitted
Facilitate the development of ADUs at affordable rates. See Action H-1.3.	City-wide and with added focus on single-family neighborhoods.	Throughout the Planning Period
Facilitate the development of affordable housing units for special housing needs population. This may include, but is not limited to, technical assistance, support for funding applications, permitting fee waivers, and development standards concessions, and other similar actions.	Along Mount Hermon Road and Scotts Valley Drive – in close proximity to community resources and services.	Throughout the Planning Period and as project applications are submitted
Review future policies and programs for potentially restrictive practices that would limit diversity in the Racially Concentrated Areas of Affluence (RCAAs).	Census tracts 12.08, 12.09, 12.12.	Annually and as issues are raised

Actions	Geographic Target	Timeframe
Establish specific incentives for the development of affordable units in the RCAAs including, but not limited to, permit streamlining and reduced fees.	Census tracts 12.08, 12.09, 12.12.	By January 2026
See Program H-1.1 for rezone strategies.		
Place-Based Strategies to Encourage Community Conservation and Revitalization		
Create and promote informational materials on housing accessibility, rehabilitation, and maintenance resources. Materials to be distributed at the senior center, library, Civic Center, and at community events. Aim to provide home repair and rehabilitation assistance for at least 20 households.	City-wide	By January 2026; materials to be distributed and promoted annually
Annually hold a community workshop or webinar with relevant community organizations and agencies to discuss and promote available resources.	City-wide	Annually throughout the Planning Period
Protecting Existing Residents from Displacement		
Annually hold a community workshop with relevant community organizations and agencies to discuss the needs of persons with disabilities and identify whether additional resources and development concessions are needed. If necessary changes are identified, adopt amendments within 6 months.	City-wide	Annually; adopt necessary changes within 6 months
Continue to refer fair housing discrimination issues to the Civil Rights Department (CRD), including inquiries regarding landlord-tenant mediation and tenant rights.	City-wide	Annually throughout the Planning Period
Establish an accessibility program to improve access to housing, transit, public buildings and facilities, sidewalks, pedestrian crossings, and businesses for persons with disabilities.	City-wide	By January 2026
Pursue at least 2 funding opportunities to address accessibility for persons with disabilities.	City-wide	Annually throughout the Planning Period
Provide information and educational materials on fair housing services for property owners, apartment managers, and tenants at City Hall and online.	City-wide	Annually throughout the Planning Period
Monitor and respond to complaints of discrimination and refer tenants to the California Department of Fair Employment and Housing for proper intake, investigation, and resolution of fair housing complaints.	City-wide	As complaints are submitted

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: See individual actions

Program H-3.3 Childcare and Daycare Facilities

The City shall continue to support the availability of high quality childcare services available, affordable, and accessible to those persons who either live or work in the City and who desire or need such services. Scotts Valley recognizes that children represent our future community, but also recognizes that existing childcare services and facilities may not be adequate to meet today's increasing demand. To ignore this fact jeopardizes the long-term quality of the City's social, physical, and economic well-being.

Actions:

- Continue to work with childcare providers and the County to promote adequate childcare facilities within the community.
- Provide information at City Hall and on the City's website on current zoning regulations that apply to childcare and daycare facilities.
- Encourage new development to provide childcare and daycare facilities through a variety of activities, including outreaching to developers; providing financial assistance, when available; providing expedited processing; identifying grant and funding opportunities; and providing information on the City's Density Bonus Ordinance.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Continue to work with childcare providers and the County throughout the Planning Period; Provide information at City Hall and online by January 2027; Coordinate with developers on a project-by-project basis

Program H-3.4 Reasonable Accommodation

In compliance with Government Code Section 65583, the City shall remove potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels and for persons with disabilities. The Fair Housing Act, as amended in 1988, requires that cities and counties provide reasonable accommodation to rules, policies, practices, and procedures where such accommodation may be necessary to afford individuals with disabilities equal housing opportunities. Reasonable accommodation provides a basis for residents with disabilities to request flexibility in the application of land use and zoning regulations or, in some instances, even a waiver of certain restrictions or requirements from the local government to ensure equal access to housing opportunities. In general, City Staff takes into consideration the provisions of the California Americans with Disabilities Act (Cal ADA) in the review and approval of housing projects and grants modifications and deviations from the Municipal Code to accommodate the needs of persons with disabilities. The City shall

continue to implement the Reasonable Accommodation Ordinance adopted in 2014.

The City shall also amend its Reasonable Accommodations findings in accordance with applicable fair housing laws.

Actions:

- Maintain updated information online on the reasonable accommodation ordinance, including information on the application process, fees, and requirements.
- Revise reasonable accommodation process to ensure that reasonable accommodation requests may only be denied in accordance with findings required by applicable fair housing laws.
- Amend the reasonable accommodations findings to remove subjective language.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: By January 2026

Program H-3.5 Housing for Persons with Developmental Disabilities

The City shall promote and facilitate the development of housing for persons with developmental disabilities. The housing needs of persons with developmental disabilities are typically not addressed by Title 24 (California Building Standards Code) regulations or local zoning regulations and may require modifications to existing units and/or a varying range of supportive housing facilities. The design of housing accessibility modifications, the proximity to services and transit, and the availability of group living opportunities represent some of the types of considerations that are important in serving this population. Incorporating “barrier-free” design in all new multi-family housing (as required by California and Federal Fair Housing laws) is especially important to provide the widest range of choices for residents with disabilities.

Actions:

- Review and identify regulatory incentives that will encourage the construction or rehabilitation of housing for persons with developmental disabilities with necessary supportive services.
- Seek and apply for State and Federal funding to support housing construction for persons with developmental disabilities.
- Collaborate with housing developers and local organizations to identify the needs of local persons with developmental disabilities.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Review regulatory incentives by January 2027; Annually seek funding opportunities; Biennially collaborate with developers and organizations

Program H-3.6 Housing for Lower Income Households

The City shall work with developers and property owners in identifying development options to create affordable housing units for extremely low-, very low-, and low-income households who may have limited housing options in Scotts Valley. The City will also seek out and encourage nonprofit organizations to sponsor affordable housing projects in the City. This may include agencies assisting lower income households, senior citizens, disabled persons, developmentally disabled persons, and other persons with special housing needs. The City will direct interested agencies/sponsors to potential sites and collaborate with them on applications for state and federal funding. To further the efforts the Housing Authority of Santa Cruz County provides the Project-Based Voucher Program to achieve deeper affordability levels for more units in planned affordable housing developments.

Actions:

- Coordinate with housing developers, property owners, and local organizations to identify development opportunities, funding resources, and incentives.
- Meet with housing developers to discuss available programs and fundings sources to develop housing units affordable to lower income households.
- Continue to offer streamlining for affordable housing development.
- City to maintain up-to-date information about financial resources on its website for residents and developers.
- The City is to investigate additional incentives and seek funding opportunities to encourage development of housing for extremely low-income households. The City will also support funding applications for affordable housing developments that include units affordable to extremely low-income households.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Annually coordinate and meet with developers, property owners, and local organizations

Program H-3.7 Definition of Family

The City's Municipal Code currently defines "Family" as "a person or persons related by blood, marriage or adoption or a group of not more than five persons, excluding servants, not related by blood, marriage or adoption, living together as a single housekeeping unit in a dwelling unit." The City shall amend its definition of "Family" to remove limitations to the number of unrelated persons and differentiation between related and unrelated individuals living together.

Actions:

- Adopt a zoning ordinance amendment to update the definition of "family" in compliance with State law.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: In conjunction with the ongoing General Plan update, which will be completed by the end of 2024.

Program H-3.8 Agricultural and Employee Housing

The City shall adopt a zoning ordinance amendment consistent with the requirements of Health and Safety Codes Section 17021.5 and 17021.6. Sections 17021.5 and 17021.6 of the State Health Safety Code are part of the Employee Housing Act, and it sets standards for the construction, maintenance, use, and occupancy of living quarters called "employee housing" as defined in Section 17008 of the Health and Safety Code. The intent of these two sections is to broaden opportunities for agricultural employee housing in single-family residential zoning districts.

Actions:

- Adopt a zoning ordinance amendment to permit employee housing in single-family residential zones, consistent with the requirements of Health and Safety Codes Section 17021.5 and 17021.6 as it relates to agricultural and employee housing.

Responsible Agency: Planning Departments

Funding Source: General Fund

Timeframe: By January 2025

Program H-3.9 Emergency Shelters

The City shall facilitate the development of emergency shelters and similar housing types to address the needs of persons experiencing homelessness or those at-risk of homelessness. While persons experiencing homelessness represent a small percent of the Scotts Valley population, they represent an important segment of the regional population for whom housing and

assistance must be addressed. No emergency shelters are currently located within the City's boundaries; however, they are permitted without discretionary permits in the C-SC, P, and C-S districts.

Actions:

- Amend the City's Zoning Ordinance for parking requirements for emergency shelters in compliance with AB 139.
- Within one year, identify a zone, and amend development standards as appropriate, that will allow emergency shelters by-right (without discretion). The City will ensure that zone also allows residential uses in compliance with AB 2339 (statutes of 2022).
- Adopt a Zoning Ordinance amendment to expand the definition of "emergency shelters" to include other interim interventions, including, but not limited to, navigation centers, bridge housing, and respite or recuperative care.
- Create and monitor an inventory of sites appropriate to accommodate emergency shelters and work with the appropriate organizations to ensure the needs of homeless and extremely low-income residents are addressed.
- Prioritize available funding and other available incentives for projects that provide housing for homeless and extremely low-income residents.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: Adopt amendments and create an inventory of sites to accommodate emergency shelters by December 2024; Prioritize funding and other incentives on a project-by-project basis

Program H-3.10 Density Bonus Ordinance

The City shall update its Density Bonus Ordinance to comply with State law (Government Code Section 65915 et seq.), as well as promote the Program as a means of developing additional affordable housing units. State density bonus law (Government Code Section 65915 et seq.) requires a density bonus of up to 50 percent for mixed income projects when a qualifying percentage of Below Market Rate (BMR) units are proposed. Entirely affordable projects are entitled to unlimited bonuses in some cases and up to 80 percent bonuses in other cases. State density bonus law also authorizes an applicant to receive incentives/concessions, waivers, and parking reductions.

Actions:

- Adopt a Density Bonus Ordinance amendment to bring policies into compliance with State density bonus law (Gov Code Section 65915 et seq).
- Promote the Density Bonus Ordinance to multi-family developers on a project-by-project basis to promote affordable housing unit development.

Responsible Agency: Planning Department
Funding Source: General Fund
Timeframe: By January 2026; on a project-by-project basis

Program H-3.11 Low Barrier Navigation Centers

The City shall adopt a zoning ordinance amendment to approve by-right low-barrier navigation centers that meet State requirements in mixed-use and non-residential zones permitting multifamily uses. Low-barrier navigation centers are generally defined as service-enriched temporary living facilities focused on the transition of persons experiencing homelessness or at-risk of becoming homeless into permanent housing. Low-barrier navigation centers connect individuals to income, public benefits, health services, and housing. Government Code section 65660 et seq. requires by-right approval of low-barrier navigation centers that meet specified State requirements, including: access to permanent housing, use of a coordinated entry system (i.e. Homeless Management Information System), use of Housing First according to Welfare and Institutions Code section 8255 (Government Code section 65662).

Actions:

- Adopt a zoning ordinance amendment to approve low-barrier navigation centers that meet State requirements by-right in mixed-use and non-residential zones permitting multifamily uses.

Responsible Agency: Planning Department
Funding Source: General Fund
Timeframe: By January 2026

Program H-3.12 Condominium Conversion Ordinance

Rental housing units provide an important part of the City's housing stock, particularly in providing housing affordable to a wider range of the community. The City shall adopt a Condominium Conversion Ordinance to preserve the existing, and future, rental housing stock by establishing a maximum percent of the City's total housing stock that can be converted over a certain period of time. The Ordinance shall also establish tenant notification and relocation assistance requirements, limit rent increases once

a notice of intent to convert has been filed and give tenants the priority to purchase units.

Actions:

- Adopt a Condominium Conversion Ordinance to preserve the existing, and future, rental housing stock by establishing a maximum percent of the City's total housing stock that can be converted over a certain period of time.

Responsible Agency: Planning Department
 Funding Source: General Fund
 Timeframe: By January 2026

Program H-3.13 Single-Room Occupancy (SRO) Units

Single-Room Occupancy (SRO) units may provide a valuable source of affordable housing for individuals and may serve as an entry point into the housing market for persons who previously experienced homelessness.

The City shall adopt a description of SRO units in its Municipal Code and adopt zoning and processing procedures for future projects.

Actions:

- Define SRO in the Municipal Code.
- Adopt zoning and processing procedures for SROs.
- Collaborate with local organizations and agencies to discuss the needs of persons who previously experienced homelessness.
- Support, and when possible, fund local and regional efforts to address the housing needs of persons in Scotts Valley who have or are experiencing homelessness.

Responsible Agency: Planning Department
 Funding Source: General Fund
 Timeframe: Adopt a definition, zoning, and processing procedures for SROs by January 2026. Annually collaborate with organizations; annually seek funding opportunities.

Program H-3.14 Replacement Unit Program

The City shall adopt a policy and will require replacement housing units subject to the requirements of Government Code section 65915, subdivision (c)(3) on sites identified in the site inventory when any new development (residential, mixed-use or nonresidential) occurs on a site that is identified in the inventory meeting the following conditions:

- Currently has residential uses or within the past five years has had residential uses that have been vacated or demolished, and
- Was subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of low or very low-income, or
- Subject to any other form of rent or price control through a public entity's valid exercise of its police power, or
- Occupied by low or very low-income households.

Actions:

- In order to mitigate the loss of affordable housing units, require new housing developments to replace all affordable housing units lost due to new development.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: The replacement requirement will be implemented immediately and applied as applications on identified sites are received and processed, and local policy shall be adopted by January 2026.

Program H-3.15 Supportive Housing

The City shall adopt a zoning ordinance amendment to approve by-right supportive housing developments that meet State requirements. Supportive Housing development is generally defined as housing with no limit on length of stay, that is occupied by the target population, and that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community; as defined by Section 50675 of the California Health and Safety Code. Government Code section 65651 requires by-right approval of supportive housing in zones that allow for multi-family or mixed use residential if the proposed housing development meet specified State requirements: provision on onsite supportive services, affordability restrictions.

Action

- Adopt a Zoning Ordinance amendment to approve supportive housing developments that meet State requirements by-right in mixed use zones.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: By January 2026.

Program H-3.16 Group Homes

Group homes are currently permitted in all residential zoning districts for 6 or fewer occupants or with approval of a conditional use permit for 7 or more occupants. The City will adopt a Zoning Ordinance definition for “group home.” The City will also adopt revisions to its Zoning Ordinance to permit group homes, in compliance with State law, as detailed below:

- Allow group homes that operate as single-family residences and that do not provide licensable services to locate in single-family neighborhoods, subject only to the generally applicable, nondiscriminatory health, safety, and zoning laws that apply to all single-family residences.
- Allow group homes that operate as single-family residences and that provide licensable services to six or fewer residents to locate in single-family neighborhoods, subject only to the generally applicable, nondiscriminatory health, safety, and zoning laws that apply to all single-family residences.
- Ensure that any permitting or approval requirements for group homes that provide licensable services to seven or more residents are consistent with state housing laws.

Action

- Adopt a Zoning Ordinance amendments and update applicable application procedures for group homes in compliance with state law and to promote objectivity and greater approval certainty similar to other residential uses.
- Adopt a Zoning Ordinance definition for “group home.”

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: By January 2026.

Goal H-4 Protect its unique sensitive environmental, archaeological, and paleontological assets and encourage resource conservation measures in all new housing developments.

Policies

Policy H-4.1 Resource Conservation

Work with other local, State, and federal agencies, public utilities, and community organizations to implement resource conservation programs and ensure that adequate water remains available.

Policy H-4.2 New Development Impacts

Ensure that new development proposals are adequately evaluated for their impact upon cultural resources, sensitive habitats and species, environmental features, and other such factors.

Policy H-4.3 Development Integration into Natural Landscape

Require that all residential developments be thoughtfully integrated into the natural environment, including woodlands, hillsides, viewsheds, wetlands, and other features of the natural terrain.

Programs

Program H-4.1 Hillside Development and Design

Scotts Valley is located in the Santa Cruz Mountains and has many areas with slopes of varying degrees of steepness. The City shall continue to protect environmental resources by implementing the City's Zoning Code regulations and development standards for hillside development. For instance, the Code prohibits development on slopes with an average grade of more than 40 percent. For slopes where development is permitted, the City provides design guidelines to the project applicant(s) to ensure sensitivity to the steepness of the terrain in order to minimize grading, removal of vegetation, run-off erosion, geologic hazards and fire hazards. For slopes greater than 10 percent, the City has established a Hillside Residential Combining District, which requires a variety of development and design standards to help preserve and conserve natural vegetative and topographic features and open space. City staff and/or the Design Review Board (Planning Commission) are responsible to review the project to ensure that applicable standards have been fully addressed.

Actions:

- Maintain information online and at City Hall on hillside development and design.

Responsible Agency: Planning Department; water and sewer service providers

Funding Source: General Fund

Timeframe: Provide information by January 2027; Coordinate with developers on a project-by-project basis

Program H-4.2 Resource Conservation

The City shall continue to encourage the conservation of resources in the development and improvement of new housing. Buildings should be designed to minimize mechanical heating and cooling. Sunlight should be used for direct heating and illumination, whenever possible. Natural ventilation and shading should be used to cool a building. Active and passive solar heating is encouraged. Solar access shall be planned into the site design where possible. Solar access shall be reserved, where appropriate, through recorded easements or other devices or instruments. Climatic factors such as prevailing winds, shade trees, window and door orientation and the positioning of buildings on the site shall all be coordinated to maximize energy conservation.

Actions:

- Encourage energy conservation measures and devices to be incorporated in the development and improvement of housing. Review such requirements through the Design Review and Building Permit process.

Responsible Agency: Planning Department

Funding Source: General Fund

Timeframe: On a project-by-project basis

Program H-4.3 Water and Sewer Service Providers

Pursuant to Chapter 727, Statutes of 2005 (SB 1087), the City shall deliver its adopted Housing Element, and any amendments thereto, to local water and sewer service providers. This legislation allows for coordination between the City, water, and sewer providers when considering approval of new residential projects, and to ensure that the providers have an opportunity to provide input on the Element. Additionally, review of the Housing Element ensures that priority for water and sewer services is granted to projects that include units affordable to lower-income households.

Actions:

- Submit the adopted 6th Cycle Housing Element, and any subsequent amendments, to local water and sewer providers for their review and input.

Responsible Agency: Planning Department; water and sewer service providers
Funding Source: General Fund
Timeframe: Immediately upon adoption of the 6th Cycle Housing Element and any subsequent amendments

Program H-4.4 Cultural Resources

The City shall continue to protect sensitive cultural resources. Scotts Valley's location on an ancient seabed has contributed to a wealth of archaeological and paleontological resources in the community today. In fact, the present City Hall site contains a 10,000- to 15,000-year old archaeological site. The General Plan designates various areas throughout the community as moderate or high cultural resource sensitivity zones. In these areas, development proposals must have appropriate environmental clearance pursuant to State and federal laws. Projects with potentially significant cultural resources require issuance of a Cultural Resources Alteration Permit from the City's Cultural Resource Commission. Procedures and scope of authority of the City's Cultural Resource Preservation and Cultural Resource Commission are set forth in Chapter 17.44 of the Scotts Valley Municipal Code. Projects with cultural resources require compliance with the City's standard conditions of approval for historic/archaeological resources.

Actions:

- Continue to review cultural resources through the Cultural Resource Review process.

Responsible Agency: Planning Department; water and sewer service providers
Funding Source: General Fund
Timeframe: On a project-by-project basis

Quantified Objectives

Table 2-1 summarizes the City's quantified objectives for the 6th planning cycle by income level.

Table 2-1: 6 th Cycle Quantified Objectives					
Objectives	Units by Income Level				
	Extremely/ Very Low	Low	Moderate	Above Moderate	Total
6 th Cycle RHNA	392	257	154	417	1,220
Residential Rezones	<u>65</u>		<u>14</u>	<u>89</u>	<u>168</u>
Mixed-Use Rezones	<u>318</u>		<u>84</u>	<u>399</u>	<u>801</u>
Accessory Dwelling Units	24		12	4	40
<u>Surplus Land Act</u>	<u>309</u>		<u>39</u>	<u>191</u>	<u>539</u>
Preservation of at-risk units	22		0	0	22
Units in need of rehabilitation	5		0	0	5
<u>Housing Choice Vouchers</u>	<u>20</u>		<u>0</u>	<u>0</u>	<u>0</u>
<u>Housing Mobility</u>	<u>20</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Place-Based Strategy to provide repair and rehabilitation assistance</u>	<u>20</u>		<u>0</u>	<u>0</u>	<u>0</u>

Housing Actions Implementation Summary

Table 2-2: Housing Program Implementation Summary

Housing Program	Actions	Responsible Agency	Funding Source	Timeframe
Goal 1				
Program H-1.1 6 th Cycle Regional Housing Needs Allocation	Residential Rezones: Adopt a zoning ordinance and General Plan Land Use amendment to rezone <u>4.23</u> acres on <u>6</u> parcels (identified in Appendix F) to permit residential uses ranging up to assumed a density of 40 dwelling units per acre. The rezoning would accommodate <u>168</u> units, including <u>65</u> lower income units.	Planning Department	General Fund	Adopt rezones within 3 years of the 6 th Cycle Housing Element statutory deadline.
	Mixed-Use Rezones: Adopt a zoning ordinance and General Plan Land Use amendment to rezone <u>36.6</u> acres on <u>29</u> parcels (identified in Appendix F) to permit mixed-use developments ranging up to a density of 40 dwelling units per acre with up to 70 percent residential. The rezoning would accommodate <u>801</u> units, including 31 <u>8</u> lower income units.			
	Town Center Specific Plan: Adopt a Specific Plan amendment to allow for residential development at the scale established in Appendix F: - The City is in contract to remediate surface soil contamination by December 2023. <u>Remediation efforts have begun as of October 2023.</u> - By December 2025, amend the Specific Plan to increase the density for residential uses on the City-owned sites identified in Appendix F. - By December 2026, complete the necessary rezonings to accommodate the increased density.			
	Continue to implement appropriate zoning to ensure that adequate sites are available (as defined by Government Code section 65583) to accommodate the City's RHNA for all income categories.			

Housing Program	Actions	Responsible Agency	Funding Source	Timeframe
Program H-1.2 By-Right Development Program	Adopts and implement a By-Right Development Program to comply with the AB 1398 and 1397 requirements, <u>as well as requirements established in Government Code section 65583.2 (c), (h), and (i).</u>	Planning Department	General Fund	By January 2025
Program H-1.3 Sites Inventory Monitoring Program	Establish and maintain a Sites Inventory Monitoring Program. Adopt findings with each City approval for residential projects identifying the breakdown of units by income category and establish whether ‘no net loss’ findings to be made, if either fewer units are developed than shown in the housing element, or if the units are being developed in different income categories than projected. If ‘no net loss’ findings must be made, the City must either find that it is maintaining enough sites to accommodate the remaining RHNA, or if there are not enough sites to accommodate the remaining RHNA. If there are not enough sites, the City has 180 days to make adequate sites available. <u>Annually monitor the progress of pending projects, ADU projections, and development on City-owned parcels, parcels with existing residential capacity, and rezones parcels through the APR.</u> <u>If residential development is not sufficiently progressing towards building permits or if the City is not meeting the pro-rated share of the RHNA at all income levels by December 2028, the City will identify strategies to maintain adequate sites throughout the planning period.</u>	Planning Department	General Fund	Establish a Sites Inventory Monitoring Program by January 2025; adopt findings with each City-approval for residential projects on a Housing Element site; <u>annually monitor development progress through the APR.</u>
Program H-1.4 Planned Development	Continue to provide flexible design through the PD zoning district.	Planning Department	General Fund	On a project-by-project basis.
Program H-1.5 Accessory Dwelling Unit Program	Modify the current “Secondary Dwelling Unit Program” from the 5 th Cycle Housing Element to comply with changes in State law regarding ADUs. This will include updating the City’s “Secondary Dwelling Unit” Ordinance in compliance	Planning Department	General Fund	Amend the “Secondary Dwelling Unit Program” by January 2025; Establish permit-ready ADU plans,

Housing Program	Actions	Responsible Agency	Funding Source	Timeframe
	with State ADU laws. Submit revised ordinance to HCD in compliance with State law. Establish and promote permit-ready ADU plans to minimize design costs, expedite permit processing, and provide development certainty. Establish and maintain an ADU Manual guiding applicants through the permitting and construction of an ADU. Establish and maintain an ADU webpage informing the community on ADU related codes, processes, and incentives. Establish an incentive program for deed-restricted affordable ADUs such as waived permitting fees and/or priority processing. Establish an ADU monitoring program, and by the mid-cycle point of the planning period, if assumptions for production and affordability are not meeting what was assumed, then the City will implement changes within one year. Changes include, but are not limited to, additional outreach and incentives. If the gap between assumptions and production is “large” then the City will identify additional capacity in the inventory and rezone, if applicable.			an ADU Manual, an ADU webpage, an incentives program by January 2026. Monitor ADUs annually through the APRs and if assumptions for production and affordability are not meeting what was assumed then the City will implement changes within one year.
Program H-1.6 Removal of Residential Development Constraints	Conduct a comprehensive study of residential development standards applicable to developments in zones that permit residential uses to determine which standards are potential constraints to housing. Adopt a Zoning Ordinance amendment to residential development standards to address and reduce constraints, including parking requirements for multi-family developments such as, but not limited to, a sliding scale based on the number of bedrooms or a set reduced requirement no greater than 2 spaces per unit.	Planning Department	General Fund	Conduct a study of development standards by zoning designation within one year of the Housing Element Statutory deadline; Adopt an amendment to the Zoning Ordinance by January 2026; Annually review development trends and

Housing Program	Actions	Responsible Agency	Funding Source	Timeframe
	Annually review development trends and biennially meet with the development community to receive input and feedback. If constraints are identified that inhibit the development of affordable housing, adopt changes with two years.			biennially meet with the development community; if constraints are identified throughout the Planning Period, adopt changes within two years.
Program H-1.7 Mixed-Use Development	Adopt development incentives, such as, but not limited to, decreasing the commercial component for projects that include a greater number of affordable units, for candidate sites identified for mixed-use rezoning.	Planning Department	General Fund	Adopt development incentives in conjunction with the rezones; annually meet with the development community and property owners.
	Annually meet with the development community and property owners to identify development opportunities and interest.			
Program H-1.8 Facilitation of Affordable Housing Development	Amend the City's Inclusionary Housing Ordinance to apply city-wide, restrict units based on affordability.	Planning Department	General Fund	Amend the Inclusionary Housing Ordinance by January 2027; Meet with the development community and property owners annually; create an informational webpage by January 2027.
	Annually meet with the development community and property owners. Based on the feedback received, adopt changes, incentives, and seek funding to facilitate affordable housing development.			
	Create and maintain information on the City's website on the development of affordable housing.			
Program H-1.9 Senate Bill 330	Continue to comply with SB 330 restrictions.	Planning Department	General Fund	Through the end of the SB 330 10-year timeframe.
Program H-1.10 Surplus Land Act	By December 2027 2026, declare City-owned sites (APNs 022-721-06, 022-212-19, 022-601-01) as surplus and approve a resolution making the findings that the project will be put out to competitive bid and will be larger than one acre mixed use development with a minimum of 300 residential units, at least 25% of which are reserved for lower income households. A successful bidder will be required to enter into a regulatory agreement establishing the minimum affordability requirements.	Planning Department	General Fund	By December 202 6 7, declare City-owned sites (APNs 022-721-06, 022-212-19, 022-601-01) as surplus and approve a resolution making the findings that the project will be put out to competitive bid and will be

Housing Program	Actions	Responsible Agency	Funding Source	Timeframe
	<u>The City shall provide assistance to a successful bidder by offering technical assistance; facilitating entitlements; assisting with funding, as available, and/or supporting funding applications.</u>			larger than one acre mixed use development with a minimum of 300 residential units, at least 25% of which are reserved for lower income households.
<u>Program H-1.11</u> <u>Non-Vacant Sites Development</u>	<u>Provide additional incentives on a project-by-project basis such as, but not limited to, technical assistance, supporting funding applications, and reduced development standards.</u>	<u>Planning Department</u>	<u>General Fund</u>	<u>Provide incentives on a project-by-project basis; Engage property owners annually</u>
	<u>Engage property owners annually to discuss development opportunities.</u>			
	<u>See Program H-1.3 for additional actions should development not occur as anticipated in this Housing Element.</u>			
Goal 2				
Program H-2.1 Code Enforcement	Continue to implement an active code enforcement program through the Building Department and inform residents of rehabilitation assistance grants when available at City Hall and on the City’s website. Also continue to offer online and physical forms for residents to submit Code Enforcement complaints through.	Planning and Building Departments	General Fund	Implement an active code enforcement program throughout the Planning Period; provide information at City Hall and online by January 2027; Conduct a biennial review of cases – if trends are identified adopt prevention assistance programs within one year.
	Conduct a biennial review of code enforcement cases to identify potential trends in the location or type of case. Adopt prevention and assistance programs if trends are identified to proactively decrease future issues.			
Program H-2.2 Design Review	Continue to review projects to ensure consistency with the General Plan Zoning Ordinance and area design guidelines. Priority processing will go to affordable housing projects.	Planning Department	General Fund	Review projects and provide priority to affordable housing projects as applications are submitted; Review the Residential Design
	Review the Residential Design Handbook and design review process for subjective language and adopt modifications.			

Housing Program	Actions	Responsible Agency	Funding Source	Timeframe
	Adopt objective design standards for all residential uses.			Handbook and design review process and adopt modifications by January 2025; Adopt objective design standards by January 2025
Program H-2.3 Monitor and Preserve Affordable Housing	Continue to maintain the Affordable Housing Opportunities Database with detailed information on all subsidized units, including those that have affordability covenants.	Planning Department	General Fund	Maintain the Affordable Housing Opportunities Database throughout the Planning Period; Annually pursue funding sources and partnerships until at-risk units are maintained; Begin coordination with property owners upon adoption of the Housing Element and outreach annually until at-risk units are maintained
	Pursue funding sources such as HUD Section 208/811 loans, HOPE II and II Homeownership Program funds, HOME funds, CDBG funds, Low-Income Housing Tax Credit Programs, California Housing Finance Agency single-family and multi-family programs, and other similar programs to stimulate private developer and non-profit entity efforts in the development and financing of housing for lower and moderate-income households.			
	Pursue partnership opportunities with non-profits to preserve and expand affordable housing in the City, <u>as well as provide educational opportunities and assistance for tenants.</u>			
	Pursuant to Government Code sections 65583.2(g)(3) and, 65915(c)(3), and 66300(d3), ensure that when existing housing is demolished, at least an equivalent number of units are created, and that lower income housing and relocation payments are required as specified by these statutes.			
	Coordinate with property owners to preserve affordable units at risk to maintain and extend affordability. This may include technical assistance, funding application support, and/or recommending agencies or organizations that may provide additional assistance.			

Housing Program	Actions	Responsible Agency	Funding Source	Timeframe
	<u>Comply with noticing requirements pursuant to Government Code section 65863.10.</u>			
Program H-2.4 Mobile Home Park Conversion Ordinance	Continue to implement the Mobile Home Park Conversion Ordinance in an effort to protect existing mobile home parks and the supply of affordable housing, subject to the limitations imposed by State law.	Planning Department	General Fund	Implement the Mobile Home Park Conversion Ordinance throughout the Planning Period; Provide information at City Hall and online by January 2027
	Provide information on the Mobile Home Park Conversion Ordinance and other fair housing information on the City’s website and at City Hall.			
Program H-2.5 Mobile Home Park Rent Stabilization Ordinance	Continue to implement the Mobile Home Park Rent Stabilization Ordinance in an effort to promote and enhance fairness in the economic relationship between mobile home park owners and mobile homeowners.	Planning Department	General Fund	Implement the Mobile Home Park Rent Stabilization Ordinance throughout the Planning Period; Provide information at City Hall and online by January 2027.
	Provide information on the Mobile Home Park Conversion Ordinance and other fair housing information on the City’s website and at City Hall.			
Program H-2.6 Development of Large Lots	Adopt and implement a program to facilitate the development of lots larger than ten acres.	Planning Department	General Fund	Adopt and implement the program by January 2026
Program H-2.7 SB 35 Streamlining	Establish SB 35 procedures and provide information online.	Planning Department	General Fund	Adopt and implement the program by January 2026
Program H-2.8 Lot Consolidation	Facilitate the consolidation of vacant and underutilized lots or residential development.	Planning Department	General Fund	Establish and implement the program by January 2026
	Adopt and promote incentives online and at City Hall.			
Goal 3				
Program H-3.1 Promoting Housing Choice Voucher (HCV) Program	Continue to participate in the Housing Authority of Santa Cruz County Voucher Rental Assistance Program.	Planning Department; Housing Authority of Santa Cruz County	HUD HCD Fund	Continue to participate in the Housing Authority of Santa Cruz County Voucher Rental Assistance Program and refer residents throughout the Planning Period; Annually
	Annually host an informational workshop with the Housing Authority of Santa Cruz County for renters, property owners, and prospective homeowners to provide information on the voucher program and source of income discrimination, as well as increase participating properties.			

Housing Program	Actions	Responsible Agency	Funding Source	Timeframe
	Continue to refer residents to the County program and provide information at City Hall and on the City's website.			host a workshop; Biennially outreach to property owners.
	Biennially outreach to property owners and landlords to market the voucher program and enforce State law banning source of income discrimination.			
Program H-3.2 Affirmatively Furthering Fair Housing	Housing Mobility Strategies			
	Create and promote informational materials on the location of participating voucher properties and availability of voucher programs/financial assistance. See Action H-3.1.	Planning Department	General Fund	By January 2026; throughout the Planning Period
	Annually outreach to landlords to expand the location of participating voucher properties.	Planning Department	General Fund	Annually throughout the Planning Period
	Partner with the Santa Cruz Housing Authority to host an annual educational workshop on voucher programs and source of income discrimination.	Planning Department	General Fund	Annually throughout the Planning Period
	Extend housing choice voucher search times for particular groups, such as larger families with children or persons with disabilities. Aim to assist 20 households with special needs access housing choice vouchers.	Planning Department	General Fund	By January 2026
	Affirmatively market government assistance and new affordable housing units, as available, to community organizations and agencies assisting lower income households in the region. Promote the information in multiple languages on the City's website and at City Hall.	Planning Department	General Fund	As new units and resources become available; annually throughout the Planning Period
	New Housing Choices and Affordability in Areas of Opportunity			
	Continue to implement the Inclusionary Housing Below Market Rate (BMR) Program. See Action H-1.8.	Planning Department	General Fund	Throughout the Planning Period and as project applications are submitted
	Facilitate the development of ADUs at affordable rates. See Action H-1.3.	Planning Department	General Fund	Throughout the Planning Period
	Facilitate the development of affordable housing units for special housing needs population. This may include, but is not limited to, technical assistance, support for funding	Planning Department	General Fund	Throughout the Planning Period and as project applications are submitted

Housing Program	Actions	Responsible Agency	Funding Source	Timeframe
	applications, permitting fee waivers, and development standards concessions, and other similar actions.			
	Review future policies and programs for potentially restrictive practices that would limit diversity in the Racially Concentrated Areas of Affluence (RCAAs).	Planning Department	General Fund	Annually and as issues are raised.
	Establish specific incentives for the development of affordable units in the RCAAs including, but not limited to, permit streamlining and reduced fees.	Planning Department	General Fund	By January 2026
	See Program H-1.1 for rezone strategies.	Planning Department	General Fund	Adopt rezones within 3 years of the 6th Cycle Housing Element statutory deadline
Place-Based Strategies to Encourage Community Conservation and Revitalization				
	Create and promote informational materials on housing accessibility, rehabilitation, and maintenance resources. Materials to be distributed at the senior center, library, Civic Center, and at community events. Aim to provide home repair and rehabilitation assistance for at least 20 households.	Planning Department	General Fund	By January 2026; materials to be distributed and promoted annually
	Annually hold a community workshop or webinar with relevant community organizations and agencies to discuss and promote available resources.	Planning Department	General Fund	Annually throughout the Planning Period
Protecting Existing Residents from Displacement				
	Annually hold a community workshop with relevant community organizations and agencies to discuss the needs of persons with disabilities and identify whether additional resources and development concessions are needed. If necessary changes are identified, adopt amendments within 6 months.	Planning Department	General Fund	Annually throughout the Planning Period; adopt necessary changes within 6 months
	Continue to refer fair housing discrimination issues to the Civil Rights Department (CRD), including inquiries regarding landlord-tenant mediation and tenant rights.	Planning Department	General Fund	Annually throughout the Planning Period

Housing Program	Actions	Responsible Agency	Funding Source	Timeframe
	Establish an accessibility program to improve access to housing, transit, public buildings and facilities, sidewalks, pedestrian crossings, and businesses for persons with disabilities.	Planning Department	General Fund	By January 2026
	Pursue at least 2 funding opportunities to address accessibility for persons with disabilities.	Planning Department	General Fund	Annually throughout the Planning Period
	Provide information and educational materials on fair housing services for property owners, apartment managers, and tenants at City Hall and online.	Planning Department	General Fund	Annually throughout the Planning Period
	Monitor and respond to complaints of discrimination and refer tenants to the California Department of Fair Employment and Housing for proper intake, investigation, and resolution of fair housing complaints.	Planning Department	General Fund	As complaints are submitted
Program H-3.3 Childcare and Daycare Facilities	Continue to work with childcare providers and the County to promote adequate childcare facilities within the community.	Planning Department	General Fund	Continue to work with childcare providers and the County throughout the Planning Period; Provide information at City Hall and online by January 2027; Coordinate with developers on a project-by-project basis
	Provide information at City Hall and on the City's website on current zoning regulations that apply to childcare and daycare facilities.			
	Encourage new development to provide childcare and daycare facilities through a variety of activities, including outreach to developers; providing financial assistance, when available; providing expedited processing; identifying grant and funding opportunities; and providing information on the City's Density Bonus Ordinance.			
Program H-3.4 Reasonable Accommodation	Maintain updated information online on the reasonable accommodation ordinance, including information on the application process, fees, and requirements.	Planning Department	General Fund	By January 2026
	Revise reasonable accommodation process to ensure that reasonable accommodation requests may only be denied in accordance with findings required by applicable fair housing laws.			

Housing Program	Actions	Responsible Agency	Funding Source	Timeframe
	Amend the reasonable accommodations findings to remove subjective language.			
Program H-3.5 Housing for Persons with Developmental Disabilities	Review and identify regulatory incentives that will encourage the construction or rehabilitation of housing for persons with developmental disabilities with necessary supportive services.	Planning Department	General Fund	Review regulatory incentives by January 2027; Annually seek funding opportunities; Biennially collaborate with developers and organizations
	Seek and apply for State and Federal funding to support housing construction for persons with developmental disabilities.			
	Collaborate with housing developers and local organizations to identify the needs of local persons with developmental disabilities.			
Program H-3.6 Housing for Lower Income Households	Coordinate with housing developers, property owners, and local organizations to identify development opportunities, funding resources, and incentives.	Planning Department	General Fund	Annually coordinate and meet with developers, property owners, and local organizations.
	Meet with housing developers to discuss available programs and fundings sources to develop housing units affordable to lower income households.			
	Continue to offer streamlining for affordable housing development.			
	<u>City to maintain up-to-date information about financial resources on its website for residents and developers.</u>			
	<u>The City is to investigate additional incentives and seek funding opportunities to encourage development of housing for extremely low-income households. The City will also support funding applications for affordable housing developments that include units affordable to extremely low-income households.</u>			
Program H-3.7 Definition of Family	Adopt a zoning ordinance amendment to update the definition of “family” in compliance with State law.	Planning Department	General Fund	In conjunction with the ongoing General Plan update, which will be completed by the end of 2024.

Housing Program	Actions	Responsible Agency	Funding Source	Timeframe
Program H-3.8 Agricultural and Employee Housing	Adopt a zoning ordinance amendment to permit employee housing in single-family residential zones, consistent with the requirements of Health and Safety Codes Section 17021.5 and 17021.6 as it relates to agricultural and employee housing.	Planning Department	General Fund	By January 2025.
Program H-3.9 Emergency Shelters	Amend the City's Zoning Ordinance for parking requirements for emergency shelters in compliance with AB 139.	Planning Department	General Fund	Adopt amendments and create an inventory of sites to accommodate emergency shelters by January 2024; Prioritize funding and other incentives on a project-by-project basis
	Within one year, identify a zone, <u>and amend development standards as appropriate</u> , that will allow emergency shelters by-right (without discretion). The City will ensure that zone also allows residential uses in compliance with AB 2339 (statutes of 2022).			
	Adopt a Zoning Ordinance amendment to expand the definition of "emergency shelters" to include other interim interventions, including, but not limited to, navigation centers, bridge housing, and respite or recuperative care.			
	Create and monitor an inventory of sites appropriate to accommodate emergency shelters and work with the appropriate organizations to ensure the needs of homeless and extremely low-income residents are addressed.			
	Prioritize available funding and other available incentives for projects that provide housing for homeless and extremely low-income residents.			
Program H-3.10 Density Bonus Ordinance	Adopt a Density Bonus Ordinance amendment to bring polices into compliance with State density bonus law (Gov Code Section 65915 et seq).	Planning Department	General Fund	By January 2026; on a project-by-project basis.
	Promote the Density Bonus Ordinance to multi-family developers on a project-by-project basis to promote affordable housing unit development.			
Program H-3.11 Low Barrier Navigation Centers	Adopt a zoning ordinance amendment to approve low-barrier navigation centers that meet State requirements	Planning Department	General Fund	By January 2026.

Housing Program	Actions	Responsible Agency	Funding Source	Timeframe
	by-right in mixed-use and non-residential zones permitting multifamily uses.			
Program H-3.12 Condominium Conversion Ordinance	Adopt a Condominium Conversion Ordinance to preserve the existing, and future, rental housing stock by establishing a maximum percent of the City’s total housing stock that can be converted over a certain period of time.	Planning Department	General Fund	By January 2026.
Program H-3.13 Single-Room Occupancy (SRO) Units	Define SRO in the Municipal Code.	Planning Department	General Fund	Adopt a definition, zoning, and processing procedures for SROs by January 2026. Annually collaborate with organizations; annually seek funding opportunities.
	Adopt zoning and processing procedures for SROs.			
	Collaborate with local organizations and agencies to discuss the needs of persons who previously experienced homelessness.			
	Support, and when possible, fund local and regional efforts to address the housing needs of persons in Scotts Valley who have or are experiencing homelessness.			
Program H-3.14 Replacement Unit Program	In order to mitigate the loss of affordable housing units, require new housing developments to replace all affordable housing units lost due to new development.	Planning Department	General Fund	The replacement requirement will be implemented immediately and applied as applications on identified sites are received and processed, and local policy shall be adopted by January 2026.
Program H-3.15 Supportive Housing	Adopt a Zoning Ordinance amendment to approve supportive housing developments that meet State requirements by-right in mixed use zones.	Planning Department	General Fund	By January 2026.
<u>Program H-3.16</u> <u>Group Homes</u>	<u>Adopt a Zoning Ordinance amendments and update applicable application procedures for group homes in compliance with state law and to promote objectivity and greater approval certainty similar to other residential uses.</u>	<u>Planning Department</u>	<u>General Fund</u>	<u>By January 2026.</u>
	<u>Adopt a Zoning Ordinance definition for “group home.”</u>			
Goal 4				
Program H-4.1 Hillside Development and Design	Maintain information online and at City Hall on hillside development and design.	Planning Department;	General Fund	Provide information by January 2027; Coordinate

Housing Program	Actions	Responsible Agency	Funding Source	Timeframe
		water and sewer service providers		with developers on a project-by-project basis
Program H-4.2 Resource Conservation	Encourage energy conservation measures and devices to be incorporated in the development and improvement of housing. Review such requirements through the Design Review and Building Permit process.	Planning Department	General Fund	On a project-by-project basis.
Program H-4.3 Water and Sewer Service Providers	Submit the adopted 6th Cycle Housing Element, and any subsequent amendments, to local water and sewer providers for their review and input.	Planning Department; water and sewer service providers	General Fund	Immediately upon adoption of the 6 th Cycle Housing Element and any subsequent amendments
Program H-4.4 Cultural Resources	Continue to review cultural resources through the Cultural Resource Review process.	Planning Department; water and sewer service providers	General Fund	On a project-by-project basis



This Appendix provides a **Review of Past Performance** for the 2015-2023 Housing Element. It is an evaluation of the 5th Cycle’s Policy Program and considers all current and existing programs and projects, as well as the most effective and appropriate policies and programs for the 2023-2031 6th Cycle.



PROGRAM EVALUATION FOR HOUSEHOLDS WITH SPECIAL NEEDS

As part of analyzing prior programs, this Appendix provides an outline of the effectiveness of goals, policies, programs, and objectives in meeting the housing needs of Scotts Valley's special needs population. The following section identifies 5th Cycle accomplishments by special needs groups.

The City of Scotts Valley has demonstrated a significant effort in pursuit of accomplishing many of the objectives set for the programs of the 5th Cycle Housing Element. During the fifth cycle, the City completed a number of key programs to support housing opportunity and made substantial progress towards many of its programs. The City's programs that have been effective at addressing Special Needs populations have been identified as continued for the sixth cycle, due to their success in the fifth cycle.

As a part of analyzing prior programs, the Housing Element must evaluate the effectiveness of goals, policies, and related action in meeting the housing needs of special needs populations. The summary below provides an overview of the City's 5th Cycle program accomplishments and achievements related to special needs populations. Individually and collectively, these programs have had a positive impact on the needs of special needs populations in Scotts Valley.

1. Seniors

The Housing Needs Assessment shows that 20.4 percent (2,463 residents) of Scotts Valley residents are over the age of 65. Over the years, the senior population has seen an increase from 2010 to 2020. In terms of household characteristics, from 2010 to 2020 householder ages 65 or above grew 4.4 percent.

The special needs of seniors can be met through a range of services, including congregate care, rent subsidies, shared housing, and housing rehabilitation assistance. Affordable housing opportunities in Scotts Valley for seniors include:

- "Oak Tree Villa" (Brookdale Renaissance Senior Living Communities) at 100 Lockwood Lane – 204 units for active seniors and assisted living, approved in 1997.

Senior residents can benefit from various classes, activities, and programs offered at the Scotts Valley Senior Center. The Senior Center provides a place where seniors may find companionship, help and the opportunity to pursue their interests in educational, recreational and craft activities. Additionally, the Center assists in promoting the goodwill and public interests of the community.

The Scotts Valley Senior Life Association (SVSLA) also provides services and resources to seniors. SVSLA is a non-profit organization established to provide education and support

relating to the health and welfare of senior citizens living in Scotts Valley. They seek to enhance and add enjoyment to lives of seniors in the community, provide educational opportunities with a focus on healthy living habits, and provide access to facilities that help seniors create their own healthy and fulfilling lives.

Table A-1 identifies 5th Cycle accomplishments for seniors.

Table A-1: 5th Planning Cycle Policies and Program Effectiveness, Seniors

Accomplishments During the 5th Cycle	Effectiveness of Programs
Program 3.3 Fair Housing <u>Fair Housing information is provided on the City's web site and at City Hall as well as through the Housing Authority of the County of Santa Cruz. This information is available to property owners, apartment managers, tenants and the general public.</u>	<u>The City continues to promote fair housing practices, provide the public with educational information on fair housing, and refer fair housing complaints to the Department of Fair Employment and Housing. The City has amended its Zoning Code to include formal reasonable accommodation procedures and established specific zoning districts to permit emergency shelters, transitional, and supportive housing as a matter of right. The City continues to periodically evaluate the Zoning Code to find whether any regulations constrain the development of housing for persons with disabilities. Fair housing counseling and assistance is currently administered by the California Department of Fair Employment (DFEH) and Housing.</u>

2. Persons with Disabilities

Disability is a physical or mental condition that substantially limits one or more major life activities. Physical and mental disabilities can hinder access to traditionally designed housing units as well as potentially limit the ability to earn adequate income. The Housing Needs Assessment shows that 12.6 percent of Scotts Valley's population has a disability. The most common disabilities in Scotts Valley are ambulatory difficulty, independent living difficulty, and vision difficulty.

There is a variety of organizations within and around Scotts Valley that serves individuals with disabilities. The San Andreas Regional Center is a non-profit that serves individuals with developmental disabilities and their families who reside within Monterey, San Benito, Santa Clara, and Santa Cruz Counties. The County of Santa Cruz Human Resources Agency coordinates federal, state, and county government funding for programs and services for disabled populations in the City of Scotts Valley. The Central Coast Center for Independent Living (CCCIL) is a community-based, cross-disability, non-profit organization that is designed and operated with people with disabilities. The organization provides a variety of programs from peer support, housing assistance, and independent living skills training.

Table A-2 below identifies 5th Cycle accomplishments for persons with disabilities.

Table A-2: 5th Planning Cycle Policies and Program Effectiveness, Persons with Disabilities

<u>Accomplishments During the 5th Cycle</u>	<u>Effectiveness of Programs</u>
<u>Program 3.3 Fair Housing</u> <u>Fair Housing information is provided on the City's web site and at City Hall as well as through the Housing Authority of the County of Santa Cruz. This information is available to property owners, apartment managers, tenants and the general public.</u>	<u>The City continues to promote fair housing practices, provide the public with educational information on fair housing, and refer fair housing complaints to the Department of Fair Employment and Housing. The City has amended its Zoning Code to include formal reasonable accommodation procedures and established specific zoning districts to permit emergency shelters, transitional, and supportive housing as a matter of right. The City continues to periodically evaluate the Zoning Code to find whether any regulations constrain the development of housing for persons with disabilities. Fair housing counseling and assistance is currently administered by the California Department of Fair Employment (DFEH) and Housing.</u>
<u>Program 3.5 Reasonable Accommodation</u> <u>Chapter 17.60 of the City's Municipal Code provided Reasonable Accommodation standards and procedures. The Municipal code is on the City's website as well as at City Hall.</u>	<u>The City established the ADA Committee to work with the City's Building Official to develop programs to encourage new construction to be designed in a manner to accommodate persons with disabilities. The ADA Committee continues as a City Commission that identifies opportunities to increase ADA accessibility throughout the City.</u>
<u>Program 3.6 Housing for Persons with Development Disabilities</u> <u>The City continued to seek available funding and provide regulatory incentives to assist projects for persons with developmental disabilities. The City also continued to work with nonprofit developers who intend to provide housing for persons with developmental disabilities. Information on housing and services for persons with developmental disabilities is available at City Hall and on the City's web site.</u>	<u>The City's accomplishment of seeking available funding and providing incentives to assist projects for persons with developmental disabilities is an effective way to improve the lives of this population and make the community more inclusive.</u>

3. Large Households

Appendix B shows that about 7 percent of Scotts Valley households have 5 or more members, this includes 5 percent 5-person households, 2 percent 6-person household, and less than one percent 7-or-more-person households. The percentage of owner-occupied households (288) and renter-occupied households (48) that are large households is approximately 8.3 percent and 3.7 percent, respectively.

Larger, lower income families may qualify for Housing Choice Vouchers. Housing Choice Vouchers subsidize the rent for households so that the households can access housing below

current fair market rental pricing. The City encourages affordable housing development for large households through partnerships with developers and entities and providing a homebuyer assistance program.

Table A-3 below identifies 5th Cycle accomplishments for large households.

Table A-3: 5th Planning Cycle Policies and Program Effectiveness, Large Households

Accomplishments During the 5th Cycle	Effectiveness of Programs
Program 3.3 Fair Housing <u>Fair Housing information is provided on the City's web site and at City Hall as well as through the Housing Authority of the County of Santa Cruz. This information is available to property owners, apartment managers, tenants and the general public.</u>	<u>The City continues to promote fair housing practices, provide the public with educational information on fair housing, and refer fair housing complaints to the Department of Fair Employment and Housing. The City has amended its Zoning Code to include formal reasonable accommodation procedures and established specific zoning districts to permit emergency shelters, transitional, and supportive housing as a matter of right. The City continues to periodically evaluate the Zoning Code to find whether any regulations constrain the development of housing for persons with disabilities. Fair housing counseling and assistance is currently administered by the California Department of Fair Employment (DFEH) and Housing.</u>
Program 3.4 Child and Day Care Facilities <u>The City continues to provide information at City Hall and on the City's web site regarding current zoning regulations that apply to child care and day care facilities. In addition, the City continued to encourage the provision of child care and day care facilities in all new proposed development activities.</u>	<u>The City's accomplishment of providing information on zoning regulations and encouraging the provision of child care and day care facilities in new development activities can be beneficial for large households. Female-headed households, comprised largely of female, single-parents with children, may benefit from child care services and affordable housing.</u>

4. Single-Parent Households

Single-parent households often require special consideration and assistance due to their greater need for affordable and accessible day care, health care, and other supportive services. Single parents make up 10 percent of Scotts Valley households.

The Scotts Valley Unified School District (SVUD) offers a variety of community resources for children and single parents in the community. For instance, Vine Hill and Brook Knoll Elementary School provides after school care programs to residents with children and the SVUD provides free and reduced-price meals. SVUD serves over 2,000 students from preschool through twelfth grade. SVUD includes two elementary schools, one middle school, and one high school. The Joe and Linda Aliberti Clubhouse, run by the Boys and Girls Club of Santa Cruz County, offers affordable after school and day programming for local children. Their programming includes homework help, art, reading, physical activities and various specialty season programs such as summer camp programs.

Table A-4 below identifies the 5th Cycle accomplishments for single-parent households.

Table A-4: 5th Planning Cycle Policies and Program Effectiveness, Single-Parent Households

<u>Accomplishments During the 5th Cycle</u>	<u>Effectiveness of Programs</u>
Program 3.3 Fair Housing <u>Fair Housing information is provided on the City's web site and at City Hall as well as through the Housing Authority of the County of Santa Cruz. This information is available to property owners, apartment managers, tenants and the general public.</u>	<u>The City continues to promote fair housing practices, provide the public with educational information on fair housing, and refer fair housing complaints to the Department of Fair Employment and Housing. The City has amended its Zoning Code to include formal reasonable accommodation procedures and established specific zoning districts to permit emergency shelters, transitional, and supportive housing as a matter of right. The City continues to periodically evaluate the Zoning Code to find whether any regulations constrain the development of housing for persons with disabilities. Fair housing counseling and assistance is currently administered by the California Department of Fair Employment (DFEH) and Housing.</u>
Program 3.4 Child and Day Care Facilities <u>The City continues to provide information at City Hall and on the City's web site regarding current zoning regulations that apply to child care and day care facilities. In addition, the City continued to encourage the provision of child care and day care facilities in all new proposed development activities.</u>	<u>The City's accomplishment of providing information on zoning regulations and encouraging the provision of child care and day care facilities in new development activities can be beneficial for single-parent households.</u>

5. Persons Experiencing Homelessness

Homelessness has become an increasingly important issue in the region and throughout California. Homelessness is the result of expensive housing or an insufficient income to pay for housing. Other possible contributing factors include mental disabilities, domestic violence, and alcohol and drug addiction. The 2022 Santa Cruz County Homeless Point-in-Time (PIT) Count and Survey identifies where homeless individuals are living in the County. Of the responses collected, the top two primary conditions that led to homelessness in Scotts Valley were eviction and employment loss; Scotts Valley had a homeless population of 48 in 2022.

Scotts Valley works to meet the homeless needs through a variety of programs. The City permits emergency shelters in Service Commercial districts (C-S) and Shopping Center Commercial districts (C-SC); and permits them with a conditional use permit in the Public/Quasi-public districts (P). These zoning districts are located along the City's main thoroughfares. Transitional and supportive housing are permitted by-right in all residential zones; and permits transitional housing with a conditional use permit in the Light Industrial district (I-L).

The PIT Count and Survey reported the top six services being accessed in Santa Cruz County were free meals (64 percent), bus passes (46 percent), health services (46 percent), shelter day services (36 percent), mental health services (30 percent), and legal services (27 percent). Within the City, Camp Recovery Center provides adults and teens with alcohol and drug

problems specialized detox, residential, outpatient and aftercare treatment programs. San Augustine and St. Philips church have food pantries. AFC Faith Community Shelter rotates its shelter program with different churches in Santa Cruz, Scotts Valley, and Aptos.

Table A-5 below identifies 5th Cycle accomplishments for persons experiencing homelessness.

Table A-5: 5th Planning Cycle Policies and Program Effectiveness, Persons Experiencing Homelessness

<u>Accomplishments During the 5th Cycle</u>	<u>Effectiveness of Programs</u>
<u>Program 1.4 Emergency Shelters</u> <u>On July 15, 2015, the City Council of Scotts Valley adopted Ordinance No. 16-138, continuing to allow emergency shelters by-right in the C-S, C-SC, and P Zoning Districts and amending the definition of an emergency shelter in compliance with SB 2. The City continued to monitor the inventory of sites appropriate to accommodate emergency shelters and worked with appropriate organizations.</u>	<u>Persons experiencing homelessness may benefit from this ordinance as it would make it easier for persons experiencing homelessness with a place to stay, as well as access to other essential services such as food, clothing, and medical care.</u>
<u>Program 1.5 Transitional and Supportive Housing</u> <u>On July 15, 2015, the City Council of Scotts Valley adopted Ordinance No. 16-138, permitting transitional and supportive housing by-right in all residential zoning districts, in compliance with SB 2.</u>	<u>Persons Experiencing Homelessness benefit from this adopted ordinance will increase the number of transitional and supportive housing in all residential zoning districts.</u>
<u>Program 3.3 Fair Housing</u> <u>Fair Housing information is provided on the City's web site and at City Hall as well as through the Housing Authority of the County of Santa Cruz. This information is available to property owners, apartment managers, tenants and the general public.</u>	<u>The City continues to promote fair housing practices, provide the public with educational information on fair housing, and refer fair housing complaints to the Department of Fair Employment and Housing. The City has amended its Zoning Code to include formal reasonable accommodation procedures and established specific zoning districts to permit emergency shelters, transitional, and supportive housing as a matter of right. The City continues to periodically evaluate the Zoning Code to find whether any regulations constrain the development of housing for persons with disabilities. Fair housing counseling and assistance is currently administered by the California Department of Fair Employment (DFEH) and Housing.</u>

6. Farmworkers

Agricultural operations in the City are limited, with lands zoned for Residential Mountain (R-MT-5) allowing for crop or tree farming. Lands zoned R-MT-5 account for a fraction of land zoned for residential development in the city. A query of business licensing records indicated that no crop or tree farming operations are active in the City. As such, no specific resources are currently available for farmworkers.

A program is included to revise the Zoning Ordinance to allow for farmworker housing by-right in zones allowing single family residential development, in accordance with State law.

Table A-6 below identifies 5th Cycle accomplishments for farmworkers.

Table A-6: 5th Planning Cycle Policies and Program Effectiveness, Farmworkers

Accomplishments During the 5th Cycle	Effectiveness of Programs
Program 3.3 Fair Housing <u>Fair Housing information is provided on the City's web site and at City Hall as well as through the Housing Authority of the County of Santa Cruz. This information is available to property owners, apartment managers, tenants and the general public.</u>	<u>The City continues to promote fair housing practices, provide the public with educational information on fair housing, and refer fair housing complaints to the Department of Fair Employment and Housing. The City has amended its Zoning Code to include formal reasonable accommodation procedures and established specific zoning districts to permit emergency shelters, transitional, and supportive housing as a matter of right. The City continues to periodically evaluate the Zoning Code to find whether any regulations constrain the development of housing for persons with disabilities. Fair housing counseling and assistance is currently administered by the California Department of Fair Employment (DFEH) and Housing.</u>
Program 3.9 Agricultural Employee Housing <u>The city continued to review Health and Safety Codes as they relate to agricultural employee housing in order to amend the Zoning Ordinance if necessary.</u>	<u>The City's review of Health and Safety Code is an important step towards improving the lives of farmworkers. By ensuring that farmworkers have safe and healthy housing, the City can help improve their well-being, and quality of life.</u>

2015-2023 PROGRAM ACCOMPLISHMENTS

As required in Government Code 65588, local governments are to review its housing element as frequently to evaluate the appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal. **Table A-7** provides detailed, program-specific accomplishments for 2015-2023. The City of Scotts Valley has demonstrated significant effort in working towards accomplishing many of the objectives established in the 5th Planning Cycle Housing Element. The City's successful programs have been identified as on-going for the 6th Planning Cycle. Various programs have been modified in the 6th Cycle Housing Plan to account for new requirements and changes in State Law.

Table A-7: 5th Planning Cycle Program Accomplishments

Goals and Programs	Objective	Program Accomplishments	Status for Sixth Cycle
GOAL 1. It is the goal of the City of Scotts Valley to promote a balanced mix of housing types, prices, and opportunities by increasing the number of housing units to accommodate population and employment growth.			
Program 1.1 The City Council rezoned 11 acres of residential and commercial land to very high density residential, allowing densities from 15 to 20 units per acre during the 2009-2014 planning period. including an additional 12 acres was rezoned for mixed residential and commercial uses along major corridors. The City has determined that the sites inventory previously identified has remaining capacity to meet the 2015-2023 RHNA. As discussed in Chapter 4 and outlined in Chart 4-4, these sites are located along Scotts Valley Drive, Mt. Hermon Road, and specific plan locations, such as the Gateway Specific Plan. To ensure sufficient residential capacity to accommodate the identified regional need for lower income households is maintained, the City will develop and implement a formal monitoring program. The program will track development approvals on identified sites and ensure that no net loss occurs. This means that if any of the identified sites are not developed in accordance with the development requirements outlined in the Zoning Code, an alternative site or sites must be identified and rezoned to maintain overall affordable unit capacity.	Report on the progress of development in the identified sites inventory in the Annual Progress Report to HCD as required pursuant to Government Code Section 65400 and due April 1 of each year.	The City monitored the development approvals on identified sites, as detailed below.	Modify. The program is modified to meet the 6 th Cycle RHNA through a variety of strategies established in Appendix F.
	Monitor development approvals on identified sites and ensure that no net loss occurs.	2015: Scotts Valley was preparing its 2015-2016 Housing Element. 2016: Two developments were approved on - opportunity sites, The Cove and The Grove. The approvals entitled 75 housing units, with 10 units deed restricted affordable housing as required by the City's Inclusionary Ordinance.	
	Continue to implement the City's 15% inclusionary housing requirement and Title 14 Affordable Housing Production requirements.	2017: Thee construction of The Grove was ongoing. Building permits were issued for 3 deed restricted lower income units and 4 deed restricted moderate income inclusionary units. 2018: Building permits issued for The Cove and The Terrace, to allow for the construction of 43	

Goals and Programs	Objective	Program Accomplishments	Status for Sixth Cycle
		units, 9 of which were deed restricted affordable housing units as required by the City's Inclusionary Ordinance. An application was submitted for the Oak Creek Park opportunity site. <u>2019:</u> Building permits issued for 12 residential units on scattered sites throughout Scotts Valley. These sites were not included in the sites inventory. Certificates of Occupancy for The Grove was issued. <u>2020:</u> Building permits issued for 10 residential units. Nine building permits were issued for the Terrace, one of which was a low-income inclusionary unit. The construction of 25 housing units with three inclusionary moderate-income units (The Cove) was completed. <u>2021 - 2022:</u> The City monitored the remaining sites in the 2016 inventory to assure that land at appropriate densities is available to meet any unmet RHNA needs. The Town Center Specific Plan as listed in the 2016 site inventory represented a significant site for additional housing opportunities. The City continues to implement the 15% Inclusionary Housing requirement and is planning to evaluate the Inclusionary Housing Ordinance and to propose changes as needed to increase its effectiveness in producing affordable housing. The City has also been awarded SB2, LEAP, and REAP funds for	

Goals and Programs	Objective	Program Accomplishments	Status for Sixth Cycle
		improved permit processing, updating the City's Housing Element, and revisions to the ADU/Second Dwelling Unit Ordinance. In 2021, the City also approved the Bay Village Planned Development (10 total units, 2 affordable inclusionary units), The Hoechler project (2 units) and The Encore Project (16 total units, 2 low income inclusionary units). In 2022, the City approved the Oak Creek Park (52 total units with 2 very-low, 4 low, and 2 moderate income inclusionary units) and three units on Blue Bonnet Lane.	
Program 1.2 The Planned Development District (PD) is designed to enable projects to create specific development standards for a site that facilitate quality development and responds to unique site or environmental conditions. For example, a PD district allows smaller lots than normally allowed under the Zoning Code to preserve trees and sloped areas. In these cases, the Planned Development district provides a means of flexibility other than a variance to secure modifications to otherwise set development standards. A Planned Development district is approved by the Planning Commission and City Council. The City has successfully used PD districts in recent years to facilitate affordable projects including the Baytree Apartments, Bluebonnet Condominiums, and Windward single-family homes.	Continue providing flexible design through the PD zoning district.	2015: The City was preparing the 2015/2016 Housing Element, which included implementation of flexible design standards through a PD Zoning District. 2016 - 2022: The City worked with the development community by encouraging and supporting flexible design standards in the PD Zoning District. The following projects were approved with a PD Zoning District – The Grove, The Terrace, The Cove, Erba Lane and Oak Creek Park, for a total of 156 units.	Ongoing. The efforts for Program 1.2 will continue to provide flexible design throughout the PD Zoning District.
Program 1.3 The City of Scotts Valley could also accommodate a significant number of secondary dwelling units and guest houses. Since 2000, the City has facilitated the development of secondary dwelling units by reducing development standards, permitting them by right in residential zoning districts, and providing a means to address illegal conversion.	Continue to publicize its secondary dwelling unit program by developing brochures, updating its web site, and making available brochures available at the public counter.	2015: The City was preparing the development and implementation of this program. 2016: This City program was still in progress. 2017: The City issued 3 building permits for two dwelling units. 2019 - 2022:	Modify. The program is modified to amend its current "Secondary Dwelling Unit - Ordinance" to comply with State law requirements and imitations on required development standards.
	Periodically review program and make adjustments as		

Goals and Programs	Objective	Program Accomplishments	Status for Sixth Cycle
	feasible to facilitate the development of secondary dwelling units.	The City received SB2 grant funds that will be used to update the City's Secondary Dwelling Unit Ordinance so that it reflects all of the recent legislative changes as mandated by the State of California. These include Assembly Bill 68, Assembly Bill 881 and Senate Bill 13, all of which became effective as of January 1, 2020.	
Program 1.4 In compliance with Senate Bill 2, the City of Scotts Valley amended the Zoning Code to allow emergency shelters by-right in the Service Commercial (C-S), Shopping Center Commercial (C-SC), and Public/Quasi-Public (P) zoning districts. These zoning districts were selected due to multiple opportunities of underutilized and vacant sites for the development of new emergency shelters.	Continue to monitor the inventory of sites appropriate to accommodate emergency shelters and work with the appropriate organizations to ensure the needs of homeless and extremely low-income residents are met.	2015: The City was preparing the development and implementation of this program. On July 15, 2015, the City Council of Scotts Valley adopted Ordinance No. 16-138, continuing to allow emergency shelters by-right in the C-S, C-SC, and P Zoning Districts and amending the definition of an emergency shelter in compliance with SB 2.	Modify. The program is modified for the 6 th Cycle to meet the requirements of AB 139.
	Prioritize available funding and other available incentives for projects that provide housing for homeless and extremely low-income residents whenever possible.	2016: In Progress. 2017: This City program was still in progress 2018 – 2022: The City continued to monitor the inventory of sites appropriate to accommodate emergency shelters and worked with appropriate organizations.	
Program 1.5 In compliance with Senate Bill 2, the City of Scotts Valley amended the Zoning Code to allow transitional and supportive housing by-right in all residential zones, subject to only those regulations that apply to other residential uses of the same type in the same zone. These types of housing provide important housing opportunities	Continue to monitor the inventory of sites appropriate to accommodate transitional and supportive housing and work with the appropriate organizations to ensure the needs of homeless and	2015: The City was preparing the development and implementation of this program. On July 15, 2015, the City Council of Scotts Valley adopted Ordinance No. 16-138, permitting transitional and supportive housing by-right	Completed. The Program objectives were completed in 2015.

Goals and Programs	Objective	Program Accomplishments	Status for Sixth Cycle
for the City's homeless and extremely low-income households.	extremely low-income residents are met. Prioritize available funding and other available incentives for projects that provide housing for homeless and extremely low-income residents whenever possible.	in all residential zoning districts, in compliance with SB 2. <u>2018 – 2022:</u> Transitional and Supportive housing are permitted by-right in all residential zones.	
Program 1.6 To facilitate development, the City offers developers the opportunity to participate in a Density Bonus Program which provides a density increase of 35 percent plus development incentives for qualified affordable projects to be eligible for the program, the affordable project must contain: (1) at least 10 percent of the units reserved for low-income households; (2) at least 5 percent reserved for low-income households; or (3) an entire development reserved for senior households. The unit must remain affordable for at least 55 years if the density bonus is granted.	Provide information on the Density Bonus Program at City Hall and on the City's website.	<u>2015:</u> The City was preparing the development and implementation of this program. <u>2018:</u> Density Bonus Program information is included on page 4 of the City's 2018 "Affordable Housing Action Plan Brochure." <u>2019:</u> Density Bonus Program information is included on page 4 of the City's 2019 "Affordable Housing Action Plan Brochure." <u>2020:</u> Density Bonus Program information is included on page 4 of the City's 2020 "Affordable Housing Action Plan Brochure." <u>2021 - 2022:</u> The Density Bonus Program information is included in Section 17.62 of the SVMC. In 2021, the City approved a Density Bonus application for The Encore project. The project consists of 16 ownership units, 2 of which are deed restricted to affordable households as required by the City's inclusionary ordinance. Building permits for The Encore were issued in 2022.	Modify. The program is modified to include an update of the Density Bonus Ordinance in compliance with State law requirements.

Goals and Programs	Objective	Program Accomplishments	Status for Sixth Cycle
GOAL 2. It is the goal of the City of Scotts Valley to foster high-quality, safe and livable housing and residential neighborhoods through the preservation of Scotts Valley's current housing stock that meets the needs of all income segments of Scotts Valley's community and through the preservation of the City's supporting services and programs that are intended to maintain and preserve the quality, the continued availability and the affordability of that housing and the City's residential neighborhoods, as deemed appropriate by the City.			
Program 2.1 Zoning and building codes are designed to preserve housing in good condition and maintain the quality of neighborhoods. The City's Code Enforcement staff enforces City ordinances related to property maintenance, building conditions, and other issues.	Continue to implement a proactive code enforcement program through the Building Department and inform residents of rehabilitation assistance grants when available at City Hall and on the City's website.	<u>2018 - 2022:</u> The City continued to implement a proactive code enforcement program.	Ongoing. The efforts of program 2.1 will continue to implement an active code enforcement program. Conduct a biennial review of code enforcement cases to identify potential trends in the location or type of case.
Program 2.2 Design review ensures that new housing projects are designed to blend in with the character of the neighborhood, respect topographical and environmental features in Scotts Valley, and ensure compatibility with surrounding land uses. Design review is required for projects at the tentative map stage and for apartment projects and for projects in hillside combining districts and other sensitive areas. The City has streamlined the design review process in recent years. Design review is presently conducted by the City staff and reviewed by the Planning Commission, rather than separate commissions in the community. City staff assists developers by providing a booklet with design guidelines.	Continue to review projects to ensure consistency with the General Plan, Zoning Ordinance and area Design Guidelines. The City will give processing priority to affordable housing projects.	<u>2015:</u> The City was preparing the development and implementation of this program. <u>2018 - 2019:</u> The City continued to conduct project reviews to ensure consistency with the General Plan and Zoning Ordinance and provided priority process to affordable housing projects. <u>2020 - 2022:</u> The City continued to conduct project reviews to ensure consistency with the General Plan and Zoning Ordinance and provided priority process to affordable housing projects as allowed by recent State of California legislation.	Modify. The program is modified to reflect updates in the design review processes.
Program 2.3 The City will inventory and gather information to proactively monitor publicly assisted housing units that have the potential to convert to market rate. This will include an annual review of the conversion status of all	Develop and maintain an AB 987 database to include detailed information on all subsidized units, including	<u>2015:</u> The City was preparing the development and implementation of this program. <u>2018 - 2020:</u>	Ongoing. The efforts for Program 2.3 will continue through the next cycle. Develop AB 987

Goals and Programs	Objective	Program Accomplishments	Status for Sixth Cycle
subsidized housing. Although no affordable project is at-risk of conversion during the planning period, the City will continue to monitor the status of projects and provide technical and financial assistance as feasible to ensure the projects remain affordable for the long-term.	those that have affordability covenants.	The City maintained a data base and annually publishes an inventory of affordable housing opportunities entitled the “Affordable Housing Action Plan Brochure.” The most recent brochure was distributed in May 2020. The City continues to explore available federal and state funding resources that would assist private and non-profit developers in producing affordable housing. The City had an on-going contractual relationship with the Housing Authority of Santa Cruz County to provide eligibility and monitoring assistance of affordable units. 2021 - 2022: The City maintained a data base and annually published an inventory of affordable housing opportunities (https://www.housekeys15.com). The City continued to explore available federal and state funding resources that would assist private and non-profit developers in producing affordable housing. The City had an on-going contractual relationship with HouseKeys to provide eligibility and monitoring assistance of affordable units.	database within one-year of Housing Element adoption and update annually.
	Explore funding sources such as HUD Section 208/811 loans, HOPE II and II Homeownership Program funds, HOME funds, CDBG funds, Low-Income Housing Tax Credit Programs, California Housing Finance Agency single-family and multi-family programs, and other programs to stimulate private developer and non-profit entity efforts in the development and financing of housing for lower and moderate-income households.		
	Continue to monitor at-risk developments throughout the planning period and pursue partnership opportunities with non-profits to preserve and expand affordable housing in the City.		
Programs 2.4 The City’s Mobile Home Park Conversion Ordinance recognizes that the unrestricted conversion of mobile home parks to other uses can further diminish the availability of mobile home parks and rental space and can subject tenants to the costs and inconvenience of relocation. The ordinance provides a formal application procedure for mobile home park conversion and requires approval by the Planning Commission or City Council. The City will continue to implement the ordinance in an effort to protect the community’s existing mobile home parks.	Continue to implement the mobile home park conversion ordinance in an effort to protect existing mobile home parks and the supply of affordable housing.	2018 – 2022: The City continued to implement the Mobile Home Park Conversion Ordinance to protect existing mobile home parks. Information about the ordinance and other fair housing information was available at City Hall and on the City’s web site.	Ongoing. The efforts for Program 2.4 will continue through the next cycle.
	Provide information on the mobile home park conversion ordinance and other fair		

Goals and Programs	Objective	Program Accomplishments	Status for Sixth Cycle
	housing information on the City's website and at City hall.		
Program 2.5 The Mobile Home Park Rent Stabilization Ordinance recognizes the need to protect the residents of mobile homes from unreasonable space rent increases, while at the same time recognizing the need for mobile home park owners to receive a reasonable income and return on investment. The City receives, investigates, and holds hearings on requests for rent adjustments through the City's Rent Review Commission. To ensure that conditions are preserved to promote and enhance fairness in the economic relationship between mobile home park owners and mobile home owners the City will continue to implement the Mobile Home Park Rent Stabilization Ordinance.	Continue to implement the mobile home park rent stabilization ordinance to ensure that mobile home owners and residents are protected from unreasonable space rental increases while recognizing the need of mobile home park owners to receive a just and reasonable return on their investment. Provide information on the mobile home park rent stabilization ordinance and other fair housing information on the City's website and at City Hall.	2018 – 2022: The City continued to implement the Mobile Home Park Rent Stabilization Ordinance to protect existing mobile home parks. Information about the ordinance and other fair housing information was available at City hall and on the City's web site. In addition, the City's Mobile Home Park Rent Review Commission receives, investigates and can hold hearings as needed on proposed rent adjustments. As there has not been a recent need, the Commission is inactive and some seats are vacant.	Ongoing. The efforts for Program 2.5 will continue to implement and monitor the Mobile Home Park Rent Stabilization Ordinance throughout the 6 th Planning Cycle. Provide information at City Hall and on the City's website within one-year of Housing Element adoption.
GOAL 3. It is the goal of the City of Scotts Valley to expand and protect a range of housing opportunities for all demographic, economic, and special needs groups in the community.			
Program 3.1 The Section 8 Rental Assistance Program extends rental subsidies to very low-income households. The program offers a voucher that pays the difference between the current fair market rent established by the Housing Authority and what a tenant can afford to pay (i.e. 30 percent of household income). The voucher allows a tenant to choose housing that costs above the payment standard, provided the tenant pays the extra rent above the payment standard. The Housing Choice Voucher Program has recently been expanded to include a homeownership opportunity. Under the new program, renters who have participated in the Housing Choice Voucher program for a minimum of one	Continue to participate with the Housing Authority of Santa Cruz County Section 8 Certificate/Voucher Rental Assistance Program. Continue to refer residents to the County program and provide information at City hall and on the City's website.	2018 - 2020: The City continued to participate with the Housing Authority of Santa Cruz County and provided information about the Housing Authority's services in the City's 2020 "Affordable Housing Action Plan Brochure." 2021 – 2022: The City continued to participate with the Housing Authority of Santa Cruz County and provides information about the Housing Authority's services.	Modify. The program is modified for the 6 th Cycle to include information on homeownership opportunities through the Housing Choice Voucher Program.

Goals and Programs	Objective	Program Accomplishments	Status for Sixth Cycle
year are ready to buy a house, and have pre-qualified for a mortgage loan from a participating lender, may have their monthly housing assistance payment applied to a mortgage payment rather than rent. A three percent down-payment is required to be paid by the prospective homebuyer. As the City has little control over how the County's programs are administered, the City will be responsible for providing information to residents.			
Program 3.2 Since 1992, Scotts Valley has participated in the Mortgage Credit Certificate (MCC) program through the Housing Authority of the County Santa Cruz. The MCC program provides a tax credit of up to 20 percent of the annual interest paid on the applicant's mortgage, reducing the amount of Federal income tax the homeowner pays and freeing more income to qualify and pay for a loan. The Housing Authority also offers a specialized MCC program for teachers and principals of eligible schools. Currently the schools located in Scotts Valley are not eligible for the program. As the City has little control over how the County's programs are administered, the City will be responsible for providing information to residents.	Continue to refer residents to the County program and provide information at City Hall and on the City's website.	2017: The Mortgage Credit Certificates are no longer issued in Santa Cruz County. 2018 – 2022: The Housing Authority of the County of Santa Cruz no longer administers a Mortgage Credit Certificate (MCC) Program. They continued the administration of the Reissued Mortgage Credit Certificate (RMCC) program for those MCC's issued by the Housing Authority.	Modify. The program is modified to refer residents who were on the MCC program to the RMCC program.
Program 3.3 Fair housing is a broad topic that covers topics ranging from fair housing services to providing sufficient housing opportunities. For fair housing services, the City currently refers fair housing discrimination activities to the California Department of Fair Employment and Housing (DFEH). The mission of the DFEH is to protect Californians from employment, housing, and public accommodation discrimination.	Continue to provide informational and educational materials on fair housing services for property owners, apartment managers, and tenants at City Hall and on the City's website. Continue to monitor and respond, as appropriate, to complaints of discrimination, and continue to refer tenants to the California Department of Fair Employment and Housing for proper intake,	2018 – 2022: Fair Housing information is provided on the City's web site and at City Hall as well as through the Housing Authority of the County of Santa Cruz. This information is available to property owners, apartment managers, tenants and the general public.	Ongoing. The efforts for Program 3.3 will continue to monitor and respond to fair housing discrimination activities throughout the 6 th planning cycle.

Goals and Programs	Objective	Program Accomplishments	Status for Sixth Cycle
Program 3.4 Scotts Valley recognizes that children represent our future community, but also recognizes that existing childcare services and facilities may not be adequate to meet today's demand and that this demand is increasing. To ignore this fact jeopardizes the long-term of the City's social, physical, and economic well-being. Thus, the City is committed to making high quality childcare services available, affordable, and accessible to those persons who either live or work in the City and who desire or need such services.	investigation, and resolution of fair housing complaints.		
	Continue to work with child care providers and the County to promote adequate child care facilities within the community.	<u>2018 – 2022:</u> The City continues to provide information at City Hall and on the City's web site regarding current zoning regulations that apply to child care and day care facilities. In addition, the City continued to encourage the provision of child care and day care facilities in all new proposed development activities.	Ongoing. The efforts for Program 3.4 will continue to develop new child care facilities within the community.
	Provide information at City Hall and the City's website on current zoning regulations that apply to child care and day care facilities.		
Program 3.5 Pursuant to Government Code Section 65583, the City of Scotts Valley is obligated to remove potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels and for persons with disabilities. The Fair Housing Act, as amended in 1988, requires that cities and counties provide reasonable accommodation to rules, policies, practices, and procedures where such 5-13 accommodation	Continue to encourage new development to provide child care and day care facilities through a variety of activities, including outreaching to developers; providing financial or in-kind technical assistance, when available; providing expedited processing; identifying grant and funding opportunities; and providing information on the City's Density Bonus Ordinance.		
	Provide informational handouts and information at City Hall and on the City's website about reasonable accommodation procedures.	<u>2018 – 2022:</u> Chapter 17.60 of the City's Municipal Code provided Reasonable Accommodation standards and procedures. The Municipal code is on the City's website as well as at City Hall.	Modify. The program is modified to continue reviewing reasonable accommodation procedures to remove potential constraints.
	Continue to work with developers and individual home owners to encourage		

Goals and Programs	Objective	Program Accomplishments	Status for Sixth Cycle
may be necessary to afford individuals with disabilities equal housing opportunities. Reasonable accommodation provides a basis for residents with disabilities to request flexibility in the application of land use and zoning regulations or, in some instances, even a waiver of certain restrictions or requirements from the local government to ensure equal access to housing opportunities. The ADA Committee continues as a City Commission that identifies opportunities to increase ADA accessibility throughout the City. In general, City Staff takes into consideration the provisions of the California Americans with Disabilities Act (Cal ADA) in the review and approval of housing projects and grants modifications and deviations from the Municipal Code to accommodate the needs of persons with disabilities. In 2014, the City adopted a reasonable accommodation ordinance per requirements of State law.	design and construction of projects that include features to make the units usable for persons with disabilities.		
Program 3.6 The housing needs of persons with developmental disabilities are typically not addressed by Title 24 Regulations, and requires, in addition to basic affordability, slight modifications to existing units, and in some instances, a varying range of supportive housing facilities. The design of housing accessibility modifications, the proximity to services and transit, and the availability of group living opportunities represent some of the types of considerations that are important in serving this need group. Incorporating “barrier-free” design in all new multi-family housing (as required by California and Federal Fair Housing laws) is especially important to provide the widest range of choices for residents with disabilities.	Seek State and Federal monies, as funding becomes available, in support of housing construction and rehabilitation targeted for persons with developmental disabilities.	2018 – 2022: The City continued to seek available funding and provide regulatory incentives to assist projects for persons with developmental disabilities. The City also continued to work with nonprofit developers who intend to provide housing for persons with developmental disabilities. Information on housing and services for persons with developmental disabilities is available at City Hall and on the City’s web site.	Modify. The program is modified to amend the Zoning Code to permit large Community Care Residential Facilities in all residential zones to remove constraints for persons with disabilities.
	Provide regulatory incentives, such as expedited permit processing, and fee waivers and deferrals, to projects targeted for persons with developmental disabilities.		
	Work with the San Andreas Regional Center to implement an outreach program informing households within the City of housing and services available for persons		

Goals and Programs	Objective	Program Accomplishments	Status for Sixth Cycle
	with developmental disabilities. Provide information on housing and services available for persons with developmental disabilities at City Hall and on the City's website.		
Program 3.7 Extremely low-, and low-income households have limited housing options in Scotts Valley. Housing types appropriate for these groups include: emergency shelters, and transitional and supportive housing. To accommodate this population group the City amended the Zoning Code to address these housing types per requirements of Senate Bill 2. The City has amended the City's Zoning Code to allow emergency shelters by-right in at least one zoning district, and to permit transitional and supportive housing in all residential zones by-right without any discretionary action, subject only to those regulations that apply to other residential dwelling units of the same type in the same zone.	Encourage the development of housing for lower income households, including extremely low-, very low-, and low-income, through a variety of activities, such as outreaching to housing developers; providing financial or in-kind technical assistance, when available; providing expedited processing; identifying grant and funding opportunities; and offering additional incentives beyond density bonus provisions.	2018: The City encouraged lower income housing (including low, very low and extremely low income) by providing information and assistance to both private and non-profit developers. In 2018, the City continued discussions with the developer of a proposed 19 unit project (Bay Photo) to designating 2 rental units for lower income households. Building permits for The Cove were issued, including 3 building permits to construct moderate income inclusionary units. 2019 – 2022: The City encouraged lower income housing (including low, very low and extremely low income) by providing information and assistance to both private and non-profit developers. The City also approved the Encore and Erba Lane projects during these years, with each providing 2 rental units affordable to lower income households.	Ongoing. The efforts for Program 3.7 will continue to encourage the development of lower-income housing and provide assistance to developers.
Program 3.8 The City's Municipal Code currently defines a family as "a person or persons related by blood, marriage or	Amend, as appropriate, the definition of "family" to be	2018 – 2022:	Ongoing.

Goals and Programs	Objective	Program Accomplishments	Status for Sixth Cycle
adoption or a group of not more than five persons, excluding servants, not related by blood, marriage or adoption, living together as a single housekeeping unit in a dwelling unit.” The City evaluated the current definition and found that revisions are necessary to be consistent with State and federal fair housing laws.	consistent with State and federal fair housing laws.	An updated definition of “family” is scheduled to be reviewed at the time of the General Plan Update.	The efforts for Program 3.8 will adopt the General Plan Update that includes an updated definition of “family” that complies with state and federal fair housing laws.
Program 3.9 Sections 17021.5 and 17021.6 of the State Health Safety Code are within part of the Employee Housing Act. The act sets standards for the construction, maintenance, use, and occupancy of living quarters called “employee housing” as defined in Section 17008 of the Health and Safety Code. The intent of these two sections is to broaden opportunities for agricultural employee housing in single-family residential districts and agricultural districts. The City will amend the Zoning Ordinance and meet the requirements of Health and Safety Codes Section 17021.5 and 17021.6 as it relates to agricultural employee housing.	Amend the Zoning Ordinance to meet the requirements of Health and Safety Codes Section 17021.5 and 17021.6 as it relates to agricultural employee housing.	2018 – 2022: The City continued to review Health and Safety Codes as they relate to agricultural employee housing in order to amend the Zoning Ordinance if necessary.	Ongoing. The efforts for Program 3.9 will continue to amend the Zoning Ordinance necessary to broaden opportunities for agricultural housing in single-family residential districts.
GOAL 4. It is the goal of the City of Scotts Valley to protect its unique sensitive environmental, archaeological, and paleontological assets and encourage resource conservation measures in all new housing developments.			
Programs 4.1 The City’s Zoning Code enforces certain regulations and development standards to ensure that its environmental resources are protected. For instance, the Code prohibits development on slopes with an average grade of more than 40 percent. For slopes where development is permitted, the City provides design guidelines to the project applicant(s) to ensure that hillsides are preserved. For slopes greater than 10 percent, the City has established a Hillside Residential Combining District, which requires a variety of development and design standards to help preserve and conserve natural vegetative and topographic features and open space. City staff and the Design Review Board (Planning Commission are responsible to review the project to ensure that applicable standards have been fully addressed.	Continue to enforce the setback, height, and density standards identified in the Hillside Residential Combining District.	2018 – 2022: The City continued to enforce the various standards as identified in the Hillside Residential Combining District.	Ongoing. The efforts for Program 4.1 will ensure sensitivity to the steepness of the terrain in order to minimize grading, removal of vegetation, run-off erosion, geologic hazards and fire hazards through implementation of the standards established in the Hillside Residential Combining District.

Goals and Programs	Objective	Program Accomplishments	Status for Sixth Cycle
Program 4.2 The City encourages the conservation of resources in the development and improvement of new housing throughout the City. Buildings should be designed to minimize mechanical heating and cooling. Sunlight should be used for direct heating and illumination whenever possible. Natural ventilation and shading should be used to cool a building. Active and passive solar heating is encouraged. Solar access shall be planned into the site design where possible. Solar access shall be reserved, where appropriate, through recorded easements or other devices or instruments. Climatic factors such as prevailing winds, shade trees, window and door orientation and the positioning of buildings on the site shall all be coordinated to maximize energy conservation.	Encourage energy conservation measures and devices to be incorporated in the development and improvement of housing. Review such requirements through the Design Review and Building Permit process.	2018 – 2022: The City reviewed energy conservation measures and devices through the Design Review and the building permit process.	Ongoing. The efforts for Program 4.2 will continue to review requirements to incorporate resource conservation into new residential projects through the Design Review and the building permit process.
Program 4.3 Pursuant to Chapter 727, Statutes of 2005 (SB 1087), the City of Scotts Valley is required to deliver its adopted Housing Element and any amendments thereto to local water and sewer service providers. This legislation allows for coordination between the City, water, and sewer providers when considering approval of new residential projects, and to ensure that the providers have an opportunity to provide input on the Element. Additionally, review of the Housing Element ensures that priority for water and sewer services is granted to projects that include units affordable to lower-income households.	Submit the adopted Housing Element, and any subsequent amendments, to local water and sewer providers for their review and input.	2018 – 2022: The 2016 Housing Element had been submitted to local water and sewer providers. Future amendments to the 2016 Housing Element will also be submitted to local water and sewer providers. No amendments were made to the Housing Element during the 5th Cycle.	Ongoing. The efforts for Program 4.3 will continue to provide the Housing Element to the local water and sewer service providers.
Program 4.4 Scotts Valley's location on an ancient seabed has contributed to a wealth of archaeological and paleontological resources in the community today. In fact, the present City Hall site contains a 10,000- to 15,000-yearold archaeological site. The General Plan designates various areas throughout the community as moderate or high cultural resource sensitivity zones. In these areas, development proposals must have appropriate environmental clearance pursuant to state and federal laws,	Continue to review proposals for new housing to ensure that the City's cultural resources are adequately protected.	2018 – 2022: The City continued to monitor proposed development activity in areas designed as "moderate or high cultural resource sensitivity zones" in the General Plan.	Ongoing. The efforts for Program 4.4 will continue to monitor proposed development activity in areas designated as "moderate or high cultural resource sensitivity zones" in the 6th Cycle.

Goals and Programs	Objective	Program Accomplishments	Status for Sixth Cycle
which is reviewed by the City's Cultural Resource Commission. Procedures and scope of authority of the Commission is set forth in Chapter 17.44 of the Scotts Valley Municipal Code.			



The **Housing Needs Assessment** provides an overview of the City’s housing and population characteristics and evaluates the factors that contribute to the supply and demand of housing in Scotts Valley. To create a comprehensive evaluation of Scotts Valley’s housing needs, the housing needs assessment discusses population, household, economic and housing stock characteristics, and presents each of these components in a regional context. This assessment serves as the basis for identifying the appropriate goals, policies, programs, and quantified objectives for the City to implement during the 2023-2031 Housing Element Cycle.

POPULATION CHARACTERISTICS

Understanding the characteristics of a population is critical to plan for the needs of a community. Population growth, age composition, race, and ethnicity, and employment trends influence the type and extent of housing needs and the ability of the local population to afford housing costs. The following describes and analyzes the various population characteristics and trends that affect housing need.

1. Population Growth

Table B-1 displays the forecasted population growth for Scotts Valley in comparison to Santa Cruz County and surrounding communities. According to the U.S. Census and AMBAG Projections, the Santa Cruz County population is forecasted to increase by 8.1 percent through 2040. From 2015 to 2020, the County experienced a 0.9 percent drop in population. The City's population decreased by 2.1 percent between 2015 and 2020 and is forecasted to increase by 1.5 percent between 2020 and 2040.

Table B-1: Population Growth (2010-2040)

Jurisdictions	Population				Percent Change	
	2015 Actual	2020 Actual	2030 Projected*	2040 Projected*	2015-2020	2020-2040
Santa Cruz County	273,793	271,233	284,146	293,156	-0.9%	8.1%
Capitola	10,224	10,108	10,794	11,049	-1.1%	9.3%
Santa Cruz	64,223	64,424	72,218	78,828	0.3%	22.4%
Scotts Valley	11,946	11,693	11,837	11,868	-2.1%	1.5%
Watsonville	52,410	51,515	54,270	55,786	-1.7%	8.3%

Source: 2022 Regional Growth Forecast AMBAG, Table 8

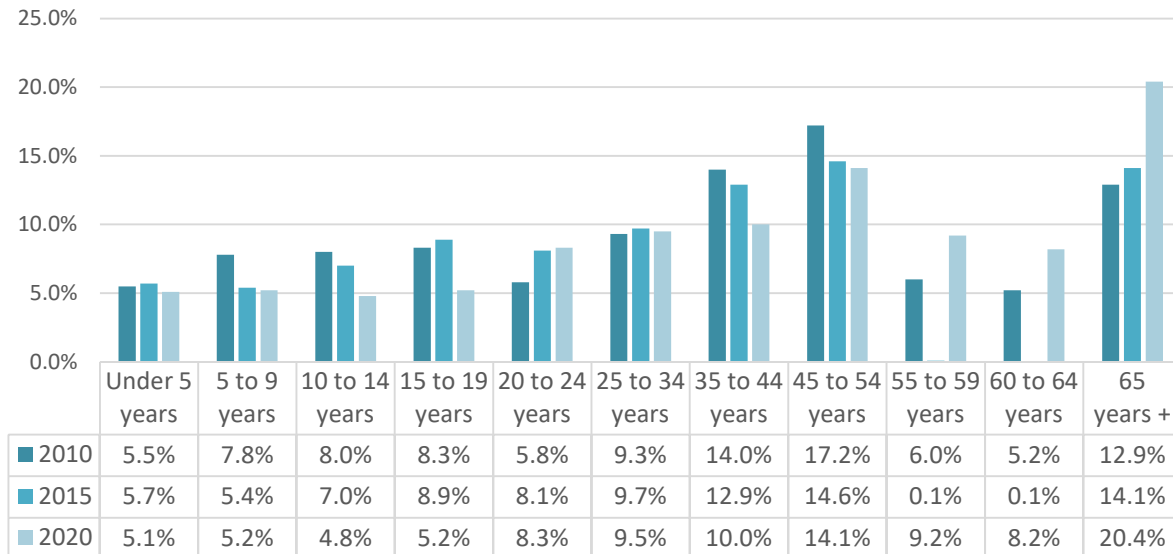
2. Age Characteristics

Housing choices may differ based on the age of residents. Young adults (18 to 30 years old) and seniors (65 years or older) typically favor apartments, low- to moderate-cost condominiums, and smaller or more affordable single-family residences as they tend to have limited incomes or smaller families. As a community's population ages, housing must also accommodate new or adjusted needs. A variety of housing options is needed to accommodate all stages of life to produce a well-balanced and healthy community.

Figure B-1 below displays ACS data for age distribution in Scotts Valley. Age groups from 5 to 9 years old, 10 to 14 years old, 35 to 44 years old, and 45 to 54 years old saw a decrease from 2010 to 2020. Older adults 65 years and older saw the most amount of growth with a 7.5 percent increase from 2010 to 2020; this age group had the largest population increase between 2010 and 2020 in Scotts Valley. This is an indication of an aging population. The population between the ages of 55- to 59-year-old experienced the most fluctuation between

2010 and 2020. From 2010 to 2015, the percentage dropped to 0.08 percent (a 5.92 percent decrease). From 2015 to 2020, the percentage increased to 9.20 percent.

Figure B-1: Scotts Valley Age Distribution



Source: American Community Survey, Table S0101, 5-Year Estimates, 2010, 2015, and 2020

Table B-2 below shows the age distribution of Scotts Valley residents in comparison to surrounding communities. Scotts Valley's adult population between 35 to 49 represent the highest percentages in comparison to neighboring communities. Scotts Valley also has the highest percentages of residents under the age of 5 after Watsonville.

Table B-2: Age Characteristics/Age Distribution

Jurisdiction	Under 5	5 to 19	20 to 34	35 to 49	50 to 64	65 years +
Santa Cruz County	5.30%	19.3%	22.4%	24.3%	13.7%	15.0%
Capitola	3.7%	16.1%	20.8%	25.8%	12.9%	20.6%
Santa Cruz	3.1%	21.0%	33.3%	20.3%	9.7%	12.5%
Scotts Valley	6.5%	18.2%	18.6%	27.2%	13.3%	16.0%
Watsonville	9.7%	24.0%	23.8%	23.9%	9.1%	9.6%

Source: American Community Survey, Table S0101, 5-Year Estimates, 2020

3. Race/Ethnicity Characteristics

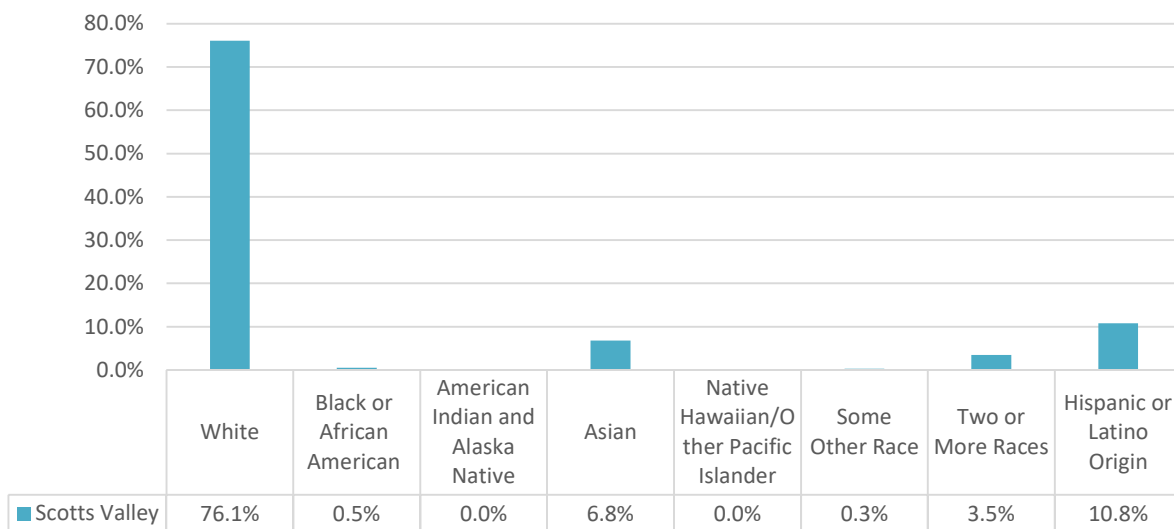
Analyzing and understanding the racial and ethnic composition of a community is important as different racial and ethnic groups may have varying household characteristics, income levels, and cultural backgrounds that may affect their housing needs, housing choice, and housing type. Cultural influences may reflect preference for a specific type of housing or other characteristics, such as location and mobility.

It is important to note that while race and ethnicity are used to identify different sections of a community's population, they are not the same and are not mutually exclusive. The data identified below shows the racial and ethnic composition of Scotts Valley and nearby

jurisdictions using ACS, which allows Census respondents to identify one's race and ethnicity. Therefore, overlap may occur.

Figure B-2 and Table B-3 show persons who identify as White make up the largest racial group in Scotts Valley (76.1 percent), which is larger than that of the County (56.9 percent) and neighboring jurisdictions. In contrast, the Hispanic or Latino population made up the second largest population group at a much smaller rate of 10.8 percent. Persons who identify as Black, American Indian/Alaska Native, Native Hawaiian/Other Pacific Islander, and Some Other Race represent less than one percent of the City's population combined.

Figure B-2: Racial Ethnic Composition



Source: American Community Survey, Table B03002, 5-Year Estimates, 2020

Table B-3: Racial/Ethnic Composition

Jurisdiction	White*	Black*	American Indian/Alaska Native*	Asian*	Native Hawaiian/Other Pacific Islander*	Some Other Race*	Two or More Races*	Hispanic or Latino (of any race)
Santa Cruz County	56.9%	1.0%	0.1%	4.7%	0.1%	0.3%	3.3%	33.6%
Capitola	62.0%	0.6%	0.1%	4.8%	0.0%	0.0%	6.7%	25.8%
Santa Cruz	62.1%	1.8%	0.1%	10.2%	0.1%	0.4%	4.6%	20.7%
Scotts Valley	76.1%	0.5%	0.0%	6.8%	0.0%	0.3%	3.5%	10.8%
Watsonville	15.0%	0.4%	0.1%	2.2%	0.0%	0.0%	0.6%	81.7%

*Non-Hispanic

Source: American Community Survey, Table B03002, 5-Year Estimates, 2020

Table B-4 shows mostly moderate changes in racial and ethnic demographics between 2010 and 2020. Persons that identified as Asian experienced the largest increase from 5.4 percent to 8 percent. In contrast, those that identify as White decreased from 80.7 percent to 75.6 percent

a 5.1 percent decrease. Those who identify as Black or African American and Native Hawaiian/Other Pacific Islander also experienced similar decrease from 0.1 percent and 0.8 percent, respectively. The population that identifies as two or more races increased by 1.06 percent from 2010 to 2020.

Table B-4: Racial/Ethnic Composition of Scotts Valley (2010-2020)

Race/Ethnicity	2010	2015	2020	Change from 2010 to 2020
White*	80.7%	78.2%	75.6%	-5.1%
Black or African American*	0.4%	0.8%	0.4%	-0.1%
American Indian and Alaska Native*	0%	0%	0%	0%
Asian*	5.4%	5.4%	8%	2.6%
Native Hawaiian/Other Pacific Islander*	0.8%	0%	0%	-0.8%
Some other Race*	0	0.3%	0.9%	0.9%
Two or more races*	2.8%	4.9%	3.9%	1.1%
Hispanic or Latino Origin	9.9%	10.4%	11.4%	1.5%
White alone	6.2%	8.1%	5.8%	-0.4%
Black or African American alone	0.1%	0.1%	0.0%	-0.1%
American Indian and Alaska Native alone	0.3%	0.0%	0.7%	0.4%
Asian alone	0.3%	0.2%	0.0%	-0.3%
Native Hawaiian and Other Pacific Islander alone	0.0%	0.0%	0.0%	0.0%
Some other race alone	1.6%	0.7%	2.6%	1.0%
Two or more races	1.4%	1.2%	2.3%	0.9%

*Non-Hispanic

Source: American Community Survey, Table B03002, 5-Year Estimates, 2010, 2015, and 2020

ECONOMIC CHARACTERISTICS

In addition to demographics, economic characteristics may also indicate different housing needs. Employment and income trends may indicate a need for more affordable housing units and assistance programs. The data in this section provides valuable insight into the Scotts Valley community's ability to access the housing market and to afford housing. Specifically, incomes associated with different employment sectors and the number of workers in a household may affect housing affordability need and choice. Local employment growth is also linked to local housing demand, and vice versa. Therefore, to consider a healthy balance between jobs and housing, it is important to consider the employment characteristics of a community.

1. Employment and Wage Scale

Employment and income directly affect housing needs as they provide the ability to purchase and rent housing, as well as influence the types of housing residents can afford. Job growth refers to the number of jobs created in the jurisdiction whereas employment growth refers to the number of residents in a jurisdiction that are employed. Table B-5 outlines job growth from 2015 through 2045 for Scotts Valley and nearby jurisdictions. By 2045, the City is forecasted to experience a 14.2 percent job growth from 2015 to 2045 (approximately 1,339 new jobs). The

figures in Table B-5 provide a deeper understanding of economic growth as compared to forecasted population growth, shown in Table B-1.

Table B-5: Total Jobs Growth (2015-2045)

Jurisdiction	2015	2025	2035	2045	Change 2015-2045
Santa Cruz County	130,436	141,391	147,125	153,261	17.5%
Capitola	11,666	12,376	12,902	13,454	15.3%
Santa Cruz	40,840	44,317	46,863	49,636	21.5%
Scotts Valley	9,458	10,185	10,489	10,797	14.2%
Watsonville	42,069	45,748	47,366	49,071	16.6%

Source: Association of Monterey Bay Area Governments, 2022 Regional Growth Forecast

Table B-6: Employment by Sector (2010-2020)

Industry Sector	2010		2020		Change 2010-2020
	People Employed	Percent City Employment	People Employed	Percent City Employment	
Agriculture, forestry, fishing and hunting, and mining	0	0%	0	0%	0%
Construction	362	10.3%	205	5.3%	-5%
Manufacturing	616	17.5%	635	16.5%	-1%
Wholesale trade	61	1.7%	133	3.5%	1.7%
Retail trade	264	7.51%	401	10.4%	2.9%
Transportation and warehousing, and utilities	67	1.9%	157	4.1%	2.2%
Information	137	3.9%	199	5.2%	1.3%
Finance and insurance, real estate, and rental leasing	316	9%	265	6.9%	-2.1%
Professional, scientific, management, and administrative services	485	13.8%	509	13.3%	-0.6%
Education services, health care, and social assistance	632	18%	662	17.2%	-0.8%
Arts, entertainment, recreation, accommodation, and food services	198	5.6%	149	3.9%	-1.8%
Other services (except public administration)	119	3.4%	98	2.6%	-0.8%
Public Administration	257	7.3%	427	11.1%	3.8%
Total	3,514	100%	3,840	100%	9.3%

Source: American Community Survey, 5- Year Estimates, 2010 and 2020

Economists estimate a 3.5 percent to 4.5 percent unemployment rate as natural as it reflects the real voluntary economic forces within a jurisdiction. Table B-7 shows the City of Scotts Valley had an unemployment rate of 6.9 percent in 2010 and 4.3 percent in 2020. The rate of unemployment went down by 2.6 percent from 2010 to 2020. This puts the City at the lowest unemployment rate compared to the surrounding jurisdiction and at a natural rate.

Table B-7: Unemployment Rate

Jurisdiction	Unemployment Rate*		Percent Change
	2010	2020	
Santa Cruz County	8.3%	6.1%	-2.2%
Capitola	8.6%	1.6%	-7%
Santa Cruz	8.3%	6.9%	-1.4%
Scotts Valley	6.9%	4.3%	-2.6%
Watsonville	11%	8%	-3%

*Population 16 years and over

Source: American Community Survey, Table DP03, 5-Year Estimates, 2010 and 2020

The County of Santa Cruz's median income for a household of four is \$119,300, according to the 2022 State of California Income Limits for Santa Cruz County. Occupations that fall under \$59,650 would have an average income in the very low-income category. As Table B-8 shows, the majority of the occupational salaries in Santa Cruz County fall below 50 percent of the HUD Area Median Family Income (HAMFI). Based on these salaries, housing stock in the City would need to be affordable to accommodate lower income households.

Table B-8: Santa Cruz County Median Salary by Occupation

Occupation	Salary
Legal	\$96,222
Computer and Mathematical	\$87,551
Architecture and Engineering	\$86,641
Management	\$79,419
Transportation and Material Moving	\$77,256
Life, Physical and Social Sciences	\$70,746
Business and Financial Operations	\$70,708
Healthcare Practitioners and Technical	\$66,811
Arts, Design, Entertainment, Sports and Media	\$56,649
Protective Services	\$54,640
Education, Training and Library	\$52,376
Installation, Maintenance and Repair	\$50,166
Community and Social Service	\$48,070
Sales	\$47,973
Construction and Extraction	\$43,993
Production	\$40,481
Office and Administration Support	\$40,014
Farming, Fishing and Forestry	\$30,567
Healthcare Support	\$30,270
Building, Grounds Cleaning, and Maintenance	\$29,735
Personal Care and Service	\$28,513
Food Preparation and Serving Related	\$25,375

Source: American Community Survey, 5-Year Estimates, 2020

HOUSEHOLD CHARACTERISTICS

Households include all individuals that occupy a single housing unit in a shared state whether they are single occupants, families, or unrelated people sharing a housing unit. Household characteristics provide insight on growth and determining a community's housing needs. Income and affordability are best measured at the household level, as well as the special needs of certain groups, such as large families, single-parent households, or lower-income households.

1. Household Type

Table B-9 shows different household characteristics in the City. Scotts Valley contains 4,779 total households. This represents about 4.96 percent of total Santa Cruz County households. About 55.4 percent of total households in Scotts Valley are married-couple family households. This population tend to seek occupancy in a single-family residence with multiple bedrooms. In contrast, non-family households make up 32.5 percent of total households. This may include unrelated persons living together or persons living alone. Non-family households tend to occupy multi-family units or seek out more affordable housing options.

Table B-9: Household Characteristics

Jurisdiction	Married-Couple Family HH		Female HH, No Spouse Present		Non-Family HH		Total HH
	County	% of Total HH	County	% of Total HH	County	% of Total HH	
Santa Cruz County	46,297	48.1%	9,718	10.1%	35,405	36.8%	96,275
Capitola	1,783	38.3%	457	9.8%	2,209	47.4%	4,658
Santa Cruz	8,006	35.4%	1,680	7.4%	11,950	52.8%	22,644
Scotts Valley	2,649	55.4%	263	5.5%	1,551	32.5%	4,779
Watsonville	7,345	51.3%	2,524	17.6%	3,199	22.3%	14,317

Note: HH = Households

Source: American Community Survey, Table B11001, 5-Year Estimates, 2020

Table B-10 illustrates the changes in household types from 2010 through 2020. Scotts Valley experienced a growth of approximately 482 new households from 2010 to 2020. During this time, householders ages 65 or above grew 4.4 percent. Male households with no spouse present experienced a decline by 4.1 percent.

Table B-10: Changes in Household Types

Household Types	2010		2015		2020	
	Count	Percent	Count	Percent	Count	Percent
Married-couple Family Households	2,411	56.1%	2,425	56%	2,649	55.4%
Female Households, No Spouse Present	414	9.6%	417	9.6%	263	5.5%
Male Households, No Spouse Present	190	4.4%	193	4.5%	316	6.6%
Non-Family Households	1,282	29.8%	1,297	29.9%	1,551	32.5%
Householder Ages 65 or Above	468	10.9%	550	12.7%	731	15.3%
Total Households	4,297	100%	4,332	100%	4,779	100%

Source: American Community Survey, Table S11001, 5-Year Estimates, 2010, 2015, 2020

2. Household Size

Understanding household size helps identify the basic unit of demand for housing as it identifies the type and size of housing needed by the community. It is also an indicator of population growth and household character. The measure of person per household provides an indicator of the number of persons residing in a housing unit. Average household size can be both a result and indicator of housing affordability and other household economic conditions and is important in understanding housing need by size and type of housing.

Table B-11 illustrates the household size for the City and nearby communities. Scotts Valley has approximately 2.5 persons per household making it the third largest household size in the area. Larger households may require additional bedrooms and thus, without a sufficient supply of larger units, may experience overcrowding.

Table B-11: Average Household Size

Jurisdiction	Average Persons per Household
Santa Cruz County	2.7
Capitola	2.1
Santa Cruz	2.4
Scotts Valley	2.5
Watsonville	3.6

Source: American Community Service, 5-Year Estimates 2020

3. Household Income

Household income is connected to affordability. As household income increases, households are more likely to afford market-rate units, larger units, and/or pursue ownership opportunities. On the contrary, as household income decreases, households tend to pay a disproportionate amount of their income for housing. This could lead to increased incidences of overcrowding and substandard living conditions.



HCD has identified the following income categories based on the Santa Cruz County HAMFI:

- **Extremely Low-Income:** Households earning up to 30 percent of the HAMFI
- **Very Low-Income:** Households earning between 31 and 50 percent of the HAMFI
- **Low-Income:** Households earning between 51 and 80 percent of the HAMFI
- **Moderate-Income:** Households earning between 81 and 120 percent of the HAMFI
- **Above Moderate-Income:** Households earning over 120 percent of the HAMFI

Together, the extremely low-, very low-, and low-income categories are referred to as lower income¹. Comprehensive Housing Affordability Strategy (CHAS) estimates based on 2015-2019 ACS 5-year average data are used below. The CHAS, developed by the Census Bureau for the U.S. Department of Housing and Urban Development (HUD), provides detailed information on housing needs by income level for different types of households in Santa Cruz. The most recent available CHAS data for Santa Cruz was published in May 2022.

Table B-12 displays the households by income categories. The majority of owners, renters, and households all are in the moderate- or above-income category. Homeowners had the highest percentage of households in the moderate- or above-income category (74.4 percent). Approximately 16.1 percent of Scotts Valley households have a low-income – with 7.9 percent earning an extremely low-income.

Table B-12: Households by Income Category

Income Category (% of County HAMFI)	Owner		Renter		Households	
	Total	Percent	Total	Percent	Total	Percent
Extremely Low (30% HAMFI or less)	135	4.3%	215	17.1%	350	7.9%
Very Low (31 to 50% HAMFI)	265	8.4%	145	11.6%	410	9.3%
Low (51 to 80% HAMFI)	415	13.1%	295	23.5%	710	16.1%
Moderate or Above (over 80% to 100% HAMFI)	2,355	74.41%	600	47.8%	2,955	66.9%
Total	3,165	100%	1,255	100%	4,420	100%

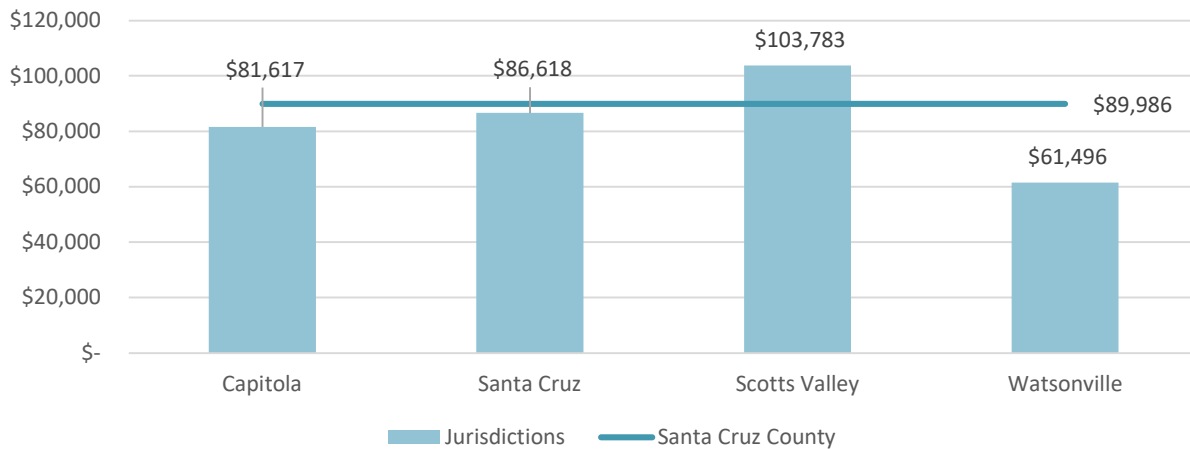
Source: HUD Comprehensive Housing Affordability Strategy, 2015-2019

The ACS 2020 data shown in Figure B-3 below depicts median household income for the City of Scotts Valley, the surrounding jurisdiction, and Santa Cruz County. Scotts Valley has a median household income of \$103,783, which is \$13,797 higher than Santa Cruz County. The City has the highest household income in the area. Larger household income allows for more flexibility and opportunity of housing choice. Households with lower median incomes are more susceptible to housing cost burdens and may have fewer choices. Additionally, lower-income

¹ Federal housing and community development programs typically assist households with incomes up to 80 percent of the HAMFI and use different terminology. For example, the Federal Community Development Block Grant (CDBG) program refers households with incomes between 51 and 80 percent HAMFI as moderate-income (compared to low-income based on State definition).

households may not be able to afford adequate housing. Low-income households may have a challenging time finding housing that can fit the needs of a larger household because larger housing tends to be owned, rather than rented, and is more expensive than smaller rental units. As a result, cost burden, displacement, and overcrowding may occur.

Figure B-3: Median Household Income by City



Source: American Community Survey, S1901, 5-Year Estimates, 2020

Table B-13 shows the median household income of nearby jurisdictions and compares the percentage difference with the Santa Cruz County median income. Scotts Valley's median household is 15.3 percent above that of Santa Cruz County; it is the highest of the surrounding jurisdictions.

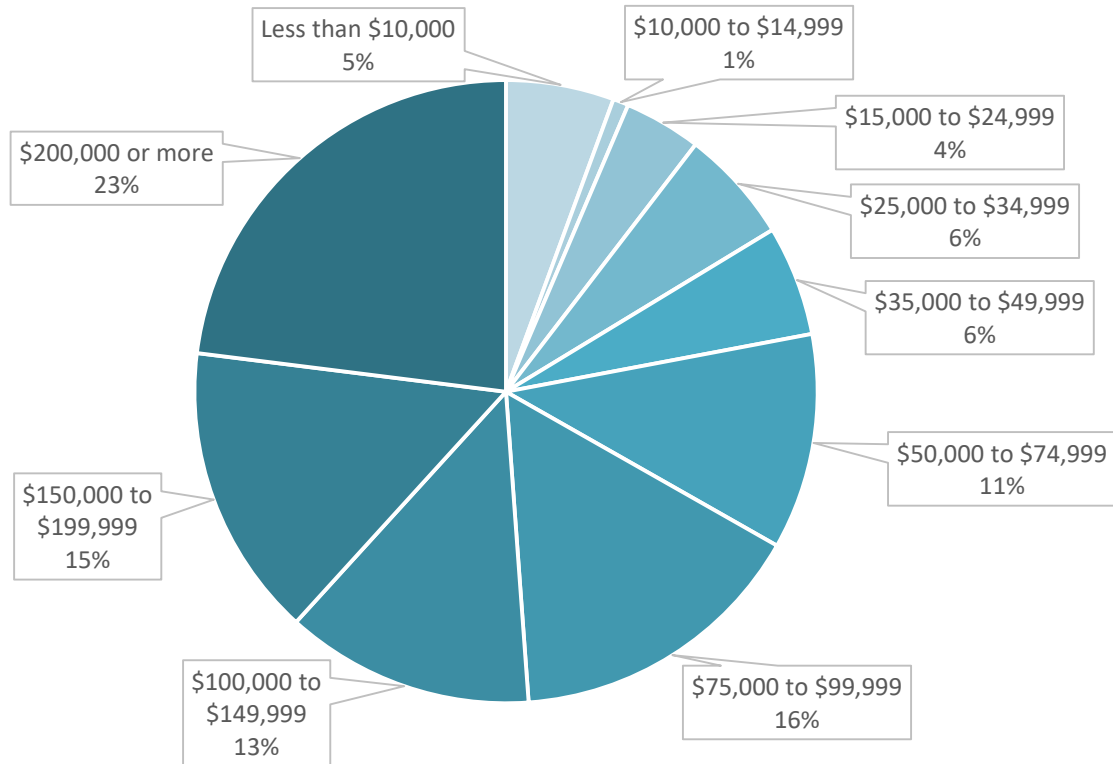
Table B-13: Median Household Income

Jurisdiction	Median Income	Difference with County Median
Santa Cruz County	\$89,986	--
Capitola	\$81,617	-9.3%
Santa Cruz	\$86,618	-3.7%
Scotts Valley	\$103,783	15.3%
Watsonville	\$61,496	-31.7%

Source: American Community Survey, Table S1901, 5-Year Estimates, 2020

Figure B-4 below outlines Scotts Valley's income, broken down by income level. 61.7 percent of Scotts Valley households earn an income below \$150,000, with 22 percent earning less than \$50,000, and 5 percent earning less than \$10,000. Approximately 23 percent of Scotts Valley households earn \$200,000 or more annually.

Figure B-4: Scotts Valley Household Income Breakdown by Category



Source: American Community Survey, Table S1901, 5-Year Estimates, 2020

HOUSING PROBLEMS

CHAS provides detailed information on housing problems by income level for different types of households in the City. The most recent available CHAS data was published in May 2022 and is based on 2020 ACS data. Housing problems considered by CHAS include:

Housing Problems:

- Units with physical defects (lacking complete kitchen or bathroom);
- Overcrowded conditions (more than one person per room); or
- Cost burdens exceeding 30 percent of gross income (including utilities).

Severe Housing Problems:

- Units with physical defects (lacking complete kitchen or bathroom);
- Overcrowded conditions (more than 1.5 persons per room); or
- Cost burdens exceeding 50 percent of gross income (including utilities).

Types of housing problems in Scotts Valley vary according to household income, type, and tenure. Table B-14 shows the housing assistance needs of lower-income households.

Approximately 22.7 percent of owner-occupied households experience at least one housing problem. For renters, 48.9 percent of households experience at least one housing problem. An

estimated 22 percent of households in Scotts Valley experience at least one severe housing problems. There are a slightly more renters (11.7 percent) than owners (10.3 percent) that experience severe housing problem. These findings may reflect the level of control over maintenance and repairs. Renters typically rely on property owners and management companies to provide repair services and maintenance, which can result in higher levels of housing problems.

Table B-14: Housing Assistance Needs of Lower-Income Households

Housing Problems	Owner	% of total HH	Renter	% of total HH	Total	% of total HH
Housing Problems Overview						
Household has at least one of four Housing Problems	1,005	22.7%	745	16.9%	1,750	39.6%
Household has no Housing Problems or cost burden not available, no other problems	2,160	48.9%	510	11.5%	2,670	60.4%
Total	3,165	71.61%	1,255	28.4%	4,420	100%
Severe Housing Problems Overview						
Household has at least one of four Severe Housing Problems	455	10.3%	515	11.7%	970	22%
Household has no Severe Housing Problems or cost burden not available, no other problems	2,710	61.3%	735	16.6%	3,445	77.9%
Total	3,165	71.6%	1,255	28.4%	4,420	100%

Source: HUD, Comprehensive Housing Affordability Strategy, 2015-2019

1. Overcrowding

“Overcrowding” is generally defined as a housing unit occupied by more than one person per room in a unit (including bedrooms, living room, and dining room, but excluding hallways, the kitchen, and bathrooms). An overcrowded household results from either a lack of affordable housing (which forces more than one household to live together) and/or a lack of available housing units of adequate size, especially for large families.

Overcrowded (more than one person per room) and severely overcrowded (more than 1.5 persons per room) households can lead to neighborhood deterioration due to the intensive use of individual housing units leading to excessive wear and tear, and the potential cumulative overburdening of community infrastructure and service capacity. Furthermore, overcrowding in neighborhoods can lead to an overall decline in social cohesion and environmental quality. Such decline can often spread geographically and impact the quality of life and the economic value of property. The combination of lower incomes and high housing costs results in many households living in overcrowded housing conditions.

Table B-15 below illustrates the severity of overcrowding in Scotts Valley by household tenure. About 0.7 percent of owner-occupied units experience overcrowding, while 0.8 percent of renter-occupied units experience overcrowding. Additionally, there are no owner-occupied units that experience severely overcrowded units, while 1.6 percent of renter-occupied units

experience severe overcrowding. Overall, 55 units (1.2 percent) experience some form of overcrowding in Scotts Valley. Increasing the opportunities for housing for all types and appropriate sizes for different households can help mitigate overcrowded units.

Table B-15: Overcrowding by Tenure in Scotts Valley

Tenure	Overcrowded Units (1.0 to 1.50 persons/room)		Severely Overcrowded Units (>1.51 persons/room)		Total Overcrowded Occupied Units	
	Count	Percent of Total Occupied Units	Count	Percent of Total Occupied Units	Count	Percent of Total Occupied Units
Owner Occupied	24	0.7%	0	0%	24	0.5%
Renter Occupied	10	0.8%	21	1.6%	31	0.7%
Total	34	1.5%	21	1.6%	55	1.2%

Source: American Community Survey, Table B25014, 5-Year Estimates, 2020

Table B-16 below shows that owner-occupied housing units make up 0.4 percent of the overcrowded units in the City. Similarly, renter-occupied units made up 0.5 percent of overcrowded units. Scotts Valley has the lowest percentage of renter-occupied overcrowded units compared to the nearby jurisdictions.

Table B-16: Overcrowded Housing Units by Tenure

Jurisdiction	Owner-Occupied Overcrowded Units		Renter-Occupied Overcrowded Units		Total Overcrowded Units	
	Count	Percent	Count	Percent	Total	Percent
Santa Cruz County	2,028	30.8%	4,563	69.2%	6,591	6.8%
Capitola	24	0.4%	147	2.2%	171	3.7%
Santa Cruz	215	3.3%	854	13.0%	1,069	4.7%
Scotts Valley	24	0.4%	31	0.5%	55	1.2%
Watsonville	648	9.8%	2,044	31.0%	2,692	6.8%

Source: American Community Survey, Table B25014, 5-Year Estimates, 2020

2. Overpayment (Cost Burden)

State and federal standards indicate that a household paying more than 30 percent of its income for housing is overpaying. Overpayment for housing can cause an imbalance on the remainder of a household's budget.

Table B-17 below summarizes Scotts Valley's cost burdened households. About 51.8 percent of renters are cost burdened, and 33.1 percent are severely cost burdened. In comparison, 31.4 percent of homeowners are cost burdened, and 11.7 percent are severely cost burdened. As shown below, renters are less likely to experience a severe cost burden but still may experience a cost burden as their income increases.

Table B-17: Summary of Housing Overpayment

Income by Cost Burden*	Owner				Renter			
	Cost Burden > 30%	% of Owner HH	Cost Burden > 50%	% of Owner HH	Cost Burden > 30%	% of Renter HH	Cost Burden > 50%	% of Renter HH
Household Income is $\leq$ 30% HAMFI	120	3.8%	100	3.2%	200	15.9%	155	12.4%
Household Income is 31% to 50% HAMFI	200	6.3%	150	4.7%	145	11.6%	145	11.6%
Household Income is 51% to 80% HAMFI	215	6.8%	120	3.8%	175	13.9%	70	5.6%
Household Income is 81% to 100% HAMFI	180	5.7%	0	0%	120	9.6%	45	3.6%
Household Income is >100% HAMFI	280	8.9%	0	0%	10	0.8%	0	0%
Total	995	31.4%	370	11.7%	650	51.8%	415	33.1%

Note: HAMFI equals HUD area median family income, this is the median-family income calculated by HUD for each jurisdiction, to determine Fair Market Rents (FMRs) and income limits for HUD programs. HAMFI will not necessarily be the same as other calculations of median incomes (such as a simple Census number), due to a series of adjustments that are made.

* Cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is "select monthly owner costs", which includes mortgage payment, utilities, association fees, insurance, and real estate taxes.

Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) 2015-2019

SPECIAL NEEDS GROUPS

Special needs populations include seniors, persons with disabilities, single-parent households, large households, farmworkers, persons experiencing homelessness, and students. Special needs groups may have lower-incomes because of their conditions. Consequently, certain residents in Scotts Valley may experience higher incidences of housing overpayment (cost burden), overcrowding, or other housing problems. This section provides a data-related assessment of special needs group, and Appendix D provides more information on resources available to each.

1. Seniors

The senior population is generally defined as those 65 years or older. They may have several concerns such as limited and fixed incomes, high health care costs, higher incidence of mobility and self-care limitations, and transit dependency. As a result, the senior population require specific housing needs which includes affordable housing, care facilities, and other housing that includes planned service components. Table B-18 shows that the City has the highest percentage of senior householders, compared to nearby jurisdictions. In Scotts Valley, senior homeowners represent 40 percent of all City homeowners and 30 percent of renter households.

Table B-18: Persons Aged 65 and Over

Jurisdiction	Total Household Count	Percent Senior Households	Senior Homeowners	Percent of Homeowner Households	Senior Renters	Percent of Renter Households
Santa Cruz County	96,275	29.4%	22,378	38.5%	5,888	15.4%
Capitola	4,658	31.1%	1,096	49.3%	352	14.4%
Santa Cruz	22,644	24.6%	4,089	39%	1,474	12.1%
Scotts Valley	4,779	37.5%	1,400	40.1%	391	30.3%
Watsonville	14,317	23.5%	2,019	31.4%	1,348	17.1%

Source: American Community Survey, Tables B25007, 5-Year Estimates, 2020

Table B-19 summarizes the income of senior householders in the City. Of all senior householders, 16.5 percent earn less than 30 percent of the HAMFI, and 35.7 percent earn less than 50 percent of the HAMFI. In total, 62.1 percent of senior households are considered low-income and earn less than 80 percent of the HAMFI.

Table B-19: Elderly Householders by Income

Income Category	Total	Percent of Total Elderly Householders
Extremely Low ($\leq 30\%$ HAMFI)	295	16.5%
Very Low (31% to 50% HAMFI)	344	19.2%
Low (51% to 80% HAMFI)	472	26.4%
Moderate (81% to 100% HAMFI)	119	6.6%
Above Moderate ($>100\%$ HAMFI)	561	31.3%
Total	1,791	--

Note: HAMFI - \$103,783

Source: American Community Survey, Table B19037, 5-Year Estimates, 2020.

The 5th Cycle Housing Element included specific policies and programs to address the unique challenges of the senior housing population. Housing Program 14 (Fair Housing) referenced fair housing services to the California Department of Fair Employment and Housing (DEFH). From 2018 to 2022, the senior population was able to receive information regarding fair housing on the City's website and at City Hall as well as through the Housing Authority of the County of Santa Cruz. Program 16 (Reasonable Accommodation) committed the City to remove governmental constraints upon the maintenance, improvement, or development of housing for all income levels. Scotts Valley has established the ADA Committee, amended its Zoning Code to include formal reasonable accommodation procedures, and continues to evaluate the Zoning Code in an effort to address the housing needs of the seniors.

The City has a number of new policies and programs in place to address the housing needs of seniors throughout the 6th Cycle. Policy H-3.1 (Housing for Special Needs Groups) encourages the provision of support and housing services for special for special needs groups, including seniors. Program Action H-3.2 (Affirmatively Furthering Fair Housing) creates and promotes informational material on housing accessibility, rehabilitation, and maintenance resources. The

program aims to provide home repair and rehabilitation assistance for at least 20 households annually.

2. Persons with Physical and Developmental Disabilities

Physical and developmental disabilities can hinder access to traditionally designed housing units as well as potentially limit the ability to earn adequate income. Physical, mental, and/or developmental disabilities may deprive a person from earning income, restrict mobility, or make self-care difficult. Thus, persons with disabilities often have special housing needs related to limited earning capacity, a lack of accessible and affordable housing, and higher health costs. Some residents suffer from disabilities that require living in a supportive or institutional setting.

Housing opportunities for persons with disabilities can be addressed through the provision of affordable, barrier-free housing. Rehabilitation assistance can be targeted toward renters and homeowners with disabilities for unit modification to improve accessibility.

The ACS identifies six disability types: hearing, vision, cognitive, ambulatory, self-care, and independent living. The U.S. Census and ACS provide clarifying questions to determine persons with disabilities and differentiate disabilities within the population. The ACS defines a disability as a report of one of the six disabilities identified by the following questions:

- **Hearing Disability:** Is this person deaf or do they have serious difficulty hearing?
- **Visual Disability:** Is this person blind or do they have serious difficulty seeing even when wearing glasses?
- **Cognitive Difficulty:** Because of a physical, mental, or emotional condition, does this person have serious difficulty concentrating, remembering, or making decisions?
- **Ambulatory Difficulty:** Does this person have serious difficulty walking or climbing stairs?
- **Independent Living Difficulty:** Because of a physical, mental, or emotional condition, does this person have difficulty doing errands alone such as visiting a doctor's office or shopping?

According to the 2020 ACS data, about 12.6 percent of the Scotts Valley population has at least one disability (Table B-20). The top three disability types are ambulatory difficulties, independent living difficulties, and vision difficulties.

Table B-20: Disability Status

Disability Type	Population with a Disability			Total	Percent of Population with Disability	Percent of Total Population
	Under 18	18 to 64	65 and Over			
Population with a Hearing Difficulty	0	183	234	417	12.5%	3.5%
Population with a Vision Difficulty	35	307	243	585	17.6%	4.9%
Population with a Cognitive Difficulty	0	286	121	407	12.2%	3.4%
Population with an Ambulatory Difficulty	0	371	388	759	22.8%	6.3%
Population with a Self-care Difficulty	0	314	101	415	12.5%	3.5%
Population with an Independent Living Difficulty	0	399	346	745	22.4%	6.2%
Total	35	1,860	1,433	3,328	100%	12.6%

Source: American Community Survey, Table S1810, 5-Year Estimates, 2020

The California Department of Developmental Services (CDDS) provides estimates of 69 persons with developmental disabilities in ZIP code area 95066 in January 2022, as shown in Table B-21. Specifically, this includes 32 children and 37 adults.

Table B-21: Developmental Disability Status for ZIP Code 95066

Disability Type	Number of Residents
Living Arrangement	
Home of Parent/Guardian	59
Independent/Supported Living	11
Community Care Facility	11
Intermediate Care Facility	0
Foster/Family Home	0
Other	0
Age Range	
0-17 Years Old	32
18* Years Old	37

Source: CA DDS data by ZIP Code, January 2022

Many people with developmental disabilities can live and work independently within a conventional housing environment. Individuals with more severe developmental disabilities may require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for persons with developmental disabilities is the transition from the person's living situation as a child to an appropriate level of independence as an adult.

There are resources that may be beneficial for people living with a development disability, including rent subsidized homes, licensed and unlicensed single-family residences, inclusionary housing, Section 8 vouchers, special programs for home purchase, HUD housing, and SB 962 (veterans) homes. The design of housing-accessibility modifications, the proximity to services and transit, and the availability of group living opportunities represent some of the types of considerations that are important in serving the needs of this group. Incorporating ‘barrier-free’ design in new multi-family residences (as required by California and Federal Fair Housing laws) is especially important to provide the widest range of choices for residents with disabilities. Special consideration should also be given to the affordability of housing, as people with disabilities may be living on a fixed income.

The 5th Cycle Housing Element had two specific programs to address the gaps in the housing needs of people with disabilities. Through Program 16 (Reasonable Accommodation), the ADA Committee continued as a City Commission that identified opportunities to increase ADA accessibility throughout the City. The program’s effort also amended the City’s Municipal Code to provide Reasonable Accommodation standards and procedures. As a result of Program 17 (Housing for Persons with Disabilities), the city continued seeking funding and provide regulatory incentives to assist projects for persons with developmental disabilities.

The 6th Cycle Housing Plan includes the following policies and programs to assist with the housing needs for people with disabilities. Policy H-3.1 (Housing for Special Needs Groups) encourages the provision of support and housing services for special needs groups, including people with disabilities. Program Action H-3.2 (Affirmatively Furthering Fair Housing) commits the City to continue participating in the Housing Authority of Santa Cruz County Voucher Rental Assistance Program. Program Action H-3.2 (Affirmatively Furthering Fair Housing) works to extend housing choice voucher search times for people with disabilities. Furthermore, this program action affirmatively furthers fair housing for people with disabilities by facilitating the development of extremely low-income units. Program Action H-3.4 (Reasonable Accommodation) also provides for the removal of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels and for persons with disabilities. Program Action H-3.5 (Housing for Persons with Developmental Disabilities) provides for the review and identification of regulatory incentives that will encourage the construction or rehabilitation of housing for persons with developmental disabilities with necessary supportive services. These programs will help to ensure that people with disabilities have access to affordable and accessible housing in Scott Valley.

3. Large Households

Large households are defined as those consisting of five or more members. These households comprise a special needs group because many communities have a limited supply of adequately sized, affordable housing units. To save for other necessities such as food, clothing, and medical care, it is common for lower-income large households to reside in smaller units with an

inadequate number of bedrooms, which frequently results in overcrowding and can contribute to fast rates of deterioration.

Securing housing large enough to accommodate all members of a household is more challenging for renters, because multifamily rental units are typically physically smaller than single-family ownership units. While apartment complexes offering two and three bedrooms are common, apartments with four or more bedrooms are rare. It is more likely that large households will experience overcrowding in comparison to smaller households. Additionally, throughout the region, single-family residences with higher bedroom counts, whether rental or ownership units, are rarely affordable to lower-income households.

Table B-22 below provides a breakdown of large households by tenure in Scotts Valley. The data identifies the household size of homeowners and renters living in a large household. Large households are units with five or more occupants. About 7.03 percent of all households in Scotts Valley are large households. There are more owner-occupied units (288 households) with five or more person household than renter-occupied households (48 households). Table B-23 below provides a breakdown of units with 4 or more bedrooms in Scotts Valley. Currently, there are 48 households of 5-persons or larger that occupy rental units and only 34 existing rental units are 4 or more bedrooms. However, there are 1,245 owner-occupied units of 4 or more bedrooms where 288 households of 5-persons or larger currently occupy. Tables B-22 and B-23 highlight a shortage in renter-occupied units of 4 or more bedrooms for households of 5-persons or larger.

Table B-22: Large Households by Tenure

Household Size	Owner		Renter		Total	
	Count	Percent of Owner HH	Count	Percent of Renter HH	Count	Percent of Total HH
5-Person Household	195	5.6%	38	2.9%	233	4.9%
6-Person Household	63	1.8%	10	0.8%	73	1.5%
7-or-More Person Households	30	0.9%	0	0.0%	30	0.6%
Total	288	8.3%	48	3.7%	336	7.0%

Source: American Community Survey, Table B25009, 5-Year Estimates, 2020

Table B-23: Renter- and Owner-Occupied Units with 4 or more Bedrooms

Jurisdictions	Owner-Occupied Units	Percent of Owner-Occupied Units	Renter-Occupied Units	Percent of Renter-Occupied Units
4 or more Bedrooms	1,245	26.1%	34	2.6%

Source: American Community Survey, Table S2504, 5-Year Estimates, 2020

As stated above, 7 percent of all households in Scotts Valley are large households. Program 15 (Child and Day Care Facilities) from the 5th Cycle Housing Element encouraged the new developments of childcare services and facilities. Female-headed households comprised largely of female, single-parents with children, may benefit from childcare services.

There is a lack of affordable housing options for large households, as well as a lack of available housing with sufficient bedroom counts. The City of Scotts Valley has a new housing Policy H-3.1 (Housing for Special Needs Groups), which aims to address the housing needs of large households. This policy includes the continuation to refer residents to the County Housing Voucher program and provide information at City Hall and the City's website. The policy will also commit the City to participate in the Housing Authority of Santa Cruz County Voucher Rental Assistance Program. Program Action H-3.2 (Affirmatively Furthering Fair Housing) is to extend the housing choice voucher search times for groups, such as larger families with children or persons with disabilities. These programs aim to help make housing more affordable and accessible for large households in Scotts Valley.

4. Single-Parent Households

Single-parent households often require special consideration and assistance. They have a greater need for affordable and accessible day care, health care, and other supportive services. Many of the female-headed households are more likely to have lower incomes than similar two-parent households.

The City of Scotts Valley has 579 single-parent households, as shown in Table B-24⁴³. Out of the total Scotts Valley households, 4.3 percent are single-parent males and 5.7 percent are single-parent females. In comparison, the county is made up of 4.6 percent households that are single-parent males and 9 percent single-parent females. In the City, about 0.8 percent of family households were reported to be single-parent household living in poverty in 2020.

Table B-24: Single Parent Households

Jurisdiction	Single-Parent Male, No Spouse Present		Single Parent-Female, No Spouse Present		Single-Parent HH Living in Poverty		Single Parent HH	Percent of Total HH
	Count	Percent ¹	Count	Percent ¹	Count	Percent ¹		
Scotts Valley	139	4.3%	185	5.7%	25	0.8%	324	10.0%
Santa Cruz County	2,787	4.6%	5,493	9.0%	1,670	2.7%	8,280	13.6%

Note: HH = Households

1. Percent of total Households

Source: American Community Survey, Table B17010, 5-Year Estimates, 2020

Table B-25⁴⁴ shows the breakdown of female-headed households in the City. Of the total Scotts Valley households, 8.1 percent are single female households with no spouse present. From those households, 0.8 percent are single parent households living in poverty. These percentages are much lower compared to the County. In the 5th Cycle, there was an estimated 11 percent of households in Scotts Valley that were female-headed households, with children under 18 years of age. Of Scotts Valley households in 2020, 8.1 percent of households were female-headed showing a 3 percent decline in female-headed households from the 5th to the 6th Cycle.

Table B-25: Female Headed Households

Jurisdiction	Single Female HH, No Spouse Present		Single Female HH Living in Poverty		Single Parent Female, No Spouse Present	
	Count	Percent ¹	Count	Percent ¹	Count	Percent ¹
Scotts Valley	263	8.1%	25	0.8%	238	7.3%
Santa Cruz County	9,718	16.0%	1,676	2.8%	8,042	13.2%

Note: HH = Households

1. Percent of total Households

Source: American Community Survey, Table B17012, 5-Year Estimates, 2020

Ten percent of Scotts Valley's total households are comprised of single-parent households. These households face a number of challenges. Program 15 (Child and Day Care Facilities) from the 5th Cycle Housing Element encouraged the development of childcare facilities.

The City of Scotts Valley has a number of policies and programs in the 6th Cycle Housing Element to address the needs of single-parent households. Policy H-3.1 (Housing for Special Needs Groups) encourages the provision of support and housing services for special needs groups, including single-parent households. Program Action H-3.1 (Promoting Housing Choice Voucher Program) continues the City's participation in the Housing Authority of Santa Cruz County Voucher Rental Assistance Program, which provides rental assistance to low-income households. Program Action H-3.13 (Single-Room Occupancy Units) calls for the adoption of zoning and processing procedures for Single-Room Occupancy (SRO) Units, which can provide affordable housing to low-income individuals and families.

5. Farmworkers

Farmworkers are traditionally defined by HCD as people whose primary incomes are earned through permanent or seasonal agricultural labor. Generally, permanent farmworkers (working 150 days or more) work in the fields, processing plants, or support activities on a year-round basis. When workload increases during harvest periods, the labor force is supplemented by seasonal farmworkers, often supplied by a labor contractor. For some crops, farms may hire migrant farmworkers, defined as those whose travel distance prevents them from returning to their primary residence daily. Farmworkers have special housing needs because they earn lower incomes than many other workers and move throughout the year from one harvest location to the next.

The U.S. Department of Agriculture, National Agriculture Statistics provides data on hired farmworkers across the United States at both a state and county level. Within Santa Cruz County, there were a total of 16,114 hired farmworkers in 2017. A total of 11,254 are considered permanent and 4,860 were considered seasonal (working less than 150 days annually). The County also reported a total of 2,254 migrant farmworkers.

According to the American Community Survey, Scotts Valley residents employed in Farming, Fishing, and Forestry occupation earn one of the lowest salaries in comparison to other

occupations, with an estimated median income of \$30,567. This is considered an extremely low-income for Scotts Valley.

The 5th Cycle Housing Element had a variety of past programs for farmworker housing. Through Program 14 (Fair Housing), the city continued to provide informational materials on fair housing services at the City Hall and on the City's website. Furthermore, the city continued to refer tenants to the California Department of Fair Employment and Housing for proper intake, investigation, and resolution of fair housing complaints.

To address the needs of farmworkers, the City adopted the following policies and programs for the 6th Cycle Housing Element. Policy H-3.1 (Housing for Special Needs Groups) encourages the provision of support and housing services for special needs groups, including farmworkers. Program Action H-3.8 (Agricultural and Employee Housing) adopts a zoning ordinance amendment to permit employee housing in single-family residential zones, consistent with the requirements of the Health and Safety Codes Section 17021.5 and 17021.6 as it relates to agricultural and employee housing.

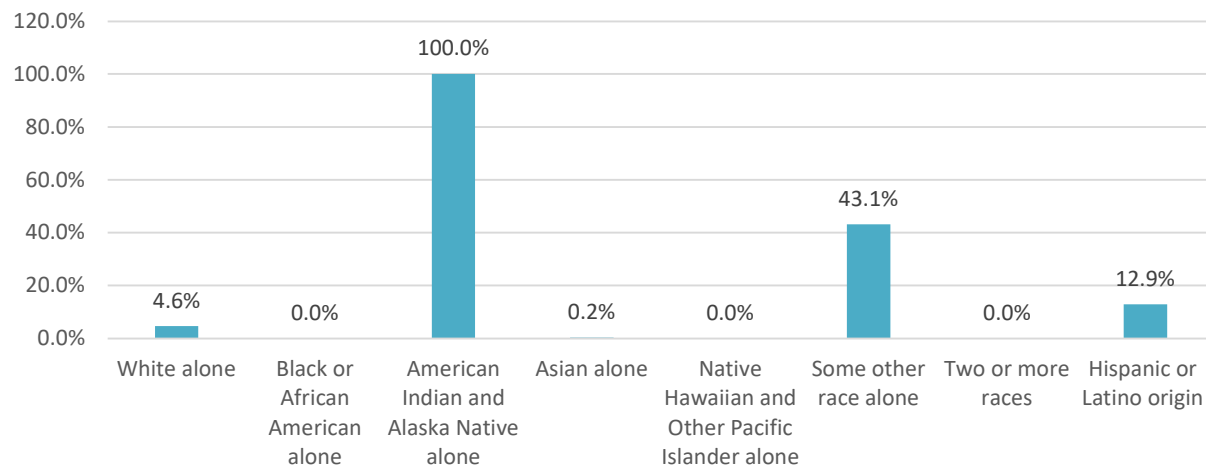
6. Extremely Low-Income (ELI) and Poverty Status

CHAS data indicates there are approximately 710 low-income households and 410 very low-income households in Scotts Valley. Very low-income households are those households that earn 50 percent or less than the HAMFI for Santa Cruz County. Extremely low-income households are those households that earn less than 30 percent of HAMFI. Extremely low-income households are generally more likely to experience overpayment, overcrowding, or substandard housing conditions.

According to CHAS, there are approximately 350 extremely low-income households in Scotts Valley (renters and owners). Table B-25 includes data characterizing affordability and cost burden for various income groups. More renters than homeowners are subject to at least one housing problem in Scotts Valley. The extremely low-income household need is generally estimated as 50 percent of the very low-income RHNA. The City's very low-income RHNA is 392 units; therefore, the projected housing need for extremely low-income households is 196 units.

According to 2020 data, 5.5 percent of Scotts Valley's population lives in poverty. Figure B-5 illustrates the percentage of people within each racial and ethnic group living below the poverty level. American Indian and Alaska Native experienced the most poverty at 100 percent.

Figure B-5: Population Below Poverty Level by Race and Hispanic Or Latino Origin



Source: American Community Survey, Table S1701, 2020

The County of Santa Cruz's extremely low income for a household of four is \$46,650, according to the 2022 State of California Income Limits for Santa Cruz County

Table B-26: Housing Problems by Income Category

Income Category	Owner			
	Household has at least one of four Housing Problems	% of Owner HH	Household has no Housing Problems OR cost burden not available	% of Owner HH
Extremely Low ($\leq$ 30% HAMFI)	120	3.8%	15	0.5%
Very Low (31% to 50% HAMFI)	200	6.3%	65	2.1%
Low (51% to 80% HAMFI)	225	7.1%	190	6%
Moderate (81% to 100% HAMFI)	180	5.7%	130	4.1%
Above Moderate (>100% HAMFI)	280	8.9%	1,765	55.8%
Total	1,005	31.8%	2,165	68.4%
Income Category	Renter			
	Household has at least one of four Housing Problems	% of Renter HH	Household has no Housing Problems OR cost burden not available	% of Renter HH
Extremely Low ($\leq$ 30% HAMFI)	200	15.9%	15	1.2%
Very Low (31% to 50% HAMFI)	145	11.6%	0	0.0%
Low (51% to 80% HAMFI)	190	15.1%	105	8.4%
Moderate (81% to 100% HAMFI)	120	9.6%	80	6.4%
Above Moderate (>100% HAMFI)	90	7.2%	310	24.7%
Total	745	59.4%	510	40.6%
Total Households (Owner and Renter)	1,490	33.7%	1,020	23.1%

Note: HAMFI equals HUD Area Median Family Income, this is the median family income calculated by HUD for each jurisdiction, to determine Fair Market Rents (FMRs) and income limits for HUD programs. HAMFI will not necessarily be the same as other calculations of median incomes (such as a simple Census number), due to a series of adjustments that are made.

Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) 2015-2019

The 5th Cycle Housing Element included a variety of programs to address the housing needs of extremely low-income households. Programs 4 (Emergency Shelters) and 5 (Transitional and Supportive Housing) amended the Zoning Code to allow emergency shelters, transitional and supportive housing to apply in different zoning districts throughout the city. Furthermore, the program's eight-year action plan required the City to work with organizations to ensure needs of extremely low-income residents were met and to prioritize incentives for projects providing housing for extremely low-income residents whenever possible. Similarly, Program 9 (Monitor and Preserve Affordable Housing) worked to explore funding sources and programs in development and financing of housing for lower and moderate-income households.

The 6th Cycle Housing Plan includes a variety of programs to continue addressing these issues. Program H-1.8 (Facilitation of Affordable Housing Development) commits the City to expand the existing Inclusionary Housing Ordinance city-wide which will require developers to restrict some units to moderate-, low-, very low-, and/or extremely low-income households. Program H-3.6 (Housing for Lower-Income Households) commits the City to investigate incentives and funding opportunities to encourage development of housing for extremely low-income households and support funding applications for affordable housing development.

7. Persons Experiencing Homelessness

Homelessness has become an increasingly important issue across the State and the region. General factors contributing to the rise in homelessness across the state include increased unemployment and underemployment, a lack of housing affordable to lower- and moderate-income persons (especially extremely low-income persons), reductions in public subsidies to the poor, and the de-institutionalization of the mentally ill.

State law mandates that municipalities address the special needs of homeless persons within their jurisdictional boundaries. "Homelessness" as defined by HUD has been updated to include the following descriptions:

- People who are living in a place not meant for human habitation, in an emergency shelter, in transitional housing, or exiting an institution where they temporarily resided.
- People who are losing their primary nighttime residence, which may include a motel or hotel or a doubled-up situation, within 14 days and lack resources or support networks to remain in housing.
- Families with children or unaccompanied youth who are unstably housed and likely to continue in that state. This applies to families with children or unaccompanied youth who have not had a lease or ownership interest in a housing unit in the last 60 days or

more, have had two or more moves in the last 60 days, and who are likely to continue to be unstably housed because of disability or multiple barriers to employment.

- People who are fleeing or attempting to flee domestic violence, have no other residence, and lack the resources or support networks to obtain other permanent housing.
- These definitions do not include persons living in substandard or overcrowded housing units, persons being discharged from mental health facilities (unless the person was homeless when entering and is considered homeless at discharge), or persons who may be at risk of homelessness.

The 2023 Santa Cruz County Homeless Point-in-Time (PIT) County and Survey identifies where homeless individuals are living in the County. HUD requires communities to conduct the Point-in-Time Count every two years. The count results are shown in Table B-27. In 2022, the County counted 2,299 individuals experiencing homelessness in Santa Cruz County. Of those counted, 1,774 were unsheltered and 525 were sheltered. The number of individuals who experienced homelessness mostly decreased across the County (-22 percent overall) with Scotts Valley seeing the greatest decrease of 50 percent from 48 to 24 in 2023. Across the two survey years listed above, Scotts Valley City had one of the lowest numbers of homelessness compared to nearby jurisdictions. There are no concentrated areas of homelessness in the city. Of the responses collected in 2023, the top two primary conditions that led to homelessness across the County were eviction and employment loss. Across the County, 68 percent of those experiencing homelessness identified as male, 31 percent identified as female, and one percent identified as neither.

Table B-27: Homelessness in Scotts Valley and Surrounding Cities (2022-2023)

Jurisdictions	Unsheltered		Sheltered		Total		
	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>Change 2022-2023</u>
Santa Cruz County (Total)	<u>1,774</u>	<u>1,426</u>	<u>525</u>	<u>378</u>	<u>2,299</u>	<u>1,804</u>	<u>-22%</u>
Capitola	<u>35</u>	<u>23</u>	0	0	<u>35</u>	<u>23</u>	<u>-34%</u>
Santa Cruz	<u>1,046</u>	<u>749</u>	<u>381</u>	<u>279</u>	<u>1,439</u>	<u>1,028</u>	<u>-29%</u>
Scotts Valley	<u>48</u>	<u>24</u>	<u>0</u>	<u>0</u>	<u>48</u>	<u>24</u>	<u>-50%</u>
Watsonville	<u>175</u>	<u>322</u>	<u>144</u>	<u>99</u>	<u>366</u>	<u>421</u>	<u>15%</u>

Source: Santa Cruz County Homeless Census & Survey Comprehensive Report 2019

The 5th Cycle Housing Element included a variety of programs to address the needs of the people experiencing homelessness. Programs 4 (Emergency Shelters) and 5 (Transitional and Supportive Housing) amended the Zoning Code to allow emergency shelters, transitional and supportive housing to apply in different zoning districts throughout the city. The program action committed the city to monitor an inventory of sites appropriate to accommodate these shelters and housings. Furthermore, the program's eight-year action required the city to work with

organizations to ensure needs of extremely low-income residents and people experiencing homelessness were met and to prioritize incentives for projects providing housing for extremely low-income residents whenever possible.

The 6th Cycle Housing Plan includes a variety of new programs to continue addressing these issues. Program Action H-3.11 (Low Barrier Navigation Centers) commits the city to adopt a zoning ordinance amendment to approve low-barrier navigation centers that meet State requirements in mixed-use and non-residential zones permitting multifamily uses. These centers are focused on the transition of persons experiencing homelessness, or at-risk of becoming homeless, into permanent housing. The centers would connect individuals to income, public benefits, health services, and housing. Program H-3.13 (Single-Room Occupancy Units) commits the City to adopt zoning and processing procedures for future projects. These units may provide a valuable source of affordable housing and may serve as an entry point into the housing market for persons who previously experienced homelessness.

8. Students

The need for student housing is another significant factor affecting housing demand. Student housing often only produces a temporary housing need based on the duration of the educational institution enrolled in. The impact upon housing demand is critical in areas that surround universities and colleges. Located in close proximity to Scotts Valley is University of California, Santa Cruz; Cabrillo College; West Valley College; San Jose State University; and others. According to 2020 ACS data, there are 1,267 students enrolled in college or graduate school currently living in Scotts Valley.

Typically, students are low-income and are, therefore, affected by a lack of affordable housing, especially within easy commuting distance from campus. Therefore, it is important for the City to consider and accommodate the student population within the community. They often seek shared housing situations to decrease expenses and can be assisted through roommate referral services offered on and off campus. A lack of affordable housing also influences choices students make after graduating. There are not currently any student housing units or developments affiliated with a university or college within the City.

HOUSING STOCK CHARACTERISTICS

Scotts Valley's housing stock includes all housing units located within its jurisdiction. Housing stock growth, type, age and condition, tenure, vacancy, and cost are all important factors in determining the community's housing needs. This section details the City's housing stock characteristics to identify how well the needs of current and future residents are addressed.

1. Housing Growth

Table B-28 below displays housing stock growth data for Scotts Valley and nearby jurisdictions. According to the ACS data, Scotts Valley added 862 additional housing units between 2015 and

2020, a 19.6 percent increase. Between 2010 and 2015, ACS data reports a decrease in units in Scotts Valley – as this data is based on estimates and not City housing data, this is likely not an accurate depiction.

Table B-28: Housing Unit Growth Trends

Jurisdiction	2010	2015	2020	Percent Change 2010 to 2015	Percent Change 2015 to 2020
Santa Cruz County	104,444	105,034	105,819	0.6%	0.7%
Capitola	5,616	5,112	5,292	-9.0%	3.5%
Santa Cruz	23,614	23,499	24,250	-0.5%	3.2%
Scotts Valley	4,661	4,390	5,252	-5.8%	19.6%
Watsonville	14,498	14,744	14,881	1.7%	0.9%

Source: American Community Survey, Table DP04, 5-Year Estimates, 2010, 2015, 2020

2. Housing Types

Table B-29 provides a breakdown of number of housing units by type of Scotts Valley and Santa Cruz County. Majority of the housing in the City is detached single-family (54.4 percent). About 18.3 percent of the City's housing units are multi-family residences. Single-family attached housing makes up the smallest housing units by type.

Table B-29: Total Housing Units by Type

Jurisdiction	Single- Family Detached		Single-Family Attached		Multi-Family		Mobile Homes, Boats, and other Types of Housing	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Scotts Valley	2,600	54.4%	610	12.8%	875	18.3%	694	14.5%
Santa Cruz County	61,698	64.1%	7389	7.7%	20,879	21.7%	6,309	6.6%

Source: American Community Survey, Table S2504, 5-Year Estimates, 2020

3. Housing Availability and Tenure

Housing tenure and vacancy rates generally influence the supply and cost of housing. Housing tenure defines if a unit is owner occupied or renter occupied. The tenure characteristics in a community can indicate several aspects of the housing market, such as affordability, household stability, and availability of unit types, among others. In many communities, tenure distribution generally correlates with household income, composition, and age of the resident.

Homeowners tend to gravitate towards single-family, detached residences as they are typically better suited for larger households and more affordable to home buyers rather than renters. Table B-30 shows this is true for Scotts Valley where the majority of homeowners live in single-family homes. In contrast, renters occupying multi-family units have increased from 40 percent in 2010 to 62 percent in 2020. Homeowners also represent a higher percentage of those occupying mobile homes as they tend to be ownership units. Renters occupying mobile homes and other similar types of housing decreased from 8 percent in 2010 to zero in 2020.

Table B-30: Housing Types and Ownership (2010-2020)

Housing Type	Owner Occupied		Renter Occupied	
	2010	2020	2010	2020
Single-Family Detached	64.7%	64.2%	31.4%	28.0%
Single-Family Attached	11.4%	13.5%	20.1%	10.8%
Multi-Family	5.9%	2.4%	40.4%	61.3%
Mobile Homes and Other Types of Housing	18.0%	19.9%	8.1%	0%
Total Number of Occupied Units	3,240	3,488	1,057	1,291
Total Percent of Occupied Units	75.4%	73.0%	24.6%	27.0%

Source: American Community Survey Table B25032, 5-Year Estimates, 2010 and 2020

Scotts Valley has the smallest average household sizes compared to the nearby jurisdiction. Table B-31 shows that the City's owner-occupied households is similar to that of the County. Scotts Valley has about 2.63 persons per owner-occupied household and 2.08 per renter-occupied household.

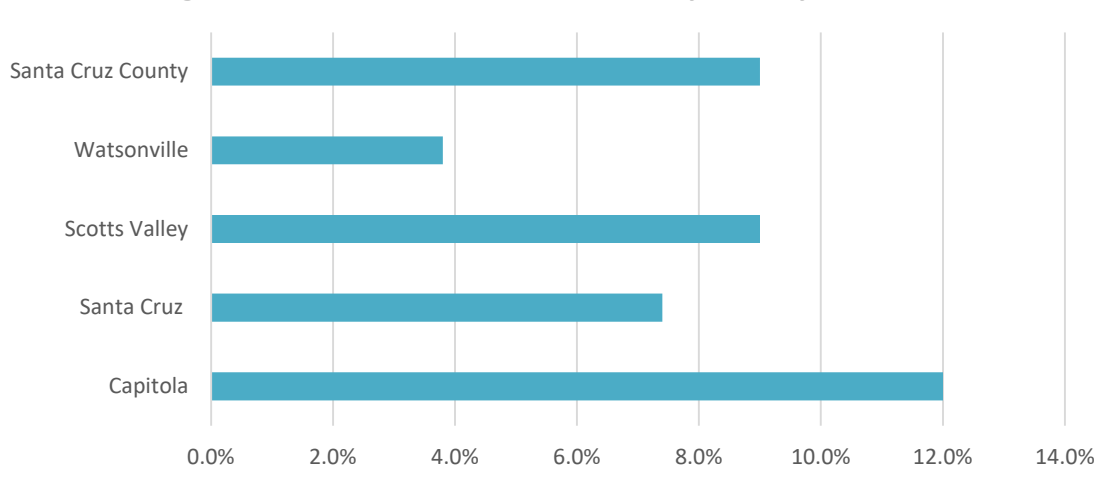
Table B-31: Average Household Size by Tenure

Jurisdiction	Owner-Occupied Households ¹	Average Owner Household Size	Renter-Occupied Households ¹	Average Renter Household Size
Santa Cruz County	60.3%	2.68	39.7%	2.73
Capitola	47.7%	2.06	52.3%	2.18
Santa Cruz	46.3%	2.53	53.7%	2.31
Scotts Valley	73.0%	2.63	27.0%	2.08
Watsonville	45.0%	3.44	55.0%	3.79

Source: American Community Survey Table B25010 and B25032, 5-Year Estimates, 2020

Vacancy rates are also an important housing indicator as they indicate the degree of housing choices available. High vacancy rates usually indicate low demand and/or high supply conditions in the housing market. High vacancy rates can be difficult for owners trying to sell or rent. Low vacancy rates usually indicate high demand and/or low supply conditions in the housing market. Low vacancy rates can inflate prices making it more difficult for lower- and moderate-income households to find housing. Vacancy rates between two to three percent are usually considered healthy for single-family or ownership housing, and vacancy rates of five to six percent are usually considered healthy for multi-family or rental housing. Vacancy rates must be viewed in the context of all local and regional market characteristics. Scotts Valley has the second highest vacancy rate behind Capitola. As shown in Figure B-6, Scotts Valley has a vacancy rate of 9 percent.

Figure B-6: For-Sale and Rental Unit Vacancy Rates by Jurisdiction



Source: American Community Survey Table CP04, 5-Year Estimates, 2020

Table B-32 below displays ACS data for types of vacancy rates in Scotts Valley. “Other” vacant housing units mentioned on this table represent the largest percent of vacancy rates in the City (59.41 percent). This is followed by seasonal, recreational, or occasional use housing units (24.31 percent), which include secondary vacation homes; these homes often do not contribute to the housing needs of a community as they are not considered valuable for long-term rental or occupancy purposes.

Table B-32: Scotts Valley Vacant Housing Units by Type

Type of Housing	Estimate	Percent of Vacant
For rent	0	0.0%
Rented, not occupied	0	0.0%
For sale only	18	3.8%
Sold, not occupied	59	12.5%
For seasonal, recreational, or occasional use	115	24.3%
Other vacant	281	59.4%
Total	473	100%

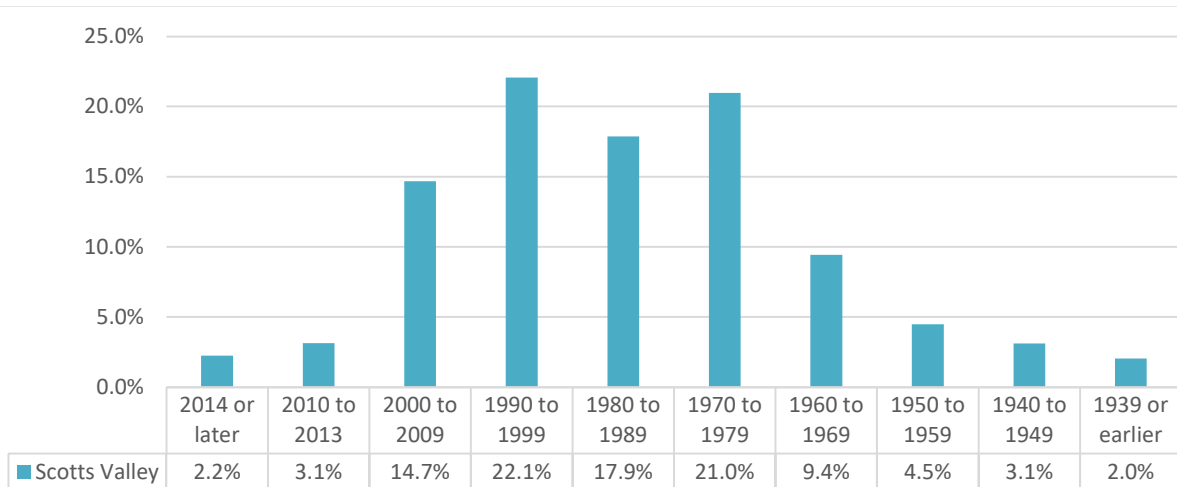
Source: American Community Survey, Table B25004, 5-Year Estimates, 2020

4. Housing Age and Conditions

Housing age can be an important indicator of housing conditions within a community. Many federal and state programs also use the age of housing as one factor in determining housing rehabilitation needs. Figure B-7 illustrates the housing stock age in Scotts Valley. The City experienced a housing boom between 1970 and 1999 when 61 percent of the City’s housing stock was created. Units built over 30 years ago can generally be considered in need of a certain level of upgrades or repairs (such as roofing); however, this does not include historic structures which are typically well maintained. Approximately 57.9 percent of the City’s housing stock was

built over 30 years ago. The City estimates a total of five units are in need of rehabilitation based upon a windshield survey conducted throughout the city.

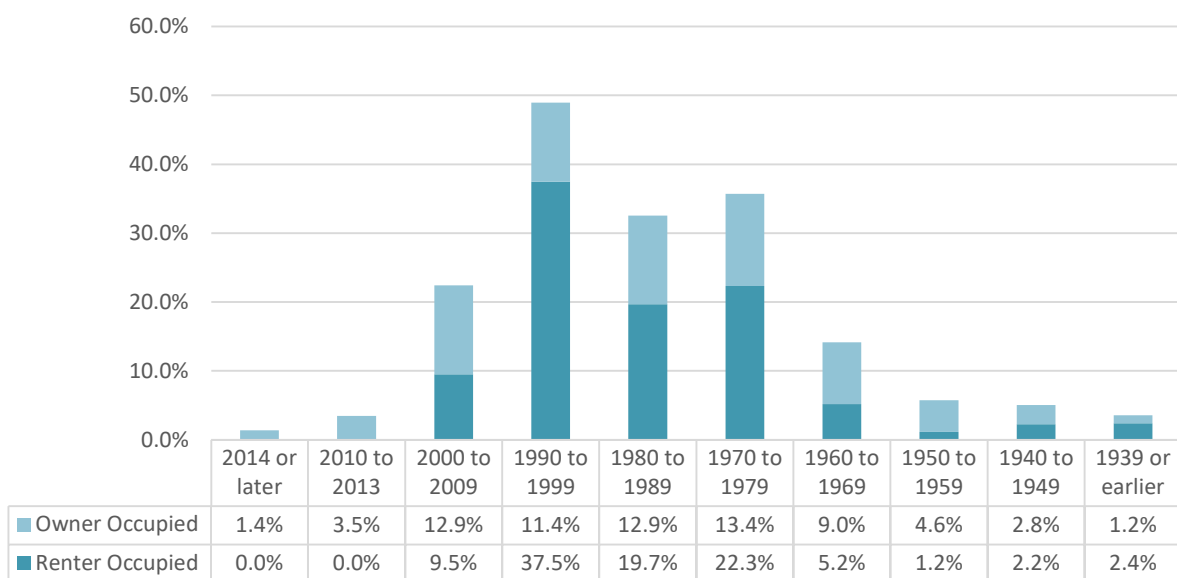
Figure B-7: Housing Stock Age



Source: American Community Survey, Table B25034, 5-Year Estimates, 2020

Figure B-8 below displays housing units by the year they were built and sorted by whether they are currently occupied by homeowners or renters. The data does not point towards a particular preference for older or newer units, but renters do not occupy units built since 2010. A higher percentage of renters occupy units built between 1990 and 1999.

Figure B-8: Tenure by Year Structure Built



Source: American Community Survey, Table B25036, 5-Year Estimates, 2020

The City receives concerns regarding structures in need of rehabilitation or for construction without permit, and typically investigate 1 to 2 such cases per month. The City works to correct compliance issues which may require entitlements and building permits. A code compliance case is deemed to be resolved if the Enforcement Official serves a Notice of Compliance to the responsible person or property owner, documenting that all violations have been corrected, all necessary penalties have been paid, all permits have been issued and finalized, and all administrative fees have been paid.

5. Housing Costs and Affordability

Housing costs reflects the supply and demand of housing in a community. The following summarizes the cost and affordability of Scotts Valley housing stock.

Table B-33 below shows the median home value in Scotts Valley was \$811,900 in 2020. This is above the County median home value at \$787,000. Table B-34 shows median monthly rental rates for units in Scotts Valley. The monthly rental rates for all unit types increased from 2016 to 2020, with the highest increase to 3 bedrooms units. The true costs of rent may be higher than the ACS estimates, but the overall trend and increase in rental costs highlights the dramatic increase in less than a decade.

Table B-33: Regional Median Home Values

Jurisdictions	Median Home Value
Santa Cruz County	\$787,000
Capitola	\$712,000
Santa Cruz	\$895,800
Scotts Valley	\$811,900
Watsonville	\$500,300

Source: American Community Survey, Table DP04, 5-Year Estimates, 2020

Table B-34: Median Gross Rent by Bedroom (2016-2020)

Unit Type	2016	2017	2018	2019	2020	% Change 2016-2020
Studio	\$1,363	\$1,301	\$1,264	\$1,102	\$1,381	1.3%
1 bedroom	N/A	N/A	N/A	N/A	\$1,279	0.0%
2 bedrooms	\$1,881	\$1,921	\$1,975	\$1,879	\$1,976	5.1%
3 bedrooms	\$2,705	\$2,799	\$3,111	\$3,155	\$3,418	26.4%
4 bedrooms +	\$3,103	N/A	N/A	N/A	\$3,472	11.9%

Source: American Community Survey, Table B25031, 5-Year Estimates, 2016, 2017, 2018, 2019, 2020

A September 2023 analysis of market value rental rates showed that true rental prices were significantly higher than ACS estimates. The City analyzed rentals found on common websites such as Zillow.com, Apartments.com, Trulia.com, and Hotpads.com.

Table B-35: Median Gross Rent by Bedroom in Scotts Valley (2023)

Unit Type	Market Cost
Studio	\$1,200*
1 bedroom	\$2,100*
2 bedrooms	\$3,007
3 bedrooms	\$4,475
4 bedrooms	\$5,290
5 or more bedrooms	n/a

*Only one listing available for the respective unit size. Total represents a single listing and may not accurately represent average rental costs.

Source: Zillow.com, Apartments.com, Trulia.com, and Hotpads.com (Accessed September 11, 2023).

As shown in **Table B-35** above, true rental rates often differ from ACS estimates which may not always accurately reflect local market conditions. The City has seen significant increase in housing costs in the last decade and understands the complexity of addressing these issues. The City is dedicated to increasing housing opportunities through the numerous commitments made in the Housing Plan.

Housing affordability can be inferred by comparing the cost of renting or owning a home in the City with the maximum affordable housing costs for households at different income levels. Taken together, this information can generally show who can afford what size and type of housing and indicate the type of households most likely to experience overcrowding and overpayment.

HUD conducts annual household income surveys nationwide to determine a household's eligibility for federal housing assistance. Households in the lower end of each category can afford less by comparison than those at the upper end. The maximum affordable home and rental prices for residents in Santa Cruz County are shown in Table B-36 and Table B-37.

The data shows the maximum amount that a household can pay for housing each month without incurring a cost burden (overpayment). This amount can be compared to median home value (Table B-33) and monthly rental rates (Table B-34) to determine what types of housing opportunities a household can afford.

Extremely Low-Income Households

Extremely low-income households earn less than 30 percent of the County HAMFI – up to \$32,700 for a one-person household and up to \$50,400 for a five-person household in 2022. Extremely low-income households cannot afford market-rate rental or ownership housing in Scotts Valley without assuming a substantial cost burden. The affordable purchase cost for an extremely low-income household in Scotts Valley is between \$97,500 and \$141,700 depending on household size; the affordable monthly rental cost is between \$818 to \$1,260.

Very Low-Income Housing

Very low-income households earn between 31 percent and 50 percent of the County HAMFI – up to \$54,450 for a one-person household and up to \$84,000 for a five-person household in



2022. The maximum affordable price for very low-income households is \$196,000 for a one-person household and \$293,600 for a five-person household. A one-person very low-income household can afford to pay up to \$1,361 in monthly rent and a five-person very low-income household can pay up to \$2,100 in monthly rent. Given housing costs, very low-income households cannot afford market-rate rental or ownership housing in Scotts Valley without assuming a substantial cost burden.

Low-Income Housing

Low-income households earn between 51 percent and 80 percent of the County's HAMFI - up to \$87,350 for a one-person household and up to \$134,750 for a five-person household in 2022. The maximum affordable home price for a low-income household is \$345,000 for a one-person household and \$523,250 for a five-person household. A one-person low-income household could afford to pay up to \$2,184 in rent per month and a five-person low-income household could afford to pay as much as \$3,369 per month. Low-income households in Scotts Valley would not be able to find adequately sized affordable apartment units (Table B-36).

Moderate-Income Housing

Persons and households of moderate-income earn between 81 percent and 120 percent of the County's HAMFI – up to \$100,200 for a one-person household and up to \$154,600 for a five-person household in 2022. The maximum affordable home price for a moderate-income household is \$402,930 for a one-person household and \$613,120 for a five-person household. Moderate income households may be able to purchase a home in Scotts Valley, depending on the household size. The maximum affordable rent payment for moderate-income households is between \$2,505 and \$3,865 per month. Appropriately sized, market-rate rental housing is generally affordable to moderate-income households.

Table B-36: Affordable Housing Costs for Homeowners (2022)

Annual Income		Mortgage	Utilities ¹	Tax and Insurance	Total Affordable Monthly Housing Cost	Affordable Purchase Price
Extremely Low-Income (30% of HAMFI)						
1-Person	\$32,700	\$458	\$237	\$123	\$818	\$97,500
2-Person	\$37,350	\$540	\$254	\$140	\$934	\$115,000
3-Person	\$42,000	\$593	\$300	\$158	\$1,050	\$126,250
4-Person	\$46,650	\$645	\$346	\$175	\$1,166	\$137,500
5-Person	\$50,400	\$665	\$406	\$189	\$1,260	\$141,700
Very Low-Income (50% of HAMFI)						
1-Person	\$54,450	\$920	\$237	\$204	\$1,361	\$196,000
2-Person	\$62,200	\$1,068	\$254	\$233	\$1,555	\$227,500
3-Person	\$70,000	\$1,188	\$300	\$263	\$1,750	\$253,000
4-Person	\$77,750	\$1,306	\$346	\$292	\$1,944	\$278,200
5-Person	\$84,000	\$1,379	\$406	\$315	\$2,100	\$293,600
Low-Income (80% HAMFI)						
1-Person	\$87,350	\$1,619	\$237	\$328	\$2,184	\$345,000
2-Person	\$99,800	\$1,867	\$254	\$374	\$2,495	\$397,600
3-Person	\$112,300	\$2,086	\$300	\$421	\$2,808	\$444,320
4-Person	\$124,750	\$2,305	\$346	\$468	\$3,119	\$490,880
5-Person	\$134,750	\$2,457	\$406	\$505	\$3,369	\$523,250
Moderate-Income (120% HAMFI)						
1-Person	\$100,200	\$1,892	\$237	\$376	\$2,505	\$402,930
2-Person	\$114,500	\$2,179	\$254	\$429	\$2,863	\$464,050
3-Person	\$128,850	\$2,438	\$300	\$483	\$3,221	\$519,200
4-Person	\$143,150	\$2,696	\$346	\$537	\$3,579	\$574,150
5-Person	\$154,600	\$2,879	\$406	\$580	\$3,865	\$613,120

1. Utilities include garbage, sewer, water, refrigerator, range, water heating, cooking, heating, and general utilities such as lights.

Source: Santa Cruz County Housing Authority Utility Allowance Schedule; California Department of Housing and Community Development, 2022 State Income Limits, and Kimley Horn and Associates.

Table B-37: Affordable Monthly Housing Cost for Renters (2022)

Annual Income		Rent	Utilities ¹	Total Affordable Monthly Housing Cost
Extremely Low-Income (30% of HAMFI)				
1-Person	\$32,700	\$581	237	\$818
2-Person	\$37,350	\$680	254	\$934
3-Person	\$42,000	\$750	300	\$1,050
4-Person	\$46,650	\$820	346	\$1,166
5-Person	\$50,400	\$854	406	\$1,260
Very Low-Income (50% of HAMFI)				
1-Person	\$54,450	\$1,124	237	\$1,361
2-Person	\$62,200	\$1,301	254	\$1,555
3-Person	\$70,000	\$1,450	300	\$1,750
4-Person	\$77,750	\$1,598	346	\$1,944
5-Person	\$84,000	\$1,694	406	\$2,100
Low-Income (80% HAMFI)				
1-Person	\$87,350	\$1,947	237	\$2,184
2-Person	\$99,800	\$2,241	254	\$2,495
3-Person	\$112,300	\$2,508	300	\$2,808
4-Person	\$124,750	\$2,773	346	\$3,119
5-Person	\$134,750	\$2,963	406	\$3,369
Moderate-Income (120% HAMFI)				
1-Person	\$100,200	\$2,268	237	\$2,505
2-Person	\$114,500	\$2,609	254	\$2,863
3-Person	\$128,850	\$2,921	300	\$3,221
4-Person	\$143,150	\$3,233	346	\$3,579
5-Person	\$154,600	\$3,459	406	\$3,865

1. Utilities include garbage, sewer, water, refrigerator, range, water heating, cooking, heating, and general utilities such as lights.

Source: Santa Cruz County Housing Authority Utility Allowance Schedule; California Department of Housing and Community Development, 2022 State Income Limits, and Kimley Horn and Associates.



APPENDIX C



A variety of constraints may affect the provisions and opportunities for adequate housing in the City.

Housing Constraints consist of both governmental constraints (including, but not limited to, development standards and building codes, land use controls, and permitting processes) and non-governmental or market constraints (including, but not limited to, land costs, construction costs, and availability of finances). Potential infrastructure and environmental obstacles are also classified as housing constraints. Combined, these factors can create barriers to availability and affordability of new housing, especially for lower and moderate-income households.



NON-GOVERNMENTAL CONSTRAINTS

Non-governmental constraints largely affect the cost of housing in Scotts Valley and can produce barriers to housing production and affordability. These constraints may include real wages, the availability and cost of land for residential development, the demand for housing, financing and lending, construction costs, and the availability of labor, which can make it expensive for developers to build any housing and especially affordable housing. The following highlights the primary market factors that affect the production of housing in Scotts Valley.

In an effort to address non-governmental constraints, the City offers expedited permit processing for projects that include affordable housing units.

1. Land and Construction Costs

Construction costs vary widely according to the type of development, with multi-unit housing generally less expensive per unit to construct than single-unit homes. However, there is variation within each construction type, depending on the size of the unit and the number and quality of amenities provided. An indicator of construction costs is Building Valuation Data compiled by the International Code Council (ICC). The International Code Council was established in 1994 with the goal of developing a single set of national model construction codes, known as the International Codes, or I-Codes. The ICC updates the estimated cost of construction at six-month intervals and provides estimates for the average cost of labor and materials for typical Type VA wood-frame housing. Estimates are based on “good-quality” construction, providing for materials and fixtures well above the minimum required by state and local building codes.

In February 2022, the ICC estimated that the average per square-foot cost for good-quality housing was approximately \$144.50 for multi-unit housing, \$160.35 for single-unit homes, and \$181.25 for residential care/assisted living facilities. Construction costs for custom homes and units with extra amenities, run even higher. Construction costs are also dependent upon materials used and building height, as well as regulations set by the City’s adopted Building Code. For example, according to the ICC, an accessory dwelling unit (ADU) or converting a garage using a Type VB wood framed unit would cost about \$150.87 per square foot. Although construction costs are a significant portion of the overall development cost, they are consistent throughout the region and, especially when considering land costs, are not considered a major constraint to housing production in Scotts Valley.

Table C-1: Square Foot Construction Costs for Type VA Wood-frame Housing

Group (2021 International Building Code)	VA
A-1 Assembly, theaters, with stage	\$244.80
A-1 Assembly, theaters, without stage	\$218.59
A-2 Assembly, nightclubs	\$183.68
A-2 Assembly, restaurants, bars, banquet halls	\$181.68
A-3 Assembly, churches	\$223.05
A-3 Assembly, general, community halls, libraries, museums	\$179.77
A-4 Assembly, arenas	\$216.59
B Business	\$172.02
E Educational	\$189.21
F-1 Factory and Industrial, moderate hazard	\$92.69
F-2 Factory and industrial, low hazard	\$92.69
H-1 High Hazard, explosives	\$84.34
H234 High Hazard	\$84.34
H-5 HPM	\$172.02
I-1 Industrial, supervised environment	\$181.25
I-2 Institutional, hospitals	\$331.40
I-2 Institutional, nursing homes	\$211.75
I-3 Institutional, restrained	\$206.24
I-4 Institutional, day care facilities	\$181.25
M Mercantile	\$123.17
R-1 Residential, hotels	\$183.44
R-2 Residential, multiple family	\$144.50
R-3 Residential, one- and two-family ^d	\$160.35
R-4 Residential, care/assisted living facilities	\$181.25
S-1 Storage, moderate hazard	\$82.34
S-2 Storage, low hazard	\$82.34
U Utility, miscellaneous	\$63.42

International Code Council Building Valuation Data, February 2022

Notes: 1) Private Garages use Utility, miscellaneous, 2) For shell only buildings deduct 20 percent, 3) N.P. = not permitted, 4) Unfinished basements (Group R-3) = \$23.20 per sq. ft.

Land costs can also pose a significant constraint to the development of affordable and middle-income housing and represents a significant cost component in residential development. Land costs may vary depending on whether the site is vacant or has an existing site that must be removed. Similarly, site constraints such as environmental issues (e.g., steep slopes, soil stability, seismic hazards, flooding) can also be factored into the cost of land. Additional costs may be associated with redeveloping and/or converting sites which may influence the cost of the rental units or home value.

A Zillow search for vacant lots sold since 2020 returned lots ranging from 0.14 acres to 48 acres. Of the lots listed, the costs ranged higher in the southern part of the City near Mt. Hermon Road and Scotts Valley Drive, while costs were lower for sites located in the northern, undeveloped forest regions. Table C-1 shows the acreage cost of vacant land in Scotts Valley compared to neighboring jurisdictions. Scotts Valley's average cost per square-foot is just below the total average for all five of the jurisdictions. Costs are the highest in Felton and Ben Lomond



and the lowest in the mountainous areas of Santa Cruz. Given these figures, the cost of land is not considered a constraint to development as it is not uniquely high in Scotts Valley and is similar to that of the surrounding region for similar communities.

Table C-1: Average Vacant Land Cost

Jurisdiction	Vacant Lots Sold	Average Lot Acreage	Average Cost Per Square-Foot
Felton	45	9.52 acres	\$48.38
Scotts Valley	28	3.98 acres	\$21.86
Ben Lomond	16	15.09 acres	\$53.87
Boulder Creek	113+	45.06 acres	\$14.17
Santa Cruz ¹	51	5.07 acres	\$6.73

1. Accounts for parcels located in the Santa Cruz Mountain, not along the coast.
Source: Zillow.com (Accessed February 2023).

2. Availability of Financing

The availability of financing in a community depends on a number of factors, including: the type of lending institutions active in a community, lending practices, algorithms, rates, and fees charged, laws and regulations governing financial institutions, and equal access to such loans. Additionally, availability of financing affects a person's ability to purchase or improve a home. Under the Home Mortgage Disclosure Act (HMDA), lending institutions are required to disclose information on the disposition of loan applications and the income, gender, and race of loan applicants. The primary concern in a review of lending activity is to determine whether home financing is available to all residents of a community, regardless of income, sex, race, or ethnicity. The data presented in this section include the disposition of loan applications submitted to financial institutions for home purchase, home improvement, and refinancing in the Santa Cruz-Watsonville Metropolitan Statistical Areas/Metropolitan Divisions (MSA/MD).

Table C-2 below displays the disposition of loan applications for the Santa Cruz-Watsonville MSA/MD per the 2021 Home Mortgage Disclosure Act report. According to the data, applications in the 100-119 percent of the MSA/MD median had the highest rates of loan approval. Within that income category, those who identify as Native Hawaiian or other Pacific Islander had the highest approval rates (80 percent), while those who identify as American Indian and Alaska Native and Hispanic or Latino had the lowest rates (60 and 65.2 percent, respectively). There is no general trend across income categories. Those who identify as White had significantly more applications than any other racial or ethnic group. Persons who identify as White accounted for 81 percent of all applications received. Some racial or ethnic groups only had a handful of applications in certain income categories which has skewed the results.

Table C-2: Disposition of Loan Applications by Race/Ethnicity – Santa Cruz-Watsonville MSA/MD

Applications by Race/Ethnicity	Approved	Denied	Other ⁽¹⁾	Total Count
LESS THAN 50% OF MSA/MD MEDIAN				
American Indian and Alaska Native	21.4%	42.9%	35.7%	14
Asian	35.7%	31.0%	33.3%	42
Black or African American	61.5%	23.1%	15.4%	13
Native Hawaiian or other Pacific Islander	0.0%	100.0%	0.0%	2
White	48.6%	26.1%	25.3%	1,086
Hispanic or Latino	41.9%	32.6%	25.6%	227
50-79% OF MSA/MD MEDIAN				
American Indian and Alaska Native	46.2%	23.1%	30.8%	13
Asian	46.7%	30.7%	22.7%	75
Black or African American	50.0%	25.0%	25.0%	12
Native Hawaiian or other Pacific Islander	66.7%	16.7%	16.7%	6
White	65.0%	14.9%	20.1%	1,942
Hispanic or Latino	60.2%	17.1%	22.7%	467
80-99% OF MSA/MD MEDIAN				
American Indian and Alaska Native	33.3%	66.7%	0.0%	6
Asian	56.0%	8.0%	36.0%	25
Black or African American	100.0%	0.0%	0.0%	3
Native Hawaiian or other Pacific Islander	50.0%	0.0%	50.0%	2
White	69.1%	8.8%	22.1%	748
Hispanic or Latino	61.4%	14.3%	24.3%	140
100-119% OF MSA/MD MEDIAN				
American Indian and Alaska Native	60.0%	20.0%	20.0%	10
Asian	69.9%	8.7%	21.4%	103
Black or African American	76.5%	11.8%	11.8%	17
Native Hawaiian or other Pacific Islander	80.0%	20.0%	0.0%	5
White	73.6%	8.7%	17.7%	2,212
Hispanic or Latino	65.2%	10.5%	24.3%	362
120% OR MORE OF MSA/MD MEDIAN				
American Indian and Alaska Native	65.2%	4.3%	30.4%	23
Asian	71.3%	6.6%	22.1%	470
Black or African American	62.5%	12.5%	25.0%	32
Native Hawaiian or other Pacific Islander	71.4%	7.1%	21.4%	14
White	74.5%	7.5%	18.0%	7,018
Hispanic or Latino	68.9%	12.7%	18.4%	550

Notes: 1. "Other" includes: applications withdrawn, files closed for incompleteness, and purchased loans.

Source: Consumer Financial Protection Bureau, Disposition of loan applications, by Ethnicity/Race of applicant, 2021.

According to the data, applicants who identify as Black or African American were on average more likely than other race to receive a loan approval (70.1 percent). Given the generally high rates of loan approvals, home financing is typically available and not considered to be a constraint to the provision and maintenance of housing in Scotts Valley.

Financing for multifamily residential and mixed-used development is typically harder to obtain. In particular, financing for subsidized housing is very difficult to obtain, as there is a great deal of competition for a limited amount of financing. Soft costs, such as permit fees, architectural

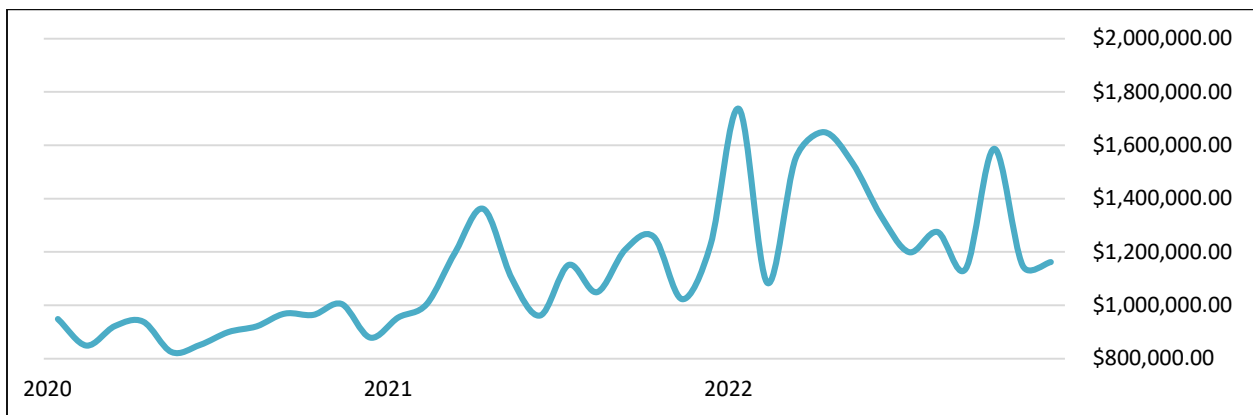


and engineering services and environmental reviews make up a larger portion of the development budget for private development, and especially, affordable housing development. Therefore, to develop housing that is affordable, especially to very low- and low-income households, both substantial public subsidies and multiple financing sources are required.

3. Economic Constraints

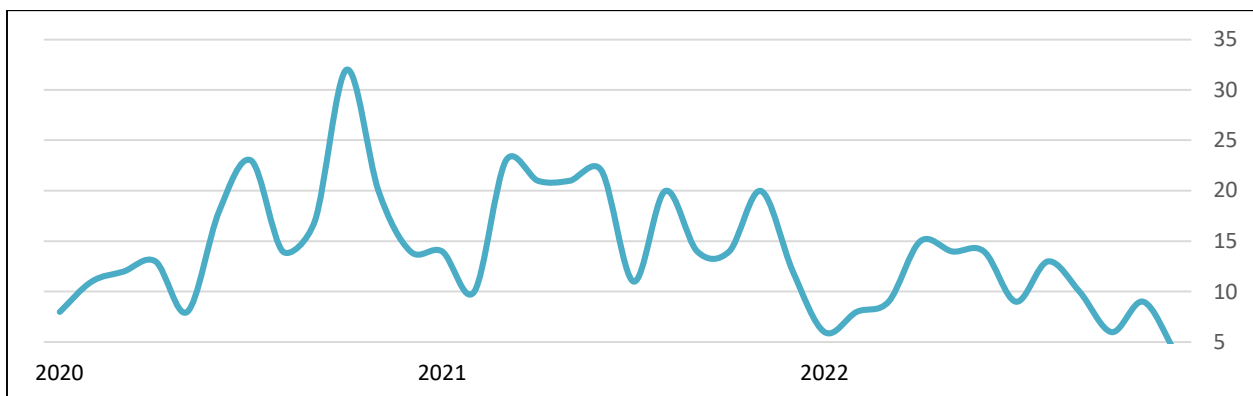
Market forces on the economy and the trickle-down effects on the construction industry can act as a barrier to housing construction and especially to affordable housing construction. It is estimated that housing price growth will continue in the City and the region for the foreseeable future. Moving into 2020, the economy was growing. California was seeing a 1.6 percent growth in jobs from 2019 and experiencing all-time lows for unemployment rates. The COVID-19 pandemic had stalled much of the economy in early 2020; however, as Figure C-1 shows, the Scotts Valley housing market has maintained overall growth. Figure C-2 shows decline in number of homes sold in Scotts Valley which may indicate a lack of inventory, which contributes to higher median sale prices.

Figure C-1: Scotts Valley Housing Market Trends – Median Sale Price 2020-2022



Source: Redfin, Scotts Valley Housing Market Trends (Accessed January 24, 2023).

Figure C-2: Scotts Valley Housing Market Trends – Number of Homes Sold 2020-2022



Source: Redfin, Scotts Valley Housing Market Trends (Accessed January 24, 2023).

An October 2022 California Association of Realtors (CAR) report found that single-family homes on the market in Santa Cruz County had a median sold price of \$1,362,000 and experienced a year-to-year change of 19.9 percent. Santa Cruz County is found in the Central Coast region which has a median sold price of \$937,500 during the same period. Single-family homes on the market in the San Francisco Bay Area had the highest median sold price in the State of California at \$1,250,000.

According to a CAR First-Time Buyer Housing Affordability Index report for the third quarter of 2022, the median home price for a single-family home in Santa Cruz County was \$1,066,750 with monthly payments of \$6,120 (including taxes and insurance). This required a minimum qualifying income of \$183,600. In comparison, the median cost for a single-family home in California was \$705,300 with monthly payments of \$4,050 and a minimum qualifying income of \$121,500.

The cost of land and home prices in Scotts Valley may be considered a constraint to the development of and access to housing, particularly the development of and access to affordable housing; however, as these home and land costs are consistent with jurisdictions in the region, and lower than nearby coastal communities, they are not considered a unique constraint.

ENVIRONMENTAL CONSTRAINTS

Scotts Valley may be susceptible to several environmental constraints. Features such as hillsides and waterways can present risks due to flood, geologic, and seismic hazards. In addition, human-caused risks, such as hazardous materials, can pose risks to community health and safety. Effective planning to prepare for and mitigate the adverse effects of these risks can help ensure that Scotts Valley maintains a high level of safety for its residents. The City plans for and engages mitigation techniques through the City's Safety and Noise Element.

1. Geological and Seismic Hazards

Geologic and seismic hazards in Scotts Valley include those related to earthquakes, steep slopes and landslides, erosion, and soil subsidence. According to the USGS Interactive Fault Map, major faults near Scotts Valley include the Zayante Fault, San Andreas Fault, Butano Fault, and Ben Lomond Fault. The Zayante Fault Zone is located approximately 1.5 miles north of Scotts Valley and is the closest major fault to the City. Residential development within a seismically active zone could expose Scotts Valley residents to adverse effects.

A lesser geological hazard relates to soil stability in the City. Hillsides located mostly on the periphery of the City can be subject to landslides and portions of the City have expansive soil types. In addition, some areas may be subject to liquefaction during a seismic event if groundwater is present near the surface. To ensure structural stability, seismic and geologic



hazards are addressed through the environmental and development review and permitting process. The City's General Plan also establishes policies to address potential hazards.

2. Sensitive Species and Habitats

The City's riparian woodland along rivers and Ponderosa Pines provides habitat for rare and endangered plant species. Scotts Valley is also home to a unique soil type called "Zayante Soil" and the Carbonera Creek, which is a habitat for steelhead trout. In Scotts Valley, 20 to 50 locally rare plant species exist and are concentrated in the Santa Margarita sand deposits, marshy habitats, grassland areas, and others. Five examples of rare and endangered species are present. The City is also a potential habitat for the Mt. Hermon June Beetle and the Ohlone Tiger Beetle, listed as Endangered Species by the Federal Government. The City requires development proposals in sensitive areas to provide biotic surveys and Habitat Conservation Plans to ensure compliance with the Endangered Species Acts. Two recent development projects include The Encore, a 16 unit condominium project and The Terrace, a 19 unit townhome project, provided Habitat Conservation Plans to ensure compliance with the Endangered Species Acts and the California Environmental Quality Act (CEQA). As such, sensitive habitat is not considered a constraint as development can occur in areas with sensitive species and habitats in Scotts Valley.

3. Cultural Resources

Scotts Valley's location on an ancient seabed has contributed to a wealth of archaeological and paleontological resources in the community today. In fact, the present City Hall site contains a 10,000- to 15,000-year old archaeological site. The General Plan designates various areas throughout the community as moderate or high cultural resource sensitivity zones. In these areas, development proposals must have appropriate environmental clearance pursuant to local, State and federal laws. Projects with potentially significant cultural resources require issuance of a Cultural Resources Alteration Permit from the City's Cultural Resource Commission. Procedures and scope of authority of the City's Cultural Resource Preservation and Cultural Resource Commission are set forth in Chapter 17.44 of the Scotts Valley Municipal Code. Projects with cultural resources require compliance with the City's standard conditions of approval for historic/archaeological resource, for example:

1. Historic or Archaeological Discovery During Construction
 - a. Additionally, if buried historic or archaeological resources are discovered during construction, operations shall stop within 50 feet of the find and a qualified archaeologist shall be consulted to evaluate the resource in accordance with CEQA Guidelines 15064.5(f), which requires the Lead Agency to make provisions for historical or unique archaeological resource accidentally discovered during construction.

- b. The applicant shall include a standard inadvertent discovery clause in every construction contract to inform contractors of this requirement. If the resource does not qualify as a significant resource, then no further protection or study is necessary. If the resource does qualify as a significant resource then the impacts shall be avoided by construction activities. If the resource cannot be avoided, adverse impacts to the resource shall be addressed.
 - c. The archaeologist shall make recommendations concerning appropriate measures that shall be implemented to protect the resources, including but not limited to excavation and evaluation of the finds in accordance with Section 15064.5(f) of the CEQA Guidelines. Any previously undiscovered resources found during construction within the project site should be recorded on appropriate Department of Parks and Recreation (DPR) 523 forms and evaluated for significance in terms of CEQA criteria.
- 2. Paleontological Resource Monitoring
 - a. In the event a fossil(s) is discovered during construction for the project, excavations within 50 feet of the find shall be temporarily halted or delayed until the discovery is examined by a qualified paleontologist, in accordance with Society of Vertebrate Paleontology standards.
 - b. The applicant shall include a standard inadvertent discovery clause on construction plans to inform contractors of this requirement. If the paleontological resources are found to be significant, they shall be avoided by project construction activities and recovered by a qualified paleontologist. Upon completion of the recovery, a paleontological assessment shall be conducted by a qualified paleontologist to determine if further monitoring for paleontological resources is required. The project site assessment shall include; (1) the results of any geotechnical investigation, (2) specific details of the construction plans, (3) background research, and (4) limited subsurface investigation.
 - c. If a high potential to encounter paleontological resources is confirmed, a monitoring plan of further project subsurface construction shall be prepared in conjunction with this assessment. After project subsurface construction has ended, a report documenting monitoring, methods, findings, and further recommendations regarding paleontological resources shall be prepared and submitted to the Director of Community Development.
 - a. 3. Inadvertently disturb human remains Pursuant to section 7050.5 of the Health and Safety Code, if human remains are discovered, there shall be no further excavation or disturbance of the discovery site or any nearby area reasonably suspected to overlie adjacent human remains until the project applicant has complied with the provisions of State CEQA Guidelines Section 15064.5(e).



- b. In general, these provisions require that the County Coroner be notified immediately. If the remains are found to be Native American, the County Coroner is required to notify the Native American Heritage Commission within 24 hours. The most likely descendant of the deceased Native American is notified by the Commission and given the chance to make recommendations for the remains. If the Commission is unable to identify the most likely descendent, or if no recommendations are made within 24 hours, remains may be reinterred with appropriate dignity elsewhere on the property in a location not subject to further subsurface disturbance. If recommendations are made and not accepted, the Native American Heritage Commission will mediate the problem.

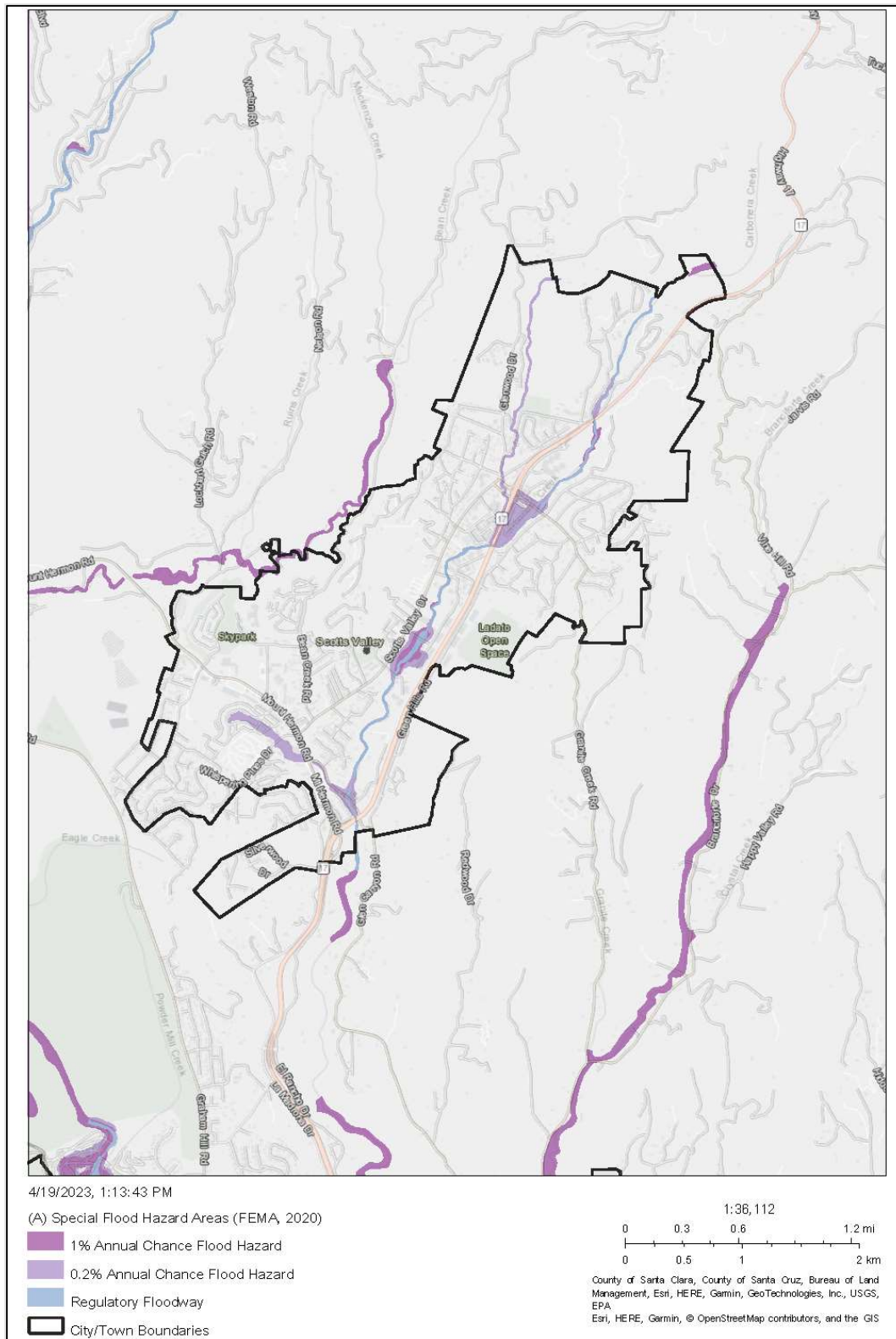
With the adoption of standard conditions of approval and compliance with State CEQA Guidelines, development projects can successfully move forward and be built in Scotts Valley. As such, Cultural Resources are not considered a development constraint. Program H-4.4 discusses continuing to review Cultural Resources for compliance with local, State, and federal laws.

4. Flood Hazards

Potential flooding in Scotts Valley is attributable to heavy rainfalls, localized drainage problems, and failures of flood control. The City is principally drained by Carbonera Creek, which begins 1.3 miles north of the City limits. Insufficient channel capacity to handle peak flood flows and obstruction (such as vegetation) in the stream channel can increase flood potential. Scotts Valley's geographic location in proximity to several creeks and waterways contribute to the flood risk within the City. Flooding has occurred primarily along Carbonera Creek and Bean Creek, which are included as flood hazard areas in existing Federal Emergency Agency (FEMA) maps.

The City, in conjunction with the Army Corps of Engineers, works to improve flood capacity along Carbonera Creek. To reduce potential flood hazards, the City's floodplain management ordinance requires flood proofing or elevation of structures above flood heights in federally designated flood plains. The City regulates development in flood hazard areas in accordance with the floodplain management ordinance. Figure C-3 shows the flood risk throughout the City.

Figure C-3: FEMA Flood Zones

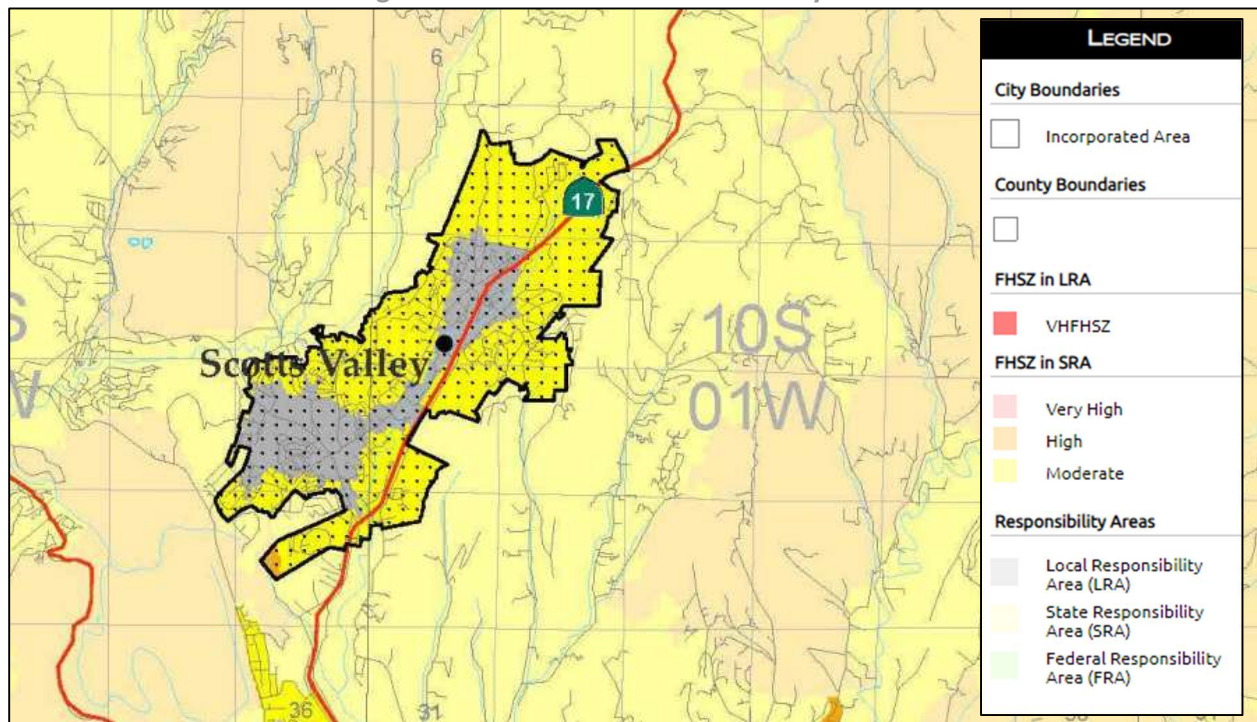


Source: HCD AFFH Data Viewer – Special Flood Hazard Areas

5. Fire Hazards

Fire hazards are generally categorized as wildland fires and structural fires. Wildland fires (large-scale brush and grass fires) post the most risk to the City and particularly neighborhoods near areas of high vegetation. The City is surrounded by undeveloped hillsides with high vegetation that are at high-risk of human-caused wildfires. The factors contributing to fires include highly flammable brush, rugged terrain, dry northeast winds, periods of drought, and an expanding population. In addition to wildland fires, the City experiences fires from structural, vehicular, utility, and other sources as well. According to the General Plan, fires in Scotts Valley tend to be structural year-round while wildland fires in nature occur during summer months. CalFire has mapped the fire hazard severity zones for cities in California. The CalFire Map shows three severity zones: Moderate, High, and Very High. Figure C-4 shows that portions of the City are located in Moderate fire hazard severity zones. While the City is not located in any Very High or High fire hazard severity zones, the surrounding area includes areas in Moderate to High severity zones, making the City at-risk for potential fire hazards.

Figure C-4: CalFire Fire Hazard Severity Zones



Source: CalFire Hazard Severity Zones in Local Responsibility Areas – Santa Cruz County

Although the City has identified environmental factors above, they do not impact the City's ability to accommodate the number of units required to meet the RHNA obligation.

The City has reviewed all sites for the above environmental concerns and considerations as well as development regulation and land use restrictions. Additionally, each site has been reviewed for access to infrastructure, water, utilities, and additional development constraints. Where the

analysis showed increased barriers to development related to environmental concerns, infrastructure concerns or existing conditions and development concerns (such as fire hazards, hazardous surrounding uses, restrictive development standards, etc.) the sites were removed. The result is a list of sites that have been analyzed to be most appropriate for development or redevelopment of housing. A complete analysis of the sites is provided in Appendix F.

GOVERNMENTAL CONSTRAINTS

In addition to market constraints, local policies and regulations also affect the price of affordability of housing and the provision of affordable housing. For example, State and Federal regulations affect the availability of land for housing and the cost of housing production, making it difficult to meet the demand for affordable housing and limiting supply in a region. Regulations related to environmental protection, building codes, and other topics may have significant, often adverse, impacts on housing cost and affordability.

While the City has no control over State and Federal policies and regulations that affect housing, the City's Housing Element can address local policies and regulations that create a constraint on the development of housing, and particularly affordable housing.

1. Land Use Controls

Jurisdictions in California are required by Law to prepare a comprehensive, long-term General Plan to guide future development. The Land Use Element of the General Plan establishes permitted land uses and development density throughout the City. These land uses provide a wide variety of housing types throughout the City, while also ensuring compatibility between neighboring uses. Table C-3 lists the land uses that permit residential developments and their density ranges with the number of new dwelling units at buildout—this information is readily available on the City's website, in compliance with State transparency requirements.

Table C-3: Residential Land Uses and Density Ranges

General Plan Land Uses	Density Range (dwelling units per acre)	Total Vacant Acres	Number of New Dwelling Units at Buildout
Very High Residential R-VH	15.1 – 20	11	168 – 220
High Residential RM-15	9.0 – 15.0	12.8	115 – 192
Medium High Residential RM 6 / RM 8	5.0 – 9.0	25	125 – 225
Medium Residential R-1-20	2.0 – 5.0	91	182 – 455
Low Residential R-1-10	2	71	142
Estate Residential R-1-40	1	46	46
Rural Residential RR 2.5	1	203	82
Mountain Residential RMT-5	1	25	5

Source: City of Scotts Valley General Plan, Land Use Element, Table LU – 2 Vacant Residential Land

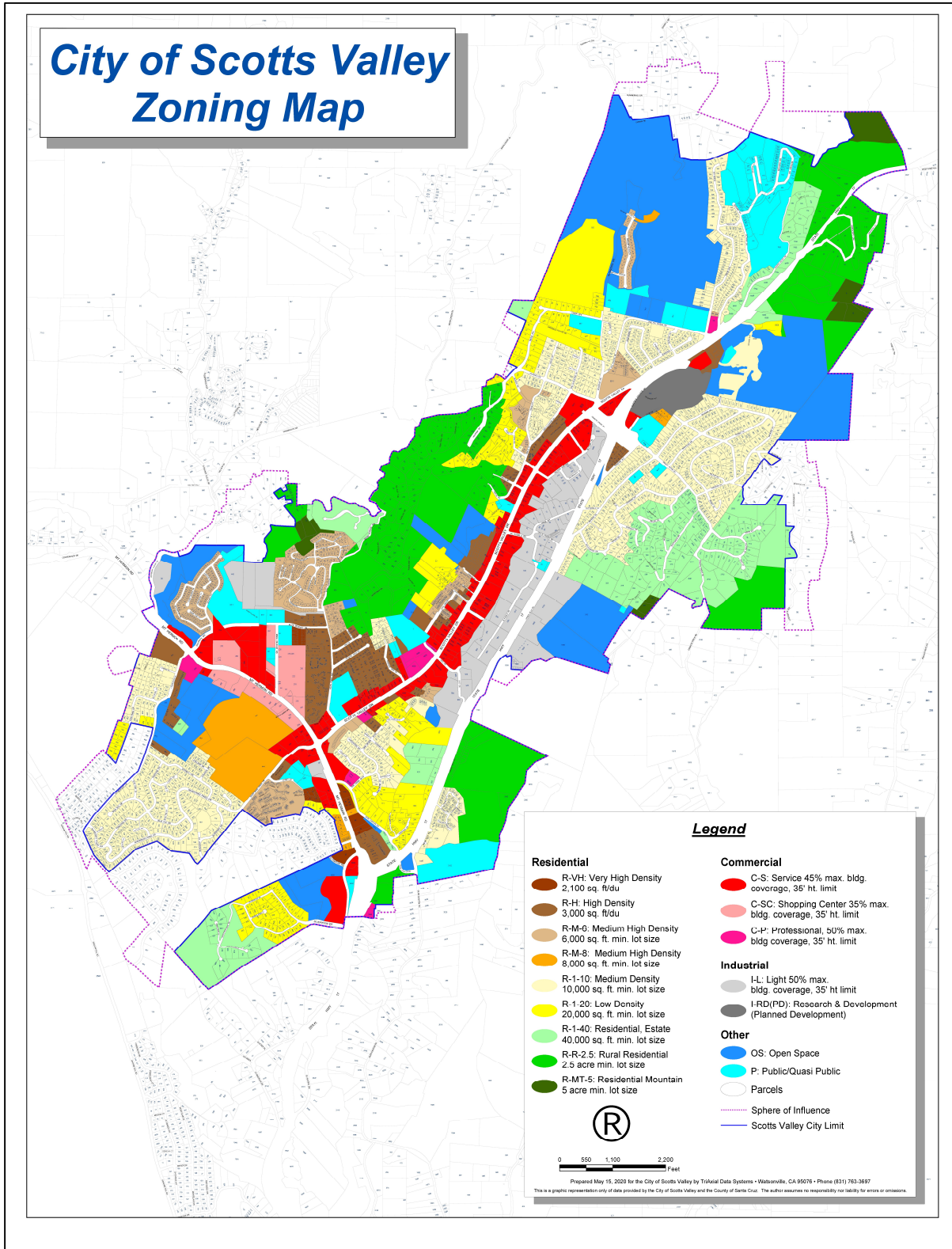


2. Zoning Districts

The City's Zoning Code establishes the following residential zoning districts:

- **Residential Single-Family Zoning District (R-1)** – Designed to provide areas for single-family residential development where lot sizes and densities are designed to accommodate large areas of open space for recreational activities compatible with a residential environment.
- **Multiple Residential Zoning District (R-M-6/R-M-8)** – Designed to provide areas for single-family subdivisions and townhouse and condominium development at lower density ranges than the R-H district.
- **High-Density Residential District (R-H)** – Designed to provide areas for apartments, townhomes, condominiums, and similar development with a maximum of open space and other amenities which will enhance the living qualities of the development and promote the housing goals of the general plan.
- **Very High-Density Residential District (R-VH)** – Designed to provide areas for apartments, townhouses, condominiums, and similar development with open space and other amenities which will enhance the living qualities of the development and promote the housing goals of the general plan.
- **Residential-Rural District (R-R-2.5)** – Designed to provide areas for large-lot residential living and minor agricultural activities for areas designated in the General Plan as “rural residential.”
- **Residential-Mountain District (R-MT-5)** – Designed primarily for hillside areas designated as “mountain residential” in the General Plan where environmental constraints require development at lower densities.
- **Service Commercial (C-S)** – Designed to create and maintain areas accommodating city-wide and regional service that may be inappropriate in neighborhood or pedestrian-oriented shopping areas and which generally require automotive access for customer convenience, servicing of vehicles or equipment, loading or unloading, or parking of commercial service vehicles. Multi-family dwelling units are permitted if they are located either above the ground-level commercial use or at ground level at the rear of a commercial space.
- **Shopping Center Commercial (C-SC)** – Designed to accommodate retail and service establishments for the development of community shopping centers. Multi-family dwelling units are permitted if they are located either above the ground-level commercial use or at ground level at the rear of a commercial space.

Figure C-5: City of Scotts Valley Zoning Map



Source: Scotts Valley's Zoning Map



Combining Zoning Districts

A Combining Zoning District is a regulatory tool that adds special provisions and regulations to an area. This may be added to a neighborhood or corridor on a map, or it may apply to the City as whole and be applied under certain circumstances. All proposed developments within the Combining District must comply with the District's applicable development standards in addition to the Zoning Code standards. In the event of a conflict between the regulations of the base zoning district and the regulations of the Combining District, the regulations of the Combining District will come first. Combining zoning may be a constraint to the development of housing when it sets standards which are more restrictive than the Zoning Code; however, no sites have been identified within these districts as part of the candidate sites analysis. Below are Combining Zoning districts present in Scotts Valley:

- **TP Timberland Production Zoning District** – Intended to protect and maintain the timberland by regulating timberland use. The TP Zoning District is a combining district intended to be attached to an open space (OS) base district and allows one single-family dwelling, with accessory structures and utilities, on a separate legal parcel with a minimum of forty acres. Under a conditional use permit, the district permits one or more single-family dwellings, with accessory structures, at a density maximum of one dwelling unit per ten acres.
- **ST Special Treatment Combining District** – Intended to encourage the incorporation of special design considerations into project development to implement a visually pleasing environment in areas deemed to be of special importance to the community image. Development is subject to the submittal requirements of a specific plan.
- **FW Floodway Combining District** – Establishes provisions designed to promote the public health, safety, and general welfare and to minimize public and private losses due to flood conditions. For example, potential buyers must be notified if a parcel is in an area of a special flood hazard. The FW Combining District is intended to apply to all land within the one-hundred-year flood zone according to federal flood insurance rate maps.
- **HR Hillside Residential Combining District** – The HR district is designed to provide for an orderly, harmonious development of the foothills and mountains, resulting in a minimum amount of disturbance of the natural slope and sensitivity to the steepness of the terrain in order to minimize grading, removal of vegetation, run-off erosion, geologic hazards and fire hazards, and to help ensure utilization of land in balance with its natural capabilities to support development. The HR district applies to single family residential zoned properties with a slopes of 10 percent or greater.

3. Variety of Housing Permitted

Housing Element Law requires jurisdictions to identify sites to be made available through zoning and development standards in order to facilitate development of a variety of housing types for all socioeconomic levels of the population. Housing types include single-unit dwellings, multi-unit housing, accessory dwelling units, factory-built housing, mobile homes, employee and agricultural work housing, emergency shelters, transitional and supportive housing, single-room occupancy units (SROs), and housing for persons with disabilities. Table C-4 shows the various housing types permitted throughout the City in zoning districts which permit housing or care facility uses. The City is in compliance with all transparency requirements and all zoning information, development standards, and fees are available on the City's website and at the Planning Department Counter.

Table C-4: Housing Types Permitted

Residential Uses	R-VH	R-H	R-M-6	R-M-8	R-1	R-R-2.5	R-MT-5	C-S	C-SC	I-L	P	OS	TP
Agricultural and Employee Housing	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Care Residential Facility (Small)	P	P	P	P	P	P	P	-	-	-	P	-	-
Community Care Facility and Institution (Large)	CUP	CUP	CUP	CUP	CUP	CUP	-	-	-	-	-	-	-
Day Care Centers	CUP	CUP	CUP	CUP	CUP	CUP	CUP	-	-	-	CUP	-	-
Emergency Shelter (less than or equal to 25 occupants)	-	-	-	-	-	-	-	P	P	-	P	-	-
Emergency Shelter (more than 25 occupants)	-	-	-	-	-	-	-	CUP	CUP	-	CUP	-	-
Family Child Care Homes (Small)	P	P	P	P	P	P	P	-	-	-	-	-	-
Family Child Care Homes (Large)	-	-	P	P	CUP	CUP	CUP	-	-	-	-	-	-
Foster Homes (Six or Fewer)	-	-	CUP	CUP	P	P	P	-	-	-	-	-	-
Foster Homes (Exceeds Six)	-	-	-	-	CUP	CUP	CUP	-	-	-	-	-	-
Low Barrier Navigation Centers	-	-	-	-	-	-	-	-	-	-	-	-	-
Mobile Home/Manufactured Housing	-	P	P	P	P	-	-	-	-	-	-	-	-
Multi-Family Dwellings	P	P	P	P	-	-	-	CUP/P*	CUP-	-	-	-	-
Student Housing	-	-	-	-	-	-	-	-	-	-	CUP	-	-
Residential Care Facilities	-	-	-	-	-	-	-	-	-	-	CUP	-	-
Secondary Dwelling Units	-	-	-	-	P	P	P	-	-	-	-	CUP	P/CUP
Single-Family Dwellings	-	P	P	P	P	P	P	-	-	-	P	CUP	P/CUP
Transitional And Supportive Housing	P	P	P	P	P	P	P	CUP	-	CUP	-	-	-
<u>Small Unlicensed Group Homes (6 or fewer)</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>P</u>	<u>-</u>	<u>-</u>
<u>Large Unlicensed Group Homes (7 or more)</u>	<u>CUP</u>	<u>CUP</u>	<u>CUP</u>	<u>CUP</u>	<u>CUP</u>	<u>CUP</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Small Licensed Group Homes (6 or fewer)</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>P</u>	<u>-</u>	<u>-</u>
<u>Large Licensed Group Homes (7 or more)</u>	<u>CUP</u>	<u>CUP</u>	<u>CUP</u>	<u>CUP</u>	<u>CUP</u>	<u>CUP</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes: Refer to Scotts Valley Code of Ordinances under Title 17 Zoning for full definitions of each residential use.

P – Permitted

CUP – Conditional Use Permit

*When located above a ground-level commercial use or at ground level at the rear of a commercial space on sites designated in the 5th Cycle Housing Element. CUP required for all other mixed-use multifamily residential projects.

Source: Scotts Valley Municipal Code (SVMC) Title 17 – Zoning

Single-Family Dwelling

A single-family dwelling is defined as a detached building designed or used for residence purposes by one housekeeping unit. Single-family dwellings are permitted as a primary use in the R-H, R-M-6, R-M-8, R-1, R-R-2.5, R-MT-5, P, and TP districts.

Multi-Family Dwelling

A multi-family dwelling is defined as a building, or portion thereof, designed or used for residence purposes by two or more families or housekeeping units. This includes duplexes, triplexes, etc. Multi-family dwellings are permitted as primary use in R-VH, R-H, R-M-6, and R-M-8 districts.

A program is included in the Housing Plan to accommodate additional residential units for select sites in the Candidate Sites Inventory in Appendix F.

Multi-family dwellings are conditionally permitted use in the C-S and CS-C district when located above a ground-level commercial use or at the ground level at the rear of a commercial space. If the project site was designated in the 5th Cycle Housing Element, then a mixed-use project is permitted as a primary use.

A program is included in the Housing Plan to allow for a reduction in required commercial component, an increase in allowed residential component, and upzoning to accommodate additional residential units for select sites in the Candidate Sites Inventory in Appendix F.

Additionally, a program to establish objective design standards for multi-unit residential development is included in the Housing Plan. This is to reflect changes in state law, ensure quality design of new residential development and project approval certainty.

Accessory Dwelling Unit (ADU)

An accessory dwelling unit, also known as secondary dwelling units, is defined as an attached or detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a parcel with a proposed or existing dwelling. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multi-family dwelling is or will be situated. ADUs also includes the following:

1. An efficiency unit, as defined in Section 17958.1 of the California Health and Safety Code; and
2. A manufactured home, as defined in Section 18007 of the California Health and Safety Code.

ADUs may be created or occupied only if the unit meets all of the restrictions and standards set out in State Law. The City has an adopted “Secondary Dwelling Unit Program” to guide ADU development; however, this Program does not meet recent updates to State law. Since 2020, The City of Scotts Valley has been reviewing and approving ADU and JADU application in



accordance with the development standards and restrictions set out in State law. While the City's Zoning Code currently allows for ADUs in the R-1, R-R-2.5, and R-M-T Zoning Districts, State law stipulates that ADUs are allowed in any zoning district that permits residential uses. The City has been reviewing and approving applications in accordance with State law requirements.

A program is included in the Housing Plan to update the Program in compliance with State housing laws and to facilitates development throughout the planning period. This includes a number of actions the City will implement to further facilitate and promote ADU development.

Manufactured/Mobile Homes

Manufactured homes, mobile homes, or modular homes are defined as a single-family housing units. They are certified under the National Mobile Home Construction and Safety Standards Act of 1974. Furthermore, mobile homes are to be placed on a foundation system, pursuant to Section 18551 of the Health and Safety Code or constructed in accordance with the appropriate Uniform Building Code, Plumbing Code, Electrical Code, etc., that has been adopted and is in effect within Scotts Valley. Mobile home parks are defined as subdivisions that are designed to accommodate mobile homes. All manufactured homes shall meet the anchoring standards of Section 15.16.180 of the Municipal Code. Additionally, Code Section 65852.3 requires manufactured homes to be permitted on lots zones for conventional single-family residential dwellings; the City's Municipal Code currently complies with this requirements as manufactured homes and mobile homes are permitted in the R-H, R-M-6, R-M-8, and R-1 districts where single-family dwellings are also permitted.

Community Care Residential Facility

A community care residential facility is any family home, group-care facility, or similar facility determined pursuant to State law, for twenty-four-hour non-medical care of persons in need of personal service, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual. A small community care residential facility is one which serves six or fewer persons, whereas a large community care facility has seven or more residents. Small community care residential facilities are permitted in P, R-VH, R-H, R-1, R-R-2.5, R-MT-5, R-M-6, and R-M-8 districts. Large community care residential facilities are permitted in P district and conditionally permitted in R-H, R-1, R-R-2.5 districts.

The City does not currently distinguish group homes separately from community care residential facilities. Program H-3.16 is included in the Housing Plan to adopt a Zoning Ordinance definition for "group home" and to establish separate permitting and processing procedures.

Supportive Housing

Supportive Housing is defined as housing with no limit on length of stay, that is occupied by the target population, and that is linked to on-site or off-site services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his

or her ability to live and, when possible, work in the community. Supportive housing is considered a residential use and is subject only to the restrictions and standards that apply to other residential dwellings of the same type (e.g., single-family residence(s) or multifamily development) in the same zone. Supportive housing is permitted in R-VH, R-H, R-M-6, R-M-8, R-1, R-MT-5, and R-R-2.5 districts. A program is included to allow for Support Housing by right in the C-S and C-SC Zoning Districts in compliance with State law (AB 2162).

Transitional Housing

Transitional Housing is defined as buildings configured as rental housing developments but operated under program requirements that call for the termination of assistance or recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six months. Transitional Housing is considered a residential use and is subject only to the restrictions and standards that apply to other residential dwellings of the same type (e.g., single-family residence(s) or multi-family development) in the same zone. Transitional housing is permitted in R-VH, R-H, R-M-6, R-M-8, R-1, R-MT-5, and R-R-2.5 districts.

Emergency Shelter

An emergency shelter is defined as housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. Emergency shelter also includes other interim interventions, including, but not limited to, navigation centers, bridge housing and respite or recuperative care. No individual or household may be denied emergency shelter because of an inability to pay.

In compliance with AB 139, emergency shelters with 25 occupants or less are permitted in C-SC, P, and C-S districts without approval of any discretionary permits. If an emergency shelter has greater than 25 occupants, it is conditionally permitted in C-SC, P, and C-S districts. These three zoning districts are located along the City's two main corridors – Mt. Hermon Road and Scotts Valley Drive – which provide for efficient access to community resources, services, and public transportation (see Figure C-5). AB 139 also states that jurisdiction may impose parking requirements to accommodate emergency shelter staff. Currently, proposed emergency shelters must provide off-street parking at the ratio of one space per three beds, and/or 1 per bedroom designated as a family unit with children, plus one space per staff member. [Program H-3.9 establishes an action to amend the Zoning Ordinance for parking requirements in compliance with AB 139.](#)

AB 2339, enacted in 2022, added additional specificity to where emergency shelters must be zoned. AB 2339 provides that the sites identified for emergency shelters must be in residential areas or are otherwise suitable, thus prohibiting local governments from situating shelters in industrial zones or other areas disconnected from services. [Program H-3.9 establishes an action to identify a zone which allows residential uses and will also allow emergency shelters by-right \(without discretion\), in compliance with AB 2339.](#)

In the 2023 Point-In-Time Count, the City reported 24 persons experiencing homelessness in Scotts Valley. With a requirement of at least 200 square feet per person of land to accommodate the homeless, the City must be able to accommodate at least 4,800 square feet (0.11 acres). Scotts Valley has 12 sites totaling 12.13 acres with the potential to accommodate an emergency shelter; 11 sites are zoned C-S, 10 of which are vacant, and 1 site is zoned P and vacant. The 12 sites are located throughout the entire City and range from 0.2 acre to 2.6 acres – the average size is one acre. As such, the City has adequate capacity to accommodate a future emergency shelter to provide for its homeless population.

The law also seeks to ease constraints on the development of emergency shelters by requiring that any development standards applied to emergency shelters be "objective."

Two programs are included in the Housing Plan to amend these requirements in compliance with Assembly Bills 139 and 2339.

Additionally, Figures C-8a and C-8b show hazardous waste generators and percentiles for the region and the City. The hazardous waste percentiles for Scotts Valley are 62 and 90, which means the number and type of hazardous waste generators and sites throughout the City is higher than 62 and 90 percent of the census tracts in California. This represents data collected between 2018 and 2020. The specific generators located within the City are:

- | | |
|---|---|
| ■ Kaiser Permanente Scotts Valley medical offices | ■ Fox Factory Inc. Racing Shox (corporate campus) |
| ■ Threshold Enterprises (distributor of fine, natural, nutritional, and specialty products) | ■ Palo Alto Medical Foundation |
| ■ Scotts Valley Sportsmen's Club Shooting Range | ■ Bay Photo Lab |
| | ■ Walgreens |
| | ■ CVS Pharmacy |

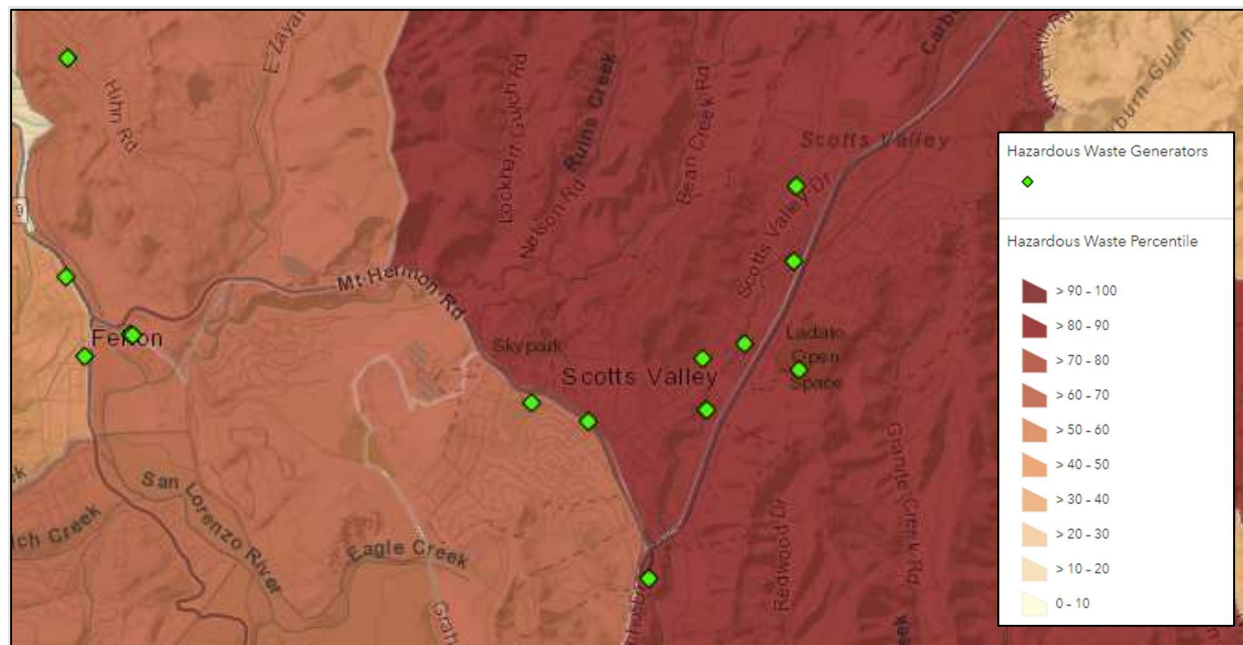
While considered hazardous waste generators, these businesses do not create an environment unfit for human habitation. Furthermore, residential units currently safely exist around the uses, and residents benefit from their products and employment opportunities. As such, they do not pose a threat to the development and use of future emergency shelters.

Figure C-8a: Regional Hazardous Waste Generators



Source: CalEnviroScreen 4.0

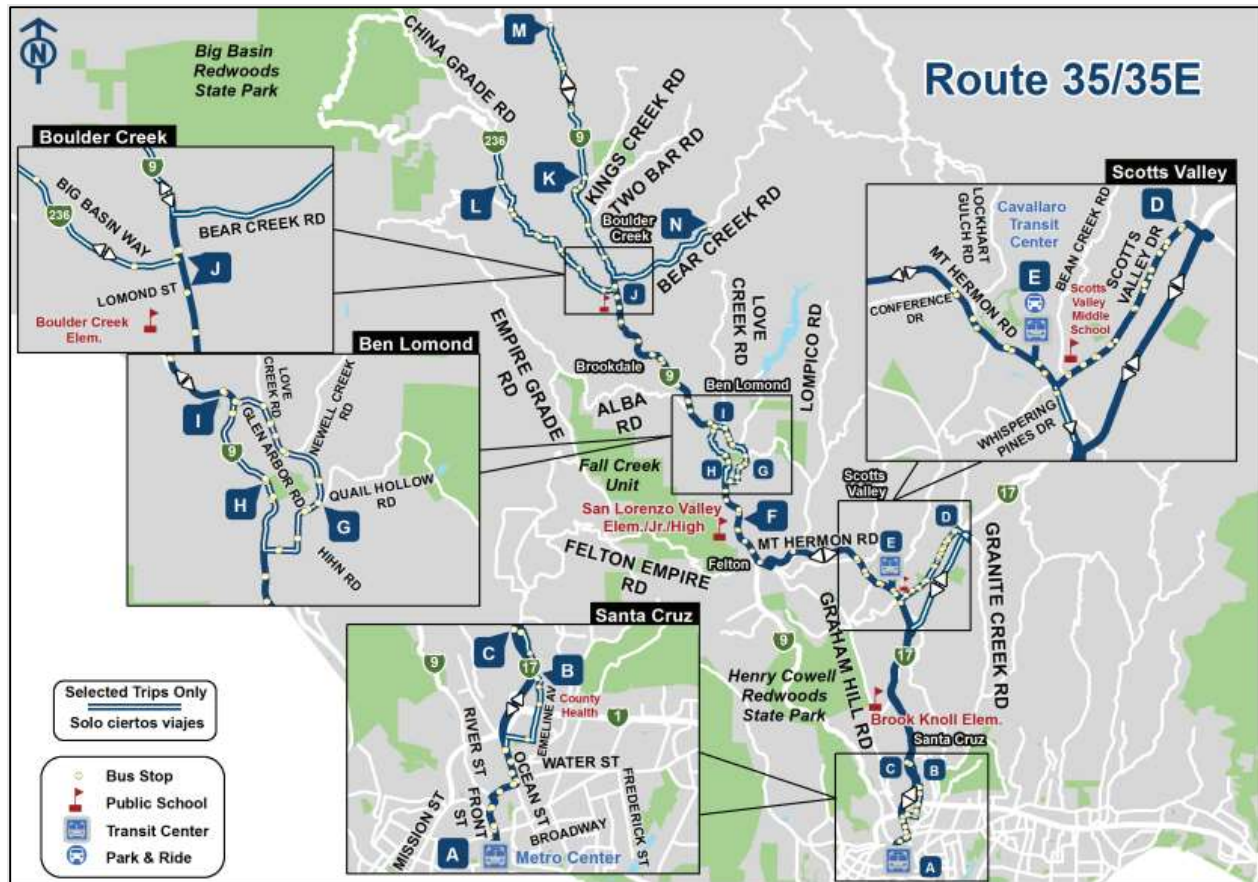
Figure C-8b: Scotts Valley Hazardous Waste Generators



Source: CalEnviroScreen 4.0

Additionally, the Mt. Hermon Road and Scotts Valley Drive corridors have direct access to the Santa Cruz METRO routes 35/35E, which provides access throughout the San Lorenzo Valley and connects to the City of Santa Cruz (Figure C-9). Highway 17 Express – Amtrak Thruway also stops at the Cavallaro Transit Center in the heart of Scotts Valley – connecting the City to San Jose and the Bay Area. Potential emergency shelter occupants are located within a half a mile to public transportations with destinations throughout the entire region.

Figure C-9: Santa Cruz METRO Route 35/35E



Source: Santa Cruz METRO

Agricultural and Employee Housing

California Health and Safety Code Sections 17021.5 and 17021.6 requires agricultural housing to be permitted by-right, without a conditional use permit (CUP), in single-family zones for six or fewer persons and in agricultural zones with no more than 12 units or 36 beds. A program is included in the Housing Plan to ensure the City's development standards comply with these requirements.

Low Barrier Navigation Centers

Low-barrier navigation centers are defined as a housing first, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living

facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing. Low-barrier navigation centers are required by State law as a use by-right in areas zoned for mixed uses and non-residential zones permitting multi-family uses if it meets specified requirements. A program is included in the Housing Plan to ensure compliance with State law.

Single-Room Occupancy (SRO) Units

A single-room occupancy (SRO) unit usually is small, between 200 to 350 square feet. These units provide a valuable source of affordable housing for individuals and can serve as an entry point into the housing market for people who previously experienced homelessness.

The City does not currently have an adopted definition for SRO in the Municipal Code, nor does it have adopted zoning or processing procedures. Program H-3.13 is included in the Housing Plan to adopt a definition, zoning, and processing procedures.

4. Residential Development Standards

The City's Zoning Code establishes regulations and development standards for each residential district to provide a range of housing types. These standards and regulations are intended to create, preserve, and enhance residential neighborhood sites for a range of development types and lifestyles. The City establishes development standards to regulate development through its Zoning Code (Table C-5). All information regarding the City's zoning and development standards are available online pursuant to Government Code §65940.1 (a)(1)(B).

Table C-5: Scotts Valley Residential Development Standards

Zone	Min. Dimensions (Sq. Ft)			Min. Yard Setbacks* (Feet)			Construction Standards		
	Lot Size (sf)	Lot Width	Min. Lot Depth (feet)	Front	Side	Rear	Max. Height (feet)	Max. Density (sf/du)	Site coverage
R-VH	6,000	60	60	10	10	20% of lot depth	35	2,100	55%
R-H	6,000	60	60	20	10% of lot width	20% of lot depth	35	3,000**	55%
R-M-6	6,000	50	100	20	10% of lot width, max 6 feet	15	35	5,000**	55%
R-M-8	8,000	60	100	20	10% of lot width with max 8 feet	15	35	8,000	55%
R-1-10	10,000	60	100	20	10% of lot width with max 10 feet	15	35	10,000	50%
R-1-20	20,000	90	125	30	10% of lot width with max 10 feet	15	35	20,000	50%
R-1-40	40,000	100	150	30	10% of lot width with max 10 feet	20	35	40,000	50%
R-R-2.5	2.5 ac	100	150	40	15	20	35	2.5 ac/du	35%
R-MT-5	5 ac	100	150	40	20	25	35	5 ac/du	35%
C-S	10,000	100	100	10	10	15	35	20 du/ac	45%
C-SC	10,000	100	100	20	0	0	35	20 du/ac	35%
P	10,000	60	100	20	10	10	35		30%

*Additional yard standards may apply and are provided in the City's Municipal Code.

**If, after dividing the area of the lot by the area required per dwelling unit or structure containing a dwelling unit, a remainder of more than 70 percent of the area required for an additional unit is obtained, one additional dwelling unit may be located on the site. For detailed standards, see SVMC Chapter 17.

Source: Scotts Valley Municipal Code – Title 17 Zoning.

Definition of Family

Under the right of privacy, the California Constitution prohibits a restrictive definition of “Family” which limits the number of unrelated persons and differentiates between related and unrelated individuals living together. The City’s Zoning Code defines “Family” as “a person or persons related by blood, marriage, or adoption or a group of not more than five persons, excluding servants, not related by blood, marriage, or adoption, living together as a single housekeeping unit in a dwelling unit.” There is a Housing Program included to revise the City’s definition of “family” to ensure that it conforms with state constitutional requirements.

Maximum Density (square footage of lot area required per dwelling unit)

For sites to be developed within the density ranges as outlined in the City’s General Plan, the City’s Zoning Ordinance utilizes a square footage of lot area to dwelling unit ratio to determine the maximum allowable density for the site. For example, a property with a High Residential Land Use Classification in the City’s General Plan allows for 9-15 dwelling units per acre. In the Zoning Ordinance, properties designated R-H require a minimum square footage of 6,000 square feet of lot area per allowed dwelling unit to confirm that the project density would be consistent with the General Plan.

The City has approved a variety of projects in the R-H Zoning District within the density range allowed by the City's General Plan. Projects recently approved in the R-H Zoning District include The Grove, The Cove, and Erba Lane. These developments include a range of housing types such as detached single-family homes, townhomes, and duplex style units. Each of these projects include deed restricted affordable housing units as required by the City's Inclusionary Zoning Ordinance depending on the size and location of the project. As such, maximum density requirements are not considered a constraint to development as they allow for a range of housing types at varying levels of affordability.

The City's Zoning Code does not have any minimum unit size requirements. The City relies on the requirements of the California Building Code as it pertains to regulating minimum unit sizes.

Yard Requirements

The City defines a yard through front, rear, side, side exterior, and side interior yards. Front yards are defined as an open space extending the full width of the lot, measured between the portion of the building closest to the front lot line and said front lot line. Rear yards are defined as an open space extending the full width of the lot between a building and the rear lot line. Side yards mean an open space extending from the rear boundary of the front boundary of the rear yard. Exterior side yards are side yards that abut a street (corner lots). Interior side yards are side yards that abut an adjoining lot. The yard requirements, as established in Table C-5, are not considered a constraint to development of housing and are similar regionally.

Site Coverage

Site coverage means the percentage of site area covered by impervious surfaces, including all structures, open or enclosed or projections of structures. The City utilizes site coverage to determine the portion of the site that can be covered by structures/impervious area. As noted previously, site coverage requirements are regionally similar and therefore not considered a constraint to the development of housing in Scotts Valley.

Maximum Building Heights

The building height refers to the vertical distance above the finish grade and is measured to the highest point of roof. Setting limits to the height of buildings avoids bulking and potential nuisances on neighboring properties – relating to privacy and/or sunlight and shade.

Parking Standards

Sufficient off-street parking must be provided to avoid street overcrowding. This is maintained through the establishment on parking requirements, which fluctuate depending on the land use/housing type and the number of bedrooms. However, high parking requirements may constrain development and result in higher development costs. Table C-6 provides the City's parking requirements.



Construction costs can be higher for covered parking, parking structures, and/or below ground parking. Developers may receive concessions or incentives in the form of parking reduction for the development of housing affordable to low- and very low-income households as provided in the State Density Bonus Law section. Under Chapter 17.62 – Density Bonus, the City offers parking incentives for housing developments to meet the criteria for a density bonus listed under Section 17.62.030.

The multi-family parking requirements of 2.2 spaces per unit are considered high and a potential constraint. A program is included in the Housing Plan for this requirement to be decreased. In addition, Section 17.20.045 establishes shared and reduced parking for mixed-use projects where parking is viable and feasible.

Table C-6: Required Parking Spaces for Residential Uses

Residential Uses	Minimum Number of Spaces Required per Unit
Single-family Dwelling	3 spaces (two-car garage + one additional covered or uncovered space)
Multi-family Dwelling	2 spaces for each dwelling unit plus one additional space for every five units, or fraction thereof - All multifamily dwellings containing fifty or more rental units shall provide one off-street loading space
Motels, hotels, lodging houses, bed and breakfast establishments, and private clubs providing sleeping accommodations	One space for each living unit or bedroom, whichever is greater, plus one space for each six hundred square feet of office and storage
Hospitals, sanitariums, nursing homes and charitable and religious institutions providing sleeping accommodations	One space for each three beds.

Source: Scotts Valley Municipal Code Chapter 17.44.030 – Off Street Parking and Loading Requirements.

Development Example

Very High-Density Residential District

The average lot size of parcels zoned R-VH in the candidate sites inventory is 1.49 acres (approximately 64,904 square feet). A theoretical parcel zoned R-VH measuring 64,900 square feet (100 feet wide and 649 feet deep) has a maximum density of one unit per 2,100 square feet (approximately 20 units per acre) – 31 total units. With yard setbacks, the parcel is left with a possible 40,720 square-foot building footprint. The maximum site coverage is 55 percent which brings the buildable footprint down to 35,695 square feet. Assuming the maximum height of 35 feet creates a three-story structure measuring a potential total of 107,085 square feet and ample room to accommodate the maximum units permitted.

Parking standards for 31 permitted units would total 68 spaces and require about 11,736 square feet (54 regular spaces and 14 compact spaces). This space can be amply accommodated in the rear setback, or on the first floor of the structure below the 31 permitted units. As such, the City’s standards for maximum density, lot size, setbacks, height, and site

coverage are not considered a constraint to reaching the maximum units permitted through the zoning district.

New Mixed-Use Residential District

As part of the City's proposed rezonings, candidate sites would be rezoned to allow mixed-use residential with a commercial requirement of 30 percent. The following development example applies existing mixed-use residential development standards, but it should be noted that as part of the rezonings the City will adopt new development standards for these sites (see Program H-1.6 in the Housing Plan). The Program notes that new standards will not be more constrictive than existing standards.

The average parcel size for sites proposed for mixed-use rezoning is 1.26 acres (54,886 square feet). A theoretical 54,800 square-foot site (100 feet wide and 548 feet deep) will have a maximum density of 40 dwelling units per acre – 50 potential units. With yard setbacks, the parcel is left with a possible 41,840 square-foot building footprint. The maximum site coverage is currently 45 percent, which brings the building footprint down to 24,660 square feet. A maximum height to 3 stories creates a structure measuring a total potential of 73,980 square feet. With the 30 percent commercial requirement, a total of 51,786 square feet are left for residential units, or 52 potential units each measuring 1,000 square feet.

The parking requirement for the permitted 50 units and 22,194 square feet of commercial space is 144 total spaces. Considering 115 classic parking spaces and 29 compact parking spaces, as permitted, the parcel would need to allocate approximately 24,876 square feet of land for parking. These spaces are permitted in the setbacks, as long as landscaping requirements are met. In addition, the City allows for shared and reduced parking requirements for mixed-use projects where parking is viable and feasible (Section 17.20.045). With the land in the setbacks and the land leftover from the lot coverage maximum going towards parking, the theoretical parcel is able to accommodate the maximum density with all existing development standards and the 30 percent commercial requirement. As noted above, the development standards will be revised with the adoption of the rezones and may allow for greater flexibility. Thus, the 30 percent commercial requirement and current development standards are not considered a constraint.

5. Mixed-Use Residential

Mixed-use residential development is allowed in the C-S and C-SC zoning districts. Sites in the C-S and C-SC Zoning Districts included in previous Housing Element cycles are only subject to issuance of a Design Review Permit. Mixed-use developments are currently required to include 50 percent commercial use. This requirement is implemented to facilitate economic growth and resources for residents within close proximity. Commercial uses are open to a variety of businesses and the Zoning Code does not make any specifications; commercial space may accommodate coffee shops, stores, offices, etc. Past mixed-use developments have met this requirement through lot splits separating uses with commercial located along the corridors and



residential to the back. Recently approved projects with commercial and residential components include The Cove, The Grove, and Oak Creek Park (these are all the mixed use projects from the 5th cycle and were not cherry picked). All three projects were proposed on vacant sites and did not involve the reuse of existing structures. To support active retail frontage along Scotts Valley Drive and Mount Hermon Road, land divisions have been utilized to support economic development and further the jobs/housing balance policy in the City's General Plan.

As part of the strategies to meet the 6th Cycle RHNA, the City has identified sites to be rezoned for mixed-use with a decreased commercial requirement of 30 percent. This decreased requirement is in response to feedback asking for more residential capacity while continuing to provide commercial opportunities for residents and creating a more walkable and resourced community. Candidate sites identified for mixed-use rezoning will continue to be reviewed simply through a Design Review Permit. Program H-2.2 is included in the Housing Plan to establish objective design standards for all residential development. This is to reflect changes in state law, ensure quality design of new residential development and project approval certainty.

5.6. Housing for Persons with Disabilities

Both the Federal Fair Housing Amendment Act (FHAA) and the California Fair Employment and Housing Act require governments to make reasonable accommodations (that is, modifications or exceptions) in their zoning laws and other land use regulations to afford disabled persons an equal opportunity to access housing. State law also requires cities to analyze potential and actual constraints to the development, maintenance, and improvement of housing for persons with disabilities.

The Housing Element Update must also include programs that remove constraints or provide reasonable accommodations for housing designed for persons with disabilities. The analysis of constraints must touch upon each of three general categories: 1) zoning/land use; 2) permit and processing procedures; and 3) building codes and other factors, including design, location, and discrimination, which could limit the availability of housing for disabled persons.

Reasonable Accommodations

Reasonable accommodation in the land use and zoning context means providing individuals with disabilities or developers of housing for people with disabilities, flexibility in the application of land use and zoning and building regulations, policies, practices, and procedures, or even waiving certain requirements, when it is necessary to eliminate barriers to housing opportunities. For example, it may be reasonable to accommodate requests from persons with disabilities to waive a setback requirement or other standard of the Zoning Code to ensure that homes are accessible for the mobility impaired. Whether a particular modification is reasonable depends on the circumstances.

The Scotts Valley Zoning Code allows requests for reasonable accommodation to be made by any person with a disability, their representative or any entity, when the application of a zoning law, building regulation, or other land use regulation, policy, or practice acts as a barrier to fair housing opportunities. Reasonable accommodation does not include an accommodation which would (1) impose an undue financial or administrative burden on the city or (2) require a fundamental alteration in the nature of the city's land use and zoning program.

No reasonable accommodations requests were submitted during the 5th cycle. A program is included in the Housing Plan to ensure that residents have access to information and application processes.

Application Requirements

Requests for reasonable accommodation may be submitted on an application form provided by the City of Scotts Valley Planning Department and shall contain the following:

- The applicant's name, address, and telephone number;
- Address of the property for which the request is being made;
- The name and address of the property owner, and the owner's written consent to the application;
- The current use and/or activity of the property;
- A description of the basis that the individual is considered disabled under the fair housing laws: identification and description of the disability which is the basis for the request for accommodation, including current, written medical certification and description of disability and any effects on the person's medical, physical or mental limitations;
- The policy, program, regulation or standard adopted by the City of Scotts Valley applicable to the request for accommodation, including the development standard or regulation from which reasonable accommodation is being requested;
- A description of the specific accommodation request;
- A description of the basis by which the accommodation is reasonable and necessary for the needs of the affected disabled person(s);
- Copies of plans, drawings, pictures, and/ other supporting data that provide sufficient information to render a decision (plans and drawings will be to standard scale);
- Other reasonable requests for information requested by the city to facilitate the rendering of a decision, consistent with fair housing laws

If the project for which the request for reasonable accommodation is being made also requires some other discretionary approval, then the applicant shall submit the reasonable accommodation application for determination at the same time with the other applications.



Any fee required for an application for reasonable accommodation shall be set by resolution of the City Council. Application fees for a Reasonable Accommodation request are deposit based, starting with a minimum fee of \$355 (one hour of Planning Department staff time).

Review Procedure

The Community Development Director or Designee has the authority to review and decide upon requests for reasonable accommodation, including whether the applicant is a disabled person as defined by Scotts Valley Zoning Code. The Community Development Director or Designee may refer the matter to planning commission at his or her discretion when a reasonable accommodation request includes (but is not limited to) the following items: any encroachment into the setback areas, results in a building size increase above what is permitted in the applicable zoning district with respect to height, site coverage, or whenever a reduction in required parking is requested. The planning commission has the authority to review and decide upon requests for reasonable accommodation when referred by the Community Development Director.

A public hearing is not required for a reasonable accommodation request reviewed and decided upon by the Community Development Director. Upon deeming the application complete, the planning department shall send a notice to the applicant, property owner, the owners and tenants of property of the five parcels located closest to the subject property, and to all members of the planning commission. The notice shall indicate the date upon which the community development director will act on the permit and the intended action to be taken by the community development director. Such notices shall be mailed, via first class mail, a minimum of fifteen days prior to date that action is to be taken. Requests for reasonable accommodation subject to review and decision by the planning commission shall require a public hearing pursuant to the advance noticing requirements of Chapter 17.50 of the Scotts Valley Municipal Code.

Findings and Decision

The written decision to grant or deny a request for reasonable accommodation will be consist with the Acts and shall be based on consideration of the following factors:

- Whether the housing or housing related facilities will be used by an individual with a disability under the Federal Fair Housing Amendment Act (FHAA) and the California Fair Employment and Housing Acts;
- Whether the requested accommodation is necessary to make specific housing available to an individual with a disability under the Federal Fair Housing Amendment Act (FHAA) and the California Fair Employment and Housing Act;
- Whether the requested accommodation would impose an undue financial or administrative burden on the city; and

- Whether the requested accommodation does not negatively affect the character of the zoning district and intent of adopted city, policies, regulations, programs or laws.

If the decision for the request of reasonable accommodation is by the Community Development Director, then the Community Development Director shall render a decision within 30 days after the planning department determines the application is complete. The City shall notify the application of the decision and a written decision shall explain the basis of the decision.

If the application for reasonable accommodation is referred to, or reviewed by, the Planning Commission, a decision to approve, approve with conditions, or deny the application shall be decided at the scheduled public hearing.

A program is included in the Housing Plan to amend the Reasonable Accommodations findings in accordance with applicable fair housing laws.

Appeal of Determination

An applicant or any party with interest may appeal any determination of the Community Development Director to the Planning Commission. The appeal shall be made by filing a notice of appeal clearly identifying the determination or decision and stating the grounds for the appeal. The notice of appeal shall be accompanied by the payment of a filing fee in such amount as established by resolution of the City Council. The notice of an appeal to the Planning Commission shall be filed with the Secretary of the Planning Commission. The appellant shall file the notice of appeal and pay the filing fee within fourteen calendar days after the date of the decision. Upon receipt of the notice of appeal and payment of the filing fee by the secretary of the planning commission, the Planning Commission may review by scheduling of hearing, a de novo review, or decision by Planning Commission.

An applicant or any party with interest may appeal any determination of the Planning Commission or other reviewer to the City Council. Upon receipt of the notice of appeal and payment of the filing fee, the City Clerk shall schedule the matter for hearing at the next available regular meeting of the City Council to be held within thirty calendar days after the date on which the notice of appeal is filed. The City Council may conduct a schedule of hearing, de novo review, or decision by City Council.

6.7. Planned Development Zones

Planned Development zoning provides the means to tailor zoning regulations and to apply specific standards for the development of a particular site. This process enables consideration of the unique characteristics of a site and its surroundings to better implement the citywide objectives, goals and policies of the General Plan and to provide site specific development standards. Planned Development zones are not required or pre-zoned, but they are rather intended as an additional option for more specialized developments. Anytime Planned Development zoning is utilized, the standards established for the zoning district which reflects the General Plan designation are tailored as part of a General Development Plan. Tailored



zoning regulations include, but are not limited to, site intensities, location, height, coverage and appearance of structures. During the fifth cycle, a total of 156 housing units were entitled on properties utilizing a PD Zoning District.

7.8. Local Ordinances

An ordinance is a law passed by a municipal government. Local ordinances are enacted to maintain or improve public safety, health, and general welfare. Locally adopted ordinances such as inclusionary ordinances or short-term rental ordinances may directly impact the cost and supply of residential development. Impacts may create governmental constraints to the development of housing and may hinder the City from meeting its share of the RHNA and the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters.

Density Bonus Ordinance

In accordance with California State Government Code Section 65915, a housing development may increase the number of units above the maximum permitted and/or receive reductions in development standards in exchange for reserving units for very low-, low-income, and/or moderate-income households or for seniors. For rental projects, the units must be subject to a recorded covenant restricting affordability for a period of 55 years; for owner-occupied projects, the affordable housing covenant shall be for a term of 45 years. . All Density Bonus information is available to the public and can be found in the Zoning Code Chapter 17.62 Density Bonus. According to the City's Zoning Code, qualifying housing developments which satisfy at least one of the following categories or land dedication provisions listed below will be granted a density bonus:

- At least 10 percent of the total units of a housing development for lower income households;
- At least 5 percent of the total units of a housing development for very low or extremely low-income households;
- At least 10 percent of the total dwelling units in a common interest development, as defined in Civil Code Section 1351, are for households of moderate income, provided that all units are offered to the public for purchase;
- A senior citizen project or a mobile home park that limits residency based on age requirements for housing older persons in compliance with Civil Code Section 51.2, 51.3, 798.76, or 799.5. (Senior citizen projects shall be restricted to occupancy by senior citizens in perpetuity.);
- When an applicant for a residential development agrees to donate land to the city for very low-income households;
- When a development is the conversion of an existing rental apartments to condominiums, at least 33 percent of the total units of the proposed condominium are

for families of low- or moderate-income income as defined in Section 50093 of the Health and Safety Code, or at least 15 percent of the total units of the proposed condominium project to low-income households as defined in Section 50079.5 of the Health and Safety Code, and if the applicant agrees to pay for the administrative costs.

Tables C-7 through C-10 provide the breakdown of density bonuses that may be granted to eligible projects. Until 2021, under Government Code Section 65915, known as the Density Bonus Law, the maximum bonus was 35 percent. California State Law AB 2345 states that all jurisdictions in California are required to process projects proposing up to 50 percent additional density as long as those projects provide the additional Below Market Rate units (BMR) in the “base” portion of the project, unless the locality already allows a bonus above 35 percent. The bill also lowered the BMR thresholds for concessions and incentives for projects with low-income BMRs. As of 2021, Government Code Section 65915 authorizes an applicant to receive two incentives or concessions for projects that include at least 17 percent of the total units for lower income households, at least 10 percent of the total units for very low-income households, or at least 20 percent for persons or families of moderate income in a common interest development. It also allows an applicant to receive three incentives or concessions for projects that include at least 24 percent of the total units for lower income households, at least 15 percent of the total units for very low-income households, or at least 30 percent for persons or families of moderate income in a common interest development.

The City’s density bonus ordinance currently allows a maximum of 35 percent density increase; however, AB 2345 requires an allowance of up to 50 percent density bonus when the base BMR is proposed. A program is included in Chapter 2: Housing Plan to update the City’s Zoning Code in compliance with state legislation.

Table C-7: Very Low-Income Density Bonus Calculations

Percentage Low-Income Units	Percentage Density Bonus
5	20
6	22.5
7	25
8	27.5
9	30
10	32.5
11	35

Source: City of Scotts Valley Municipal Code, Chapter 17.62 Density Bonus, Table 17.62.030.C.1

Table C-8: Low-Income Density Bonus Calculations

Percentage Very Low-Income Units	Percentage Density Bonus
10	20
11	21.5
12	23
13	24.5
14	26
15	27.5
17	30.5
18	32
19	33.5
20	35

Source: City of Scotts Valley Municipal Code, Chapter 17.62 Density Bonus, Table 17.62.030.C.2

Table C-9: Moderate-Income Density Bonus Calculations

Percentage Moderate-Income Units	Percentage Density Bonus
10	5
11	6
12	7
13	8
14	9
15	10
16	11
17	12
18	13
19	14
20	15
21	16
22	17
23	18
24	19
25	20
26	21
27	22
28	23
29	24
30	25
31	26
32	27
33	28
34	29
35	30
36	31
37	32
38	33
39	34
40	35

Source: City of Scotts Valley Municipal Code, Chapter 17.62 Density Bonus, Table 17.62.030.C.3

Table C-10: Additional Very Low-Income Density Bonus Calculations on Donated Land

Percentage of Very Low-Income Units that can be Accommodated on Donated Land	Percentage Density Bonus
10	15
11	16
12	17
13	18
14	19
15	20
16	21
17	22
18	23
19	24
20	25
21	26
22	27
23	28
24	29
25	30
26	31
27	32
28	33
29	34
30	35

Source: City of Scotts Valley Municipal Code, Chapter 17.62 Density Bonus, Table 17.62.040.C

In addition to density bonuses, the Zoning Code Chapter 17.62.080 allows for the incentives and concessions listed below:

- One incentive or concession for a project that includes 5 percent of the total units are for very low-income households, ten percent of the total units are for low-income households, or ten-percent of the total units in a common interest development are sold to moderate-income households; or,
- Two incentives or concessions for a project that includes: at least twenty percent of the total units affordable to low-income households, at least ten percent of the total units affordable to very low-income households, at least five percent of the total units affordable to extremely low-income households, or at least twenty percent of the total units affordable to households of moderate income in a common interest development; or,
- One additional incentive for a project that is affordable to low-income households and provides any of the following: at least twenty-five percent of the units as three- or four-bedroom units, at least twenty-five percent of the units accommodate disabled persons and are set-aside for occupancy by disabled persons, or at least ten percent of the units are affordable to extremely low-income households.



A qualifying project shall be entitled to at least one but no more than three of the following incentives:

- A reduction in the site development standards that results in identifiable, financially sufficient, and actual cost reductions. The reduction may include, but is not limited to:
 - Reduced minimum lot size;
 - Reduced minimum lot width;
 - Reduced minimum setback;
 - Increased maximum building height;
 - Reduced onsite open-space requirement;
 - Increased maximum site coverage;
 - Increased floor area ratio; or
 - Reduced parking requirement.
- Approval of mixed-use zoning in conjunction with the housing project if nonresidential land uses will reduce the cost of the housing project, and the nonresidential land uses are compatible with the housing project;
- Other regulatory incentives or concessions proposed by the applicant or the city that will result in identifiable, financially sufficient and actual cost reductions.

In accordance with Zoning Code Chapter 17.62 Density Bonus, the following density bonus calculations in Table C-11 will be applied to housing developments that meet the above criteria:

Table C-11: Density Bonus Incentives and Concessions Summary

Affordable Housing Types	Percent of Affordable Units		
Very Low-Income	5%	10%	15%
Low-Income	10%	20%	30%
Moderate-Income	10%	20%	30%
Maximum incentive(s)/ concessions ^{1, 2, 3}	1	2	3

¹ An incentive or concession may be requested only if an application is also made for a density bonus.

² Incentives or concessions may be selected from only one category (very low-, low-, or moderate).

³ No incentives or concessions are available for land donation.

Source: City of Scotts Valley Municipal Code Section 17-62.080

Inclusionary Housing Ordinance

The City of Scotts Valley requires all residential developments in the redevelopment project area (RDA boundary) consisting of one or more units to contribute to the provision of housing units for very-low-, low-, and moderate-income households in the City. All new residential developments with six or fewer units are required to pay an in lieu fee. All new residential developments with seven or more units can meet the affordable housing requirement by setting aside 15% of the total housing unit approved for very low-, low-, and moderate-income

households on site or off-site in very limited circumstances. Projects of seven or more units containing lots in which the average lot size is larger than one acre may opt to pay an in lieu fee subject to approval by the City Council. The in-lieu fee is based subtracting the price of an affordable housing unit, as determined by the city, from the median sales price of a home in the project. The City's Affordable Housing Subcommittee (comprised of two City Council members) makes recommendations on the number of units, size of units, and rate of affordability for projects that are required to provide housing for moderate-, low-, and very-low-income households.

The following projects are not required to contribute to affordable housing needs of the City:

- The construction of for sale or rental units on lots which are part of a parcel or subdivision that has already made its required contribution;
- Development in which an adequate showing of extreme economic hardship or detriment upon compliance with this chapter is demonstrated to the satisfaction of the city council and the agency by the project applicant;
- The construction of an addition to a single-family home or the remodeling of other existing structures or facilities;
- The construction of one single-family home on an existing lot of record;
- Construction of non-residential projects;
- Residential projects which, through state or federal government programs, will be deed restricted to be affordable to very-low-, low- or moderate-income households; and
- Construction of a secondary dwelling unit on a residential lot in accordance with Chapter 17.41 of this Code.

A program is included to amend the Inclusionary Housing boundary citywide and consider additional requirements that allow for the developer to have a variety of ways to meet the City's inclusionary requirements so that it does not unduly constrain development of housing.

Growth Management

Growth management measures use a variety of techniques to determine the amount, type, and rate of development desired by the community and to channel that growth into designated areas. Growth management measures are typically adopted to promote a variety of environment, social, and economic goals; however, they can create a constraint to the development of housing, and particularly multi-family and affordable housing development projects, as they may require a ballot vote and create project approval uncertainty and additional costs. The City of Scotts Valley does not have an adopted growth management measure.



Short-Term Rental Ordinance

Short-term rentals are commonly defined as an accessory use of a primary residence for the purpose of providing temporary lodging for compensation for up to 30 days. The purpose of a short-term rental ordinance is to establish regulations, standards, and a permitting process governing the renting or leasing of privately owned, visitor-serving dwelling units on a short-term basis. This ordinance may be established to safeguard residents by ensuring that short-term rental activities do not threaten the character of neighborhoods and that such short-term rental activities do not become a nuisance, or threaten the public health, safety, or welfare of neighboring properties. The City does not have a short-term rental ordinance and does not allow for short-term rentals within the City limits.

8.9. Specific Plans

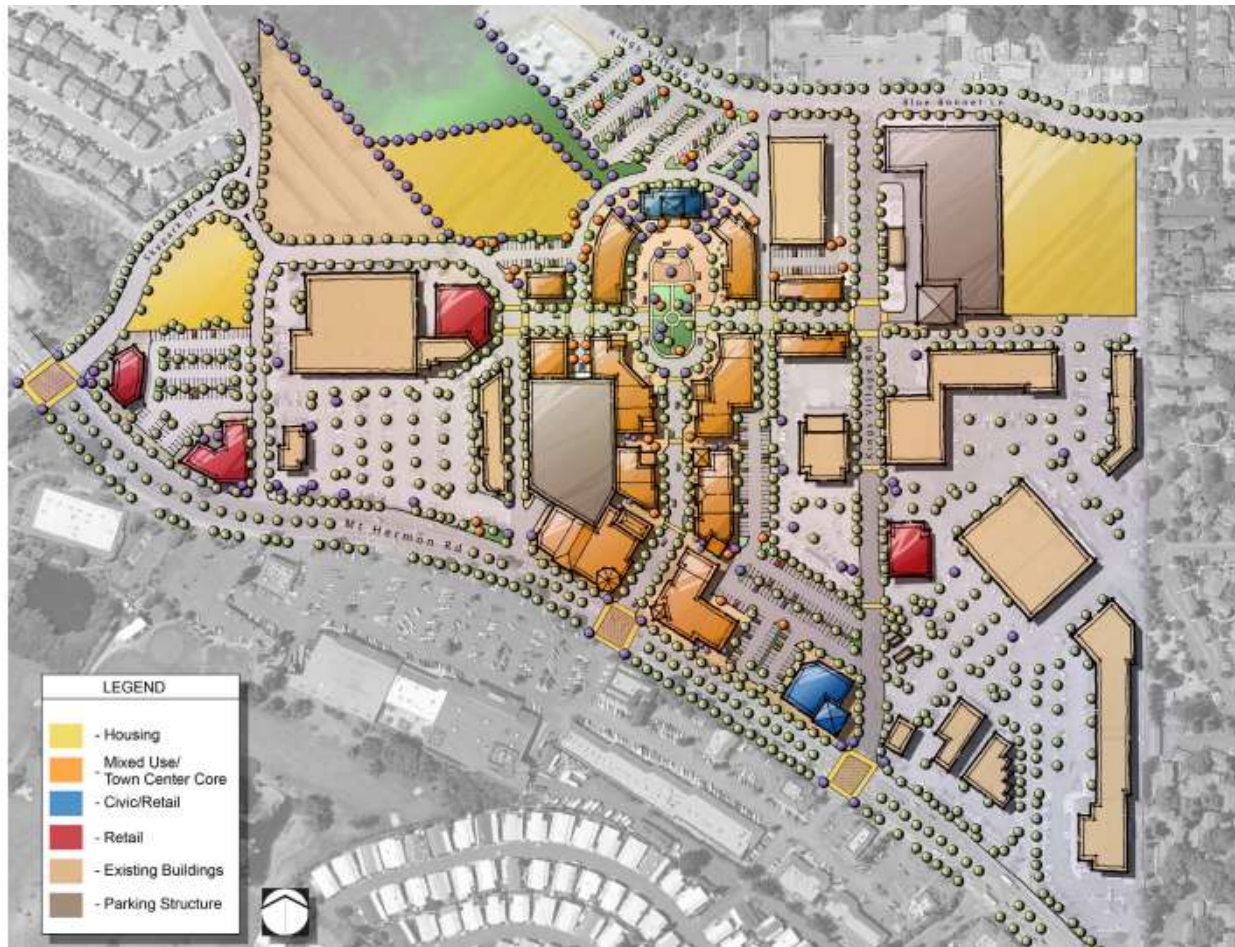
The purpose of a Specific Plan is to implement the goals and objectives of a City's General Plan in a more focused and detailed manner that is area and project specific. Specific Plans promote consistent and an enhanced aesthetic levels throughout the project community. They also contain their own development standards and requirements that may be more restrictive than those defined for the City as a whole.

Scotts Valley Town Center Specific Plan

The Scotts Valley Town Center Specific Plan (The Plan) is a document designed to guide the development of a mixed-use node that will become the heart of the city. The planning and design of the Town Center Plan Area has been through multiple iterations. The Plan is the culmination of an effort led by the City of Scotts Valley to develop and intensify the Plan Area by developing a unique balance of commercial, civic, and residential uses that will attract visitors both locally and regionally. The Plan area encompasses approximately 58 total acres which includes 15 acres of vacant land centrally located in the Plan area, surrounded by a mix of retail and civic uses. The Plan area is generally bounded by Mt. Hermon Road to the south, Skypark Drive to the west, Blue Bonnet Lane to the north, and a residential development just west of Scotts Valley Drive to the east.

Residential development is limited to higher densities, such as townhomes, apartments and condominiums. Although residential uses are an important component to the success of the Plan, it is considered a secondary use intended to support the predominantly retail and community serving focus of the area. Figure C-10 illustrates the preferred land uses.

Figure C-10: Town Center Specific Plan – Preferred Land Use Plan



Source: Scotts Valley Town Center Specific Plan

An important objective of this Specific Plan is to spell out the desired mix of land uses and location of these uses. The intent is to customize the land use requirements to encourage reinvestment and revitalization of the Town Center Plan Area consistent with The Plan vision. The entire plan area is within the City of Scotts Valley's Redevelopment Agency which requires a minimum of 15 percent of all residential units built be affordable. Allowable land uses detailed within the Plan include:

- **Mixed-Use/Town Center Core (Commercial/Office/Residential)**

The core of the planning area will be mixed-use, with retail and commercial on the ground floor and residential or office above. Diversity and character can be achieved with a mix of uses both vertically (residential over commercial), horizontally (residential next to commercial), and unit types (affordable and market rate) within the Plan area. The appropriate mix of land uses is critical to achieving a successful town center environment. A mixing of uses can add variety and vitality to commercial centers, neighborhoods, and streets. The addition of residential over commercial provides “eyes

on the streets” and movement throughout the day and night creating safe and defensible spaces. A vertical and horizontal mix of uses in the Plan Area will help achieve the vision for a dynamic center. The Plan proposes new commercial development (retail and office), residential development, visitor services, and civic uses. With the intent of encouraging pedestrian activity within the mixed-use zone, residential and office will not be allowed on the ground floor at street frontage or along the paseo of any building except for the entry door for offices. Residential and office may be located at the back of a building on the first floor, or on the upper floors, but the street frontage is reserved for more pedestrian-oriented uses.

■ Residential (Stand Alone)

Residential will be allowed both as a standalone product and as part of an integrated mixed-use project concept. Stand Alone residential is located on the periphery of the Plan Area adjacent to existing residential on Skypark Drive to Blue Bonnet Lane and adjacent to the park. There needs to be a balance of residential units that will support the retail development and will help create a lively daytime and evening environment.

Table C-12: Town Center Specific Plan Development Standards

Category	Development Standards
Mixed-Use, Office Commercial, and Civic	
Max Mixed-Use Residential Density	15-20 DU/acre
Setbacks (minimum to maximum) • Front • Side • Rear	15-20 feet from curb edge 0-15 feet 0 feet
Max Mixed-Use Height	55 feet
Max Building Coverage	100%
Parking Ratios • Stand Alone Residential • Mixed-Use Residential	2 enclosed spaces/unit, and 1 guest space/5 units 1 space/studio or 1-bed, 2 spaces/2- or 3-bed
Medium Density Residential	
Max Stand Alone Residential Density	15-20 DU/acre
Setbacks (minimum to maximum) • Front • Side • Rear	15-20 feet from curb edge to building face, 15 feet minimum from curb edge to front porch 0-26 feet 10 feet
Max Height	35 feet (greater heights may be granted through a PD Permit)
Max Building Coverage	55%
Parking Ratios • Residential • Senior Housing	1 enclosed space/studio or 1-bed, 2 spaces/2- or 3-bed (1 enclosed), plus 1 guest space/5 units 0.5 space/unit

Source: Scotts Valley Town Center Specific Plan (December 2008)

Gateway South Specific Plan

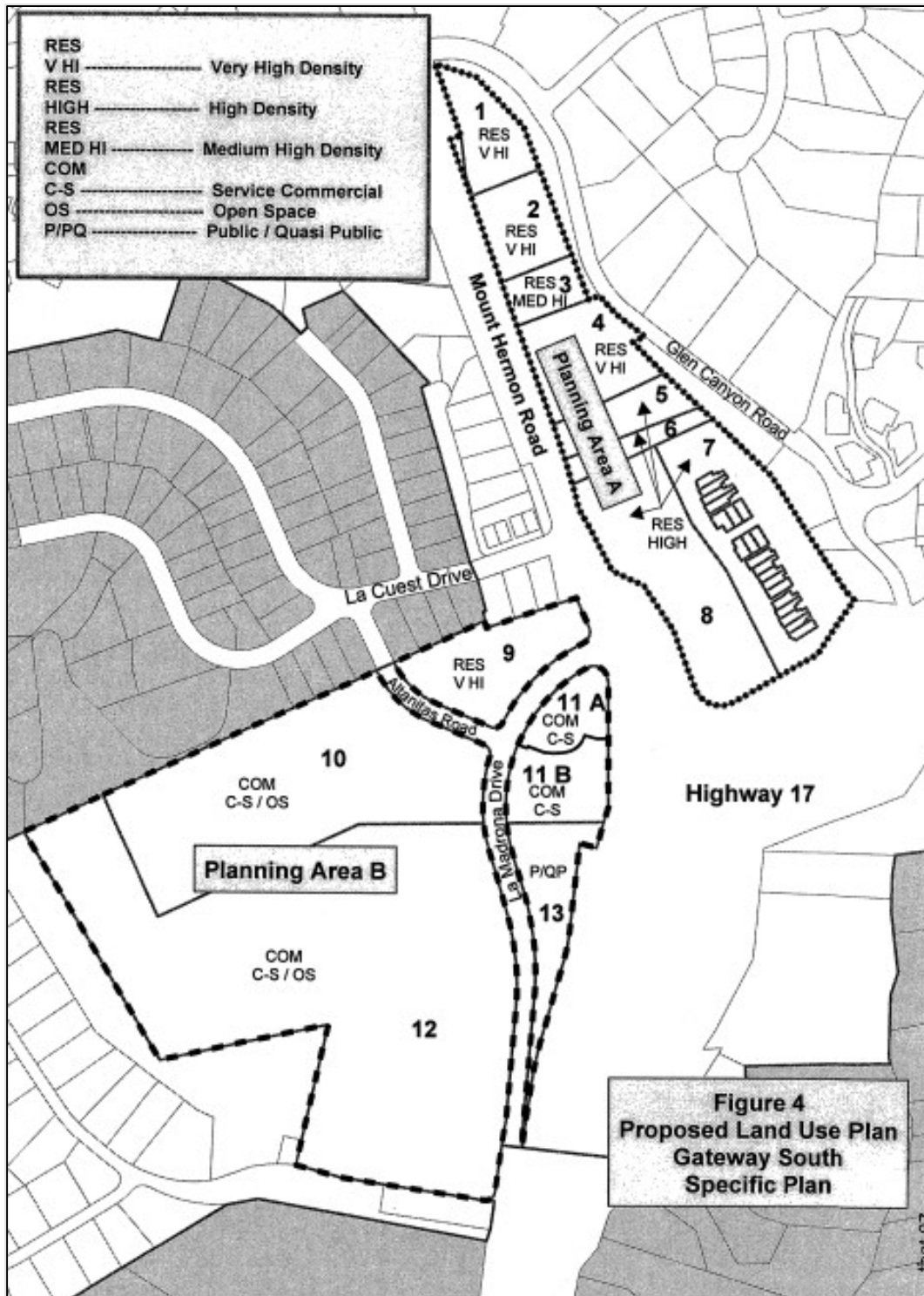
The Gateway South Specific Plan is intended to address a need for commercial/office development to provide employment, housing opportunities for all income levels, and preserve the hillsides. The following lists the land use designations, number of parcels, and acreage found in the Plan and illustrated in Figure C-11:

- Very High Density – 4 parcels and 5.99 acres
- Medium High Density – 1 parcel and 0.58 acres
- High Density – 4 parcels and 8.31 acres
- PD/Service Commercial – 2 parcels and 9.59 acres
- Public/Quasi Public – 1 parcel and 1.49 acres
- Service Commercial/Open Space – 1 parcel and 17 acres

Residential uses are predominantly located within Planning Area A, with only one parcel located in Planning Area B. The Specific Plan establishes access for these residences to nearby urban services and park facilities.

All proposed projects in the Specific Plan area must go through design review procedures and be reviewed by the Planning Commission to ensure the projects are consistent with the site and architectural design policies and standards set forth in the Plan.

Figure C-11: Gateway South Specific Plan Land Use Plan



Source: Gateway South Specific Plan Amendment

9.10. Local Processing and Permit Procedures

The development community commonly cites the permit processing time as a contributor to the high cost of housing. Depending on the magnitude and complexity of the development proposal, the time that elapses from application to project approval may vary considerably. Factors that can affect the length of development review of a proposed project include the completeness of the development application and the responsiveness of developers to staff comments and requests for information.

Approval times are substantially lengthened for projects that are not exempt from the California Environmental Quality Act (CEQA), require rezoning or general plan amendments, or encounter community opposition. Applicants for all permits or reviews are recommended to request a preapplication meeting with the respective department to: 1) confirm City requirements as they apply to the proposed project; 2) review the City's review process, possible project alternatives or revisions; and 3) identify information and materials the City will require with the application, and any necessary technical studies and information relating to the environmental review of the project.

All permit applications are reviewed by City staff for completeness. Various applications may also include public noticing and a public hearing. Single- and multi-family developments are subject to the following submittal requirements, depending on what type of development the project is:

1. Submittal of application including the following information:
 - a. A legal description of the property;
 - b. A location map showing the project site and the general vicinity of the site;
 - c. A completed environmental information form as prescribed by the City;
 - d. Site plans, elevation plans, floor plans and other maps and data as may be necessary to describe the existing conditions on and surrounding the property and the proposed plans for the future development of the property. The planning commission shall by resolution, maintain a listing of the minimum documentation necessary for submittal in support of each type of application; and
 - e. Such other information specified in this title for the particular entitlement requested.
2. Payment of fees for permit plan check.
3. Plan check completed by all applicable departments and agencies. Timeline and number of reviews can vary.
4. Permit issued once all comments are satisfied.

Table C-13a provides a list of planning applications and the reviewing body for each. Typically, projects that just require a tentative map and/or a design review receive building permits



within 6 to 12 months of submitting an application. If project requires a rezone and/or a General Plan amendment receive building permits within 12 to 18 months.

Table C-13a: Decision-Making Body with Final Approval Authority

Type of Project	Public Hearing - Action	Approving Authority	Time Frame for Review
Annexation	Planning Commission	City Council	1 year
Appeal	Planning Commission	City Council	3 months
Cultural Resource Alteration	Planning Commission		3 months
Design Review	Planning Commission		3 to 6 months
General Plan Amendment	Planning Commission	City Council	6 to 12 months
New Condominium/ Townhomes	Planning Commission	City Council	6 to 9 months
New Apartments	Planning Commission		6 months
Planned Development	Planning Commission	City Council	6 to 9 months
Tentative Parcel Tract Map	Planning Commission	City Council	6 to 9 months
Use Permit	Planning Commission		3 to 6 months
Variance	Planning Commission		3 to 6 months
Zone Change	Planning Commission	City Council	6 to 12 months

Source: City of Scotts Valley – Planning Department

Table C-13b provides a detailed list of recent development examples with timeframes, density yields, and entitlements received. As shown, these projects with multiple entitlements each, have taken an average of just under two years. The average time between these projects receiving entitlement approval and submitting for building permits was just over two years at 25 months.

Typical approval findings

Single Family Residential

Construction of a Single Family Dwelling Unit in the City’s Single Family Residential Zoning Districts (R-1-10, R-1-20, R-1-40, R-R-2.5, R-MT-5) are typically exempt from entitlement requirements as long as the project complies with the requisite development standards as outlined in the City’s Zoning Ordinance. Sites with slopes greater than 10 percent are subject to a Hillside Residential Combining District Overlay, requiring compliance with specific setback requirements and criteria as outlined in SVMC Chapter 17.40. Sites that exceed 30 percent

slopes require a Hillside Design Review Permit from the Planning Commission. In order to grant the Design Review Permit, the Planning Commission shall make the following findings:

- Avoid Unreasonable Interference With Views and Privacy. The height, elevations and placement on the site of the proposed main or accessory structure, when considered with reference to the nature and location of residential structures on adjacent lots, will avoid unreasonable interference with views and privacy;
- Preserve Natural Landscape. The natural landscape will be preserved insofar as practicable by designing structures to follow the natural contours of the site and minimizing tree and soil removal; grade changes will be minimized and will be in keeping with the general appearance of neighboring developed areas;
- Minimize Perception of Excessive Bulk. The proposed main or accessory structure in relation to the immediate neighborhood will minimize the perception of excessive bulk;
- Compatible Bulk and Height. The proposed main or accessory structure will be compatible in terms of bulk and height with existing residential structures within the immediate neighborhood and within the same zoning district, and shall not unreasonably impair the light and air of adjacent properties nor unreasonably impair the ability of adjacent properties to utilize solar energy;
- Current Grading and Erosion Control Standards. The proposed site development or grading plan incorporates current grading and erosion control standards used by the city;

Multi-Family Residential (Townhomes, Condominiums, Apartments)

Construction of multi-family residential projects in the City's Multi-Family Zoning Districts (R-VH, R-H, R-M-8, and R-M-6) require issuance of a Design Review Permit from the Planning Commission as required by SVMC Title 17. In order to grant a Design Review Permit, the Planning Commission shall make the following findings:

- The siting of any structure on the property as compared to the siting of other structures in the immediate neighborhood;
- Materials, colors, proportion, mass and detail. All structures shall be in good proportion, have simplicity of mass and detail and be compatible in appearance with surrounding structures. There shall be an appropriate use of materials; colors shall be appropriate within the context of use and should blend with surrounding structures;
- The size, location, design, color, number, lighting and materials of all signs and outdoor advertising structures. No sign shall be approved in excess of the maximum limits set by this title, but the size or number of signs in any area subject to design control may be reduced below this maximum number or limit;



- Landscaping and Irrigation. Landscaping and irrigation plans shall be required on the site. Landscaping shall be in keeping with the character or design of the building. Existing trees shall be preserved wherever possible;
- The size, location and arrangement of on-site parking and paved areas;
- Ingress, Egress and Internal Traffic Circulation. All the above factors shall be related to the setting or established character of the neighborhood or surrounding area.
- Height and access to sunlight, setbacks, landscaping and use of materials for articulation and visual relief for fences and walls over eight feet tall or fences over three feet tall in front yards when across from Hwy. 17.
- Arbors in front yards, over twenty square feet in roof area or between eight and ten feet in height: the design compatibility with the main structure and structures in the neighborhood, the mass and scale of the arbor, line of sight visibility for pedestrians and motorists in addition to other applicable standards of this section.

If the project involves a subdivision, the project is forwarded on to the City Council for approval as required by SVMC Section 16.16.040. In order to approve the subdivision, the City Council shall make the following findings:

- That the location of the uses is in accordance with the objectives of the zoning ordinance and the purposes of the district in which the site is located.
- That the proposed tentative map/land division, together with the provisions for its design and improvement, is consistent with the General Plan.
- That the project is physically suitable for the density of the land division.
- That the design of the land division or the proposed improvements are not likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat.
- That the design of the land division or the type of improvements is not likely to cause serious public health problems.
- That the design of the land division will not conflict with easements acquired by the public at large (for access through or use of the property within the land division).

Mixed-Use Residential

Construction of mixed-use residential projects are allowed with issuance of a Use Permit and a Design Review Permit in the City's C-S and C-SC Zoning Districts. Sites in the C-S and C-SC Zoning Districts included in previous Housing Element cycles are subject to issuance of a Design Review Permit only. The City of Scotts Valley's General Plan requires residential components of mixed-use projects on land designated Service Commercial and Shopping Center Commercial to be secondary to commercial development. Sites that are designated in the Housing Element in the C-S Zoning District require issuance of a Design Review Permit from the Planning Commission.

In order to grant a Design Review Permit, the Planning Commission shall make the following findings:

- The siting of any structure on the property as compared to the siting of other structures in the immediate neighborhood;
- Materials, colors, proportion, mass and detail. All structures shall be in good proportion, have simplicity of mass and detail and be compatible in appearance with surrounding structures. There shall be an appropriate use of materials; colors shall be appropriate within the context of use and should blend with surrounding structures;
- The size, location, design, color, number, lighting and materials of all signs and outdoor advertising structures. No sign shall be approved in excess of the maximum limits set by this title, but the size or number of signs in any area subject to design control may be reduced below this maximum number or limit;
- Landscaping and Irrigation. Landscaping and irrigation plans shall be required on the site. Landscaping shall be in keeping with the character or design of the building. Existing trees shall be preserved wherever possible;
- The size, location and arrangement of on-site parking and paved areas;
- Ingress, Egress and Internal Traffic Circulation. All the above factors shall be related to the setting or established character of the neighborhood or surrounding area.
- Height and access to sunlight, setbacks, landscaping and use of materials for articulation and visual relief for fences and walls over eight feet tall or fences over three feet tall in front yards when across from Hwy. 17.
- Arbors in front yards, over twenty square feet in roof area or between eight and ten feet in height: the design compatibility with the main structure and structures in the neighborhood, the mass and scale of the arbor, line of sight visibility for pedestrians and motorists in addition to other applicable standards of this section.

In order to grant a Use Permit, the Planning Commission shall make the following findings:

- The proposed location of the conditional use is in accordance with the objectives of the zoning ordinance and the purposes of the district in which the site is located.
- The establishment, maintenance or operation of the use or building will not, under the circumstances of the particular case, be detrimental to the health, safety, peace, morals, comfort and general welfare of persons residing or working in the neighborhood of the proposed use or be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the city.

The Housing Element Update includes programs in Chapter 2 to develop objective design standards for multi-family and mixed-use residential projects in compliance with SB 330, and provide a by-right approval process for multi-family residential projects to comply with AB 1397



and AB 1398. An additional program includes reducing the commercial square footage requirements for mixed use project sites listed in the Housing Element due to changing market conditions for commercial development and feedback from the development community.

Recent Development Examples

Table C-13b shows that past projects have successfully achieved generally high density yields in comparison to what the site could permit at the maximum; the table includes all projects from the 5th cycle. On average, the projects were able to achieve a density yield of 83 percent, with The Encore reaching the highest yield at 123 percent and The Cove and Erba Lane reaching the lowest at 67 percent each (both just one unit above the lowest of the density range permitted). It should be noted that the City does not typically receive residential development applications below the allowable densities.

Table C-13b: Recent Development Examples

Project	Entitlements	Application Received	Application Approved	Building Permits Pulled	Density Permitted	Final Project Density	Acreage	Use Prior to Project
The Encore	Tentative Map, Use Permit, Design Review, MND	1/6/2021	9/1/2021	10/17/2022	13 DU/AC (16 units)	16 DU/AC (123% yield)	1.49 acres	Vacant
The Grove	GP Amendment, Zone Change, Planned Development, Land Division, Use Permit, Design Review, EIR	3/26/2015	3/16/2016	6/5/2018	9-15 DU/AC (50 units)	11 DU/AC (73% yield)	4.31 acres	Vacant
The Terrace	Planned Development, Land Division, Design Review, MND	10/27/2014	10/21/2015	10/14/2018	5-9 DU/AC (19 units)	7.65 DU/AC (85% yield)	2.6 acres	Vacant
The Cove	GP Amendment, Zone Change, Planned Development, Design Review, Land Division, MND	7/22/2015	12/7/2016	10/18/2018	9-15 DU/AC (10 units)	10 DU/AC (67% yield)	2.35 acres	Vacant
Erba Lane	Planned Development, Design Review, Land Division, MND	3/15/2019	6/16/2021	TBD	9-15 DU/AC (10 units)	10 DU/AC (67% yield)	1.04 acres	Vacant

Project	Entitlements	Application Received	Application Approved	Building Permits Pulled	Density Permitted	Final Project Density	<u>Acreage</u>	<u>Use Prior to Project</u>
Oak Creek Park	GP Amendment, Zone Change, Planned Development, Minor Land Division, Design Review, EIR	4/12/2018	12/7/2022	TBD	6-9 DU/AC <u>(Lot 1: 8 units)</u> <u>(Lot 2: 44 units)</u>	7.7 DU/AC (<u>combined</u> 86% yield)	<u>Lot 1: 1.04 acres</u> <u>Lot 2: 2.53 acres</u>	<u>Vacant</u>
Average Entitlement Review Time		22 months						
Average Time Between Receiving Entitlements and Pulling Building Permits				25 months				
Average Density Yield						83%		

Senate Bill 330 (SB 330)

Effective January 1, 2020, and through January 1, 2030, SB 330 restricts jurisdictions in ordinances and policies that can be applied to residential development. To address the state's housing crisis and help meet California's housing needs, for a ten year time period SB 330 will facilitate housing construction and protect lower income residents from displacement by:

- Suspending enactment of local downzoning and housing construction moratoriums.
- Requiring timely processing of housing permits following existing local zoning rules
- Lifting required parking minimums
- Eliminating certain fees on low income units
- Postponing requirements for voter approval of zoning, general plan changes
- Protecting rent controlled or Section 8 units from demolition, and
- Requiring resettlement benefits and first right of refusal in new units or compensation for rehousing for renters who may be displaced.

Program H-1.9 is included in the Housing Plan stating the City will continue to comply with SB 330 restrictions through the end of the 10-year timeframe.

10.11. Development Fees

Residential developers are subject to a variety of permitting, development, and impact fees in order to access services and facilities as allowed by State law. The additional cost to develop, maintain, and improve housing due to development fees result in increased housing unit cost, and therefore may be considered a constraint to housing development. However, fees are necessary to provide planning and public services in Scotts Valley. All information regarding the



City's development fees is available on the City's website as pursuant to Government Code §65940.1 (a)(1)(B).

The location of projects and housing type result in varying degrees of development fees. The presumed total cost of development is also contingent on the project meeting City policies and regulations and the circumstances involved in a particular development project application. The majority of the City planning fees operate on a deposit account basis where time and materials are charged against the established account as the project is processed. Table C-14 provides the planning fees and Table C-15 provides the development impact fees.

Table C-14: Planning Processing Fees

Application Type	Fee
Permit Applications	
Amendment	\$3,548
Design Review - Residential with Hillside - Residential - Commercial/Industrial	\$7,096 \$3,548 \$3,548
Development Agreement	\$12,418
Environmental Assessment	\$355
Environmental Impact Report, Administration	\$26,255
General or Specific Plan Amendment	\$12,418
Land Divisions - Subdivision (5 lots or more) - Map Entitlement - Map Recordation/Approval - Minor (4 lots or less) - Parcel Map – Tentative - Parcel Map – Final	\$12,418 \$7,096 \$12,418 \$3,548
Lot Line Adjustment	\$707
Mitigated Negative Declaration	\$14,192
Negative Declaration	\$7,096
Planned Development	\$8,870
Preliminary Review	\$8,837
Public Hearing and Radius Noticing	\$531
Use Permit - Major (excluding residential) - Minor	\$7,077 \$3,538
Variance	\$7,096
Zoning Change/Ordinance Amendment	\$9,225
Plan Check	\$355

Source: City of Scotts Valley – Fee Schedule FY 2022-2023

Table C-15: Development Impact Fees

Development Fees	Cost per Unit by Residential Zoning District						
	R-MT-5	R-R-2.5	R-1-40	R-1-20	R-1-10	R-M-6/8	R-H
General Facilities and Equipment	\$529	\$529	\$529	\$529	\$529	\$529	\$529
Streets and Thoroughfares	\$6,961	\$6,961	\$6,961	\$6,961	\$6,961	\$4,131	\$4,131
Wastewater Treatment Facilities	\$7,385	\$7,385	\$7,385	\$7,385	\$7,385	\$5,343	\$5,343
Storm Drainage Facilities:							
• Carbonero Creek	\$0.30/impervious square-foot						
• West Branch	\$0.27/impervious square-foot						
• Camp Evers Tributary	\$0.14/impervious square-foot						
• Bean Creek	\$0.19/impervious square-foot						
Library Facilities	\$1,497	\$1,405	\$1,313	\$1,174	\$1,035	\$1,035	\$899
Law Enforcement Facilities	\$1,221	\$1,221	\$1,221	\$1,221	\$1,221	\$1,221	\$1,221
Parks and Recreation Facilities	\$12,363	\$12,363	\$12,363	\$12,363	\$9,566	\$9,626	\$6,426
Mount Hermon Road Fair Share Trips:							
• Mt. Hermon and SV Drive	\$535						
• Mt. Hermon and La Madrona	\$1,047						
Scotts Valley Unified School District	\$3.14/square-foot					\$3.48/square-foot	

Source: City of Scotts Valley Schedule of Fees FY 2022-2023, Scotts Valley Unified School District

The development fees associated with each project is dependent on the housing type, density, intensity of use, and location. In addition to these direct fees, the total cost of development is contingent on the project meeting the City's policies and standards, as well as the project applicant submitting necessary documents and plans in a timely manner.

Estimated total development and impact fees for a typical single-unit residential project, assuming it is not part of a subdivision and is consistent with existing city policies and regulations can range from \$68,837 to \$78,576. Estimated total development and impact fees for a typical multi-unit residential project with 20 units, assuming it is consistent with existing City policies and regulations, range from \$525,258 to \$544,417.

Both estimates are illustrative in nature and actual costs are contingent upon unique circumstances of individual development project applications. Considering the cost of land in Scotts Valley, and the International Code Council (ICC) estimates for cost of labor and materials, the combined costs of permits and fees range from approximately 10.2 percent to 11.6 percent of the direct cost of development for a single-unit residential project and 8.8 percent to 9.1 percent for a multi-unit residential project. Direct costs do not include, landscaping, connection fees, on/off-site improvements, shell construction or amenities, therefore the percentage of development and impact fees charged by the City may be smaller if all direct and indirect costs are included.



11.12. On-/Off-Site Improvements

Site improvements in the City consist of those typically associated with development for on-site improvements (street frontage improvements, curbs, gutters, sewer/water, and sidewalks), and off-site improvements caused by project impacts (drainage, parks, traffic, schools, and sewer/water). Because residential development cannot take place without the addition of adequate infrastructure, site improvement requirements are considered a regular component of development of housing within the City and may also influence the sale or rental price of housing. Majority of cost associated with on and off-site improvements is undertaken by the City and recovered in the City's development and impact fees.

For single-family residential development on vacant land, examples of typical on-site improvements might include stormwater detention facilities (required by the Clean Water Act), roads, sidewalks, perimeter walls, fire hydrants, emergency access drives, and recreational trails. Multifamily developments may also include common open space and recreation areas, as well as lockable storage areas.

Typical off-site improvements for both single-family and multi-family developments might include: new curbs, gutters, and sidewalks, recreational trail facilities, road improvements and traffic control needed to serve the development, street trees, and landscaping. Utilities may need to be updated or installed to serve the development, including water mains, sewer mains, stormwater pollution prevention measures, and undergrounding of electric utilities.

Infill residential projects may be required to install any of the improvements listed above, depending on site-specific circumstances and neighborhood needs.

Scotts Valley has standard improvements required for subdivision that can be found in the City's Municipal Code. General improvements include the following:

- Improvement requirements on subdivisions will generally be specified as conditions of approval of the tentative map. The criteria for the design of the improvements shall be those that are adopted from time to time by the City Council.
- Streets and highways shall intersect one another at angles as near to a right angle as is practical in each specific case, and no intersections shall be at angles of less than thirty degrees.
- Streets intersecting at an angle other than ninety degrees may require the use of setback lines, special rounding of corners, traffic circle or other device to assure desirable results as to traffic movement, visibility, and safety.
- If the centerlines of two streets, intercepting the same street from opposite directions are offset from each other, said offset shall be a minimum distance of two hundred feet measured along the centerline of the street intercepted.

- If the improvements specified for a subdivision for which a final map is required have not been completed prior to filing the final map, the subdivider shall, concurrent with the acceptance of the final map, enter into an agreement with the council agreeing to have the work completed within a specified time. Standard agreement forms are available upon demand from the city engineer.

Specific design standards for streets can be found in Master Plans and Specific Plans on the City's website.

On- and off-site improvements are consistent with requirements of other cities in the region. While these improvements may influence the cost of development, they are not considered a constraint to the development of housing in Scotts Valley.

12.13. Building Codes

The City has adopted the 2022 California Building Code, including the ancillary information within the tables, attachments, addendums, and footnotes. This would include the California Administrative Code, Building Code, Residential Code, Electrical Code, Mechanical Code, Plumbing Code, Energy Code, Historical Building Code, Fire Code, Existing Building Code, Green Building Standards Code, and California Referenced Standards Code. The adoption California Building Code therefore ensures a consistent development standard that would be promoted throughout the State. The Code's intent is to safeguard the public health, safety, and general welfare through structural strength, means of egress facilities, stability, sanitation, adequate light and ventilation, energy conservation, and safety to life and property from fire and other hazards attributed to the built environment and to provide safety to firefighters and emergency responders during emergency operations.

The City does not have any local amendments to the Building Code. Program H-2.1 requires the City to continue implementing an active code enforcement program through the Building Department and continue to offer online and physical forms for residents to submit Code Enforcement complaints through.

INFRASTRUCTURE CONSTRAINTS

Another factor that could constrain new residential construction is the requirement and cost to provide adequate infrastructure (major and local streets; water and sewer lines; and street lighting) needed to serve new residential development. In most cases, where new infrastructure is required, it is funded by the developer and then dedicated to the City, which is then responsible for its maintenance. Because the cost of these facilities is generally borne by developers, it increases the cost of new construction, with much of that increased cost often "passed on" in as part of home rental or sales rates.



1. Dry Utilities

Dry utilities include electric, telephone, TV, internet, and gas service in a community. The various utility providers are responsible for providing these necessary resources to new housing units.

Electrical

Pacific Gas and Electric Company (PG&E) is responsible for providing service to all existing and future development in Scotts Valley. Electrical infrastructure is located aboveground on utility poles as well as belowground. PG&E continues to provide energy to customers through a series of methods including oil and natural gas, renewable energy resources and alternative diverse supplies. The power mix delivered to customers includes the following greenhouse gas-free technologies:

- Non-emitting nuclear generation (43 percent)
- Large hydroelectric facilities (10 percent)
- Eligible renewable resources, such as wind, geothermal, biomass, solar and small hydro (31 percent)
- Natural gas (16 percent)

Natural Gas

PG&E also provides natural gas services for Scotts Valley. Natural gas pipelines are located underground. As a public utility, PG&E is under the jurisdiction of the California Public Utilities Commission (CPUC) which regulates natural gas rates and natural gas services, including in state transportation over the utilities' transmission and distribution pipelines system, storage, procurement, metering, and billing. PG&E is responsible for providing service to residential, industrial, and commercial customers in Scotts Valley.

2. Water Supply

Water is provided by the Scotts Valley Water District and the San Lorenzo Valley Water District (SLVWD). The Scotts Valley Water District serves a population of approximately 10,700 within a service area of six square miles, including a portion of unincorporated land to the north of the City. The water service generally follows the boundary of the City with the exceptions of Mt. Hermon Road, Pasatiempo Pines and Manana Woods subdivisions, Valley Gardens Golf Course, and Vista Del Lago and Spring Lakes Mobile Home Parks. The District is responsible for providing a safe and reliable source of water to Scotts Valley households. The District serves an average demand of almost 370 million gallons of water a year. The following provides general information on water throughout the City; however, more in depth details are available in the Conservation Element.

The San Lorenzo Valley Water District (SLVWD) also supplies water in the San Lorenzo Valley, including Scotts Valley. SLVWD supplies water service to approximately 500 customers in the Pasatiempo Pines and Manana Woods area of Scotts Valley from three wells located near the Santa Cruz Probation Center. Within the Scotts Valley portion of the SLVWD there are three major facilities with a combined storage capacity of 390,000 gallons, and approximately 4.5-mile transmission and distribution system.

Scotts Valley Water Source

The City receives its water supply from groundwater. The District's groundwater is stored in Santa Margarita Groundwater Basin, which is comprised of the Santa Margarita Sandstone, Monterey Shale, Lompico and Butano formations. Rainfall is the main source of refilling the basin. The City's main supply of drinking water is supplied primarily through groundwater collected through local rainfall. The Santa Margarita Groundwater Basin (SMGB) is the primary source of overall water supply for Scotts Valley and covers over 30 square miles in the Santa Cruz mountains.

Water Maintenance and Repair

The Scotts Valley Water District operates, maintains, and disinfects the water supply. The water distribution system includes wells that vary from 350 feet to 1,750 feet deep. Pumped water is filtered through a pressurized system of sand, gravel, and anthracite to remove iron, manganese, and hydrogen sulfide from the water. Chemicals are introduced before and after filtration to oxidize the iron and disinfect the water.

Water Production

Groundwater collected from local rainfall supplies the City's drinking water. There are three water treatment plants that serve the Water District: Orchard Run Water Treatment with a capacity of 1.08 million gallons per day, El Pueblo Water Treatment Plant with a capacity of 547,000 gallons per day, and Well 10 with a capacity of 432,000 gallons per day.

Water Quality

The Water District is responsible for providing residents with reliable, safe, clean, and potable and domestic water supply. The Water District is required to test the quality of the water it serves in order to guard the health of our customers and the general public. Federal, state and local agencies all have a role to play in setting water quality standards. Water quality samples results are compiled in a monthly report and forwarded to the State Water Resources Control Board, Division of Drinking Water.

Water Demand

In 2020, the Water District provided service to approximately 4,330 connections. Residential customers represent 80 percent of the District's customer base and consume approximately 67 percent of the potable water produced annually by the Department. The Department currently has a total of six production wells with a maximum capacity of 1,400 gallons per minute.



Approximately 1,100-to-1,200-acre feet per year (AFY) of potable water is delivered to customers.

Wastewater

The Scotts Valley Water Reclamation Facility (WRF) regularly maintains and improves the City's public sanitary sewer system. The WRF consistently meets the steadily increasing demand for recycled water to irrigate local parks, schools, residences, landscape medians, and businesses. Due to the increased use of recycled water, the WRF has been able to decrease the amount of treated effluent that is discharged to Monterey Bay during dry weather periods. According to WRF, in 2021, the total recycle water produced in the City's wastewater recycle filter plant was 64.13 million gallons. The City of Scotts Valley owns and operates seven lift stations at various locations throughout the City. The City's sanitary sewer collection system is made up of approximately 40 mile of pipeline.

3. Fire and Emergency Services

The Scotts Valley Fire District includes two fire stations to serve nearly 20,000 residents within a 24 square mile boundary. The District has 28 full-time employees, one part-time employee, and seven paid-call firefighters which provide a variety of services which include fire suppression, emergency medical services, administration, technical rescue, hazardous materials mitigation, public education, fire investigation, and fire prevention. Daily emergency response consists of 7 firefighters and one Battalion Chief. Additionally, the Fire District has Mutual Aid Agreements with neighboring fire suppression organizations to further strengthen the emergency services available to residents in case of emergency.

The Fire District provides the following emergency services:

- Structure Fire Suppression
- Wildland Fire Suppression
- Emergency Medical Services
- Hazardous Materials Incident Response
- Disaster Response and Education

Emergency Medical Services (EMS)

The Scotts Valley Fire District is responsible for keeping up with emergency medical mandates, equipment, and program development for both advanced and basic life support education and training. Every firefighter in the district has some level of EMS training which requires recertification and continued education. Through cooperative agreements within the Santa Cruz County EMS system, the District can also provide mutual EMS aid for large scale incidents within the County.

4. Police Services

The Scotts Valley Police Department (SVPD) acts as the City's enforcement agency to provide general law enforcement. The SVPD is staffed by one Chief of Police, two Captains, five

Sergeants, twelve Patrol Officers, seven Emergency Dispatch Clerks, and one Administrative Secretary Analyst. The Department is organized into two divisions: Operations and Administrative Services. The Operations Division consists primarily of Patrol Officers with specialized units such as Reserve Officers, Traffic Officers, K9 Officers, and Explorers used to support patrol with their duties. The Administrative Services Division consists of Emergency Dispatch Clerks, Investigations, and Citizen Volunteers.



The City of Scotts Valley provides a variety of **Housing Resources** and services to assist the community in accessing housing which meets their needs and income levels. This Appendix provides a summary of those resources and services.

RESOURCES FOR SPECIAL NEEDS GROUPS

1. Seniors

Seniors (persons 65 years of age and older) typically prefer to stay in their own homes as long as possible. If family members are nearby, they can also assist with basic care needs, enabling seniors to remain in their homes longer. However, this is not always possible. As such, the City provides information online about the Scotts Valley Senior Center and its services for residents. The Senior Center's purpose is to provide a social network with educational, recreational, and craft activities for Scotts Valley senior residents.

Scotts Valley Senior Life Association (SVSLA) is a local non-profit organization established to provide education and health support to senior residents. Examples of SVSLA's projects and programs include a new performing arts center and Senior Life Online workshops that include guest speaks, such as artists, council members, and Fire District staff.

The following resources are provided County-wide and available to Scotts Valley seniors:

- **Senior Network Services:** Non-profit agency providing senior citizens and persons with disabilities with information, guidance, and assistance in coordinating existing resources.
- **Adult and Long-Term Care Division (ALTC):** Managed by the County of Santa Cruz Human Services Department, ALTC provides case work services and resource programs that offer community service and care options. Adult Protective Services provides intervention services to protect elderly or dependent adults from abuse, neglect, or exploitation. Additionally, ALTC provides In-Home Supportive Services (HSS) to support safe independent living for low-income elderly adults and disabled persons of all ages.
- **Meals on Wheels:** Meals on Wheels for Santa Cruz County provides meals at five dining sites through Santa Cruz County as well as home delivered meal for older adults over 60 who struggle to meet their own nutritional needs. Meals are delivered once a week, frozen and ready to re-heat in order to accommodate varying meal schedules. The Scotts Valley dining site is located at the Scotts Valley Senior Center on Wednesdays at 11:30am.
- **Senior Citizens Legal Services (SCLS):** SCLS provides free legal services to elderly residents to defend the rights of the elderly to quality housing, government benefits, and protection from exploitation and discrimination.
- **Advocacy, Inc.:** Independent non-profit agency that manages two main programs: Patients' Rights Advocates and Long-Term Care Ombudsman. The Patients' Rights Advocate Program is a state mandated program charged with rights protection and advocacy for all mental health consumers residing in Santa Cruz County, and to assist recipients of mental health services to exercise their human and civil rights. Patients'

Rights Advocates represent a client's expressed desire as defined by the client as long it's within the bounds of the law and achievable within the Advocate's resources. Advocates do not determine what is most appropriate for the client, or what may be in the client's best interest. Rather, Advocates advise clients about their options, and the implications of those options, and assist the client to make an informed choice.

- **Scotts Valley Senior Life Association (SVSLA):** A non-profit organization established to provide education and support relating to health and welfare of senior citizens living in Scotts Valley. They seek to enhance and add enjoyment to lives of seniors in the community, provide educational opportunities with a focus on healthy living habits, and provide access to facilities that help seniors create their own healthy and fulfilling lives.
- **Community Bridges Elderday Program :** Elderday provides day services for adults with complex medical conditions. The program also offers services outside of health care through their planned daily activities. These activities include music, yoga, dance, art, and woodworking.

2. Persons with Disabilities

Access Santa Cruz County lists social services for persons with disabilities in the County of Santa Cruz on its website. The following are social services available to Scotts Valley residents with disabilities:

- **Advocacy Inc.:** Free services to protect patients' rights and free advocacy services for residents of nursing homes and residential care facilities. The Ombudsman Program is charged with advocating for seniors and disabled individuals living in residential care facilities for the elderly and skilled nursing facilities.
- **Hospice of Santa Cruz County:** Non-profit community-based health project that provides health care to individuals of all ages facing the advanced stages of any life-threatening illness.
- **San Andreas Regional Center:** A non-profit that serves individuals with developmental disabilities and their families who reside within Monterey, San Benito, Santa Clara, and Santa Cruz Counties. The County of Santa Cruz Human Resources Agency coordinates federal, state, and county government funding for programs and services for disabled populations in the City of Scotts Valley.
- **The Central Coast Center for Independent Living (CCCIL):** A community-based, cross-disability, non-profit organization that is designed and operate with people with disabilities. The organization provides a variety of programs from peer support, housing assistance, and independent living skill training.

3. Persons Experiencing Homelessness

Given its location, Scotts Valley sees much lower occurrences of homelessness than other jurisdictions in Santa Cruz County. However, the City still takes part in a countywide



collaboration with Santa Cruz County, its cities, and nonprofit organizations to prevent and end homelessness through the provision of housing and services to persons experiencing and those at immediate risk of homelessness. A wide range of homeless assistance programs are implemented to form a coordinated, countywide Continuum of Care (CoC) system, which works to resolve the crisis of homelessness, to house people as quickly as possible, and meet service needs along the way.

The City also participates in the Housing for Health Partnership (H4HP), which serves as the federally designated CoC for Santa Cruz County. HUD provides over \$4 million per year to the Santa Cruz County community through the work of the H4HP.

FINANCIAL RESOURCES

Providing an adequate supply of decent and affordable housing requires funding from various sources, the City has access to the following funding sources.

1. Section 8 Housing Vouchers

The Section 8 Housing Choice Voucher program is a Federal government program to assist very low-income families, the elderly, and the disabled with rent subsidy payments in privately owned rental housing units. Section 8 participants are able to choose any housing that meets the requirements of the program and are not limited to units located within subsidized housing projects. They typically pay 30 to 40 percent of their income for rent and utilities. The Santa Cruz Housing Authority administers and manages the Section 8 Housing Choice vouchers within Scotts Valley. The Santa Cruz Housing Authority website lists a comprehensive list of affordable rental units in Santa Cruz County.

2. Community Development Block Grants (CDBG)

The Community Development Block Grant (CDBG) program provides annual grants on a formula basis to cities to develop viable urban communities by providing a suitable living environment and by expanding economic opportunities, principally for low- and moderate-income persons (up to 80 percent AMI).

CDBG funds can be used for a wide array of activities, including:

- Housing rehabilitation;
- Lead-based paint screening and abatement;
- Acquisition of buildings and land;
- Construction or rehabilitation of public facilities and infrastructure, and
- Public services for low-income households and those with special needs.

Each year, the City receives CDBG funds from the U.S. Department of Housing and Urban Development (HUD). The City and Scotts Valley Chamber of Commerce are responsible for administering these funds. The funds must be used to develop viable communities by promoting integrated approaches that provide items such as decent housing, a suitable living environment, and expand economic opportunities for low- and moderate-income persons.

3. Home Investment Partnership Program

The HOME program provides federal funds for the development and rehabilitation of affordable rental and ownership housing for households with incomes not exceeding 80 percent of area median income. The program gives local governments the flexibility to fund a wide range of affordable housing activities through housing partnerships with private industry and non-profit organizations. HOME funds can be used for activities that promote affordable rental housing and homeownership for low-income households.

4. Local Early Action Planning (LEAP) Grant

The City applied for and received a total of \$65,000 of LEAP grant funding from HCD. LEAP Grants provide funding opportunities for jurisdictions to update their planning documents and implement process improvements that will facilitate or accelerate housing productions to meet the 6th Cycle RHNA.

5. SB 2 Grant

To supplement the cost of the City's effort to update the streamlining process of affordable housing, the City has been awarded an SB 2 Planning Grant Program grant from HCD. The SB 2 program includes improvements to expedite local planning processes. In 2019, the City received \$160,000 from the SB 2 Grant.

6. Affordable Housing Programs

The City of Scotts Valley provides the following affordable housing programs: First Time Homebuyer/Silent Second Mortgage, Security Deposit, Mortgage Credit Certificates, and Density Bonus. HouseKeys serves as the City's Affordable Housing Administrator for the City's Below Market Rate Housing Program.

The purpose of the affordable housing programs is to:

- Enhance the public welfare and assure that further housing development contributes to the attainment of the City's housing goals as described in the Housing Element of the General Plan, by creating, preserving, maintaining, and protecting housing affordable for households of very low-, low- and moderate-income;
- Assure that the remaining developable land in the City's planning area is utilized in a manner consistent with the City's housing policies and needs;



- Increase the number of affordable housing units in Scotts Valley in recognition of the insufficient number of existing affordable housing units in relation to the community's current and future needs; and
- Assure that new affordable housing units that are constructed are distributed throughout the City as part of mixed-income developments in order to obtain the benefits that flow from economically diverse communities, increase access to opportunity, and affirmatively further fair housing.

OPPORTUNITIES FOR ENERGY CONSERVATION

1. Energy Use and Providers

Pacific Gas and Electric Company (PG&E) and Central Cost Community Energy (CCCE) provide electricity and natural gas services for the City. Natural gas is a “fossil fuel” and is a non-renewable resource. The natural gas transmission pipelines within the City are owned and operated by PG&E. Pacific Gas and Electric Company has the capacity and resources to deliver gas except in certain situations that are noted in state law. As development occurs, PG&E will continue to extend its service to accommodate development and supply the necessary gas lines. Electricity is provided on an as-needed basis to customers within existing structures in the City. Every year CCCE expands and improves on existing facilities according to demand.

PG&E offers programs to promote the efficient energy use and assist lower-income customers. This includes participation in the Low-Income Home Energy Assistance Program and Energy Savings Assistance Program to help homeowners and renters conserve energy and control costs. Eligible customers receive no-cost weatherization, including attic insulation, energy efficient refrigerators, energy-efficient furnaces, weather stripping, caulking, low-flow showerheads, water heater blankets, and door and building envelope repairs which reduce air infiltration.

2. Energy Conservation

The primary uses of energy in urban areas are for transportation lighting, water heating, and space heating and cooling. The high cost of energy demands that efforts be taken to reduce or minimize the overall level of urban energy consumption. Energy conservation is important in preserving non-renewable fuels to ensure that these resources are available for use by future generations. There are also a number of benefits associated with energy conservation including improved air quality and lower energy costs.

Energy conservation strategies can help reduce consumptions of energy which would reduce monthly costs to homeowners and renters. Examples of energy conservation strategies include weatherization such as installation of more efficient appliances, and solar energy systems.

Buildings can also be designed to incorporate energy conservation strategies such as cooling materials and building orientation. The City encourages energy conservation strategies in the zoning code (17.36.020).



AB 686 established new requirements for all California jurisdictions to ensure that local laws, programs, and activities **Affirmatively Further Fair Housing (AFFH)**. Under State law, affirmatively furthering fair housing means “taking meaningful actions, in addition to combatting discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.” These characteristics can include, but are not limited to, race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability.



ASSESSMENT OF FAIR HOUSING ISSUES

1. TCAC/HCD Opportunity Scores

The California Tax Credit Allocation Committee (TCAC) and the California Department of Housing and Community Development (HCD) developed the TCAC Opportunity Maps to provide research and evidence-based policy recommendations to further HCD's fair housing goals. These goals include: (1) avoiding further segregation and concentration of poverty and (2) encouraging access to opportunity through land use policy and affordable housing, program design, and implementation. Overall, opportunity maps are intended to display which areas, according to research, offer low-income children and adults the best chance at economic advancement, high educational attainment, and good physical and mental health. The opportunity maps also help inform the TCAC to distribute funding more equitably to affordable housing in areas with the highest opportunity through the Low-Income Housing Tax Credit (LIHTC) Program.

Figure E-1 shows the TCAC/HCD Opportunity Scores for the City and surrounding neighborhoods. The map uses a regional index score to determine categorization of resource levels, as detailed below:

- **Highest Resource** – Top 20 percent highest-scoring census tracts in the region. Residents have the best outcomes in terms of health, economic attainment, and educational attainment.
- **High Resource** – Top 40 percent highest-scoring census tracts in the region. Residents have access to highly positive outcomes in terms of health, economic attainment, and educational attainment.
- **Moderate Resource** – Top 30 percent of remaining census tracts in the region. Residents have access to somewhat positive outcomes in terms of health, economic attainment, and educational attainment, or a mix of high and low outcomes in certain areas.
- **Moderate Resource (Rapidly Changing)** – Moderate resource-scoring census tracts that are nearing High Resource status and are experiencing rapid increase in certain areas such as housing prices, median income, proximity, etc.
- **Low Resource** – Bottom 30 percent of remaining census tracts in the region. Residents may have a lack of access to positive environmental, economic, and educational opportunities that results in negative outcomes or perpetuated outcomes.

Figure E-1 shows the City is categorized as High to Highest Resource. This is generally consistent with the region, aside from the mostly undeveloped region to the west that shows with High Resource Scores.

The City has identified candidate sites to accommodate future housing growth based on existing access to community resources, services, and public transportation, while also considering the availability of land, developer interest, and general likelihood the sites would develop residential uses over the next eight years. Figure E-1 further shows the three census tracts of the City where sites have been identified in relation to the location of resources and services.

Census Tract 1

The TCAC Opportunity Maps identified Census Tract 1 (06087120900) as an area with high resources. Census Tract 1 consists of the areas West of Highway 17 and North of Mount Hermon Road. Scotts Valley Drive runs through Census Tract 1. The area has the most dwelling units and a majority of the sites for all income levels. Census Tract 1 has the most low-/very low-income, moderate-income, and above-moderate-income units compared to the other two areas. In total, there are 1,581 units, with 765 low-/very-low-income units, 128 moderate-income units, and 688 above-moderate units.

There are several restaurants and retail uses located along Mount Hermon Road and Scotts Valley Drive. Major shopping areas such as Scotts Valley Square Shopping Center and Kings Village Shopping Center are located in Census Tract 1. These shopping centers include retail stores such as a Target, Dollar Tree, Walgreens, and Nob Hill Foods that are near each other. There are also a few schools located in Census Tract 1 such as the Scotts Valley Middle School, and the Scotts Valley High School. There are also recreational and preserved areas such as Skypark, MacDorsa Park, and the Glenwood Open Space Preserve. Other services include the United States Postal Service, Scotts Valley Fire District, and Police Department. In general, the area is well supported with resources and will continue to be as the Town Center Specific Plan area is developed in this census tract.

Census Tract 2

Census Tract 2 (06087121200) consists of the areas East of the 17 Highway. In total, there are 54 units, with 22 low-/very-low income units, 5 moderate-income units, and 27 above-moderate units. The majority of the land uses in this area is open space and residential. Census Tract 2 has the least amount of housing units in all income categories, as compared to the other two census tracts. The TCAC Opportunity Maps has identified this area to have the highest resources. There are a few office and commercial spaces along the Green Hills Road. Along this road there is a print shop, catering business, health insurance agency, and various gymnastic centers. There are two schools in Census Tract 2; Baymonte Christian School and Montessori Scotts Valley. Census Tract 2 has a variety of churches within the area such as the ReGeneration Church, Gateway Bible Church, and Hope Church.

Census Tract 3

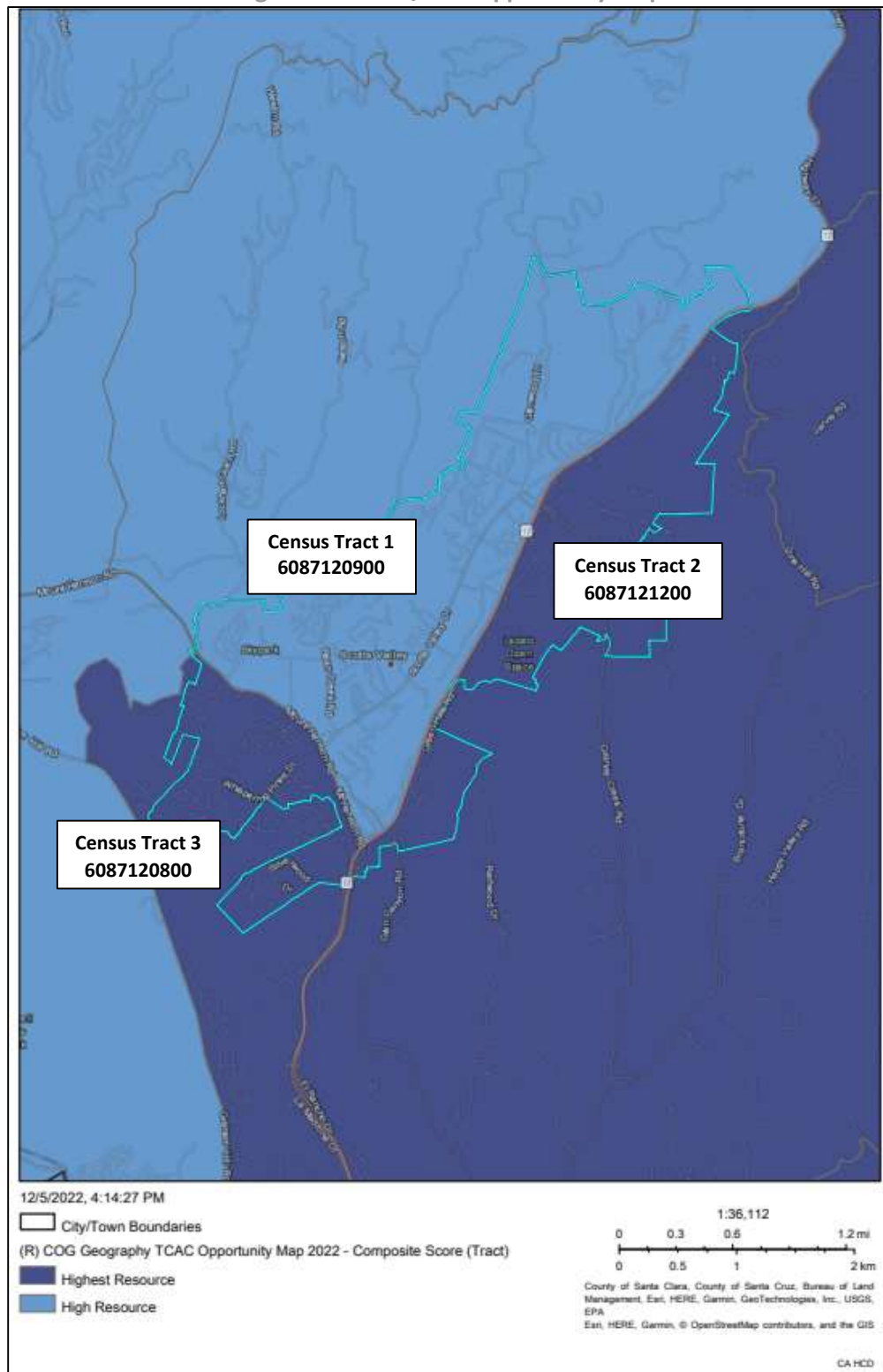
Census Tract 3 (06087120800) is located in the City's Southwestern area and consists of areas south of Mount Hermon Road. In total, there are 497 units, with 95 low-/very-low-income



units, 23 moderate-income units, and 379 above-moderate units. This census tract has the second highest number of units in Scotts Valley.

Similar to Census Tract 2, Census Tract 3 is also identified as a Highest Resource category. A majority of the land uses in this area is medium high density and medium density residential. The area offers close access to a number of restaurants, auto repair shops, a gymnasium, as well as a CVS, and a Safeway. There is also an open space area was formerly used as a golf and has been identified as a pipeline project (Valley Gardens).

Figure E-1: TCAC/HCD Opportunity Map



Source: California Department of Housing and Community Development – AFFH Data Viewer

2. Patterns of Integration and Segregation

To inform priorities, policies, and actions, this section contains an analysis of integration and segregation, including patterns and trends, relating to people with protected characteristics. Segregation is defined as the separation or isolation of persons of a particular race/ethnic group, national origin group, familial status, individuals with disabilities, or other social group by enforced or voluntary residence in a restricted area, by barriers to social connection or dealings between persons or groups, by separate educational facilities, or by other discriminatory means.

It is important to note that segregation is a complex topic, difficult to generalize, and is influenced by many factors. Individual choices can be a cause of segregation, with some residents choosing to live among people of their own race or ethnic group. For instance, recent immigrants may depend on nearby relatives, friends, and ethnic institutions to help them adjust to a new country. Alternatively, when White residents leave neighborhoods that become more diverse, those neighborhoods can become segregated. Other factors, including housing market dynamics, availability of lending to different ethnic groups, availability of affordable housing, and discrimination can also cause residential segregation.

Race and Ethnicity

Neighborhood Segregation and Diversity

As discussed in the Housing Needs Assessment (Table B-3), the City is made up of a majority White population at about 76 percent, followed by a smaller Hispanic or Latino population at 10.8 percent.

Figure E-2 illustrates displacement risk for Scotts Valley and the surrounding communities. As shown, all of Scotts Valley reports low displacement risk. Comparatively, Santa Cruz has two areas of higher risk. A number of displacement factors are detailed in Table E-1 for the City's three census tracts (the census tracts cover area outside of the City's limits).

Table E-1: Neighborhood Segregation Household Data

Census Tracts	Median Income	Low-Income Households	Speak English Less than Very Well	Renter Occupied	Hot Market	Median Rent
06087120900	\$107,500	22.9%	3.5%	28.4%	Yes	\$1,905
06087121200	\$159,643	18.9%	0.4%	20.3%	Yes	\$1,765
06087120800	\$124,000	27.6%	0.5%	19.7%	No	\$2,528

Source: California Department of Housing and Community Development – AFFH Data Viewer; 2019 ACS data

Figures E-3a and E-3b map diversity and neighborhood segregation. Figure E-3a illustrates the diversification of the City between 2010 and 2018. Over the eight-year period, the City experienced an increase in diversity in the Skypark area of the City with the Diversity Index

score increasing from “Lower Diversity” to a score of 40-55. Figure E-3b maps neighborhood segregation by race and ethnicity. The City has one census tract that reports “Latinx-White” populations and two remaining census tracts that report “Mostly White.” The first census tract is located west of Highway 17 and north of Mount Hermon Road. The second census tract is located east of Highway 17 and the third census tract is located south of Mount Hermon Road.

This demographic mix is similar to the cities of Santa Cruz, ~~and~~ Capitola, Watsonville, and Santa Cruz County. From 2010 to 2018, the county and neighboring communities also experienced gains in diversity. The eastern portion of the County and surrounding cities have also experienced an increase in diversity in the western and northwestern regions. The regional trends on racial composition are explored in more detail in Appendix B.

Overall, the City of Scotts Valley has a range of demographics from high percent white populations in the eastern and southern portion of the city. These regions in the City’s neighborhood segregation consists of Mostly White neighborhoods. Additionally, the city has shown increased diversity over the years in those areas with moderate percent white populations except for the eastern and southern portions of the city is identified as having lower diversity.

Familial Status

Local and Regional Level Trends of Segregation and Integration

Table E-1a and E-1b below shows tract-level trends of familial status throughout Scotts Valley. The majority of households with children live in a married couple household whereas some households with children live with one householder. More than half of the population in Scotts Valley live with a spouse. Specifically, Census Tract 1 located west of Highway 1 and north of Mount Hermon Road has a higher concentration of married couple households with children. Comparatively, Scotts Valley exhibits generally similar patterns to Santa Cruz and Capitola, who have slightly more census tracts with lower percentages of married couple households with children. Programs associated with new developments in Census Tract 1 of Scotts Valley include resources for low-income families.

Table E-1a: Neighborhood Segregation Familial Status

Census Tract	Per. Population Living with Spouse	Per. Children in Female Householder (No Spouse)	Per. Children in Married Couple Household
06087120901	59.7	0	89.8
06087120902	56.2	19.3	80.7
06087121200	56.2	12.4	79.0
06087120800	58.4	8.8	70.2

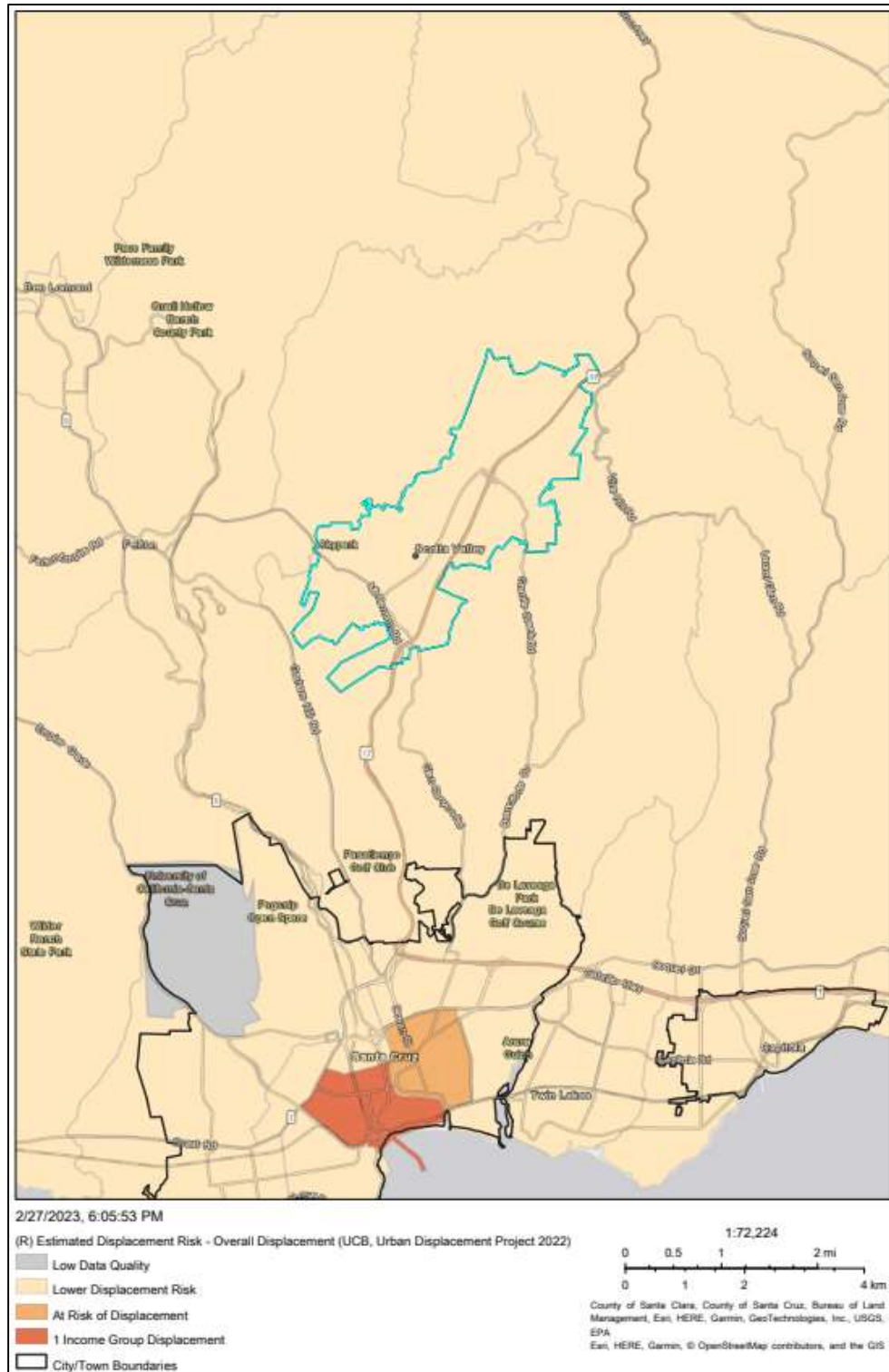
Source: California Department of Housing and Community Development – AFFH Data Viewer

**Table E-1b: Population by Familial Status by Census Tract**

Household Types	06087120901	06087120902	06087121200	06087120800
<u>Total Households</u>	<u>1,442</u>	<u>2,031</u>	<u>2,157</u>	<u>2,353</u>
<u>Married-Couple Family Households</u>	<u>956</u>	<u>1,112</u>	<u>1,408</u>	<u>1,267</u>
<u>With Children</u>	<u>268</u>	<u>485</u>	<u>520</u>	<u>350</u>
<u>Non-Family Households</u>	<u>388</u>	<u>711</u>	<u>553</u>	<u>828</u>
<u>Female Headed Households, No Spouse Present with Children</u>	<u>0</u>	<u>98</u>	<u>28</u>	<u>60</u>

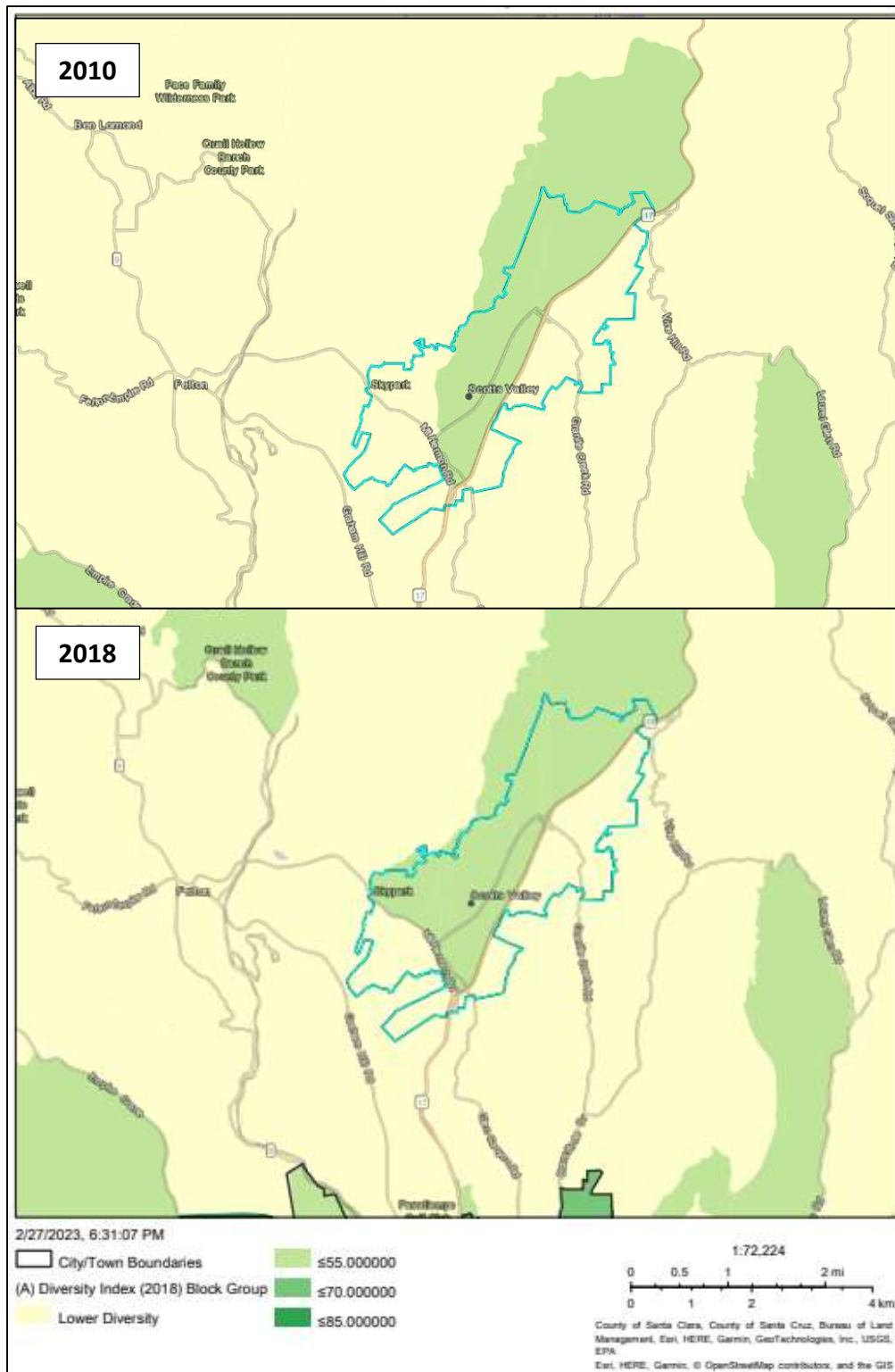
Source: American Community Survey, 5-Year Estimates, Table S1101, 2020.

Figure E-2: Displacement Risk



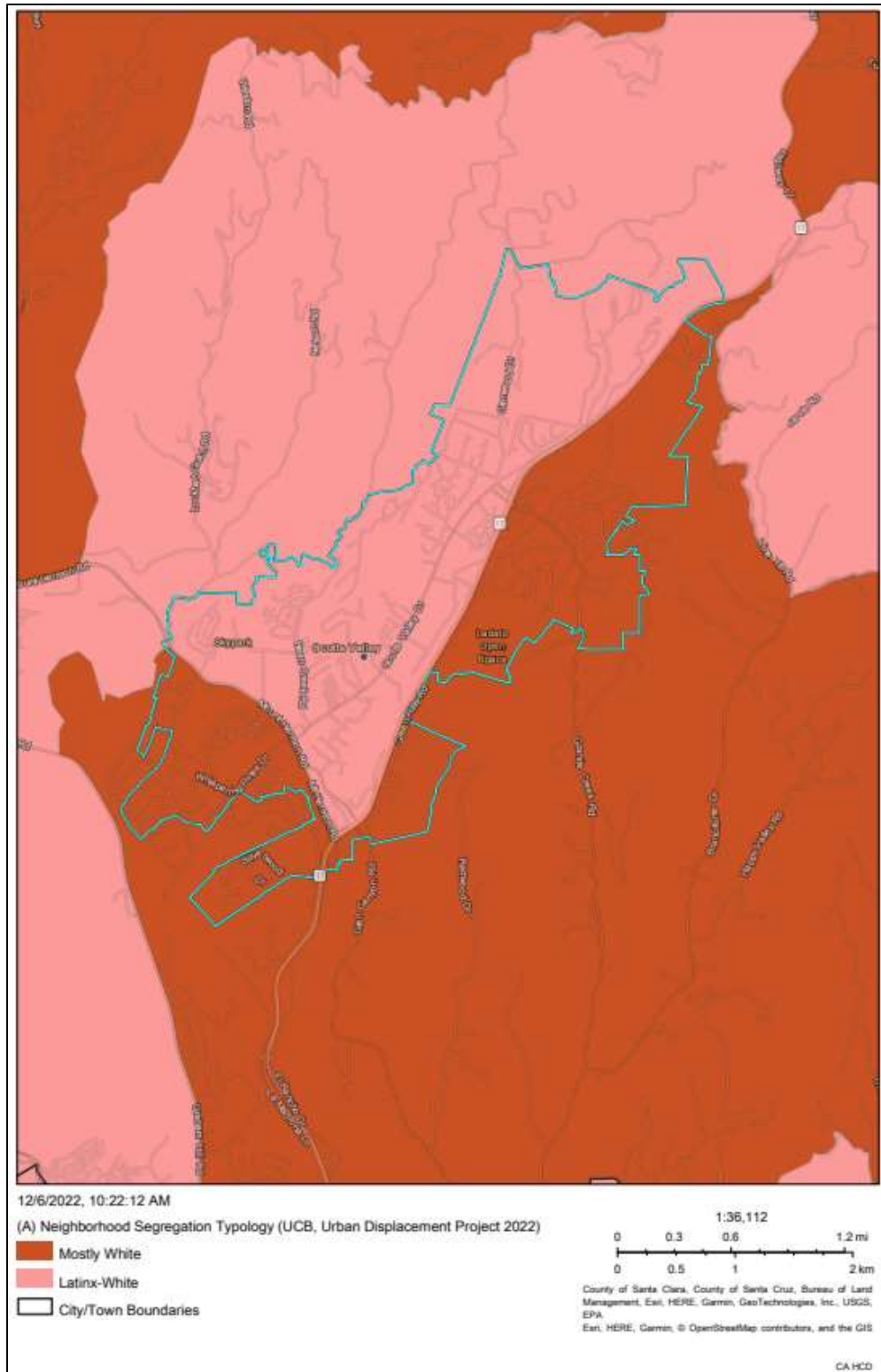
Source: California Department of Housing and Community Development – AFFH Data Viewer

Figure E-3a: Diversity Index (2010-2018)



Source: California Department of Housing and Community Development – AFFH Data Viewer

Figure E-3b: Neighborhood Segregation



Source: California Department of Housing and Community Development – AFFH Data Viewer

Census Tract 1

Scotts Valley is generally made up of high median incomes. Census Tract 1, west of Green Hills Road and north of Mount Hermon Road, reports the largest percent of persons who speak English less than very well and the largest percent of renter occupied households. This area has the lowest median income out of the other two census tracts. As a result, majority of the new housing opportunities in this area were designated to the low-/very low-income households. There are new developments along Scotts Valley Drive where a majority of the resources are concentrated.

Census Tract 2

Census Tract 2, east of Highway 17 has the smallest percentage of low-income households, smallest percentage of persons who speak English less than very well, and the lowest median rent compared to the other two census tracts. The majority of this census tract has the highest median income compared to the other two census tracts. Hence, a majority of the sites identified in this area is dedicated to above-moderate-income households. Census Tract 2 also identified units for low-/very low-income in the area through the development of residential rezone sites. Introducing more sites to this area increases the opportunity for increased diversity in income-groups and for people of different backgrounds.

Census Tract 2 experiences topographic conditions that make the development of housing, specifically affordable housing, infeasible. The topography of this portion of the City creates a financial constraint to the development of housing. Hills, canyons, and sloped terrain increase the cost of housing, especially moderate and low-income housing, due the additional measures required to safely develop housing in that environment. Therefore, when also considering access to resources, services, and transportation, potential housing units are limited to areas that can feasibly develop at their respective income level while still providing increased access to opportunities, resources, and transportation.

It is more difficult and expensive to develop housing on slopped or hilly terrain, making affordable housing infeasible in these areas. Because development of housing in these areas is costly, typically only households with higher incomes can afford to buy or rent, establishing a concentration of affluence. Many lower income housing sites have been identified throughout the City and within areas considered RCAAs. The City has added programs to Chapter 2: Plan to address RCAAs present in the City.

Additionally, Census Tract 2 cannot accommodate additional growth due to infrastructure constraints. Housing proposed in Census Tract 2 has historically been predominantly single family homes which have only been affordable to above moderate income households.

Census Tract 3

Census Tract 3, south of Mount Hermon Road, has the highest percent of low-income households at 27.6 percent but it also has the highest median rent and lowest percent of renter-occupied households. As shown in the AFFH Data Viewer and Table E-1, majority of this

area has a median income of \$124,000. Hence, the sites identified in Census Tract 3 have less diversity for lower-income households. As a result, the majority of the housing dedicated in this area are designated to the above-moderate-income group. Census Tract 3 will continue to develop through the development of pipeline projects and mixed-use rezones. There are still some variety in housing options at varying costs for low-/very low-income and moderate-income units. Hence, this increases the opportunity for increased diversity in income-groups and for people of different backgrounds to live in this area.

Similar to Census Tract 2, some areas in Census Tract 3 experience topographic conditions that make the development of housing, specifically affordable housing, more difficult. The topography of this portion of the City creates a financial constraint to the development of housing. While topographical constraints preclude the development of affordable housing in Census Tract 3, some areas are not as burdened and may be able to facilitate affordable housing development. Pipeline Projects in Census Tract 3 present opportunities to develop affordable units in the area, furthering the integration of Census Tract 3. Affordable units would increase housing choice in Census Tract 3 and would improve conditions for both existing and future residents across various metrics.

The City has encouraged the development of affordable housing in these areas for decades, but without financial incentives, which the City lacks, it difficult to attract development in the area. Additionally, Census Tract 3 cannot accommodate too much additional growth due to infrastructure constraints. Housing proposed in Census Tract 3 has historically been predominantly single family homes which have only been affordable to above moderate income households.

While Census Tract 3 has better access to resources, services, and transportation than Census Tract 2, its is Census Tract 1 with the best access to resources, services, and transportation. Therefore, when also considering access to resources, services, and transportation, potential housing units are limited to areas that can feasibly develop at their respective income level while still providing increased access to opportunities, resources, and transportation.

Racially Concentrated Areas of Poverty (R/ECAP)

Racially and Ethnically Concentrated Areas of Poverty (R/ECAPs) are geographic areas with significant concentrations of poverty and minority populations. HUD developed a census-tract based definition of R/ECAP that relies on a racial and ethnic concentration threshold and a poverty test. The threshold states that an area with a non-White population of 50% or more would be identified as a R/ECAP; the poverty test defines areas of extreme poverty as areas where 40% or more of the population live below the federal poverty line or where the poverty rate is three times the average poverty rate for the metropolitan area (whichever is lower). Thus, an area that meets either the racial or ethnic concentration and the poverty test would be classified as a R/ECAP. There are no R/ECAPs in the City, nor in the surrounding communities, which has been the case since R/ECAP data collection started around 2019. The closest R/ECAPs are located within the City of San Jose.



Racially Concentrated Areas of Affluence (RCAA)

R/ECAPs are a long-standing, contributing factor to segregation. Patterns of segregation in the United States show that of all racial groups, the White population is the most separated from other racial groups. Research also identifies segregation of affluence to be greater than the segregation of poverty. Racial and economic segregation can have significant effects on respective communities, including, but not limited to, socioeconomic disparities, educational experiences and benefits, exposure to environmental conditions and crime, and access to public goods and services.

Data used in the analysis of Racially Concentrated Areas of Affluence (RCAAs) comes from the 2015-2019 American Community Survey and measured at the census tract level. HCD has created an RCAA metric to reflect California's relative diversity and regional conditions, and to aid local jurisdictions in their analysis pursuant to AB 686 and AB 1304. HCD's RCAA metric is first calculated using a Location Quotient (LQ) for each census tract that represents the percentage of total White population (White Alone, Not Hispanic or Latino) per census tract compared to the average percentage of total White population for all census tracts in a given Council of Governments (COG). For example, a census tract with an LQ of 1.5 has a percentage of total White population that is 1.5 times higher than the average percentage of total White population in the given COG region. To determine RCAAs, census tracts with an LQ of more than 1.25 and a median income 1.5 times higher than the COG Area Median Income (AMI), or 1.5 times the State AMI, whichever is lower, are assigned a numeric score of 1. A score of 1 indicates that a census tract is an RCAA. Census tracts that did not meet this criterion are assigned a score of 0.

The nationwide RCAA analysis identifies the following:

- RCAA tracts have more than twice the median household income of the average tract in their metro area.
- Poverty rates in RCAAs are significantly lower and are, on average, about 20 percent of a typical tract.
- RCAAs tracts are more income homogenous than R/ECAPs.
- The average RCAA is about 57 percent affluent, whereas the average R/ECAP had a poverty rate of 48 percent.

The typical RCAA tract has a rate of affluence 3.2 times that of a typical tract, whereas R/ECAPs on average had a poverty rate 3.2 times of that of a typical tract. Overall, RCAAs may represent a public policy issue to the extent that they have been created and maintained through exclusionary and discriminatory land use and development practices.

Table E-2 below displays the RCAA data for the City. The data shows these RCAAs have significantly higher percentage of white residents and median household incomes. [Table E-3 displays the data of median household income by race for the City compared to Sanat Cruz](#)

County. All households in Scotts Valley had a relatively higher median income compared to the County (\$108,289 and \$89,986, respectively). This trend is also similar for those who identify as White (Not Hispanic or Latino). The City’s median income is approximately \$7,000 more than the County’s White population.

It can be concluded that White households in Scotts Valley Typically have higher household income than all households and those of the White households in the County. It is difficult and expensive to develop housing on hilly terrain, making affordable housing infeasible in these areas. Because development of housing in these areas can be costly, typically only households with higher incomes can afford to buy or rent, establishing a concentration of affluence. Lower income housing sites have been identified throughout the city and are within areas considered RCAAs.

Table E-2: Median Household Income and White Population of RCAAs

Census Tract	Percent White Population	Median Income
06087121200	85.28%	\$112,877
06087120900	78.12%	\$105,020
06087120800	85.21%	\$107,014

Source: (U.S. Census Bureau) from HCD AFFH Data Viewer, Accessed December 6, 2022.

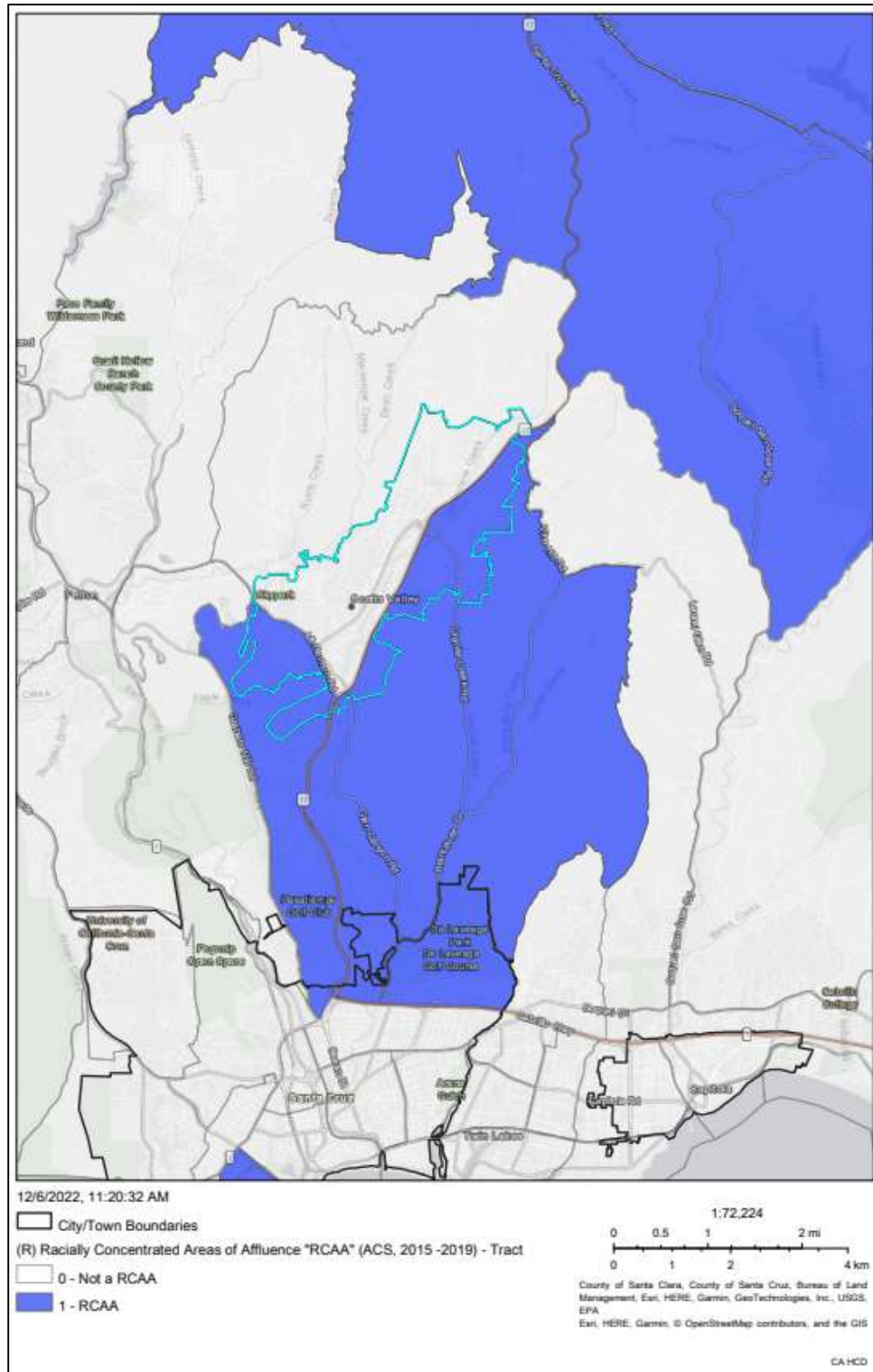
Table E-3: Median Household Income by Race and Geography

Race	Scotts Valley		Santa Cruz County	
	Median Income	Population	Median Income	Population
White (Not Hispanic or Latino)	\$107,971	88.8%	\$100,259	56.9%
All Households	\$108,289	--	\$89,986	--

Notes: Median income in the past 12 months (in 2019 inflation-adjusted dollars)

Source: American Community Survey, 5-Year Estimates, 2019.

Figure E-4: Racially Concentrated Areas of Affluence



Source: California Department of Housing and Community Development – AFFH Data Viewer

Census Tract 1

As stated above, there are no R/ECAPs in the City. Similarly, as shown in Figure E-4, there are no R/ECAPs identified in this area. Census Tract 1 has a variety of new housing opportunities to accommodate a variety of housing for different income categories.

Census Tract 2

Table E-2 shows that Census Tract 2 has the lowest percentage of white population and the lowest median income compared to the other two census tract (78.21 percent and \$105,020). Figure E-4 also shows that Census Tract 2 has RCAAs in the area. All of the candidate sites located in this area are classified under residential rezone projects. There are a few moderate-income units. Majority of the units are for above-moderate and low-/very-low-income units. In total, there are 54 units, with 22 low-/very-low-income units, 5 moderate-income units, and 27 above-moderate-income units.

Census Tract 3

As shown in Figure E-4, census tract 3 also has RCAAs in the area. New housing opportunities in this census tract are developed through a variety of projects such as pipeline projects, mixed-use rezone, and existing residential capacity projects. Majority of the units were dedicated to above-moderate-income in this area due to the high median income of the area. However, new housing in census tract 3 also includes 95 units for low-/very-low-income and 23 units for moderate-income households. This would allow for some opportunities for diversity in income-groups and people of different backgrounds to live in this area.

Hate Crimes

Hate crimes are violent acts against people, property, or organizations because of the group to which they belong or identify. The Federal Fair Housing Act makes it illegal to threaten, harass, intimidate, or act violently toward a person who has exercised their right to free housing choice.

As shown in Table E-4, between 2015 and 2021, only two hate crimes were reported in Scotts Valley. The hate crimes reported were based on Race/Ethnicity/Ancestry and Sexual Orientation. The city has a rather low number of hate crimes compared to the local jurisdictions. Comparatively, Santa Cruz City and Watsonville reported a total of 52 and 8 hate crimes, respectively.

Table E-4: FBI Hate Crimes by Bias (2015-2021)

Year	Race/ Ethnicity/ Ancestry	Religion	Sexual Orientation	Disability	Gender Identity	Multiple Bias	Total
2015	1	0	0	0	0	0	1
2016	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0
2018	0	0	1	0	0	0	1
2019	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0
Total	1	0	1	0	0	0	0

Source: Federal Bureau of Investigation, Crime Data Explorer, 2015-2021.

Income

Household income level plays a significant role in housing choice. The City has experienced a relatively small increase in median income over the past decade. Census data reports a 2.1 percent increase in median income between 2010 and 2020, with the largest growth occurring in the last five years. In comparison, the County experienced a 37.9 percent increase, and the State experienced a 29.2 percent increase from 2010 to 2020 in median income.

Table E-5: Median Income by Year and Geography

Median Income by Year	City of Scotts Valley	Santa Cruz County	California
2020	\$103,783	\$89,986	\$78,672
2015	\$101,475	\$67,256	\$61,818
2010	\$101,673	\$65,253	\$60,883
Percent Change	2.1%	37.9%	29.2%

Source: American Community Survey, 5-Year Estimates, 2010, 2015, 2020.

Regarding household income, the City had a higher median household income than the County and the State from 2010 to 2020. As Table E-6 shows, a large portion of the City's households are higher earning; in total, over 51 percent of households in Scotts Valley earn more than the State median-income. Additionally, 23 percent of households in Scotts Valley earn \$200,000 or more annually. Just under 22 percent of the City residents earn less than \$50,000 annually, compared to 28.6 percent and 32.6 percent for the County and State, respectively.

Comparatively, Scotts Valley has the highest median income of the surrounding jurisdictions. Behind Scott Valley, Santa Cruz County and the City of Santa Cruz have the second and third highest median income of the nearby jurisdictions by \$89,986 and \$86,618, respectively.

Table E-6: Households by Median Income by Geography

Households Income	City of Scotts Valley	Santa Cruz County	California
Less than \$10,000	5.6%	4.4%	4.7%
\$10,000-\$14,999	0.8%	3.6%	3.9%
\$15,000-\$24,999	4.0%	6.3%	6.9%
\$25,000-\$34,999	5.9%	5.5%	7.1%
\$35,000-\$49,999	5.7%	8.8%	10.0%
\$50,000-\$74,999	11.2%	12.8%	15.3%
\$75,000-\$99,999	15.6%	12.9%	12.3%
\$100,000-\$149,999	12.9%	16.9%	17.1%
\$150,000-\$199,999	15.2%	12.1%	9.4%
\$200,000 or More	23.0%	16.8%	13.3%

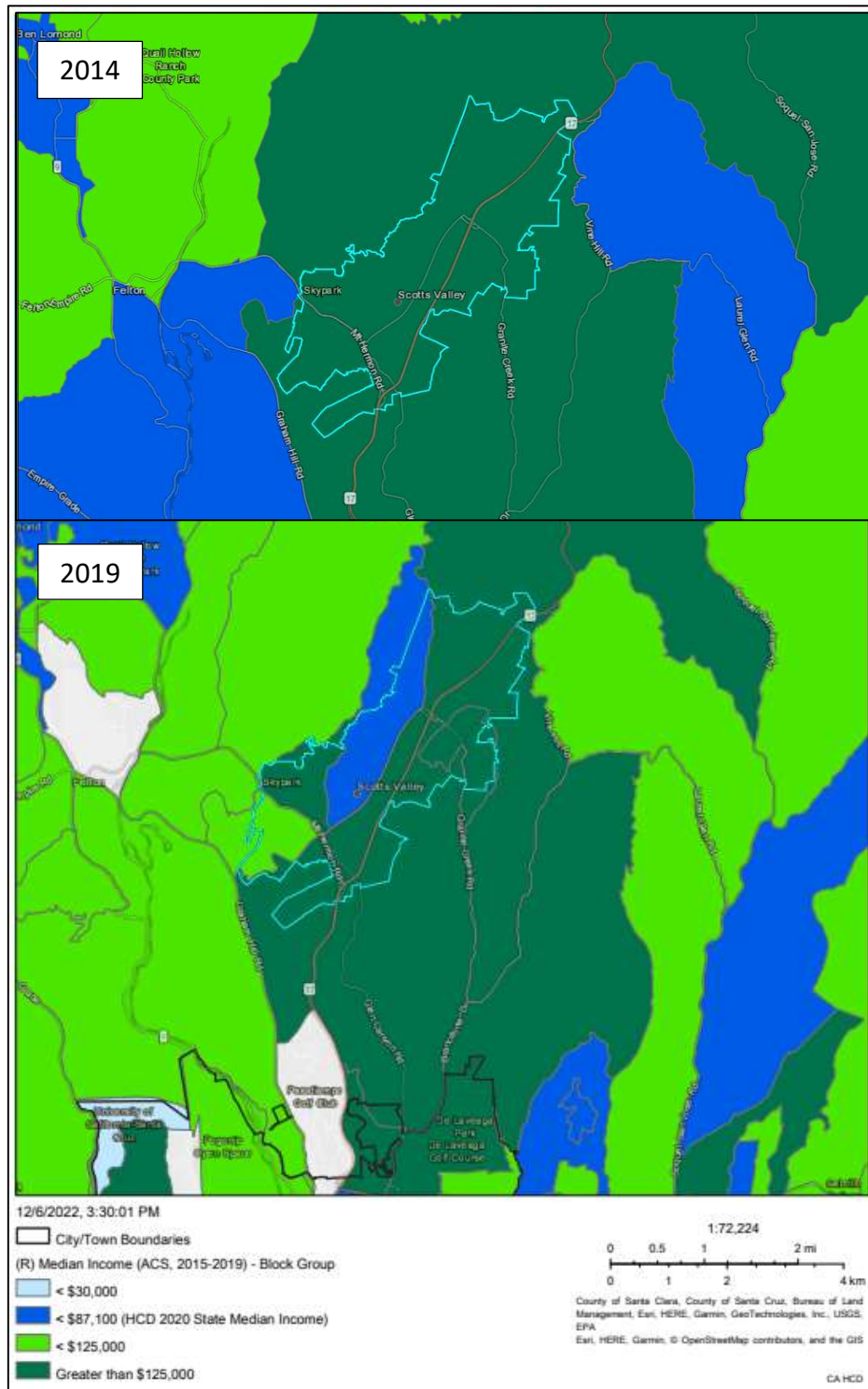
Source: American Community Survey, 5-Year Estimates, 2020.

To calculate projected housing needs for extremely low-income (ELI) households, the City assumed 50 percent of its very low-income RHNA are ELI households. As the City was allocated 392 very low-income units, approximately 192 units are projected for ELI households. Some ELI households could face other housing challenges depending on the age of the householder, tenure status, or household characteristics (mental or physical disabilities, household size, language proficiency, etc.) that could exacerbate housing problems.

Figure E-5 shows the median income change from 2014 to 2019 for Scotts Valley and the surrounding region. In 2014, all block groups in the City had a median income range greater than \$125,000. Median income has diversified in 2019 through Block Groups 1 and 3. Block Group 1/Census Tract 1208¹, located west of Whispering Pines Drive and south of Mount Hermon Road, had a median income of less than \$125,000, while Block Group 3/Census Tract 1209, located west of Scotts Valley Drive, had a median income of less than \$87,100.

¹ Block groups are a subdivision of a census tract – it is the smallest geographic unit for which the Census Bureau tabulates sample data. Census tracts are a small subdivision of a county delineated by a local committee of census data users for the purpose of presenting data.

Figure E-5: Median Income (2014-2019)



Source: California Department of Housing and Community Development – AFFH Data Viewer

There is a significant concentration of high-income levels in areas of high concentration of White population. As shown in Figure E-3b, areas with higher percentage of white population are in areas with a higher median income. As Scotts Valley continues to diversify in its demographics, it is important to address any issues that may exacerbate conditions in these areas and areas of lower household income.

Disability

In 1988, Congress added protections against housing discrimination for persons with disabilities through the Federal Housing Administration (FHA), which protects against intentional discrimination and unjustified policies and practices with disproportionate effects. The FHA also includes the following unique provisions to persons with disabilities: (1) prohibits the denial of requests for reasonable accommodations for persons with disabilities, if necessary, to afford an individual equal opportunity to use and enjoy a dwelling; and (2) prohibits the denial of reasonable modification requests. With regards to fair housing, persons with disabilities have special housing needs because of the lack of accessible and affordable housing, and the higher health costs associated with their disability. In addition, many may be on fixed incomes that further limit their housing options.

Table E-6 displays the data for persons with disabilities in the City, County, and State. Overall, about 10.6 percent of the California population reported having at least one disability. In the City, about 12.6 percent of persons reported at least one disability. The City reported higher than the County at 11.5 percent. Of the 12.6 percent of Scotts Valley residents who reported a disability, the most common disabilities were ambulatory difficulties and independent living, which could be tied with the City's senior population. Ease of reasonable accommodation procedures and opportunity for accessible housing can provide increased housing security for the population with disabilities.

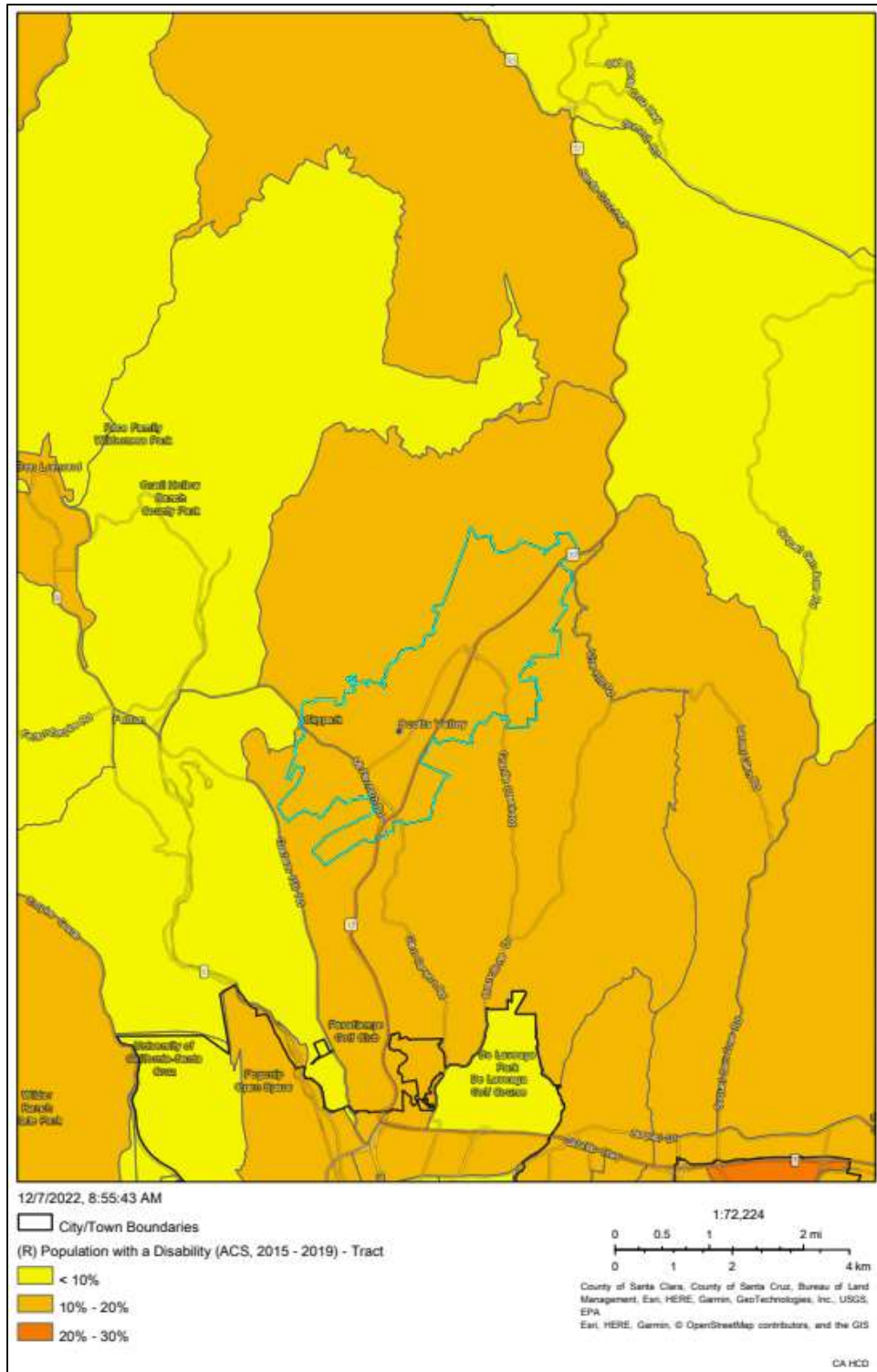
Table E-6: Population by Disability Type, Compared by Geography, 2020

Disability	City of Scotts Valley	Santa Cruz County	California
Total with a Disability	12.6%	11.5%	10.6%
Hearing Difficulty	3.5%	3.4%	2.9%
Vision Difficulty	4.9%	2.4%	2.0%
Cognitive Difficulty	3.4%	4.9%	4.3%
Ambulatory Difficulty	6.3%	5.0%	5.8%
Self-care Difficulty	3.5%	2.3%	2.6%
Independent Living	6.2%	5.0%	5.5%

Source: American Community Survey, 5-Year Estimates, 2020.

The data in Figure E-6 below displays data for disability status in Scotts Valley by census tract. The data shows that in the City, all three of the census tracts report 10 to 20 percent of the population to have at least one disability. This is consistent with the surrounding region.

Figure E-6: Population with a Disability



Source: California Department of Housing and Community Development – AFFH Data Viewer

Appendices A, C and D provide detailed descriptions of services and resources for persons with disabilities. Furthermore, new housing opportunities throughout the City are available to people with disabilities. This is facilitated through the Federal Fair Housing Amendment Act (FHAA) and the California Fair Employment and Housing Act which require governments to make reasonable accommodations in their zoning laws and other land use regulations to afford persons with disabilities an equal opportunity to housing. Scotts Valley's Municipal Code includes Chapter 17.60 Requests for Reasonable Accommodation which complies with these legal requirements.

Overall, Scotts Valley has a slightly higher percentage of population with a disability than the State and County at 12.6 percent. Comparatively, the City of Santa Cruz had a lower percentage of 9.7 percent and Watsonville had a higher percentage of 12.9 percent. As shown in Figure E-6, there is no concentration of the population with a disability in the city. Although there is no significant concentration of the population to have at least one disability, it is the policy and practice of the City to take all reasonable steps to ensure its services, programs and activities are accessible to all members of the public including persons with disabilities.

Familial Status

Under the FHA, housing providers (e.g., landlords, property managers, real estate agents, or property owners) may not discriminate because of familial status. Familial status refers to the presence of at least one child under 18 years old, pregnant persons, or any person in the process of securing legal custody of a minor child (including adoptive or foster parents). Examples of familial status discrimination include refusing to rent to families with children, evicting families once a child joins the family (through birth, adoption, or custody), enforcing overly restrictive rules regarding children's use of common areas, requiring families with children to live on specific floors, buildings, or areas, charging additional rent, security deposit, or fees because a household has children, advertising a preference for households without children, and lying about unit availability.

Families with children often have special housing needs due to lower per capita income, the need for affordable childcare, the need for affordable housing, or the need for larger units with three or more bedrooms. Single parent households are also protected by fair housing law. Of particular consideration are female-headed households, who may experience greater housing affordability challenges due to typically lower household incomes compared to two-parent households. Often, sex and familial status intersect to compound the discrimination faced by single mothers.

Table E-7 displays household type for the State, County, and City. Overall, Scotts Valley has the largest percentage of married-couple households (55.4 percent) in comparison to the County and State. The City also has the largest percentage (49.2 percent) of households with at least one person over the age of 60. This trend has been largely consistent for the City of Scotts Valley for more than 20 years.

Different household types have varying housing needs – senior households may benefit from reasonable accommodation procedures and being located near medical facilities, single-parent households may benefit from affordable housing options due to limited income, and family households may benefit from larger housing units located near community areas and schools.

Table E-7: Population by Familial Status by Geography

Familial Status	City of Scotts Valley	Santa Cruz County	California
Total Households	4,799	96,275	13,103,114
Married-Couple Family Households	55.4%	48.1%	49.7%
With Children	17.5%	17.8%	17.8%
Non-Family Households	32.5%	36.8%	31.4%
Households with one or more people 60 years+	49.2%	44.3%	39.9%
Female Headed Households, No Spouse Present with Children	5.5%	10.1%	12.9%

Source: American Community Survey, 5-Year Estimates, 2020.

Scotts Valley has a relatively diverse familial status. Comparatively, Scotts Valley has the lowest percentage of female headed households, no spouse present with Children compared to the surrounding jurisdictions such as the City of Santa Cruz and Watsonville (7.4 percent and 7.5 percent, respectively). The percentage of children in married-couple family households rank the second highest between the two cities. This population is located west of the Highway 17. Scotts Valley has a high percentage of households with one or more people 60 years or older compared to the surrounding jurisdictions, which can be tied to Scotts Valley's senior population.

3. Access to Opportunities

Access to opportunity is a concept to approximate the link between place-based characteristics (e.g., education, employment, safety, and the environment) and critical life outcomes (e.g., health, wealth, and life expectancy). Ensuring access to opportunity means both improving the quality of life for residents of low-income communities, as well as supporting residents' mobility and access to 'high resource' neighborhoods.

Mobility

Access to public transit is of paramount importance to households affected by low-incomes and rising housing prices, especially because lower income households are often transit dependent. Public transit should strive to link lower income persons, who are often transit dependent, to major employers where job opportunities exist. Access to employment via public transportation can reduce welfare usage and increase housing mobility, which enables residents to locate housing outside of traditionally low-income neighborhoods.

Transportation opportunities are depicted by two indices: (1) the transit trips index and (2) the low transportation cost index. The transit trips index measures how often low-income families in a neighborhood use public transportation. The index ranges from 0 to 100, with higher values indicating a higher likelihood that residents in a neighborhood utilize public transit. The low transportation cost index measures cost of transportation and proximity to public transportation by neighborhood. It too varies from 0 to 100, and higher scores point to lower transportation costs in that neighborhood.

AllTransit explores metrics that reveal the social and economic impact of transit, specifically looking at connectivity, access to jobs, and frequency of service. According to the data shown in Table E-8 and Figure E-9, Scotts Valley scored a 4.4 AllTransit performance score, illustrating a low combination of trips per week and number of jobs accessible that enable a moderate number of people to take transit to work. In total, 29,207 jobs are accessible within a 30-minute trip from Scotts Valley, and 1.42 percent of commuters use transit. Additionally, AllTransit identified the following transit related statistics for Scotts Valley:

- 45.1% of jobs in Scotts Valley are located within a half-mile of transit.
- 44.8% of low-income households (earning less than \$50,000) live within a half-mile of transit.
- 1.17% of workers who commute by walking live within a half-mile of transit.
- 0.34% of workers who commute by bicycle live within a half-mile of transit.

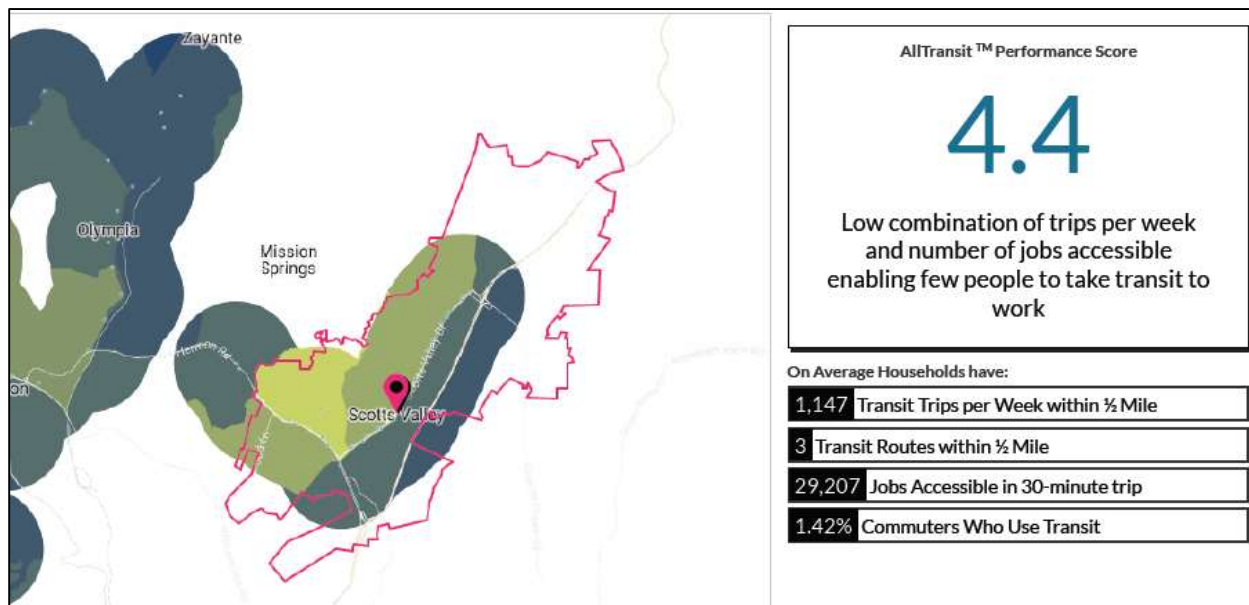
By comparison, Scotts Valley scored lower than neighboring jurisdictions of Watsonville (6.1) and Santa Cruz (7.0). Overall, Scotts Valley has a lower AllTransit score than the Santa Cruz County average (4.4 in Scotts Valley and 4.8 in the County).

Table E-8: AllTransit Index

Jurisdiction	AllTransit Performance Score	Transit Trips Per Week within ½ Mile	Jobs Accessible within 30-minute trip	Commuters Who Use Transit	Transit Routes within ½ Mile
Scotts Valley	4.4	1,147	29,207	1.42%	3
Santa Cruz County	4.8	1,269	33,599	2.99%	6

Source: AllTransit, Transit Scores. Accessed November 29, 2022.

Figure E-9: AllTransit Performance Score (2022)



Source: AllTransit Face Sheet, 2022.

Most of Scotts Valley has poor transit accessibility, but the areas with higher concentrations of all protected characteristics exhibit higher transportation scores in the City. Residents with protected characteristics may exhibit a disproportionate need for reliable public transportation. It is important to increase access to transportation throughout Scotts Valley to improve access for all protected classes. There is a correlation between low transit scores area and areas with RCAAs, so it is important to prevent such concentration by allocating units in areas with higher access to transportation and economic opportunities. The candidate housing sites in Appendix F show they are dispersed throughout the community with an emphasis on locating units where there is a high level of access to public services and transit. The distribution of potential units provides increased opportunities for low-income housing in areas with higher rates of low transportation access.

Census Tract 1

The AllTransit Map identified Census Tract 1 as an area with higher connectivity, access to jobs, and frequency of service. The Santa Cruz Metro service serves Census Tract 1 with various bus routes and the Cavallaro Transit Center is located in the southern portion of this tract. Scotts

Valley Drive bisects this area and connects to Highway 17, which connects the City to the County and the San Francisco Bay Area.

Census Tract 2

Census Tract 2 has lower connectivity, access to jobs, and frequency of services as identified in the AllTransit Map (Figure E-9). There are no identified transit routes in the area. Highway 17 is located on the western boundary of this area. This area offers less services as it is predominantly single-family neighborhoods. Hence, this area has the least number of units allocated; however, it does provide for some variety of housing options at varying costs. Census Tract 2 will continue to develop through planned residential rezoning as described in this Housing Element.

Census Tract 3

The AllTransit Map identified Census Tract 3 as an area with moderate connectivity, access to jobs, and frequency of service. Similar to Census Tract 2, the Santa Cruz Metro service serves this tract with bus routes and eight stops along Mount Hermon Road. This road forms the northern boundary of the tract and connects to Scotts Valley Drive and Highway 17.

Economic and Employment Opportunities

The TCAC/HCD Opportunity Maps illustrates opportunity levels based on the following five economic factors:

- **Poverty** – Percent of population with income above 200 percent of federal poverty line.
- **Adult Education** – Percent of adults with a bachelor's degree or above.
- **Employment** – Percent of adults aged 20-64 who are employed in the civilian labor force or in the armed forces.
- **Job Proximity** – Number of jobs filled by workers with less than a Bachelor of Arts degree that fall within a given radius (determined by the typical commute distance of low-wage workers in each region) of each census tract population-weighted centroid.
- **Median Home Value** - Value of owner-occupied units.

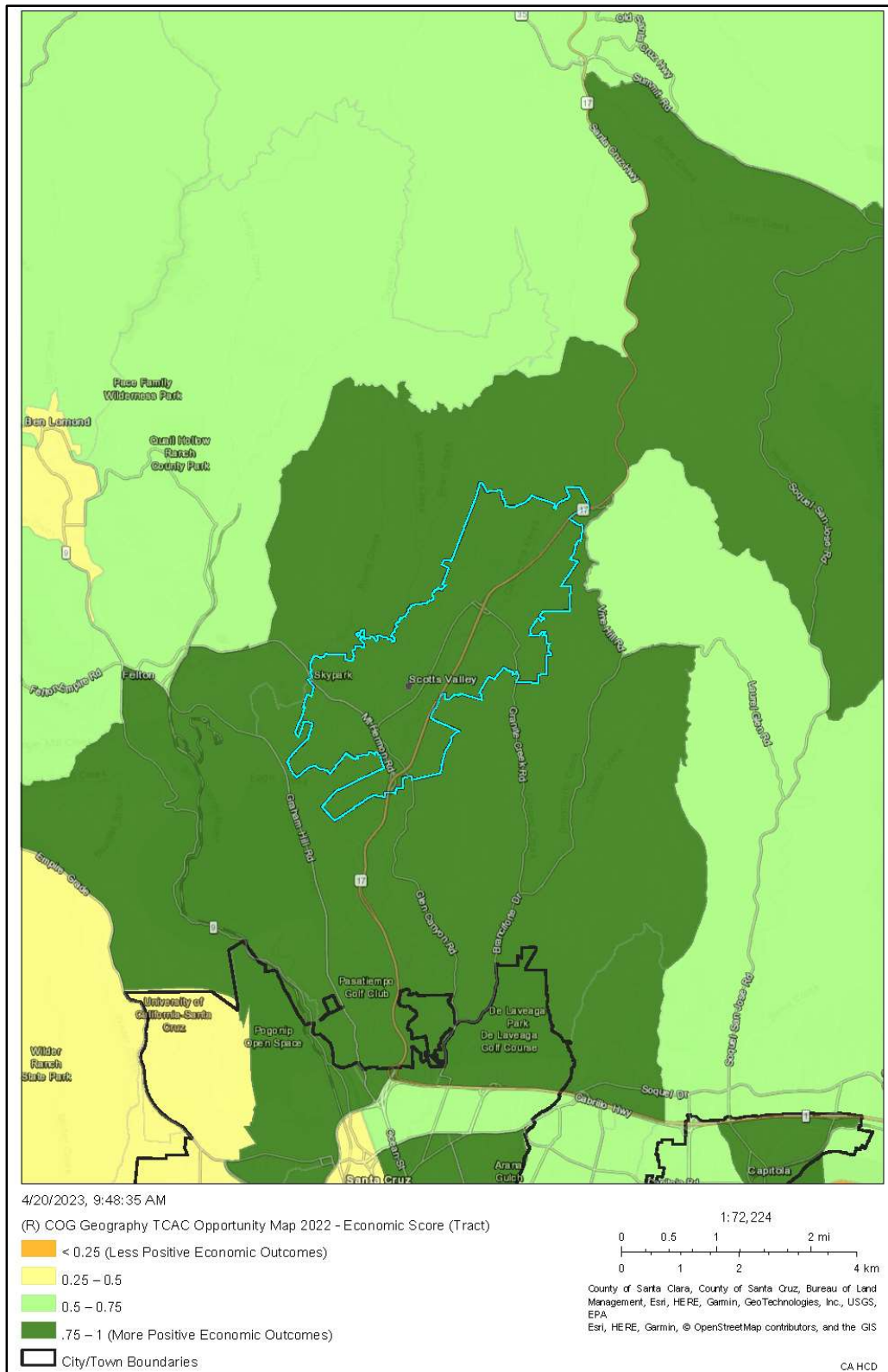
Figure E-10 shows economic opportunity scores for Scotts Valley and the surrounding region. Overall, the City has a more positive economic outcome rating of 0.75 to 1 compared to the surrounding region.

When comparing economic opportunity scores to proximity to jobs (Figure E-11), Scotts Valley residents generally live near employment opportunities. Scotts Valley residents that live closer to the City limit line have further proximity to jobs than those who live in the center. However, the economic opportunity score is positive for all census tracts in the City. Overall, Scotts Valley residents have moderate access to positive economic opportunities.



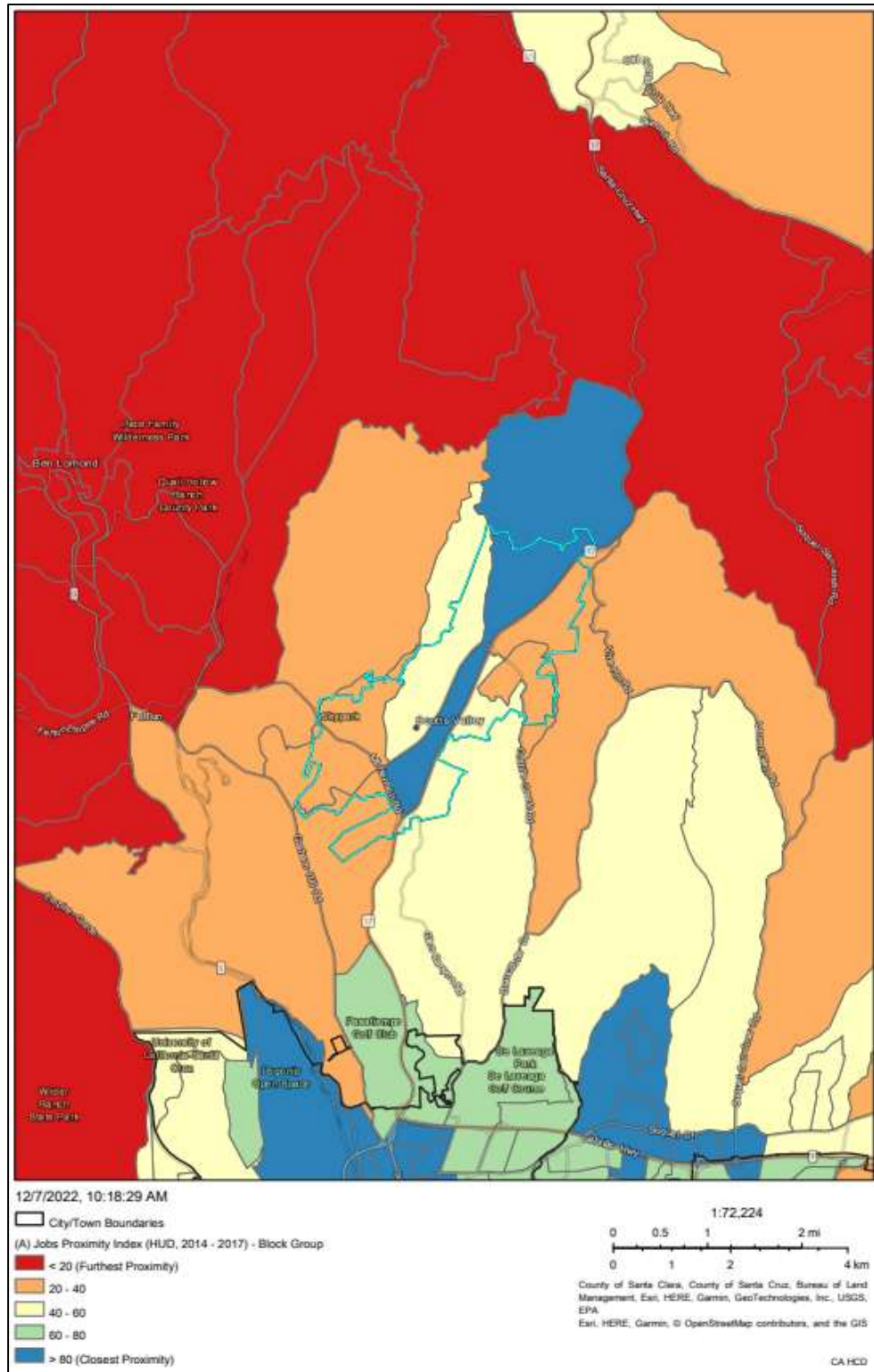
Future housing development will increase economic opportunities for existing and future residents. The candidate sites inventory includes various strategies to meet the City's RHNA targets including plans for mixed use development at higher densities for select sites along Scotts Valley Drive and Mount Hermon Road, and in the Town Center Specific Plan Area. The Cavallero Transit Center (Metro Parcel), also located in the Town Center Specific Plan Area, will continue to provide access to transit services such as the Highway 17 Express and other routes that provide access throughout Santa Cruz County. Additionally, the candidate sites inventory includes plans for residential development within a half mile of transit and job opportunities along Scotts Valley Drive and Mount Hermon Road.

Figure E-10: Economic Opportunity Scores



Source: California Department of Housing and Community Development – AFFH Data Viewer

Figure E-11: Jobs Proximity Index



Source: California Department of Housing and Community Development – AFFH Data Viewer

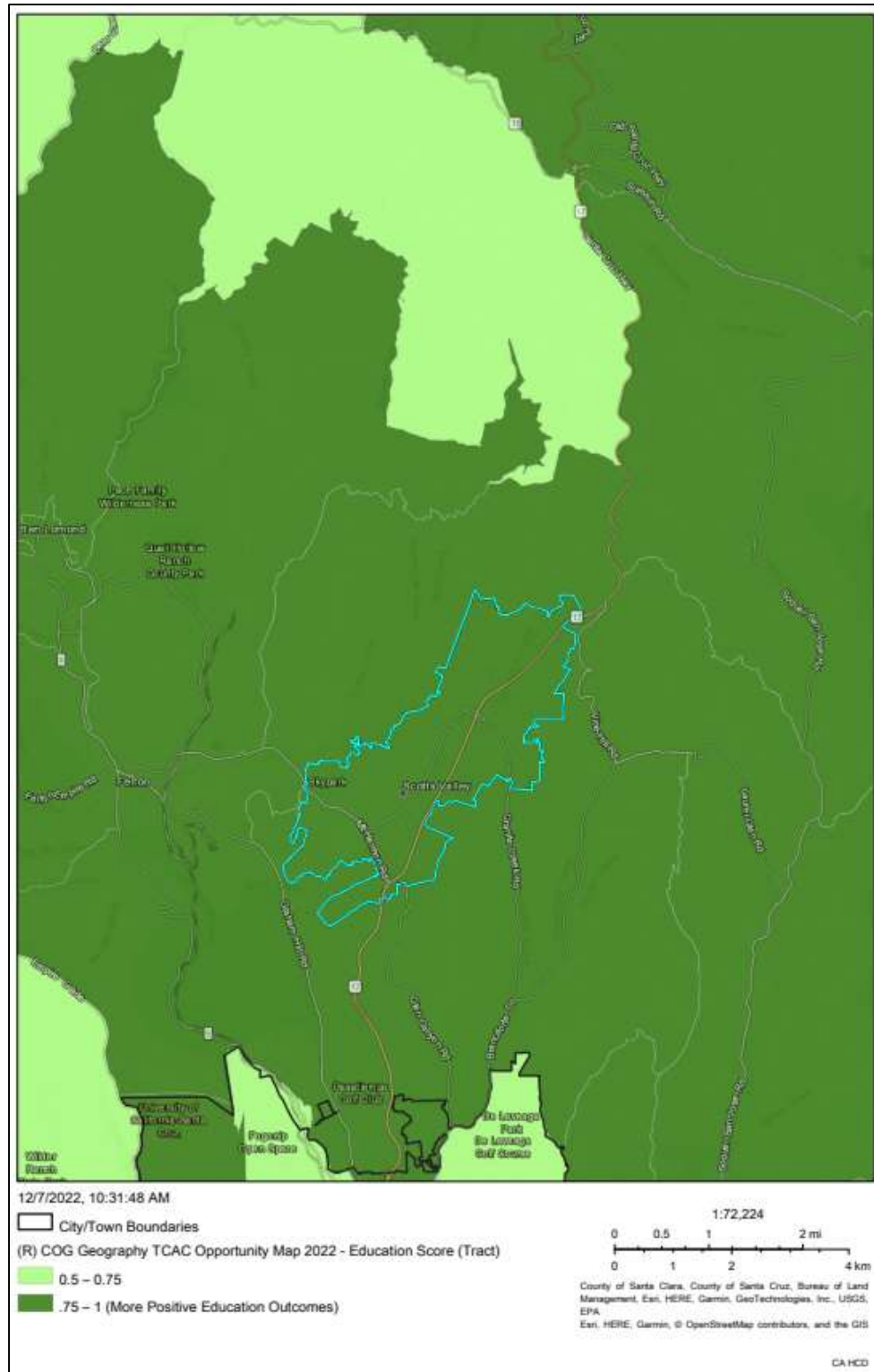
Education Opportunities

The TCAC/HCD Opportunity Area Maps include education data, as illustrated in Figure E-12. This data represents opportunity levels based on the following four factors:

- Math proficiency – Percentage of fourth graders who meet or exceed math proficiency standards.
- Reading proficiency – Percentage of fourth graders who meet or exceed literacy standards.
- High school graduation rates – Percentage of high school cohort that graduated on time.
- Student poverty rate – Percentage of students not receiving free or reduced-price lunch.

Figure E-12 shows educational scores for the City and the surrounding region. As shown, the City scored the highest positive education outcomes. This is consistent with the surrounding region, as the surrounding region scored most positive to second most positive education outcomes. Overall, Scotts Valley provides good opportunities for education achievement and in return Scotts Valley residents show high educational achievements and successes in achieving college degrees. Overall, future housing developments within the City will benefit from access to high levels of resources, bringing additional opportunities for existing and future residents.

Figure E-12: Education Opportunity Scores



Source: California Department of Housing and Community Development – AFFH Data Viewer

Census Tract 1

Census Tract 1 has a total of three schools. The following schools located in this area are the Scotts Valley High School, Vine Hill Elementary School, and the Scotts Valley Middle School, School Technology Resources, Scotts Valley Unified School District, and Baymonte Preschool. This area provides good opportunities for education. Hence, Census Tract 1 scored the highest positive education outcomes in the TCAC/HUD Opportunity Area Maps. Development will continue along Scotts Valley Drive through the various pipeline projects and mixed-use rezones. These developments will be in close proximity to the existing and future stock of schools.

Census Tract 2

Census Tract 2 has a variety of schools located in this area. This includes the Montessori Scotts Valley, Circle of Friends Preschool, and Baymonte Christian School. These schools are located near existing residential and future development. Parcels in between the three schools have been identified as a candidate residential rezone site. In total, 54 new units are proposed in this area. In general, new housing opportunities throughout Census Tract 2 will have access to positive levels to economic opportunities.

Census Tract 3

Census Tract 3 has only one school in the area. The Coast Redwood Montessori is located along Mount Hermon Road. Development will continue along Mount Hermon Road through pipeline projects, mixed-use rezone, and existing residential capacity strategies. These developments will be in close proximity to this school and other schools in neighboring Census Tracts 1 and 2. Actions under Program H-3.2 address RCAAs on a City-wide level. Actions include establishing specific incentives for the development of affordable units including, but not limited to, permit streamlining and reduced fees. In general, new housing opportunities throughout the City would have access to positive levels to economic opportunities.

Environmental Health

The California Office of Environmental Health Hazard Assessment (OEHHA) developed a screening methodology to help identify California communities disproportionately burdened by multiple sources of pollution, called the California Communities Environmental Health Screening Tool (CalEnviroScreen). In addition to environmental factors (pollutant exposure, groundwater threats, toxic sites, and hazardous materials exposure) and sensitive receptors (seniors, children, persons with asthma, and low birth weight infants), CalEnviroScreen also takes into consideration socioeconomic factors. These factors include educational attainment, linguistic isolation, poverty, and unemployment. Research has shown a heightened vulnerability of people of certain ethnicities and lower socioeconomic status to environmental pollutants.

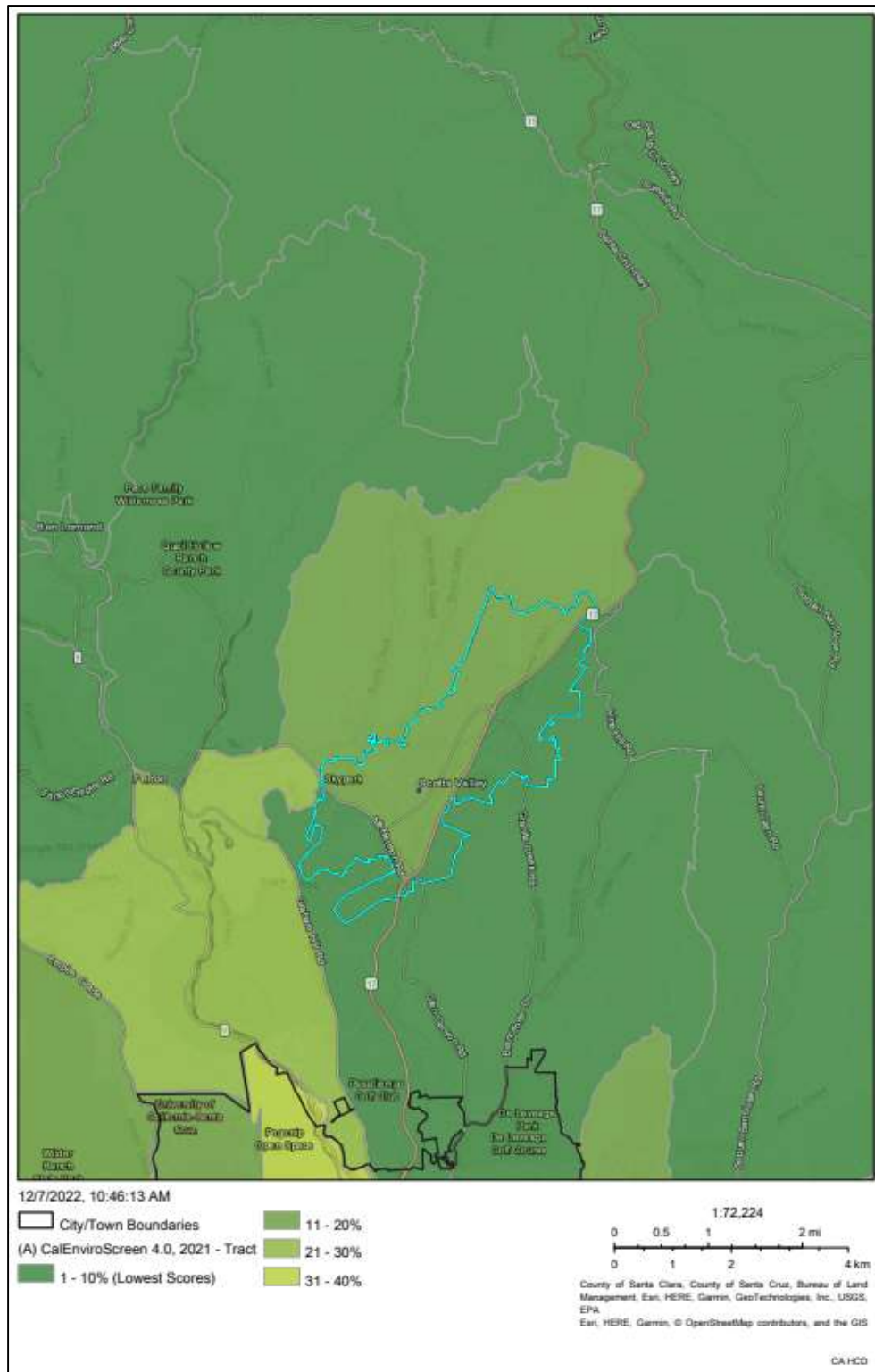
The CalEnviroScreen 4.0 Model is made up of a suite of 20 statewide indicators of pollution burden and population characteristics associated with increased vulnerability to pollution's health effects. The model uses the following analysis and calculation to identify areas of health risk:



- Uses a weighted scoring system to derive average pollution burden and population characteristics scores for each census tract.
- Calculates a final CalEnviroScreen score for a given census tract relative to the other tracts by multiplying the pollution burden and population characteristics components together.
- Measures the relative pollution burdens and vulnerabilities in one census tract compared to others; the score is not a measure of health risk.

Figure E-12 displays mapped results of the CalEnviroScreen 4.0 for the City and surrounding region. The City has low levels of pollution burdens. As shown on Figure E-12, Census Tract 1 reports a higher pollution burden than the other two census tracts due to a higher number of vehicles along Scotts Valley Drive, Mount Hermon Road, and Highway 17, but is still considered a low CalEnviroScreen 4.0 score. Similarly, majority of the neighboring jurisdiction show low levels of pollution burdens, which are mountainous, and sparsely populated. In general, new housing opportunities throughout the City would have access to low levels of pollution burdens.

Figure E-12: CalEnviroScreen 4.0



Source: California Department of Housing and Community Development – AFFH Data Viewer

4. Disproportionate Housing Need and Displacement

The analysis of disproportionate housing needs within Scotts Valley evaluated existing housing need, need of the future housing population, and units within the community at-risk of converting to market-rate.

Disproportionate housing needs refer to disparities in cost burden, overcrowding, substandard housing, and displacement risk for special needs populations in comparison to the rest of the population. Housing needs are assessed by the HUD Comprehensive Housing Affordability Strategy (CHAS), based on ACS data. Housing problems and severe housing problems include the following elements:

Housing Problems

- Incomplete kitchen facilities
- Incomplete plumbing facilities
- 1+ person per room
- Cost burden greater than 30 percent

Severe Housing Problems

- Incomplete kitchen facilities
- Incomplete plumbing facilities
- 1.5+ person per room
- Cost burden greater than 50 percent

Overcrowding

Table E-9a displays data for household tenure (owner vs. Renter) for the State, County, and City of Scotts Valley. Homeownership is a crucial foundation for helping families with low incomes build strength, stability, and independence. The opportunity for transition into the homebuyer's market is important for persons and households in different communities, homeownership allows for increased stability and opportunity to age in place. As shown in Table E-9a, Scotts Valley has a higher rate of homeownership compared to the County and State.

Table E-9a: Households by Tenure, Compared by Geography, 2020

Overcrowding and Tenure	City of Scotts Valley	Santa Cruz County	State of California
Owner Households	73%	60.3%	55.3%
Renter Households	27%	39.7%	44.7%
Total Occupied Housing Units	4,779	96,275	13,103,114

Source: American Community Survey, 5-Year Estimates, 2020

Additionally, Table E-9b displays data for overcrowding in the State, County, and City over time. Overcrowding is defined as between 1.01 and 1.5 persons per room in a household, and severe overcrowding is defined as more than 1.51 persons per room. Overcrowding often occurs when nonfamily members combine incomes to live in one household, such as college students and roommates. Overcrowding also occurs when there are not enough size appropriate housing

options for large or multigenerational families. The City experiences a lower rate of overcrowding in comparison to the County and the State. According to the data, overcrowding occurs more frequently in renter households than in owner households. Similarly, the City of Santa Cruz showed similar rates of severely overcrowded at 0.2 percent for owners and renters. Other nearby jurisdictions had much higher rates such as Watsonville which had overcrowded rates at 3.2 percent for owners and 9.2 percent for renters.

In Scotts Valley, owner households that are overcrowded represent 0.5 percent of all households, and overcrowded renter households represent 0.2 percent. In Scotts Valley, owner households have seen a slight increase in overall overcrowding while renter households have seen a drop in overcrowding and a slight increase in severe overcrowding since 2010. In general, new housing opportunities in census tracts 1 through 3 will help alleviate overcrowding in both owner and renter households. In particular, actions under Program H-3.1 in the Housing Plans will aid low-income households extend rental subsidies. Overall, Scotts Valley showed lower rates of overcrowding compared to the local and state rates. Both the homeowners and renters with high overpayment rates were concentrated west of Highway 17 (40 percent to 60 percent).

Table E-9b: Overcrowding Change Over Time by Geography

Overcrowding and Tenure	City of Scotts Valley		Santa Cruz County		State of California	
	2010	2020	2010	2020	2010	2020
Owner Households						
Overcrowded (1.01 to 1.5 persons per room)	0.0%	0.5%	1.5%	1.7%	1.8%	1.7%
Severely Overcrowded (1.51+ persons per room)	0.0%	0.0%	0.5%	0.4%	0.5%	0.6%
Renter Households						
Overcrowded (1.01 to 1.5 persons per room)	0.8%	0.2%	2.3%	2.5%	3.5%	3.5%
Severely Overcrowded (1.51+ persons per room)	0.0%	0.4%	1.6%	2.3%	2.2%	2.4%

Source: American Community Survey, 5-Year Estimates, 2010 and 2020.

Cost Burden

Housing cost burden, or overpayment, is defined as households paying 30% or more of their gross income on housing expenses, including rent or mortgage payments and utilities. Renters are more likely to overpay for housing costs than homeowners. Housing cost burden is considered a housing need because households that overpay for housing costs may have difficulty affording other necessary expenses, such as childcare, transportation, and medical costs.

Table E-10 and E-11 shows households that experience cost burden by tenure. In Scotts Valley, 37.2 percent of all households experience cost burden. Similar to Santa Cruz County, renters

experience higher rates of cost burdens than owners (51.8 percent to 31.4 percent in Scotts Valley).

Table E-10: Households that Experience Cost Burden by Tenure in Scotts Valley

Total Number of Households		Cost burden		Percentage of Households that Experience Cost Burden
		>30% to < 50%	> 50%	
Owners Only	3,165	625	370	31.4%
Renters Only	1,255	235	415	51.8%
All Households	4,420	860	785	37.2%

Source: HUD, 2015 - 2019

Table E-11: Households that Experience Cost Burden by Tenure in Santa Cruz County

Total Number of Households		Cost burden		Percentage of Households that Experience Cost Burden
		>30% to ≤ 50%	> 50%	
Owners Only	57,560	9,855	7,660	30.4%
Renters Only	38,255	9,140	11,460	53.8%
All Households	95,820	18,995	19,120	39.8%

Source: HUD, 2015 - 2019

Table E-12 displays data for households experiencing overpayment or cost burden in the State, County, and City for the years from 2016 to 2020. Housing Cost burden has a number of consequences for a household, mainly displacement from their existing living situation creating limited access essential goods and often employment by potentially increasing commute times. The percentage of households that experience a cost burden greater than 30 percent is lowest in the City (40.4 percent) while the County and State reported about 38 percent. The City has a higher percentage (approximately 2.6 percent and 3.6 higher than the County and State) of households that have a high-cost burden over 50 percent. There are no households within the City that didn't have the Cost Burden data available. Increased opportunity for affordable housing and housing assistance funds help to prevent cost burden on households. Compared to the previous two tables, the housing cost burden for both owner and renter households increased from the 2015 – 2019 to 2016 – 2020 analysis (325 owner households and 35 renter households, respectively). Similarly, the owner households in Santa Cruz County experienced an increase by 535 households. However, the number of renter households dropped by 75.

Table E-12: Households by Overpayment, Compared by Geography

Overpayment/Cost Burden	City of Scotts Valley	Santa Cruz County	State of California
Cost Burden > 30%	40.4%	38.2%	38.3%
Cost Burden > 50%	22.0%	19.4%	18.4%
Cost Burden Not Available	0.0%	0.9%	1.3%

Source: HUD, 2016 - 2020

Substandard Housing

Incomplete plumbing or kitchen facilities can be used to measure substandard housing conditions. Substandard housing is defined by the U.S. Census as:

- Housing without hot and cold piped water, a flush toilet and a bathtub or shower; and
- Households with kitchen facilities that lack a sink with piped water, a range or stove or a refrigerator.

Table E-13 below shows substandard housing within Scotts Valley, Santa Cruz County, and the State of California. The City of Scotts Valley has the highest percent of occupied housing units without complete kitchen facilities when compared to the County and State.

Table E-13: Substandard Housing

Jurisdiction	Total Occupied Housing Units	Without Complete Plumbing Facilities	Without Complete Kitchen Facilities
Scotts Valley	4,779	0.0%	1.9%
Santa Cruz County	96,275	0.35%	1.0%
California	13,103,114	0.41%	1.2%

Source: American Community Survey, 5-Year Estimates, 2020

Table E-14 below shows the substandard housing within the City compared to Santa Cruz County and California from 2010 to 2020. The City has seen an increase in occupied housing units in all substandard housing categories, except for housing units without complete plumbing facility. The number of housing units without a complete kitchen facility rose by 74 units and no telephone service available by 37 units within ten years. Both the County and State saw a decrease in occupied housing units without complete plumbing facilities, kitchen facilities, and no telephone service.

Table E-14: Substandard Housing Over Time by Geography

Factors	City of Scotts Valley		Santa Cruz County		State of California	
	2010	2020	2010	2020	2010	2020
Total Occupied Housing Units	4,297	4,779	93,802	96,275	12,392,852	13,103,114
Without Complete Plumbing Facilities	0	0	1,018	341	67,427	5,4342
Without Complete Kitchen Facilities	16	90	1,191	988	132,424	151,660
No telephone service available	58	95	1,863	901	305,058	184,117

Source: American Community Survey, 5-Year Estimates, 2020

Table E-15 below displays the County's housing stock by year built. Older housing may generally require more upkeep and regular maintenance and can cause a cost burden on both renter and

homeowners. Units over 30 years of age are considered older and more at-risk of requiring upgrades. Majority of the County's housing stock was built prior to 1980 (65.6 percent). These units should be considered for major rehabilitation. Majority of these units were built between 1970 to 1979 (21.7 percent). Approximately 34.4 percent of the housing stock was built after 1980 indicating a relatively newer housing stock.

Table E-15: Age of Santa Cruz County Housing Stock

Year Built	Number of Occupied Housing Units	Percent
2014 or later	1,038	1.0%
2010 to 2013	1,332	1.3%
2000 to 2009	8,432	8.0%
1990 to 1999	9,659	9.1%
1980 to 1989	15,918	15.0%
1970 to 1979	22,962	21.7%
1960 to 1969	15,273	14.4%
1950 to 1959	11,530	10.9%
1940 to 1949	7,607	7.2%
1939 or earlier	12,068	11.4%

Source: American Community Survey, 5-Year Estimates, 2020

Table E-16 below displays the City's housing stock by year built. Compared to the County's housing stock, majority of the stock housing was built after 1980 (60 percent). 40 percent of the occupied housing units were built prior to 1980 (40 percent). Majority of these units were built between 1990 to 1999 (22.1 percent).

Table E-16: Age of Scotts Valley Housing Stock

Year Built	Number of Occupied Housing Units	Percent
2014 or later	118	2.2%
2010 to 2013	165	3.1%
2000 to 2009	771	14.7%
1990 to 1999	1,159	22.1%
1980 to 1989	938	17.9%
1970 to 1979	1,101	21.0%
1960 to 1969	495	9.4%
1950 to 1959	235	4.5%
1940 to 1949	163	3.1%
1939 or earlier	107	2.0%

Source: American Community Survey, 5-Year Estimates, 2020

The current distribution of the age of homes in Scotts Valley also indicates that a majority of homes in the City were built prior to the 1990 Americans with Disabilities Act (ADA), which may result in a lack of accessible homes for those residents experiencing a disability. As the City's

existing housing stock ages, it will be rehabilitated consistent with current building regulations which could represent a barrier to some residents who have a lower or fixed income.

Displacement Risk

Displacement occurs when housing costs or neighboring conditions force current residents out and rents become so high that lower-income people are excluded from moving in. UC Berkeley's Urban Displacement Project (UDP) states that a census tract is a sensitive community² if the proportion of very low-income residents was above 20 percent in 2018 and the census tracts meets two of the following criteria: (1) Share of renters above 40 percent in 2018; (2) Share of Non-White population above 50 percent in 2018; (3) Share of very low-income households (50 percent AMI or below) that are also severely rent burdened households above the county median in 2018; or (4) Nearby areas have been experiencing displacement pressures.

The potential for economic displacement risk can result from a variety of factors, including large-scale development activity, neighborhood reinvestment, infrastructure investments, and changes in local and regional employment opportunities. Economic displacement can be an inadvertent result of public and private investment, where individuals and families may not be able to keep pace with increased property values and market rental rates.

The U.C. Berkeley Urban Displacement Project developed a neighborhood change database to map neighborhood transformations and identify areas vulnerable to gentrification and displacement. This data was developed to assist local decision makers and stakeholders better plan for existing communities and provide additional resources to areas in need or at-risk of displacement and gentrification.

Figure E-13 shows the City has lower displacement risk. Overall, the City is surrounded by areas that are at lower displacement risk. Communities are considered sensitive communities if the neighborhoods with a high proportion of residents are vulnerable to displacement in the case of rising housing costs and market-based displacement pressures present in and/or near the community. Low displacement risk means that the population isn't vulnerable to increased redevelopment and drastic shifts in housing cost.

In addition to displacement and gentrification data, the UC Berkeley Urban Displacement Project also analyzes the occurrence of anti-displacement policies, as defined below:

- **Just Cause Eviction Ordinance.** Just cause eviction statutes are laws that allow tenants to be evicted only for specific reasons. These "just causes" can include a failure to pay rent or violation of the lease terms.

² Sensitive communities are vulnerable communities concerned about exacerbated displacement pressures as "sensitive communities" – place that would receive five years for community planning to guide potential up zones towards more equitable outcomes.

- **Rent Stabilization or Rent Control.** Rent Control ordinances protect tenants from excessive rent increases, while allowing landlords a reasonable return on their investments. Such ordinances limit rent increase to certain percentages, but State law allows landlords to raise rents to the market rate once the unit becomes vacant.
- **Rent Review Board and/or Mediation.** Rent review boards mediate between tenants and landlords on issues related to rent increases and encourage them to come into voluntary agreement. As mediators, the board normally does not make binding decisions.
- **Mobile Home Rent Control.** Mobile home rent control places specific rent increase restrictions on the land rented by mobile homeowners, or the mobile homes themselves.
- **SRO (Single-Room Occupancy) Preservation.** Single room occupancies, also called residential hotels, house one or two people in individual rooms. Tenants typically share bathrooms and/or kitchens. These are often considered a form of permanent residence affordable for low-income individuals. SRO Preservation Ordinances help to preserve or create new SRO units.
- **Condominium Conversion Regulations.** In addition to state laws regulating the conversion of multi-family rental property into condominiums, many cities have enacted condominium conversion ordinances. These impose procedural restrictions and/or substantive restrictions on the ability to convert apartment units into condominiums to protect the supply of rental housing.
- **Foreclosure Assistance.** Many cities and counties have local programs that assist homeowners when they are at risk of foreclosure. These programs may be funded with federal grants.
- **Jobs-Housing Linkage Fee or Affordable Housing Impact/Linkage Fee.** Affordable housing impact/linkage fees are charges on developers of new market-rate, residential developments. They are based on the square footage or number of units in the developments and are used to develop or preserve affordable housing.
- **Commercial Linkage Fee/Program.** Commercial linkage fees are charged to developers per square foot of new commercial development. Revenues are used to develop or preserve affordable housing.
- **Housing Trust Fund.** A housing trust fund is a designated source of public funds—generated through various means—that is dedicated to creating affordable housing.
- **Inclusionary Zoning/Housing (Below Market Rate Housing).** Inclusionary housing policies require market-rate developers of rental or for-sale housing to rent or sell a certain percentage of units at affordable prices. Some policies include a provision for developers to pay “in-lieu fees” in place of building the housing; this revenue is used to develop affordable units elsewhere.

- **Density Bonus Ordinance.** Density bonuses allow developers of market-rate housing to build higher-density housing, in exchange for having a certain portion of their units offered at affordable prices. In this inventory, we only include a city as having this policy if they allow an additional density bonus beyond that mandated by the State.
- **Community Land Trusts.** Community land trusts are nonprofit, community-based organizations (supported by the city or county) whose mission is to provide affordable housing in perpetuity by owning land and leasing it to those who live in houses built on that land.
- **First Source Hiring Ordinances.** First Source hiring ordinances ensure that residents are given priority for new jobs created by municipal financing and development programs

Table E-17 identifies which of these policies the City has adopted, according to the Urban Displacement Project as specified as above. The City is at a low risk for displacement as a result of the anti-displacement policies in place. Furthermore, new housing opportunities throughout the City would not be at risk for displacement. The actions under Program H-3.2 in the Housing Plan create opportunities for increased diversity and access to a variety of affordable housing options. These actions will also help to protect the City's existing lower-income population from possible displacement.

Table E-17: Anti-Displacement Policies

Anti-Displacement Measures	Scotts Valley Policy Measure
Just Cause Eviction Ordinance	No
Rent Stabilization or Rent Control	No
Rent Review Board and/or Mediation	No
Mobile Home Rent Control	Yes
SRO Preservation	No
Condominium Conversion Regulations	Yes
Foreclosure Assistance	No
Jobs-Housing Linkage Fee	No
Commercial Linkage Fee	No
Housing Trust Fund	No
Inclusionary Zoning	Yes
Density Bonus Ordinance	Yes
Community Land Trusts	No
First Source Hiring	No

Source: Urban Displacement Project, University of California Berkeley (2018), and the City of Scotts Valley.

Figure E-13: Displacement Risk



Source: California Department of Housing and Community Development – AFFH Data Viewer

Affordable Units at Risk of Converting to Market Rate

Jurisdictions are required by State Housing Element Law to analyze government-assisted housing that is eligible to convert from lower income to market rate housing over the next ten years. State law identifies housing assistance as a rental subsidy, mortgage subsidy or mortgage insurance to an assisted housing development. Government assisted housing may convert to market rate housing for several reasons, including expiring subsidies, mortgage repayments, or expiration of affordability restrictions. Affordable covenants help to ensure that certain housing units remain affordable for an extended period of time. Covenants help balance the housing market in a community and provide lasting affordable options to low and very low-income households. This section will provide:

- An inventory of assisted housing units that are at risk of converting to market-rate housing,
- An analysis of the costs of preserving and/or replacing these units,
- Resources that could be used to preserve at-risk units,
- Program efforts for preservation of at-risk housing units, and
- Quantified objectives for the number of at-risk units to be preserved during the Housing Element planning period.

Table E-18 below identifies deed-restricted, assisted rental properties within Scotts Valley, of which 22 units are at-risk of converting from affordable to market-rate units between 2023 and 2033. Consistent with the requirements to analyze impacts of potential conversion of these units to market-rate units, this section provides an analysis to preserve these at-risk units. The City is committed to working with property owners and utilizing appropriate funds, as available, to review covenants set to expire for renewal.

Table E-18: Assisted Affordable Housing and At-Risk Units in Scotts Valley

Project Name	Assisted Units	Type	Funding Source	Agreement Executed	Term	Units At-Risk
Rental Units						
Acorn Court Apartments	4	4 - 2 bed		10/20/1999	30 years – 2029	4
Bay Tree Apartments	9	8 - 2 beds 1 - 1 bed	RDA monthly subsidy	4/7/1999	30 years – 2029	9
Brookdale	20	All studios		6/3/1987	Indefinite	0
Emerald Hill Apartments	46	1 - 1 bed 7 - 2 bed 13 - 3 bed 1 - 4 bed	CDBG, HOME, City	11/22/1996	55 years – 2051	0
Markell Mixed-Use Apartments*	3	3 - 1 bed	RDA monthly subsidy	7/20/2005	55 years – 2060	0
Oak Lane Apartments	1	1 - 2 bed		11/17/2004	55 years – 2059	0
San Augustine Way Apartments	1	1 - 2 bed	Silent Second	11/20/1996	33 years - 2029	1
Rental Units At-Risk						14
For-Sale Units						
Acorn Commons	6	2 - 2 bed 4 - 3 bed		3/20/2019	55 years - 2074	0
Blue Bonnet Lane	5	5 - 2 bed		11/4/2003	45 years – 2048	0
Cathy Lane Condos	8	8 - 2 bed		10/16/1996	33 years - 2029	8
Kelly Court	1	1 - 3 bed		4/16/2003	50 years - 2053	0
2 MacLeod Way	1	1 - 3 bed		5/18/2005	45 years - 2050	0
Torrey Oaks Condos	2	2 - 3 bed		4/24/2003	33 years - 2036	0
Town Center	5	4 - 4 bed 1 - 3 bed	RDA	11/7/2012	45 years - 2057	0
The Cove	3	3 - 3 bed		5/25/2018	55 years - 2073	0
The Grove	7	7 - 3 bed	Silent Second	6/28/2016	45 years - 2061	0
The Manor	1	1 - 3 bed		4/22/2015	45 years - 2060	0
The Terrace	2	2 - 3 bed		3/20/2018	45 years - 2063	0
Windward Place	2	2 - 2 bed		9/3/2003	45 years - 2048	0
Woodside	7	7 - 4 bed		6/20/2012	45 years - 2047	0
Ownership Units At-Risk						8
TOTAL AT-RISK UNITS						22

*1-bedroom units rented at studio-level rents.

Source: City of Scotts Valley, Affordable Housing Action Plan Brochure

While there are many options to preserve at-risk units including providing financial incentives to property owners to extend lower income use restrictions, purchasing affordable housing units by a non-profit or public agency, or providing local subsidies to offset the difference between the affordable and market rate units, the strategy considered below, for analysis purposes, is to provide local rental subsidy to residents. Rent subsidy would provide financial assistance to residents if their affordable units converted to market-rate units. To determine the subsidy needed, fair market rents were compared to market-rate rents. Table E-19 below

outlines an estimated monthly subsidy that would be required to preserve these at-risk units. This analysis is not suggestion the City will provide rental subsidy, but it is used to assess the difference in cost between potential subsidy and direct replacement of lost affordable units. The analysis in Table E-19 shows that it would cost about \$1,524 annually to subsidize the at risk-units.

Table E-19: Estimated Monthly Subsidy to Preserve At-Risk Units

Unit Size	Monthly Rents		Number of Units At-Risk*	Difference	Monthly Subsidy	Annual Subsidy
	Fair Market Rents ¹	Market Rate Rents ²				
Efficiency	\$2,212	\$1,900	0	-	-	-
1-Bedroom	\$2,502	\$2,375	1	(\$127)	N/A	N/A
2-Bedroom	\$3,293	\$3,300	21	\$7	\$127	\$1,524
3-Bedroom	\$4,077	\$2,800	0	-	-	-
4-Bedroom	\$4,568	\$3,698	0	-	-	-
Total						\$1,524

Source: HUD FY 2023 Fair Market Rent Documentation System – Santa Cruz-Watsonville, CA HUD Metro FMR Area.
Kimley-Horn and Associates Analysis.

In comparison, if the at-risk units are converted to market rate, they would need replacing with new construction. Construction cost estimates include all hard and soft cost associated with construction in addition to per unit land costs. The analysis assumes the replacement units are apartments with concrete block with steel frame buildings and parking provided on-site. Square footage estimates are based on estimated size of units to be replaced and assume housing units are developed on multi-family zoned properties. Land costs have been determined on a per unit basis. Table E-20 below estimates that approximately \$3,455,863 would be required to replace the at-risk units.

Table E-20: Replacement Cost of At-Risk Units

Unit Size	Cost per Square Foot ¹	Average Square Foot per Unit ²	Replacement Cost per Unit	Number of Units At-Risk*	Total Replacement Cost
Efficiency	\$160.35	N/A	N/A	-	-
1-Bedroom	\$160.35	699	\$112,084.65	1	\$112,084.65
2-Bedroom	\$160.35	993	\$159,227.55	21	\$3,343,778.55
3-Bedroom	\$160.35	1,199	\$192,259.65	-	-
4-Bedroom	\$160.35	1,737	\$278,527.95	-	-
Total					\$3,455,863.20

Source: International Code Council – August 2022; Kimley-Horn and Associates Analysis.

A variety of programs exist to help cities acquire, replace, or subsidize at-risk affordable housing units. The following summarizes financial resources available:

- **Community Development Block Grant (CDBG)** - CDBG funds are awarded to cities on a formula basis for housing activities. The primary objective of the CDBG program is the development of viable communities through the provision of decent housing,



a suitable living environment and economic opportunity for principally low- and moderate-income persons. Eligible activities include administration, fair housing, energy conservation and renewable energy sources, assistance for economic development, public facilities and improvements, and public services.

- **HOME Investment Partnership** - Local jurisdictions can receive funds by formula from HUD to increase the supply of decent, safe, sanitary, and affordable housing to lower-income households. Eligible activities include housing acquisition, rehabilitation, development, homebuyer assistance, and rental assistance.
- **Section 8 Rental Assistance Program** - The Section 8 Rental Assistance Program provides rental assistance payments to owners of private, market-rate units on behalf of very low-income tenants, senior citizens, disabled persons, and other individuals for securing affordable housing.
- **Section 202/811 Program** - Non-profit and consumer cooperatives can receive no-interest capital advances from HUD under the Section 202 Program for construction of very low-income rental housing with the availability of supportive services for seniors and persons with disabilities. These funds can be used in conjunction with Section 811 funds, which can be used to develop group homes, independent living facilities, and immediate care facilities. The capital advance funding can also provide project rental assistance for the properties developed using the funds. Eligible activities include acquisition, rehabilitation, new construction, and rental assistance.
- **California Housing Finance Agency (CalHFA) Multifamily Programs** - CalHFA's Multifamily Programs provide permanent financing for the acquisition, rehabilitation, and preservation of new construction of rental housing that includes affordable rents for low- and moderate-income families and individuals. One of the programs is the Preservation Loan program which provides acquisition/rehabilitation and permanent loan financing designed to preserve or increase the affordability status of existing multifamily housing projects.
- **Low-Income Housing Tax Credit (LIHTC)** - This program provides tax credits to individuals and corporations that invest in low-income rental housing. Tax credits are sold to those with high tax liability and proceeds are used to create housing. Eligible activities include new construction, rehabilitation, and acquisition of properties.
- **California Community Reinvestment Corporation (CCRC)** - The California Community Reinvestment Corporation is a multi-family affordable housing lender whose mission is to increase the availability of affordable housing for low-income families, seniors, and residents with special needs by facilitating private capital flow from its investors for debt and equity to developers of affordable housing. Eligible activities include new construction, rehabilitation, and acquisition of properties.

The following organizations have the experience and capacity to potentially assist in preserving future at-risk units:

- Eden Housing
- Mercy Housing
- Habitat for Humanity
- Mid-Peninsula Housing Coalition
- Housing Authority of the County of Santa Cruz

State law requires that jurisdictions establish the maximum number of units that can be preserved over the planning period. The City's objective is to preserve the 22 affordable units at-risk of converting to market-rate units as outlined in the Housing Plan.

FAIR HOUSING ENFORCEMENT AND OUTREACH CAPACITY

1. Fair Housing Enforcement and Outreach

Fair housing enforcement and outreach capacity refers to the ability of a locality and fair housing entities to disseminate information related to fair housing laws and rights and provide outreach and education to community members. Enforcement and outreach capacity also includes the ability to address compliance with fair housing laws, such as investigating complaints, obtaining remedies, and engaging in fair housing testing.

California's Department of Fair Employment and Housing (DFEH) has statutory mandates to protect the people of California from discrimination pursuant to the California Fair Employment and Housing Act (FEHA), Ralph Civil Rights Act, and Unruh Civil Rights Act (with regards to housing). The FEHA prohibits discrimination and harassment on the basis of race, color, religion, sex (including pregnancy, childbirth, or related medical conditions), gender, gender identity, gender expression, sexual orientation, marital status, military or veteran status, national origin, ancestry, familial status, source of income, disability, and genetic information, or because another person perceives the tenant or applicant to have one or more of these characteristics.

The Unruh Civil Rights Act (Civ. Code, §51) prohibits business establishments in California from discriminating in the provision of services, accommodations, advantages, facilities and privileges to clients, patrons and customers because of their sex, race, color, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, sexual orientation, citizenship, primary language, or immigration status. The Ralph Civil Rights Act (Civ. Code, § 51.7) guarantees the right of all persons within California to be free from any violence, or intimidation by threat of violence, committed against their persons or property because of



political affiliation, or on account of sex, race, color, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, sexual orientation, citizenship, primary language, immigration status, or position in a labor dispute, or because another person perceives them to have one or more of these characteristics.

2. Fair Housing Enforcement

The Consumer Affairs and Environmental Protection Division of the District Attorney's Office provides a variety of fair housing services. These services include:

- Telephone counseling and referrals to other agencies that deal with consumer issues;
- Landlord- tenant information, assistance and mediation efforts; and
- Information and referral service to other agencies.

Approximately 100 to 200 calls are received each month from tenants, landlords, and roommates. The most common complaints are about security deposits, evictions, and/or housing conditions. The Office primarily provides legal information and self-help advice to inquiring clients and makes referrals to other legal and nonprofit agencies. Because of a persistent lack of funding, the Office does not have a database that can provide more detailed information on the type of calls received. One volunteer is responsible for handling the majority of landlord-tenant questions and referrals; no paid staff members are involved in this effort.

The City refers fair housing discrimination activities to the Civil Rights Department (CRD); previously referred to as the State Department of Fair Employment and Housing. Violations of the anti-discrimination law include:

- Refusal to sell, rent, or lease rooms, apartments, condos or houses to protected individuals;
- Refusal to negotiate for the sale, rental, or lease of housing;
- Representation that a housing accommodation is not available for inspection, sale, or rental when it is in fact available;
- Denial of a home loan or homeowner's insurance;
- Cancellation or termination of a sale or rental agreement;
- Policies, practices, terms, or conditions that result in unequal access to housing or housing-related services;
- Offering inferior terms, conditions, privileges, facilities or services in connection with the housing accommodation;
- Sexual harassment involving unwanted sexual advances or requiring sexual favors for housing rights or privileges;

- Refusal to permit, at a disabled tenant's expense, reasonable modifications when necessary to accommodate a disability;
- Refusal to make reasonable accommodations in housing rules, policies, practices, or services where necessary to afford a disabled person equal opportunity to use and enjoy a dwelling;
- Retaliation against someone filing a complaint; and,
- Overly restrictive rules limiting the activities of daily life for families with children, including where children are allowed to play.

Fair Housing and Civil Rights Findings, Lawsuits, Enforcement, Settlements, or Judgements

The City's Planning Department works closely with residents, property owners, outside agencies, and other City departments to resolve health, safety, and public nuisance conditions that adversely affect the quality of life in Scotts Valley. The Planning Department is primarily responsible for enforcing the provisions of the Zoning Ordinance and the Building Department is primarily responsible for enforcing the provisions of the California Building Codes, the Scotts Valley Municipal Code, and the Uniform Housing Code.

In 2021, the City processed 20 code enforcement complaints relating to housing. These complaints addressed issues relating to property maintenance, access to heating and air conditioning, construction without building permits, and complete kitchen and plumbing facilities. None of the code enforcement complaints received by the City related to fair housing issues. During the 5th Cycle Housing Element, the City was not involved in any fair housing lawsuits, settlements, or judgments.

Fair Housing Laws

According to the AFFH data viewer, two fair housing, enforcement, and outreach (FHEO) cases were submitted from January 2013 to November 2022. The cases were submitted based on disability, national origin, and retaliation. The City processed less cases than the City of Capitola but more than the City of Santa Cruz, which has no recorded cases. Nevertheless, the City is in compliance with existing fair housing laws and there have been no findings against the City of Scotts Valley from the U.S. Department of Housing and Urban Development (HUD), Office of Fair Housing and Equal Opportunity (FHEO), or from the CRD.

The following lists State and local fair housing laws and specifies how the City complies:

State

- **California Fair Employment and Housing Act (FEHA):** The City continues to implement and update programs that promote fair and equal access to housing. The City also continues to review standards and requirements that may constrain equal access to housing and the development of affordable housing.

- **Government Code Section 65008:** The City continues to implement programs that encourage affordable housing development. The City's Affordable Housing Committee provides guidance to new residential development regarding affordability and meets on an as-needed basis. Additionally, programs are included in the Housing Plan to ensure compliance with the State's requirement for fair review of affordable housing development.
- **Government Code Section 8899.50:** The City's website contains a general complaint report form that can be used to submit complaints regarding fair housing issues. The City continues to implement programs and actions in compliance with State law that affirmatively furthers fair housing. As detailed in the Housing Plan, the City administers programs to promote equal housing access and affordable resources.
- **Government Code Section 11135:** The City promotes state-funded programs, such as the First-Time Homebuyer Loan Program, on the City's website and at the public counter. The City continues to implement and encourages programs that promote full and equal access to all programs and activities.
- **Density Bonus Law:** The City has an adopted Density Bonus Ordinance consistent with State Density Bonus Law. The City provides incentives to developers to produce affordable housing to very low-income households, low-income households, moderate-income households, senior citizens, transitional foster youth, disabled veterans, and persons experiencing homelessness, as well as for the development of childcare facilities.
- **No-Net-Loss Law:** The Housing Plan and Appendix F detail how the City maintains adequate sites to meet its RHNA.
- **Excessive Subdivision Standards:** The City continues to update its Zoning Ordinance, waive certain development fees, and offer incentive packages to facilitate housing development.
- **Housing Element Law:** The City identifies and includes an analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs.

Local

- **Local Ordinances:** The City has multiple local ordinances (Chapter 9.16 - Mobile Home Park Rent Stabilization; Chapter 17.60 - Requests for Reasonable Accommodation) that establish procedures for rezoning, development permit processing, affordable housing fees, and other programs that encourage fair housing practices.
- **Chapter 2: Housing Plan** details the City's goals, policies, programs, and objectives. The City addresses the need to provide additional housing opportunities, remove

constraints to affordable housing, improve the existing housing stock, and provide equal opportunities for current and future residents of Scotts Valley.

CONTRIBUTING FACTORS

Locally derived knowledge and contributing factors were developed in response to community participation in outreach events and through analysis conducted in Affirmatively Furthering Fair Housing development and analysis of sites inventory and feedback and comments on the draft Housing Element's data, analysis, and policy program. The contributing factors listed below were identified as creating, perpetuating, and/or increasing the severity of fair housing issues in Scotts Valley:

- **Housing Conditions and Senior Housing.** Affordability, design, and discrimination limit the supply of housing for persons with disabilities. Amendments to the Fair Housing Act, as well as State law, require ground-floor units of new multi-family construction with more than four units to be accessible to persons with disabilities. Units built prior to 1989 are not required to be accessible to persons with disabilities.
- **Access to Affordable Housing.** Due to its proximity to Silicon Valley, the City's average income is the highest in the County and median home prices are also high. This may lead to lower income households being priced out. When paired with lower affordable housing options, lower income households and local employees may not be able to find adequate housing within the City and have to commute in from other jurisdictions.
- **Housing Disbursement.**
The City has two RCAs, indicating a concentration of affluent White populations. RCAs may indicate historical exclusionary practices continue to affect the Scotts Valley community. More integrated, mixed-income housing is required to dissolve RCAs.
- **Location and Type of Affordable Housing.** Scotts Valley community is generally affluent and has high housing costs. The manufacturing and education services, health care, social assistance sectors represent 33.7 percent of the City's total workforce but earns less than the City's median income. Persons working in these sectors, as well as other sectors earning below the City's median income, may not have the opportunity to live in the City in which they work and must commute long distances.
- **Housing Conditions and Senior Housing.** Affordability, design, and discrimination limit the supply of housing for persons for persons with disabilities, Amendments to the Fair Housing Act, as well as State law, require ground-floor units of new multifamily construction with more than four units to be accessible to persons with

disabilities. Units built prior to 1989 are not required to be accessible to persons with disabilities. As shown in Table E-16, 57.9 percent of the City's housing stock was built prior to 1989. Aging housing units may have housing problems and require significant rehabilitation which may be costly for seniors and low-income residents.

The City recognizes the fair housing issues that exist within the community and is committed to reducing barriers to affordable housing to all persons. The Housing Plan includes goals, policies, and programs to increase housing opportunities, remove constraints to affordable housing, improve the existing housing stock, and provide equal opportunities for all current and future residents of Scotts Valley.

HISTORIC BACKGROUND

Scotts Valley is located in north Santa Cruz County and bisected by Highway 17. The City is located just a short distance from Monterey Bay, nestled in the redwoods on the upland slope of the Santa Cruz Mountains. Scotts Valley was incorporated in 1966. The first Land Use Plan was adopted in 1968 and the first Scotts Valley General Plan was adopted in 1972. It has been updated three times subsequently in 1978, 1986, and 1994. The City is currently in the process of updating its General Plan.

Residential uses include both single family and multiple-family residences, apartments, condominiums and mobile home parks. Residential development has been guided by the topography, geology, vegetative cover, access to transportation and services facilities. Larger lots with low densities have been developed in the hillsides with single family detached homes in the Whispering Pines, Granite Creek and Hacienda/Cadillac neighborhoods. Higher densities are located on the valley floor close to local shopping, public services and transportation facilities such as the neighborhoods on Blake Lane, Jolley Way, Trammel Way, and along Bean Creek Road. Mobile home parks within the City include Monteville, Spring Lakes and Mountain Brook are deed-restricted adult communities. The City's development patterns have remained largely unchanged over the course of the City's history, with single family residential uses developed along hillsides and higher densities residential/commercial/industrial uses located along the valley floor off Scotts Valley Drive and Mount Hermon Road.

As noted in the Land Use Element, 88 percent of the existing housing stock in Scotts Valley was constructed between 1960 and 2000. Most of these homes (56 percent) are detached, single family homes. The other 44 percent of the housing stock is made up of apartments and condominiums, attached houses, and mobile homes. A majority of Scotts Valley is designated for residential uses (72 percent), allowing for single and multiple-family residences, apartments, and condominiums. About 4 percent of land area is designated commercial, allowing for mixed use residential projects.

1. Affordable Housing

In 1994, the City adopted an Inclusionary Housing Ordinance in the Redevelopment Project Area (RDA). The ordinance requires all residential developments in the redevelopment project area (RDA boundary) consisting of one or more units to contribute to the provision of housing units for very-low-, low-, and moderate-income households in the City. All new residential developments with six or fewer units are required to pay an in-lieu fee. All new residential developments with seven or more units can meet the affordable housing requirement by setting aside 15 percent of the total housing unit approved for very low-, low-, and moderate-income households on site or off-site in very limited circumstances. The inclusionary housing ordinance has generated the creation of 84 affordable rental units and 50 affordable ownership units. The in-lieu fees for smaller housing projects have allowed for the provision of subsidies for smaller housing projects.

AFFH SUMMARY

Beginning of 2023, the City conducted a variety of outreach and engagement efforts to connect with as many members of the community as possible regarding the 6th Cycle Housing Element update. Community engagements were meant to notify, educate, and engage the public. The City outreached to special needs groups and organizations and groups representing or serving special needs groups. In response to the feedback received and solicited, the City drafted a Policy Plan and Sites Inventory that responded to the unique needs of Scotts Valley residents in an effort to affirmatively further fair housing.

During community engagement events, the public expressed the need for affordable housing due to concerns about the high cost of housing and lack of housing choices. The public also expressed the need for a variety of housing types and multi-family housing such as townhomes, duplexes/triplexes, and housing for Persons with Disabilities. In direct response to the public's desire for more affordable housing options, the City drafted policies and programs to encourage housing variety and affordability in **Chapter 2** of this Housing Element.

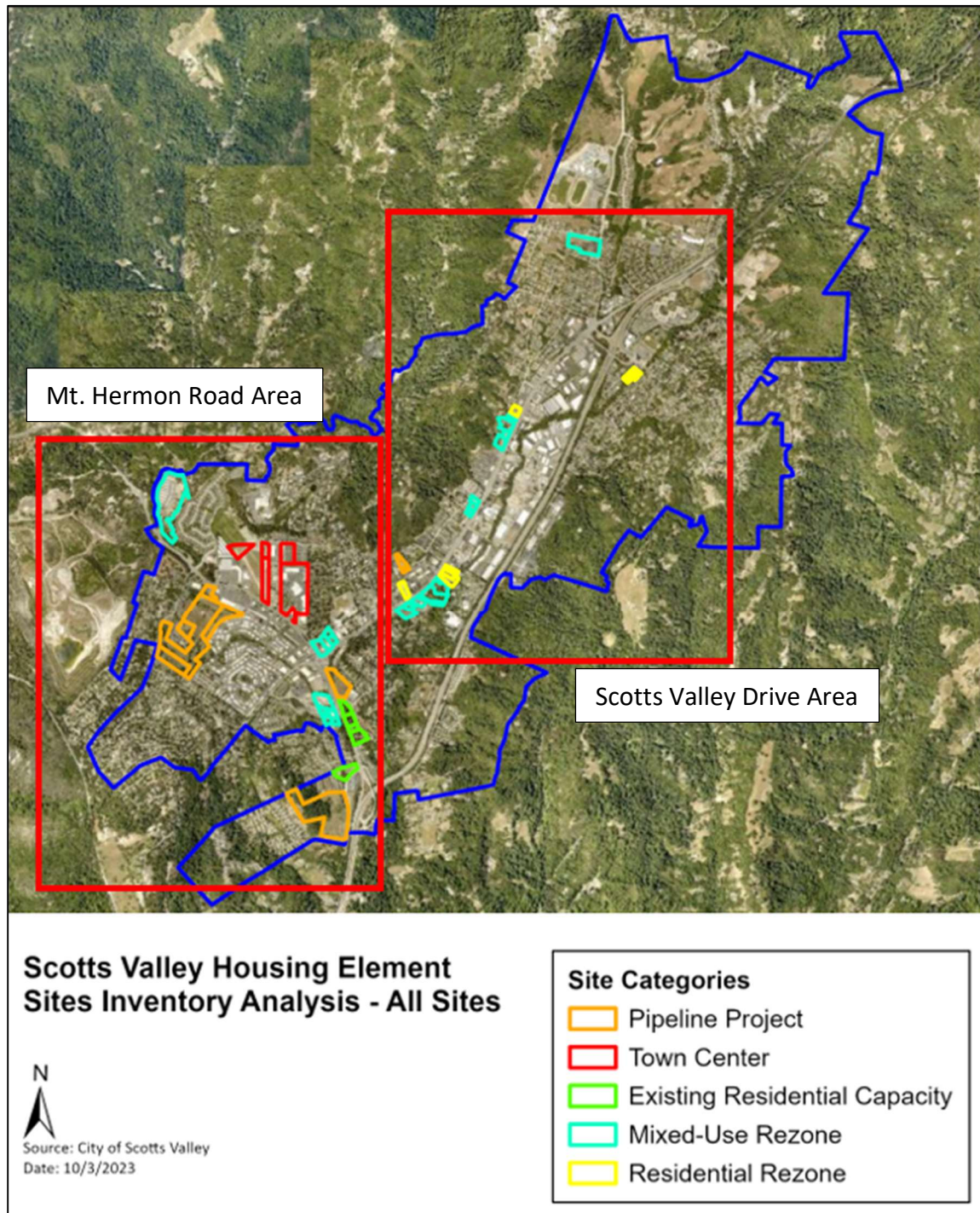
In furtherance of fair housing, the City solicited feedback from populations that have historically experienced lower opportunities, lower incomes, and lower resources. Through a variety of community workshops and during the public comment period, the City engages residents in these areas to understand their unique needs and desires. In response to correspondence with affected groups in Scotts Valley, the City drafted a plan that will increase access to opportunities and resources for individuals who experience reduced access currently. The city's response to each submitted letter are shown in Table G-1 of **Appendix G**.

A comprehensive summary of the above AFFH analysis is provided within this section for each of the City's two planning areas, as shown in **Figure E-14** below. The Planning Areas are: Scotts



Valley Corridor and South Gateway. The planning areas provide a comparative analysis of how its RHNA and housing policies are affirmatively furthering fair housing. The Planning Areas were not established for zoning or regulatory purposes, but rather to assess the equitable distribution of RHNA sites throughout the City. The goal of the analysis is to ensure that the City's housing policy approach is not intentionally worsening existing fair housing challenges.

Figure E-14: City of Scotts Valley Planning Areas



1. Scotts Valley Drive Area

Local Context

The Scotts Valley Drive Area is comprised of a variety of land uses with commercial parcels along Scotts Valley Drive, industrial parcels, and medium density residential parcels. Open space and rural residential parcels surround the main corridor along the City boundaries to the north, east, and west. Scotts Valley Drive is the main corridor that bisects the city parallel to Highway 17 and leads towards the city's downtown area to the south. The commercial parcels are resident and visitor-serving that accommodate the needs of the neighborhood such as hotels/motels, auto repair shops, gas stations, home goods stores, banks, hair salons, and a variety of retail businesses.

AFFH Findings

The City identified commercial and industrial sites to rezone for residential and mixed uses as a prime solution to provide resident-serving needs and resources within proximity to housing. According to TCAC Opportunity Maps, the planning area has high resource and lower displacement risks census tracts. The area experiences moderate to lower diversity rates and low disability rates. There is an RCAA census tract in the southern portion of the planning area south of Highway 17. The median income reduced in the northern portion of the planning area north of Scotts Valley Drive from 2014 to 2019; however, the area is still considered moderate income and a majority of the planning area consists of above moderate-income households earning greater than \$125,000. There are high rates of positive economic outcomes with high rates of closest job proximity along the commercial corridor. CalEnviroScreen shows census tracts with lower scores of pollution burden throughout the planning area. As shown in **Table E-21** below, about a third of the sites are located in a high resource area, including 234 lower income sites. Mixed income housing projects are sited in this area to encourage pedestrian activity and potentially reduce infrastructure constraints by siting units in closer proximity to resources.

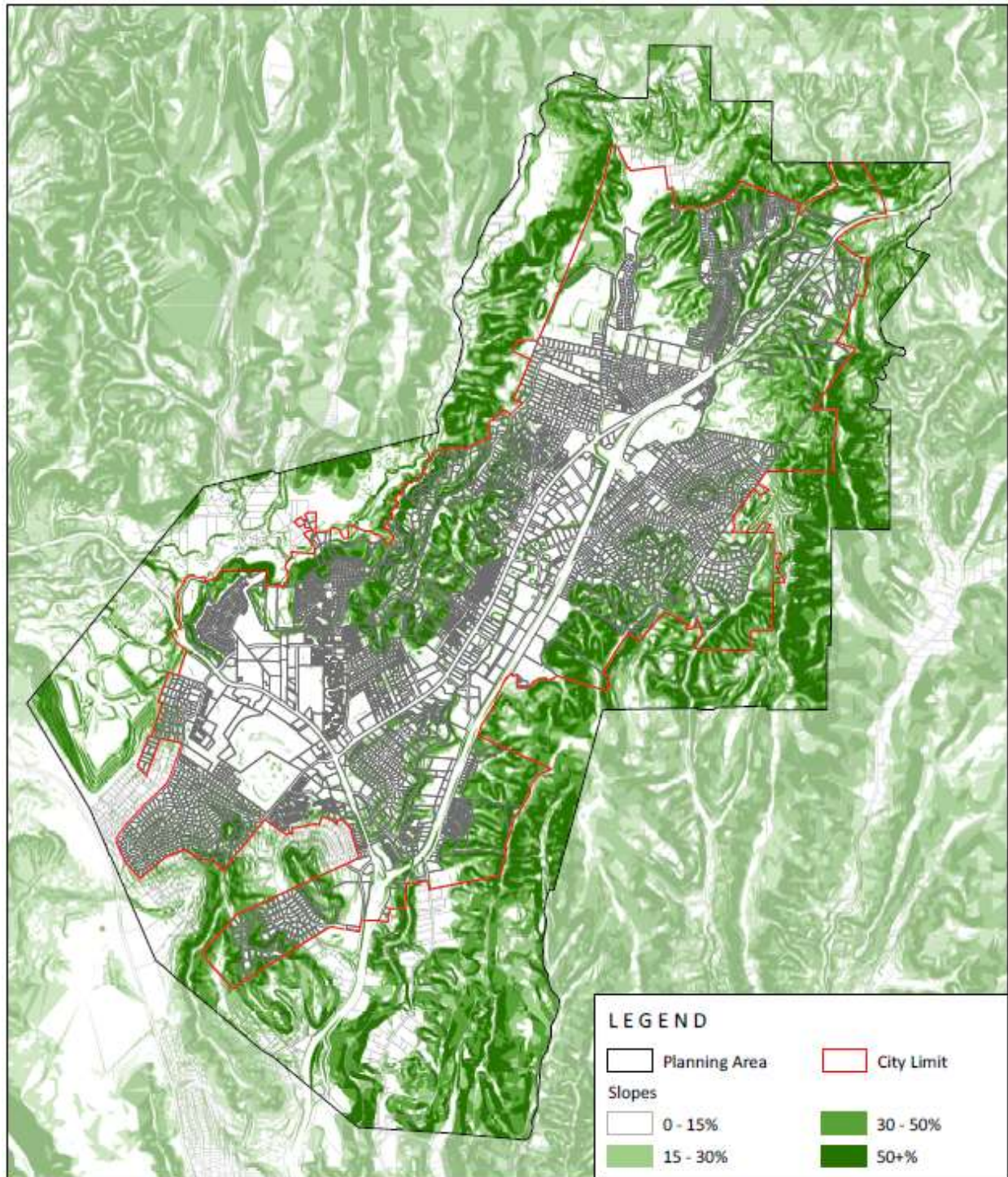
Candidate Sites

Candidate sites in the Scotts Valley Drive Area are predominantly located along Scotts Valley Road Drive, where a majority of the commercial sites will be rezoned to allow residential and mixed uses. A few rezone parcels are scattered to the north in existing neighborhoods throughout the planning area. The planning area includes more challenging topographic conditions (as shown in Figure E-15) to the north and south of Highway 17. The analysis does not include projected ADUs, which account for approximately 2 percent of the total sites inventory, and is further discussed in Appendix F.

Table E-21: Scotts Valley Corridor Candidate Site Units by Affordability

	Lower Income	Moderate- Income	Above Moderate-Income	TOTAL
<u>Units</u>	<u>234</u>	<u>60</u>	<u>310</u>	<u>604</u>
<u>Percent of Total Units</u>	<u>10.8%</u>	<u>2.8%</u>	<u>14.3%</u>	<u>27.9%</u>

Figure E-15: City of Scotts Valley Slopes Map



2. Mt. Hermon Road Area

Local Context

The Mt. Hermon Road Area is located in the City's Southwestern area and consists of areas north and south of Mount Hermon Road. The planning area is predominantly made up of single-family neighborhoods, with open space, and commercial uses along Mount Hermon Road. The area also includes the Kings Valley shopping center, Scotts Valley's top shopping destination. The Mt. Hermon Road was identified as a prime location for its location to major streets and variety of land uses. North of Mount Hermon Road is a variety of commercial, open space, and professional uses. This area serves as the main service area to the city and surrounding area. South of Mount Hermon Road is a wide variety of low- and high-density residential areas. The area offers close access to a number of restaurants, auto repair shops, gymnasiums, and grocery stores. The main arterial roads that bisect through this planning area include Scotts Valley Drive, Highway 17, and Mount Hermon Road. These roads offer access to jobs and connectivity to the County and San Francisco Bay Area.

AFFH Findings

The City identified existing residential capacity in the area to encourage residential development on vacant and non-vacant sites. The Town Center Specific Plan area is also located in the planning area. The City is working with developers to redevelop City-owned parcels and privately owned retail developments as a key strategy to provide affordable housing within the planning area. According to TCAC Opportunity Maps, the area contains census tracts with highest resource and lower displacement risk. The area experiences low disability rates, lower diversity rates, mostly white, and is an RCAA area. From 2014 to 2019, the median income among block groups remained relatively the same with some decrease but remain wealthy with moderate- to above-moderate median income households. The area has a higher positive economic outcomes score, moderate to low job proximity index, and low pollution burden scores.

Table E-22 shows that about a third of the lower-income units are provided within the area. The availability of lower income units throughout the City aims to spread its availability throughout the City and reduce impacts of concentrated income levels. Additionally, it is important to note that 100 percent affordable housing projects are sited on vacant and non-vacant commercial/retail parcels in the Town Center Specific Plan area along Mount Hermon Road. This strategy aims to address the planning area's low job proximity index and site affordable units in close proximity to resident-serving uses, public transit, and community resources in a generally affluent census tract. Furthermore, siting mixed use developments in the area complements the Specific Plan's intent to integrate residential and commercial/retail uses while taking advantage of the proximity to civic uses and transit centers. As mentioned in the Contributing Factors section above, poor housing conditions and access to affordable housing are described as some of the key contributors to fair housing issues.

Candidate Sites

The identified candidate sites are located along Mount Hermon Road, where the majority of the existing commercial and open space sites will be rezoned into mixed use and residential uses. A bulk of the candidate sites are located east of Scotts Valley Road. A few sites scattered in areas identified as open space west of the planning area. As shown in **Table E-22**, there are 1,521 units located in the Mt. Hermon Road Area. The analysis does not include projected ADUs, which account for approximately 2 percent of the total sites inventory and is further discussed in Appendix F.

Table E-22: Mt. Hermon Road Candidate Site Units by Affordability

	<u>Lower Income</u>	<u>Moderate Income</u>	<u>Above Moderate Income</u>	<u>TOTAL</u>
<u>Units</u>	<u>638</u>	<u>96</u>	<u>786</u>	<u>1,521</u>
<u>Percent of Total Units</u>	<u>29.5%</u>	<u>4.4%</u>	<u>36.3%</u>	<u>70.2%</u>



APPENDIX F



The Housing Element is required to identify a **Candidate Sites Inventory** by income category to meet the City's Regional Housing Needs Allocation (RHNA). The sites identified within the 2023-2031 Housing Element represent the City's ability to accommodate housing at the designated income levels during the 6th Cycle. All sites have been assessed for the highest potential for residential development during the Planning Period.

A. CANDIDATE SITES INVENTORY

The Housing Element is required to identify sites by income category to meet the City's Regional Housing Needs Allocation (RHNA). The sites identified within the 2023-2031 Housing Element represent the City's ability to accommodate housing at the designated income levels during the 2023-2031 planning period. For the 6th Cycle, the City of Scotts Valley was allocated a total of 1,220 units to plan for, as detailed in Table F-1.

Table F-1: City of Scotts Valley 6th Cycle RHNA by Income Category

Income Category	Percent of Area Median Income (AMI)	RHNA
Very Low-Income	0-50% AMI	392
Low-Income	51-80% AMI	257
Moderate-Income	81-120% AMI	154
Above Moderate-Income	>120% AMI	417
TOTAL RHNA		1,220

*The Santa Cruz County AMI is \$119,300 for a family of four, according to 2022 HCD Income Limits.

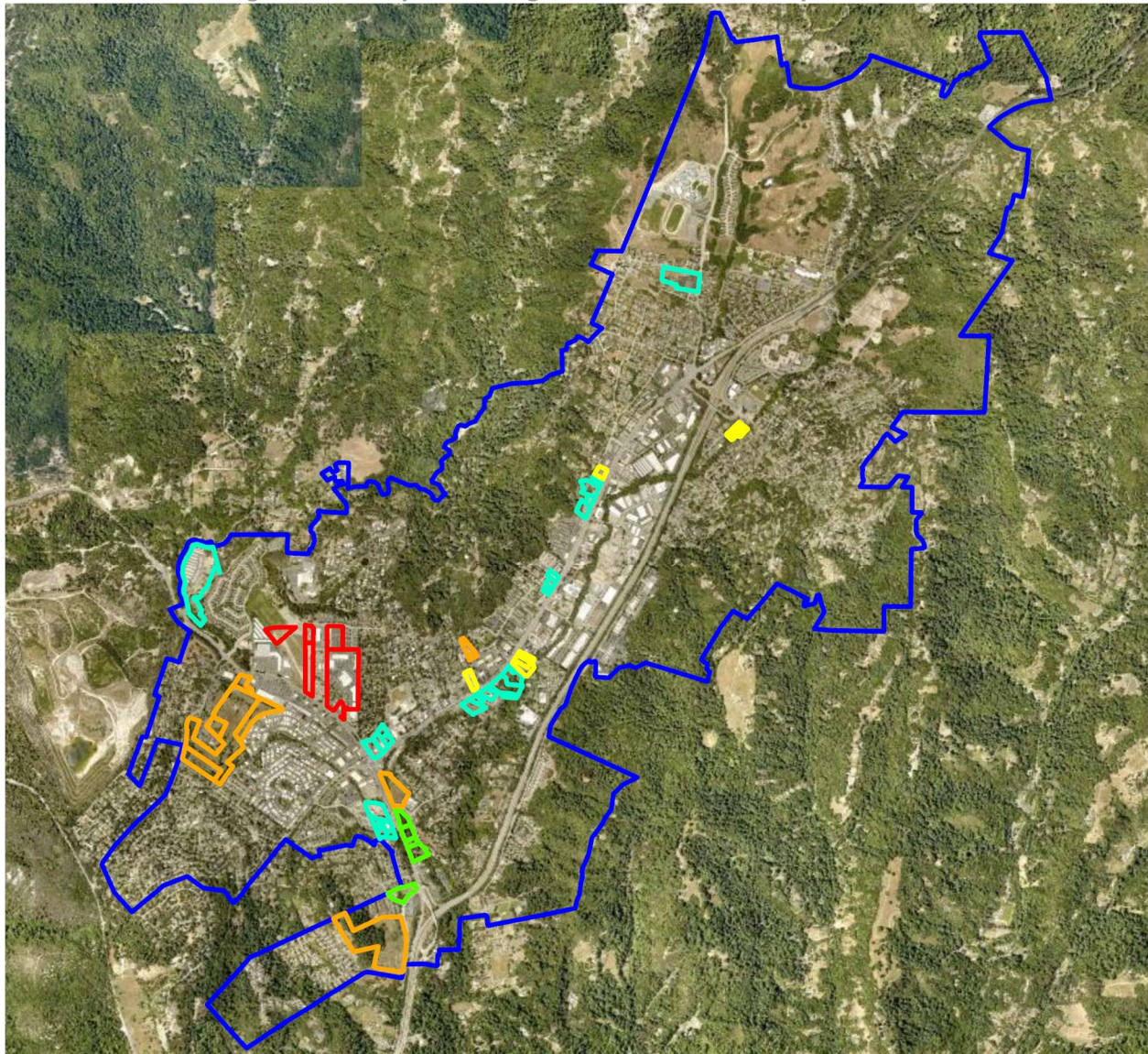
Table F-2 shows the City's ability to accommodate the 6th Cycle RHNA by income category through a variety of methods, including those listed below. Figure F-1 illustrates the location of the sites throughout Scotts Valley.

- Current capacity on residentially-zoned sites;
- Projects currently in the City's review pipeline;
- Accessory dwelling unit (ADU) projections; and,
- Rezone strategies to accommodate the remaining RHNA.

Table F-2: 6th Cycle RHNA Sites Inventory Analysis

Strategies		Very Low Income	Low Income	Moderate Income	Above Moderate Income	TOTAL
6th Cycle RHNA		392	257	154	417	1,220
Existing Residential Capacity		<u>11</u>		<u>6</u>	<u>66</u>	<u>83</u>
Pipeline Projects		51		13	353	417
Projected ADUs		24		12	4	40
Town Center Specific Plan		427		39	191	657
Rezones	Residential	<u>65</u>		<u>14</u>	<u>89</u>	<u>168</u>
	Mixed Use	<u>318</u>		<u>84</u>	<u>399</u>	<u>801</u>
TOTAL		<u>896</u>		<u>168</u>	<u>1,102</u>	<u>2,166</u>
Percent Over RHNA		38%		<u>9%</u>	<u>164%</u>	<u>78%</u>

Figure F-1: 6th Cycle Housing Element Sites Inventory – All Sites



Scotts Valley Housing Element Sites Inventory Analysis - All Sites



Source: City of Scotts Valley
Date: 10/3/2023

Site Categories

- ▭ Pipeline Project
- ▭ Town Center
- ▭ Existing Residential Capacity
- ▭ Mixed-Use Rezone
- ▭ Residential Rezone



1. General Plan Consistency

The City's current General Plan was adopted in 1994. As of May 2023, efforts are currently underway to update the General Plan. The City will ensure that other Elements of the General Plan are consistent with the Housing Element as they are updated.

2. Zoning Consistency

Candidate housing sites identified in this Appendix propose rezoning options. The City's Zoning Code will, as such, be amended accordingly. The Chapter 2: Housing Plan establishes programs and actions to guide these rezones.

3. CEQA Streamlining

Candidate housing sites that are consistent with the existing zoning and the City's objective design standards are exempt from review under the California Environmental Quality Act (CEQA). Candidate housing sites that require discretionary review (e.g., a rezone) are subject to CEQA and will be evaluated concurrent with each development application.

4. Access to Transportation

Current transportation programs, services, and improvements support the proposed units of this 6th Cycle Housing Element. The City will continue to work with Santa Cruz METRO to ensure that new residential developments are adequately served.

5. Infrastructure and Public Services Capacity

Candidate housing sites identified in this Appendix are located in areas that adequately served by existing and planned infrastructure and public services. The Policy Plan establishes requirements for adequate infrastructure and public services for developments that include affordable housing units.

6. Affirmatively Furthering Fair Housing (AFFH)

The City has identified candidate sites to accommodate future housing growth based on existing access to community resources, services, and public transportation, while also considering the availability of land, developer interest, and general likelihood the sites would develop residential uses over the next eight years. Appendix E details how the Candidate Sites Inventory affirmatively furthers fair housing.

B. PROJECTED DEVELOPMENT

1. Accessory Dwelling Units (ADUs)

The State Department of Housing and Community Development (HCD) has supported a strategy to estimate future ADU development based on the average number of ADUs permitted in recent years. Table F-3 displays the City's past performance in permitting ADUs from 2018 through 2022. The average over these five years is 3; however, year-by-year, the applications submitted and approved have been on the rise. The City has reviewed 4 ADU building permit applications and has responded to 13 ADU inquiries from January to September of 2023.

The City recognizes ADUs as a cost-effective way of not only adding to the City housing stock, but also to provide affordable units in existing single-family neighborhoods. As such, a program is included in the Housing Plan with the goal of bolstering ADU development throughout the 6th Cycle. The program includes the following actions:

- Modify the current "Secondary Dwelling Unit Program" from the 5th Cycle Housing Element to comply with changes in State law regarding ADUs. This will include updating the City's "Secondary Dwelling Unit" Ordinance in compliance with State ADU laws. Submit revised ordinance to HCD in compliance with State law.
- Establish and promote permit-ready ADU plans to minimize design costs, expedite permit processing, and provide development certainty.
- Establish and maintain an ADU Manual guiding applicants through the permitting and construction of an ADU.
- Establish and maintain an ADU webpage informing the community on ADU related codes, processes, and incentives.
- Establish an incentive program for deed-restricted affordable ADUs such as waived permitting fees and/or priority processing.
- Establish an ADU monitoring program, and biennially review, for development trends for potential gaps. If gaps are identified, implement changes within one year.

Given these efforts and recent inquiries on ADU development, the City has applied a development projection of 150 percent of the average ADUs permitted since 2018. The City anticipates a total of 40 new ADUs between 2024 and 2031, with approximately 5 ADUs permitted annually. A percentage of ADUs are projected to develop at affordable rates based on the *Using ADUs to Satisfy RHNA* Technical Memo produced by the Association of Bay Area Governments (ABAG). ABAG's analysis consisted of the following steps:

1. Calculated maximum rent limits for RHNA income categories for one-person and two-person households by county;
2. Surveyed rents for ADUs in the ABAG region;

3. Used survey data to determine proportion of ADUs within each income category; and,
4. Created assumptions of how many persons will occupy each ADU.

While Scotts Valley is located in the Association of Monterey Bay Area Governments (AMBAG), this methodology from ABAG is comparable and can be used for projection purposes. Table F-4 shows the ADU projections by income category. As established in the Housing Plan's ADU program, the City will establish an ADU monitoring program and will assess trends biennially; if gaps are identified between what is anticipated in this analysis and what is built, the City will implement changes within a year.

Table F-3: ADU Projections

Year	ADUs Permitted
2018	1
2019	2
2020	1
2021	6
2022	4
2023	N/A
Projection Years	5 units per year
2024	5
2025	5
2026	5
2027	5
2028	5
2029	5
2030	5
2031	5
PROJECTED TOTAL	40

Table F-4: ADU Projections

Income Category	Percentage	Units
Low- and Very Low-Income	60%	24
Moderate-Income	30%	12
Above Moderate-Income	10%	4
TOTAL		40

Per Government Code section 65852.2, ADUs must be permitted in any residential or mixed-use zone – any zone where residential uses are permitted by-right or by conditional use.

Additionally, State law states that local governments cannot preclude the creation of ADUs, and any limitations should be accompanied by detailed findings of fact explain why ADU limitations are required and consistent with these factors. The City has a total of 3,856 parcels which currently permit residential uses (C-S, C-SC, OS, P, R-1-10, R-1-20, R-1-40, R-H, R-M-6, R-M-8, R-MT-5, R-R-2.5, R-VH) – this adds up to a total of 2,621.21 acres. As such, the City has an

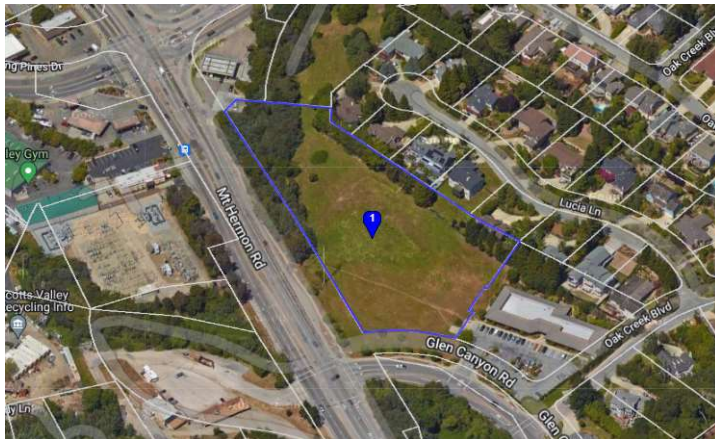
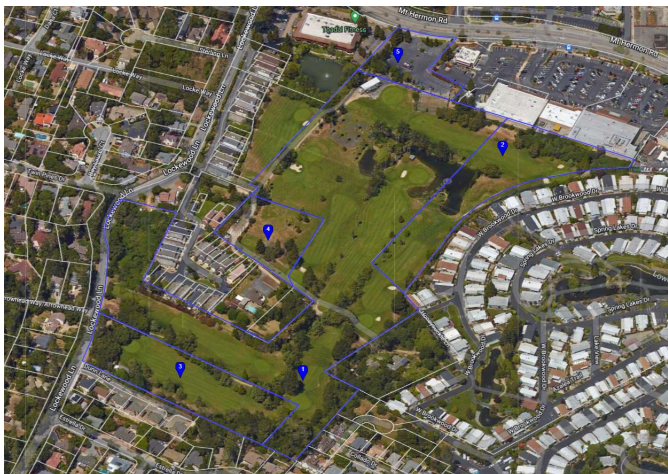
abundance of sites with potential to accommodate the total projected 40 ADUs over the following eight years.

2. Pipeline Projects

HCD guidance states that residential projects that are in review, approved, permitted, or receive a certificate of occupancy after the beginning of the RHNA period may be credited towards meeting the RHNA. Table F-5 provides a list of current pipeline projects (only projects with proposed affordable units are listed for the purposes of this analysis). The projects are also illustrated in Figure F-2. Projects listed do not have any known constraints or barriers which may hold-up or delay the entitlement and/or permitting process. As such, these sites are included for their anticipated development in the planning period.

Table F-5: Pipeline Projects

Pipeline Project	Acreage	Net Units	Lower	Moderate	Above Moderate
Erba Lane (APN: 022-481-18)	0.77	10	1	1	8
Currently a vacant parking lot near residential neighborhoods. Proposed 10-unit single-family development/duets. Project entitlements included a Planned Development Zoning Permit, Land Division, Design Review, and Environmental Review. The project includes deed restricted affordable units as required by the City's 15% Inclusionary Ordinance. The City Council approved the project June 16, 2021, and granted a two year a time extension on June 21, 2023. Next steps include submitting a Final Map for adoption by the City Council. Once the Final Map is adopted, the applicant can submit for grading and building permits. <u>The City continues to work with the developer on post-entitlement coordination efforts by providing technical assistance on the Final Map submission and grading/building permit submission processes.</u> 					
Oak Creek Park (APN: 022-162-76)	3.56	52	6	2	44
Currently vacant parcel proposing a mixed-use development with 52 units and 25,000 square-feet of commercial space. Project entitlements included a General Plan Amendment, Zoning Change with a Planned Development Zoning Overlay, Minor Land Division, Design Review Permit and Environmental Review. The project was approved by the City Council on December 7, 2022. The project includes deed restricted affordable units as required by the City's 15% Inclusionary Ordinance, including three very low-income units, two low income, and two moderate income units.					

Pipeline Project	Acreage	Net Units	Lower	Moderate	Above Moderate
	Next steps include submitting a Final Map for adoption by the City Council. Once the Final Map is adopted, the applicant can submit for grading and building permits. <u>The City continues to work with the developer on post-entitlement coordination efforts by providing technical assistance on the Final Map submission and grading/building permit submission processes.</u> 				
Valley Gardens (APNs: 021-231-07, 021-221-02, 021-231-08, 021-231-04, 021-231-02)	18.36	171	25	0	144
	The parcels currently include an old, unused, golf course. The mixed-use project currently proposes 171 units with 12,000 square-feet of commercial space. Project entitlements include a General Plan Amendment, Zone Change, Planned Development, Tentative Parcel Map, Design Review, Use Permit, and Environmental Review. While the project is not located in the City's Inclusionary Ordinance Boundary, the developer has proposed 15% of the total units be deed restricted as affordable. The project is currently under review by City staff. The project requires review by the Planning Commission who will forward to the City Council for approval of project entitlements. The City issued a Notice of Preparation to prepare an Environmental Impact Report and is in the process of completing an EIR for the project. <u>City staff continue to meet with the developer on a frequent basis to provide technical assistance on City requirements and entitlements.</u> 				

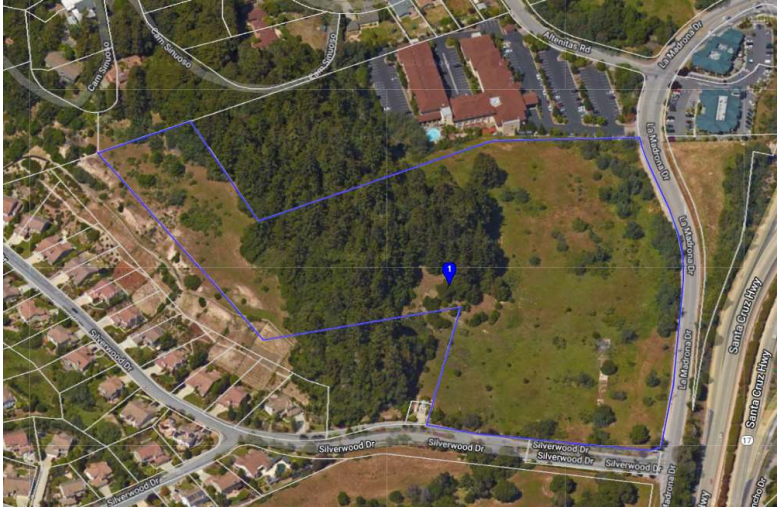
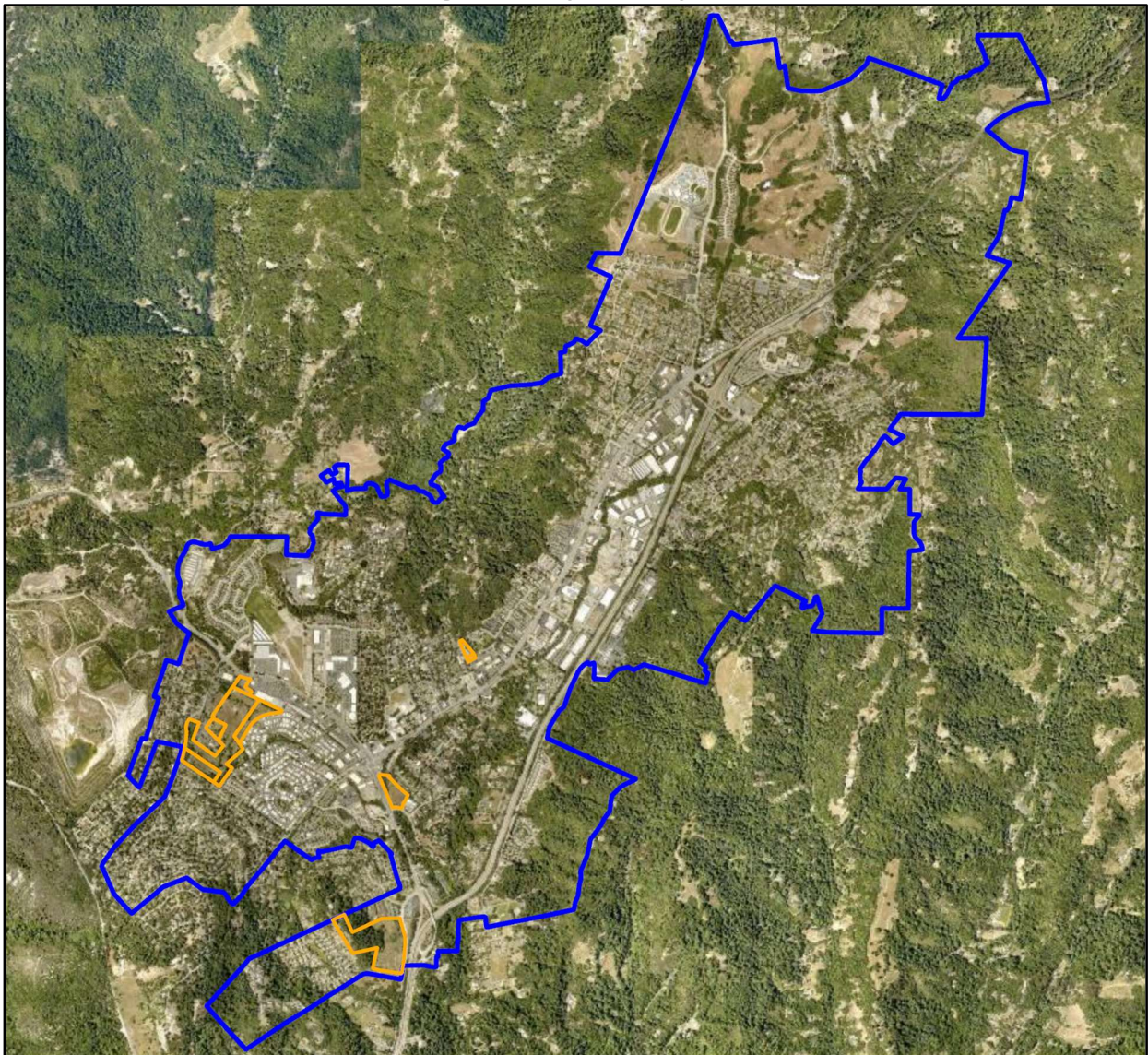
Pipeline Project	Acreage	Net Units	Lower	Moderate	Above Moderate
La Madrona – Gateway South (APN: 021-141- 05)	17.6	184	19	10	155
Currently vacant parcel zoned open space proposing a mixed-use development with 184 units, a hotel, and 3,500 square-feet of commercial space. Project entitlements include General Plan Amendment, Zone Change, Planned Development, Specific Plan Amendment, Use Permit, Design Review, Minor Land Division, and Environmental Review. While the project is not located in the City's Inclusionary Ordinance Boundary, the developer has proposed 15% of the total units be deed restricted affordable. The City issued a Notice of Preparation for an Environmental Impact Report and is in the process of completing an EIR for the project. The project requires review by the Planning Commission and approval of entitlements by the City Council. <u>City staff continue to meet with the developer to provide technical assistance on City requirements and entitlements.</u> 					
PIPELINE PROJECTS UNIT TOTAL:		417	51	13	353

Figure F-2: Pipeline Projects



Scotts Valley Housing Element Sites Inventory Analysis - Pipeline Projects



Source: City of Scotts Valley
Date: 5/15/2023

C. EXISTING RESIDENTIAL CAPACITY

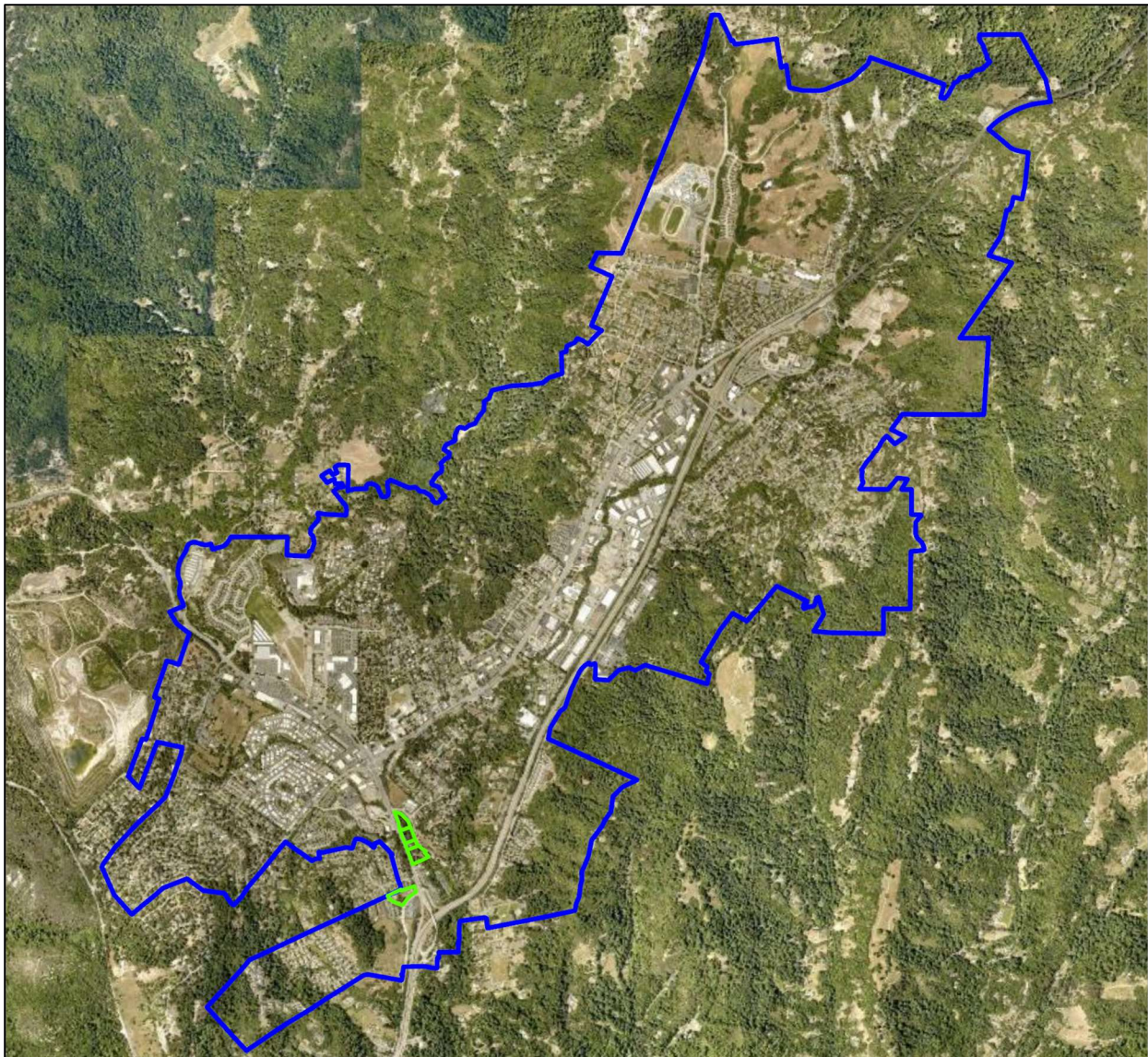
1. Residentially Zoned Land

The City has identified five parcels currently zoned for residential with the capacity to accommodate additional housing units. Four of these sites are considered underutilized and have a land value that is higher than the improvement value; the sites also have common ownership and are considered due to their ability to consolidate to develop a multi-family housing development with affordable units. The fifth parcel is a mostly vacant site with a structure previously used for a flooring company that is no longer open.

The projecting out development of these sites, the City assumes a realistic capacity of 70 percent. This capacity assumption is based on past projects density yields in comparison to what the site could permit at the maximum. On average, a sample size of six past projects noted an average density yield of 83 percent (with the highest yield at 123 percent and lowest yield at 67 percent each). Additionally, this capacity assumption accounts for development standards, sets a reduction to avoid a no-net loss scenario, and follow HCD guidance.

These conservative assumptions result in a development capacity of 72 potential units – 12 affordable to lower income households, 2 to moderate-income households, and 58 to above moderate-income households.

Figure F-3: Existing Residential Capacity



Scotts Valley Housing Element Sites Inventory Analysis - Existing Residential Capacity



Source: City of Scotts Valley
Date: 5/15/2023

2. Town Center Specific Plan

The Town Center Specific Plan is designed to be the heart of the city and offer convenient proximity between commercial and residential uses near community resources. The Plan area encompasses approximately 58 acres, including 15 acres of vacant land, and is surrounded by a mix of retail and civic uses. The Plan area is made up of multiple parcels with multiple property owners. Currently, the Specific Plan allows residential uses within the Town Center Specific Plan Area. In order to develop residential within that area, a Planned Development permit is required. However, residential uses are limited to certain areas and permitted densities are vague. The Specific Plan will be amended to increase the amount of residential uses allowed in the Specific Plan Area, to apply objective design standards to those uses to facilitate development and to designate additional areas for residential development. Subsequent to the adoption of the Specific Plan Amendment, necessary rezonings or zoning code amendments will be completed in accordance with the terms of the Specific Plan. It is anticipated that the Specific Plan Amendment will be adopted by December 2025 and the associated zoning changes will be implemented by December 2026. The City intends to sell the City owned properties in accordance with the requirements of the Surplus Lands Act and issue RFPs to interested developers.

Soil contamination has previously been an impediment to development; however, it is in the process of being eliminated and will not continue to pose a constraint to residential development during the planning cycle. The City is currently in contract with Weber Hayes to remediate the surface soil contamination on the effected City-owned properties. In addition, the City of Santa Cruz is expected to enter into a similar agreement with Weber Hayes on the parcels they own within Town Center. The surface soil remediation is expected to be completed by December 2023 (the remediation efforts have begun as of October 2023). An additional impediment to the development of the Town Center has been the amount of residential uses permitted under the Specific Plan. During prior attempts to develop the area, many developers expressed a need for additional residential development in order to ensure a successful project. This amendment will allow increased density of residential development in the Specific Plan Area.

Programs H-1.1 and H-1.10 in the Chapter 2 Housing Plan establish the actions and timelines the City commits to regarding the development of Town Center.

Historically, project applications have been submitted for the Plan, but development was not successful. Interest in developing the Town Center area has increased over recent years. Figure F-4 shows new developments within the Plan area.

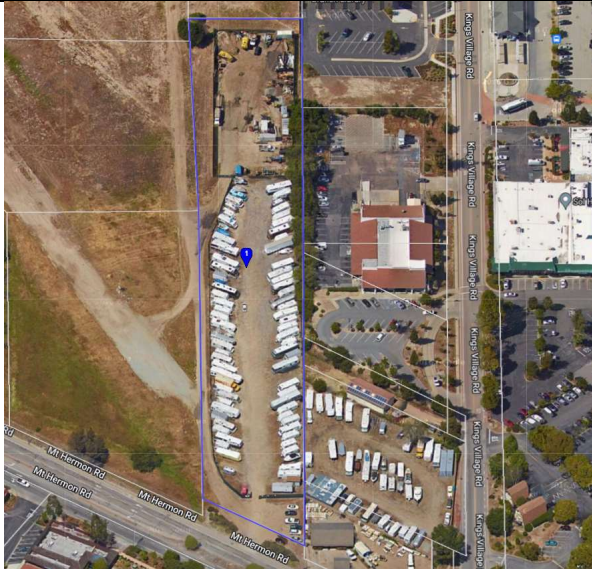
Figure F-4: Town Center Specific Plan – Recent Developments

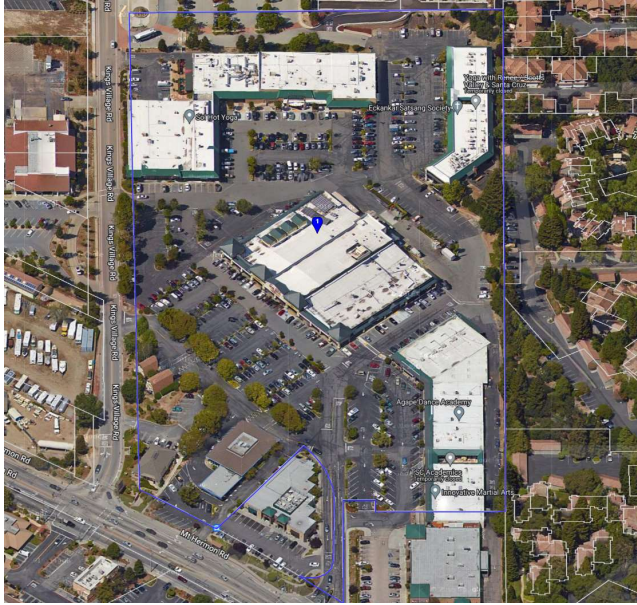


As part of the candidate housing sites analysis, the City has identified three City-owned parcels, one METRO-owned parcel (the transit center), and one privately-owned parcel part of the Kings Village Shopping Center. The goal in identifying the City-owned parcels is to directly ensure affordable housing development – the City will coordinate the development of the parcels with affordable housing developers. Regarding the METRO- and privately-owned parcel, the City will coordinate with both to facilitate and promote affordable housing development. Table F-6 provides details on each parcel identified. The City intends to sell the City-owned parcels to a developer for a mixed use project in accordance with the Surplus Lands Act once the Specific Plan Amendment and Rezonings are complete. This is anticipated to occur by December 2027.

Table F-6: Town Center Specific Plan

Town Center SP Parcels	Acreage	Density	Realistic Capacity	Net Units	Lower	Moderate	Above Moderate
022-721-06	2	40	80%	64	64	0	0
This vacant, City-owned parcel currently covers the Skypark Dog Park and the Scotts Valley Pump Track, as well as part of the Skypark Skate Park parking lot. The City anticipates developing the property in coordination with an affordable housing developer to create a fully-affordable housing development centrally located near public transit, community resource, and open space. 							
022-212-19	1.07	40	80%	32	32	0	0
This vacant, City-owned parcel is adjacent to the Scotts Valley Public Library and the new theatre. The City anticipates developing the property in coordination with an affordable housing developer to create a fully-affordable housing development centrally located near public transit, community resource, and open space. 							
022-601-01	2.9	40	80%	92	92	0	0
This non-vacant, City-owned parcel is adjacent to the post office and vacant land, and it is currently being used for trailer storage. The City anticipates developing the property in coordination with an affordable housing developer to create a fully-affordable housing development centrally located near public transit, community resource, and open space.							

Town Center SP Parcels	Acreage	Density	Realistic Capacity	Net Units	Lower	Moderate	Above Moderate
							
022-212-16	2.77	40	80%	86	86	0	0
This parcel contains the METRO Cavallero transit center and the Scotts Valley Park and Ride center. The City has been in discussions with METRO about converting the site to affordable residential units with workforce components. Redevelopment of the site would result in parking being moved underground or provided through a parking structure. This would allow for Transit-Oriented Development (TOD) to occur in partnership with the transit center. As mentioned above, the area offers much for community resources, open space, and commercial needs.							
							
022-601-18	13.69	40	80%	383	153	39	191
This parcel contains the Kings Village shopping center and is owned by the Ow family. The center includes a Goodwill Thrift Store, CineLux, Nob Hill Foods, Ace Hardware, UPS Store, Walgreens, various restaurant, smaller retail stores, and surface parking. The site has been identified as a candidate site with the vision of							

Town Center SP Parcels	Acreage	Density	Realistic Capacity	Net Units	Lower	Moderate	Above Moderate
redeveloping the northern portion of the sites into residential uses. While a large site, the City's Zoning Ordinance does not require parcelization to redevelop the site with affordable housing. The Specific Plan and Zoning Ordinance allow for mixed use development. Additionally, a program is included in the Housing Plan for the City to facilitate redevelopment of the property. Development is anticipated to include a mix of affordable and market rate units. 							



D. REZONE STRATEGIES

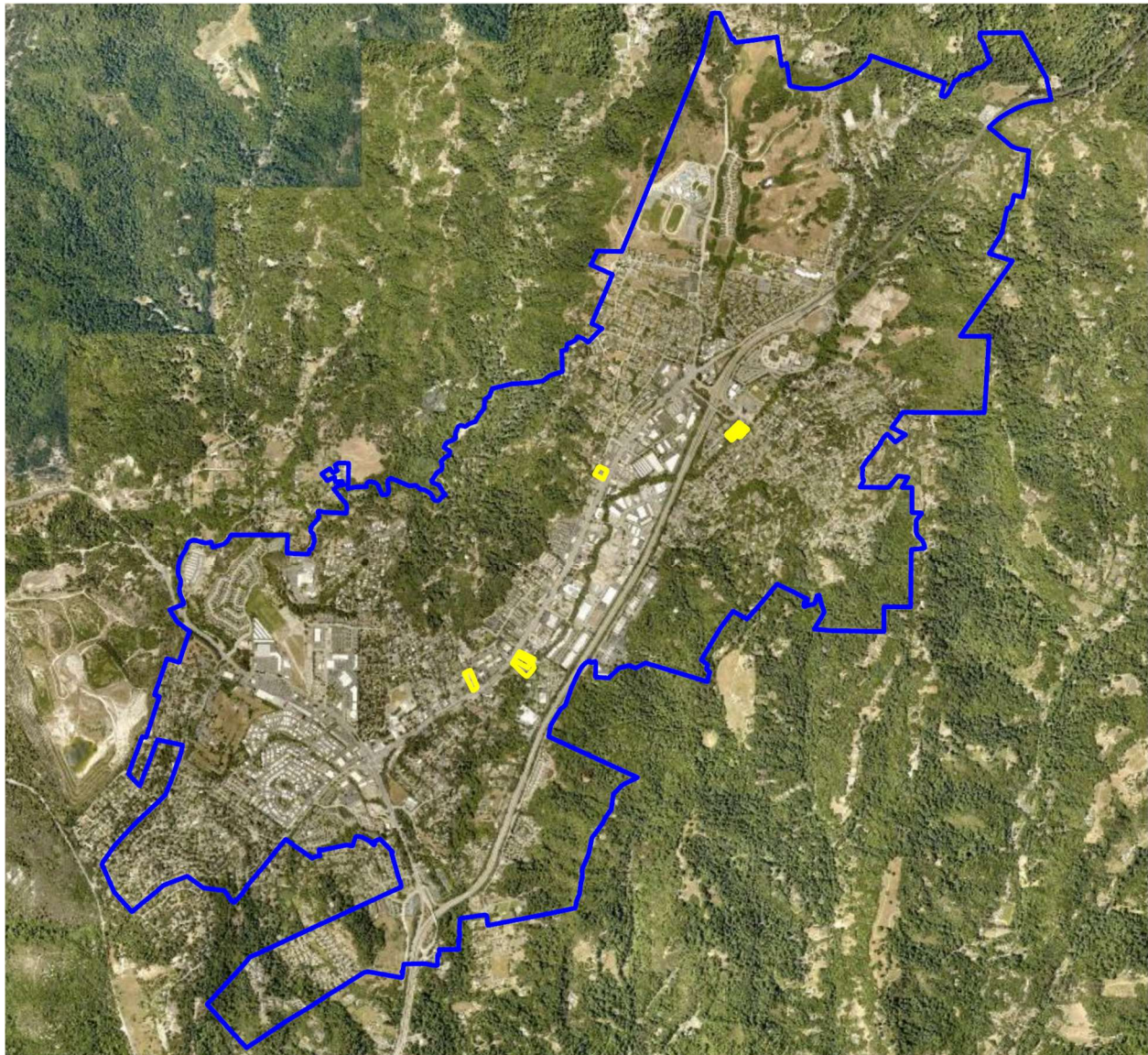
The City cannot fully accommodate the entirety of its RHNA through existing capacity. As such, two rezone strategies have been identified to expand the City's existing mixed-use zoning on identified sites and rezone particular parcels to accommodate high density residential development.

The intent of these rezones are to create additional residential development opportunities along Scotts Valley Drive and Mount Hermon Road – in areas that provide convenient access to community resources and public transportation, and in areas that have development interest. The City of Scotts Valley covers a small 4.61 square-miles in the Santa Cruz Mountains with steep hillsides and creeks. As such, adequate land suitable for higher density developments are minimal and result in more feasible sites requiring redevelopment of existing parcels. The following sections detail the City's plan to accommodate the remaining RHNA.

1. Residential Rezones

The City has identified six parcels totaling 4.23 acres to be rezoned to allow high density residential at an expected density of 40 dwelling units per acre. In total, the parcels identified for rezoning have potential to accommodate 65 very low- and low-income units, 14 moderate-income units, and 89 above moderate-income units. Projected development of these sites, the City assumes a realistic capacity of 80 percent. This capacity assumption is based on past projects density yields in comparison to what the site could permit at the maximum. On average, a sample size of six past projects noted an average density yield of 83 percent (with the highest yield at 123 percent and lowest yield at 67 percent each); see Table C-13b in Appendix C for a comprehensive list of recent development examples. Additionally, this capacity assumption accounts for development standards, sets a reduction to avoid a no-net loss scenario, and follow HCD guidance.

Figure F-5: Residential Rezones



Scotts Valley Housing Element Sites Inventory Analysis - Residential Rezones



Source: City of Scotts Valley
Date: 10/3/2023



2. Mixed-Use Rezones

The City currently allows for mixed-use developments with a maximum residential component of 50 percent. The City has identified 29 parcels totaling 36.6 acres to be rezoned to allow for higher density, mixed-use residential at an expected density of up to 40 dwelling units per acre and a commercial requirement lowered down to 30 percent. The City assumes a realistic capacity of 70 percent on these sites to account for the commercial component. This capacity assumption is based on past projects density yields in comparison to what the site could permit at the maximum. On average, a sample size of six past projects noted an average density yield of 83 percent (with the highest yield at 123 percent and lowest yield at 67 percent each); see Table C-13b in Appendix C for a comprehensive list of recent development examples.

Parcels identified for mixed-use rezoning have potential to accommodate 318 very low- and low-income units¹, 84 moderate-income units, and 399 above moderate-income units.

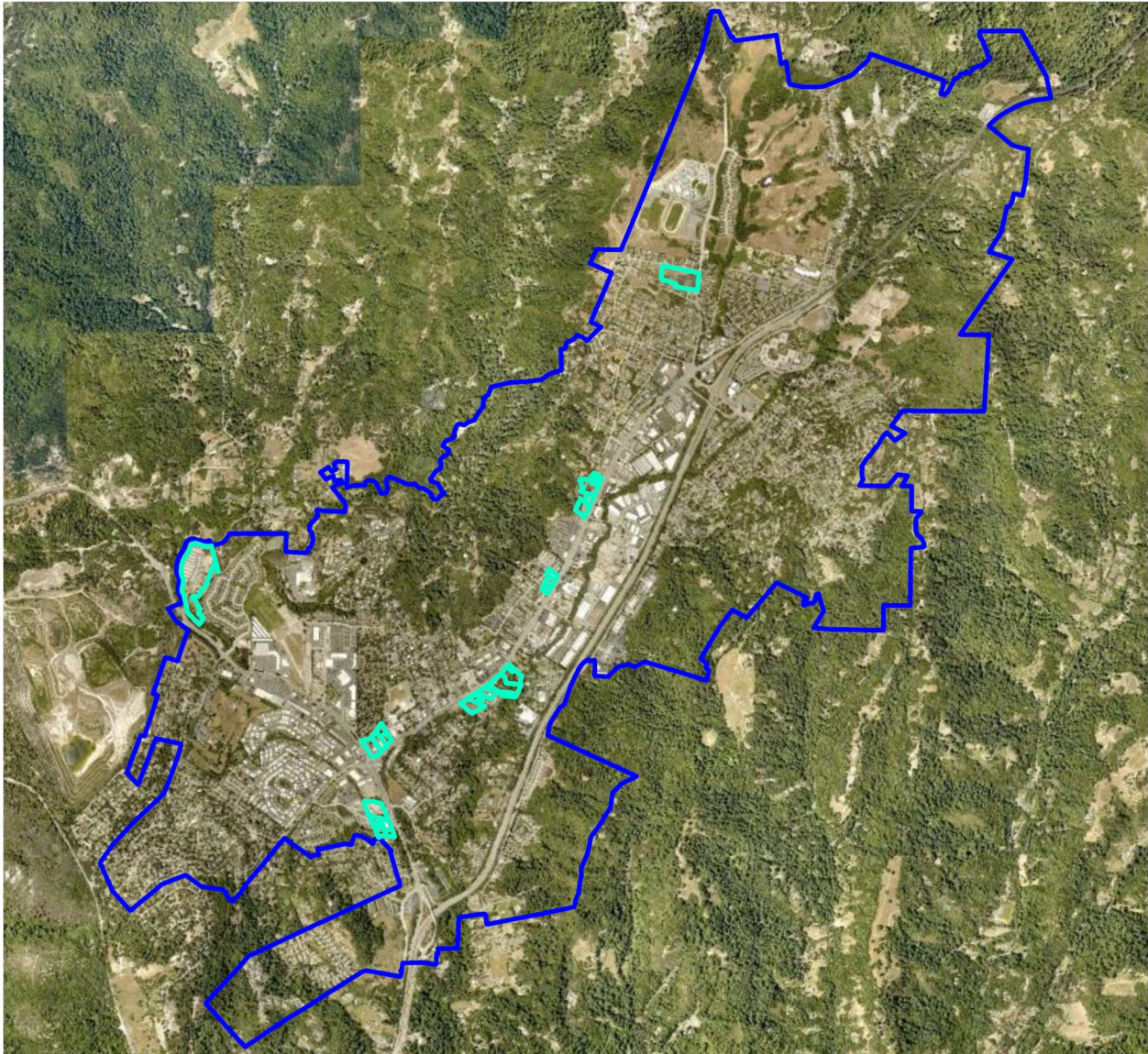
These sites were identified for a variety of reasons, including being considered underutilized (the land value exceeds the development value), property owner/developer stated interest, potential for lot consolidation with adjacent parcels, and/or the site was in an appropriate location in comparison to community resources.

Increasing the residential components of these sites will create additional opportunities for the properties to develop. Property owners along Scotts Valley Drive voiced interest in developing residential uses along the corridor and also noted the current 50 percent residential maximum was too low and restrictive to allow for worthwhile development. Specifically, it was noted that residential development is a key component for the financing of commercial development in mixed use projects, with an increase in residential development potential and a decrease in the commercial requirements needed for worthwhile development. During the 5th Cycle, the only solely commercial project reviewed in approved in the City was The Hangar development off Mount Hermon Road. More recently, the development trends along Scotts Valley Drive have typically included a mixed use approach to providing in-fill housing opportunities. Given the size of Scotts Valley and the importance of its two main corridors (Scotts Valley Drive and Mount Hermon Road), the City believes it remains important to allow for commercial development to benefit existing neighborhoods. As such, increasing the density and allowable residential percentage was considered the most appropriate solution.

Figure F-5 below maps the mixed-use rezone areas in the City.

¹ A total of 49 percent of lower income units identified to meet the RHNA are located on mixed-use sites.

Figure F-5: Mixed-use Rezones



Scotts Valley Housing Element Sites Inventory Analysis - Mixed-Use Rezones



Source: City of Scotts Valley
Date: 10/3/2023



E. ADEQUACY OF SITES

1. Availability of Water, Sewer, and Dry utilities

The City has existing and planned water, sewer, and dry utilities that can accommodate potential residential development identified for the 2023-2031 Housing Element. More information on utilities is provided in Appendix C.

Each candidate housing site has been evaluated to ensure there is adequate access to utility services and connections, including water, sewer, and dry utilities. Each site is situated with a direct connection to a public street that has the appropriate water and sewer mains and other infrastructure services.

2. Larger and Smaller Parcels

AB 1397 identifies parcels measuring between half-an-acre and 10 acres to be appropriate for the development of affordable housing. Parcels that are less than half-an-acre (“smaller”) or above 10 acres (“larger”) are not deemed adequate to accommodate lower income housing units unless past performance shows a tendency for affordable housing projects to develop on these types of parcels. The candidate sites inventory includes affordable units on sites that fall outside the size requirements.

Smaller Parcels

A total of 15 smaller parcels have been identified with assumed potential to develop lower income units. These sites were identified as they are adjacent to other candidate sites – the candidate sites inventory identifies which parcels could be consolidated – and have shared access. Additionally, some parcels that are located next to one another are under common ownership – facilitating their consolidation. These small sites may be consolidated into a parcel greater than 0.5 acres allowing for the development of a higher density residential project. The Housing Plan includes a program to facilitate lot consolidation for these parcels. Program H-2.8 facilitates the development of lots that are less than a half-an-acre in size for the development of affordable housing development. Through this program, the City shall establish and implement this program to facilitate lot consolidation for these parcels, as well as adopt and promote incentives for the development of these smaller sites.

Larger Parcels

A total of two parcels have been identified with assumed potential to develop lower income units. One of these parcels includes the Lockhart Gulch storage center. This site covers a total of 12.05 acres; however, only 4 acres are developable as the parcel has split zoning and topography make residential development impossible. The City would not require any subdivisions to facilitate development of this site as the portion of the site that is not

developable is zoned as Open-Space (OS). As such, the parcel has a realistic development capacity of approximately 33 percent and is not proposing to develop low-income units on a site that is 10 acres or greater in size. The second parcel is the Kings Village Shopping Center. The property is currently zoned in the Town Center Specific Plan to allow for mixed-use residential development and does not require any subdivisions to facilitate its development.

The Housing Plan includes a program to facilitate development of these two larger sites (Program 2.6). As the list of pipeline project shows, the City is currently reviewing two projects on sites that are over 10 acres (18.36 and 17.6 acres, respectively). As such, the City is able to show development interest in these types of parcels.

3. City-Owned Parcels

Three parcels identified in the candidate site inventory are owned by the City of Scotts Valley. All three of these parcels are part of the Town Center Specific Plan and have been identified at fully affordable assumptions. The City anticipates selling the properties to affordable housing developers to create opportunity for fully affordable housing projects. In total, these City-owned parcels would allow for 188 total affordable units over 5.97 acres. The City will comply with the Surplus Lands Act.

4. Vacant Parcels

A total of 6 vacant parcels have been identified as part of the candidate sites inventory with potential to accommodate 70 lower income units. This represents 10.8 percent of the lower income RHNA for Scotts Valley.

5. Non-Vacant Parcels

The City has identified 43 non-vacant parcels. These sites were identified for a variety of reasons including property owner and developer interest, underutilized uses, and appropriateness of the site location in relation to other uses and community resources.

Lease Analysis

Existing lease agreements on infill and non-vacant parcels may present potential impediments that may prevent residential development, particularly affordable residential development, within the planning period. The City made diligent efforts to review existing lease terms in evaluating the uses on non-vacant parcels; however, the City does not have access to private party lease agreements or other contractual agreement amongst private parties. While the City does not have access to lease structures, only sites that showed characteristics indicating they are likely to redevelop within the planning period were included. This includes sites that are considered underutilized and have not had recent structural improvements. Sites with property owner interest were also included.



Likelihood of Non-Residential Development

During and prior to the 6th Cycle Housing Element Update, the City has experienced an increase in development applications and inquiries focusing on solely residential redevelopment projects or seeking to increase residential capacity. As noted in Appendix G – Community Engagement, the development community has expressed interest in increased residential development with a lower commercial square footage requirement for mixed use projects than currently required by the City’s General Plan and Zoning Ordinance. As noted in Program H-1.1, Mixed Use Rezones will be eligible for a reduced commercial square footage requirement (from 50 percent to 30 percent of total project square footage) and an increase in allowable residential square footage (from 50 percent to 70 percent of total project square footage). Out of the six recent development projects discussed in Appendix C, two of the development projects involved were mixed use projects which included commercial and residential uses (Oak Creek Park and The Cove). In order to increase the residential density in those projects, the Oak Creek Park and The Cove entitlements included Zoning Amendment and Zoning Change requests to allow for additional residential development on site. Additionally, the City of Scotts Valley has only seen one solely commercial development project during the last Housing Element Cycle. The Hangar project within the Town Center Specific Plan Area involved the construction of a drive-through facility and a multi-tenant commercial building.

The EIR for the Town Center Specific Plan (2008) analyzed 300 dwelling units and 310,000 square feet of commercial space, emphasizing commercial development versus residential development. Despite this, numerous responses to requests for proposals (RFPs) between 2012 and 2018 revised this mix, emphasizing residential development over commercial development. At least two of the proposals submitted included approximately 27,000 square feet of commercial space instead of the previously contemplated 310, 000 square feet.

The City’s assumptions for increased residential development are based on current market conditions, developer feedback, and past development trends proving that non-residential development is unlikely and will not pose a constraint to the development of residential uses.

Redevelopment Factors

Given the size, location, and topography of the City, opportunities for development are limited. As such, the City has identified a greater percent of non-vacant sites to be rezoned and redeveloped throughout the planning period. These parcels were identified for a number of factors listed below. The candidate sites inventory refers to this list to further detail the likelihood of redevelopment.

1. Land value is greater than the improvement value
77 percent of non-vacant sites have land values that exceed the improvement values.

2. Existing structure was built prior to 1990 (it was built over 30 years ago)
95 percent of non-vacant sites have structures built at least 30 years ago, with the majority being well over 30 years.
3. Existing uses do not include housing units
51 percent of non-vacant sites have no existing units.
4. City-owned
5 percent of non-vacant sites are City-owned.
5. Development interest from a housing developer and/or property owner
9 percent of non-vacant sites have stated developer or property owner interest.

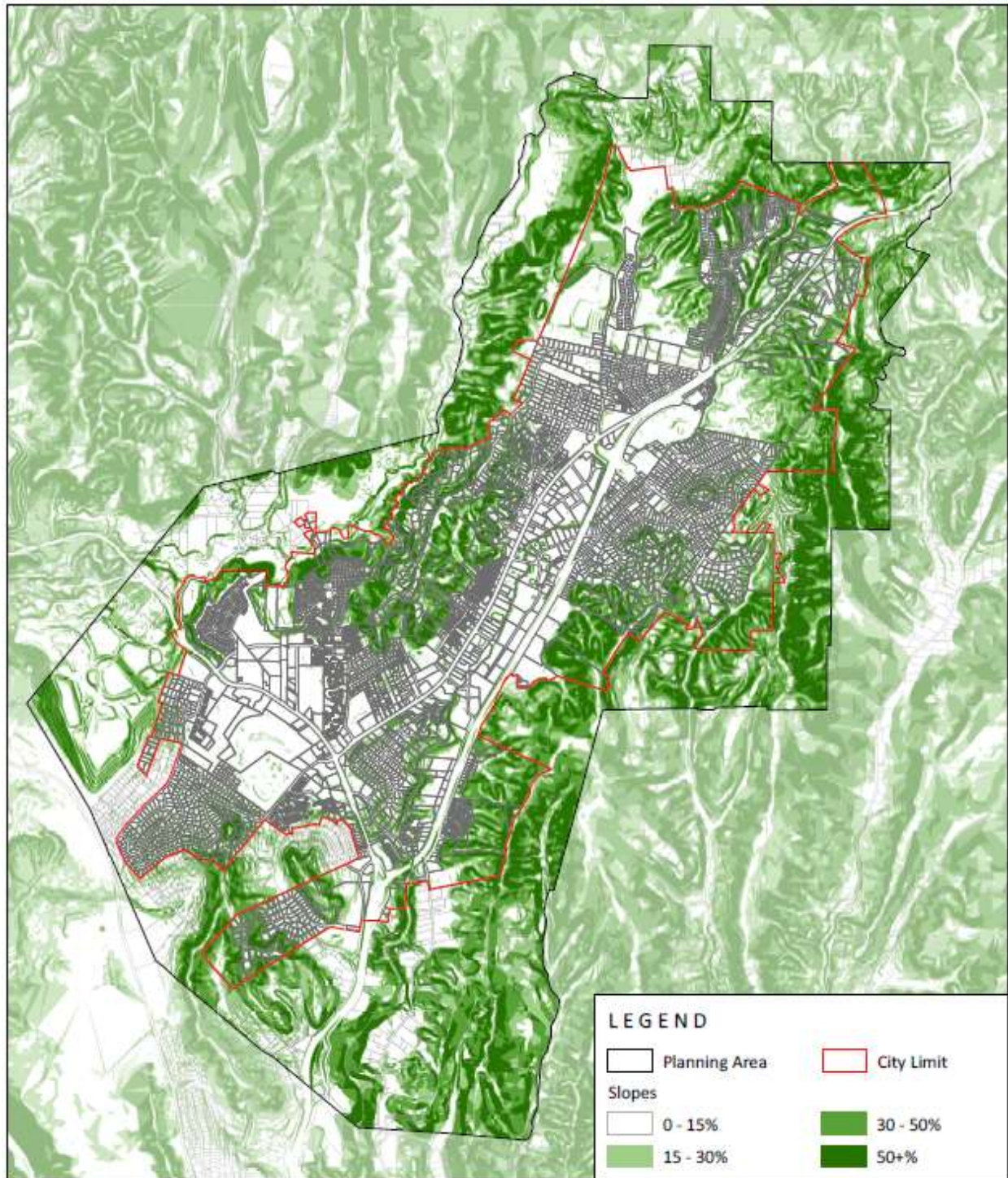
All but four of 43 total parcels have at least two identified redevelopment factors and 17 have at least three. Sites listed in the inventory were individually assessed for their likelihood to redevelop but also for their suitability to include residential units. This considers their location in comparison to neighboring uses, access to the two corridors that run through Scotts Valley, walkability potential to community and commercial resources and services, as well as parcel size and shape.

Furthermore, and as stated above, the City is very limited due to its topography. Figure F-6 shows that the City is located in a small valley and entirely encircled by steep slopes. The figure begins at 15 percent but ahead of that are smaller slopes that may still make development impossible or difficult, particularly for higher density residential projects. Given these limitations, the City must rely heavily on non-vacant parcels, while still ensure adequate opportunities for commercial and employment resources for residents and community amenities.

The Housing Plan includes programs to further support and facilitate the development of non-vacant sites, as well as programs which include development incentives which may be applied to non-vacant sites. These all include:

- Program H-1.11: Non-Vacant Sites Development
- Program H-1.2: By-Right Development Program
- Program H-1.3: Sites Inventory Monitoring Program
- Program H-1.6: Removal of Residential Development Constraints
- Program H-1.7: Mixed-Use Development
- Program H-1.8: Facilitation of Affordable Housing Development
- Program H-2.6: Development of Large Lots
- Program H-2.8: Lot Consolidation
- Program H-3.10: Density Bonus Ordinance

Figure F-6: City of Scotts Valley Slopes Map



6. 5th and 4th Cycle Housing Element Parcels

State law limits a jurisdiction's ability to re-use sites from the prior RHNA cycle. Vacant sites identified in the last two Housing Element cycles and non-vacant sites identified in the last Housing Element cycle may not be counted towards the lower income RHNA unless the sites are zones at the "default density" of 20 dwelling units per acre and the sites allow residential use by-right for housing developments in which at least 20 percent of the units are affordable to lower income households. A "by-right" use in this case refers to permitted residential development which does not require a conditional use permit, planned unit development permit, or any other discretionary local government review or approval.

A total of ten parcels were identified in this 6th Cycle inventory which were also identified in the 4th and 5th Cycles. Two of these sites are pipeline projects, three are City-owned parcels in the Town Center Specific Plan area, and five are considered existing residential capacity parcels. The Housing Plan includes a program to facilitate the appropriate rezones and permit "by-right" development of these sites (Program H-1.2). The program meets the standards established in AB 1398 and 1397 which states the State law on rezone properties and "by-right" Development.

Table F-8: Scotts Valley 6th Cycle Candidate Sites

APNS	Address	Property Owner	Acreage	Zoning	GPLU	Vacancy	Existing Units	Realistic Capacity	Expected Density	Potential Units				4 th /5 th Cycle	Existing Use and Additional Information
										Total	Low	Mod.	Above Mod.		
Existing Residential Capacity															
021-321-04	27 Mt Hermon Rd	Coast 1031 Exchange Inc	2.03	R-VH	Very High	Non-Vacant	1	70%	<u>20</u>	<u>28</u>	<u>4</u>	<u>2</u>	<u>22</u>	Yes	This site is developed with a single-family dwelling unit. The site is considered underutilized, the land value exceeds the improvement value of the single-family dwelling unit on the parcel. Approximately 70% of the lot is vacant. This parcel is adjacent to other residential units/residentially zoned parcels. Redevelopment Factors: 1, 2
022-151-03	78 Mt Hermon Rd 1	Jaeger Theodore L & Garnet L H/W Jt	1.12	R-VH	Very High	Non-Vacant	2	70%	<u>20</u>	<u>15</u>	<u>2</u>	<u>1</u>	<u>12</u>	Yes	This site is developed with five dwelling units. This site is considered underutilized, the land value exceeds the improvement value of the residential structures on the parcel. Approximately 70% of the lot is vacant. This parcel is adjacent to other residential units/residentially zoned parcels enabling the possibility of consolidation and can feasible be redeveloped into higher intensity residential use. Redevelopment Factors: 1, 2
022-151-04	68 Mt Hermon Rd	Donato Jamie Quinn	0.57	R-M-8	Med High	Non-Vacant	2	70%	7	<u>2</u>	<u>0</u>	<u>0</u>	<u>2</u>	Yes	This site is developed with two dwelling units. This site is considered underutilized, the land value exceeds the improvement value of the residential structures on the parcel. Approximately 70% of the lot is vacant. This parcel is adjacent to other residential units/residentially zoned parcels enabling the possibility of consolidation and can feasibly be redeveloped into higher intensity residential use. Redevelopment Factors: 1, 2
022-151-05	58 Mt Hermon Rd	Ward Jonathan Z	1.69	R-VH	Very High	Non-Vacant	1	70%	<u>20</u>	<u>23</u>	<u>3</u>	<u>2</u>	<u>18</u>	Yes	This site is developed with a single-family dwelling unit. The site is considered underutilized, the land value exceeds the improvement value of the residential structures on the parcel. Approximately 80% of the lot is vacant. This parcel is adjacent to other residential units/residentially zoned parcels enabling the possibility of consolidation and can feasibly be redeveloped into higher intensity residential use. Redevelopment Factors: 1, 2
022-151-11	3535 Glen Canyon Rd	Green Valley Corporation	1.11	R-VH	Very High	Non-Vacant	1	70%	<u>20</u>	<u>15</u>	<u>2</u>	<u>1</u>	<u>12</u>	Yes	This is developed with a single-family dwelling unit. The site is considered underutilized, the land value exceeds the improvement value of the residential structures on the parcel.

APNS	Address	Property Owner	Acreage	Zoning	GPLU	Vacancy	Existing Units	Realistic Capacity	Expected Density	Potential Units				4 th /5 th Cycle	Existing Use and Additional Information
										Total	Low	Mod.	Above Mod.		
															Approximately 90% of the lot is vacant. This parcel is adjacent to other residential units/residentially zoned parcels enabling the possibility of consolidation and can feasibly be redeveloped into higher intensity residential use. Redevelopment Factors: 1, 2
Pipeline Projects															
022-481-18, 022-481-22	-	SV Housing LLC	0.77	R-H	High	Vacant	-	-	-	10	1	1	8	Yes	Currently vacant land near residential neighborhoods. Proposed 10-unit single-family development/duets. Project entitlements included a Planned Development Zoning Permit, Land Division, Design Review, and Environmental Review. The project includes deed restricted affordable units as required by the City's 15% Inclusionary Ordinance. The City Council approved the project June 16, 2021, and granted a two year a time extension on June 21, 2023. Next steps include submitting a Final Map for adoption by the City Council. Once the Final Map is adopted, the applicant can submit for grading and building permits.
022-162-76	3640 Glen Canyon Rd	NMSBPCSLDHB	3.56	C-S	C-S	Vacant	-	-	-	52	6	2	44	Yes	Currently vacant parcel proposing a mixed-use development with 52 units and 25,000 square-feet of commercial space. Project entitlements included a General Plan Amendment, Zoning Change with a Planned Development Zoning Overlay, Minor Land Division, Design Review Permit and Environmental Review. The project was approved by the City Council on December 7, 2022. The project includes deed restricted affordable units as required by the City's 15% Inclusionary Ordinance, including three very low-income units, two low income, and two moderate income units. The applicant can submit for grading and building permits once a Final Map is reviewed by the City Council.
021-231-07, 021-231-02, 021-231-04, 021-231-08, 021-221-02	263 Mt Hermon Rd	Valley Gardens Golf Course	18.36	C-P	C-P	Non-Vacant	-	-	-	171	25	0	146	-	The parcels currently include an old, unused, golf course. The mixed-use project currently proposes 171 units with 12,000 square-feet of commercial space. Project entitlements include a General Plan Amendment, Zone Change, Planned Development, Tentative Parcel Map, Design Review, Use Permit, and Environmental Review. While the project is not located in the City's Inclusionary Ordinance Boundary, the developer has proposed 15% of the total units be deed restricted as affordable. The project is currently under review by City staff. The project requires review by the Planning Commission who will forward to the City Council for approval of project entitlements. The City



APNS	Address	Property Owner	Acreage	Zoning	GPLU	Vacancy	Existing Units	Realistic Capacity	Expected Density	Potential Units				4 th /5 th Cycle	Existing Use and Additional Information
										Total	Low	Mod.	Above Mod.		
															issued a Notice of Preparation to prepare an Environmental Impact Report and is in the process of completing an EIR for the project.
021-141-05	-	Le Garden House LLC	17.60	C-S	C-P	Vacant	-	-	-	184	19	10	155	-	Currently vacant parcel zoned open space proposing a mixed-use development with 184 units, a hotel, and 3,500 square-feet of commercial space. Project entitlements include General Plan Amendment, Zone Change, Planned Development, Specific Plan Amendment, Use Permit, Design Review, Minor Land Division, and Environmental Review. While the project is not located in the City's Inclusionary Ordinance Boundary, the developer has proposed 15% of the total units be deed restricted affordable. The City issued a Notice of Preparation for an Environmental Impact Report and is in the process of completing an EIR for the project. The project requires review by the Planning Commission and approval of entitlements by the City Council.
Town Center Specific Plan															
022-721-06	-	Scotts Valley City Of	2.00	C-S	C-S	Non-Vacant	-	80%	40	64	64	0	0	Yes	This City-owned parcel currently covers the Skypark Dog Park and the Scotts Valley Pump Track, as well as part of the Skypark Skate Park parking lot. The City anticipates developing the property in coordination with an affordable housing developer to create a fully-affordable housing development centrally located near public transit, community resource, and open space. <u>Redevelopment Factors: 1, 2, 3, 4</u>
022-212-19	209 Bean Creek Rd	Scotts Valley City Of	1.07	C-S	C-S	Vacant	-	80%	40	32	32	0	0	Yes	This vacant City-owned parcel is adjacent to the Scotts Valley Public Library and the new theatre. The City anticipates developing the property in coordination with an affordable housing developer to create a fully-affordable housing development centrally located near public transit, community resource, and open space.
022-601-01	-	City Of Scotts Valley	2.90	C-S	C-S	Non-Vacant	-	80%	40	92	92	0	0	Yes	This nonvacant, City-owned parcel is adjacent to the post office and vacant land, and it is currently being used for trailer storage. The City anticipates developing the property in coordination with an affordable housing developer to create a fully-affordable housing development centrally located near public transit, community resource, and open space. <u>Redevelopment Factors: 1, 2, 3, 4</u>

APNS	Address	Property Owner	Acreage	Zoning	GPLU	Vacancy	Existing Units	Realistic Capacity	Expected Density	Potential Units				4 th /5 th Cycle	Existing Use and Additional Information
										Total	Low	Mod.	Above Mod.		
022-212-16	-	Santa Cruz Metropolitan Transit District Etal	2.77	P	P	Non-Vacant	-	80%	40	86	86	0	0	-	This parcel contains the METRO Cavallero transit center and the Scotts Valley Park and Ride center. The City has been in discussions with METRO about converting the site to affordable residential units with workforce components. Redevelopment of the site would result in parking being moved underground or provided through a parking structure. This would allow for Transit-Oriented Development (TOD) to occur in partnership with the transit center. As mentioned above, the area offers the opportunity to locate fully affordable housing development near community resources, open space, and commercial areas. Redevelopment Factors: 1, 2, 3, 5
022-601-18	216 Mt Hermon Rd A	Ow David L Trustee Etal	13.69	C-SC	C-SC	Non-Vacant	-	70%	40	383	153	39	191	-	This parcel contains the Kings Village shopping center and is owned by the Ow family. The center includes a Goodwill Thrift Store, CineLux, Nob Hill Foods, Ace Hardware, UPS Store, Walgreens, various restaurant, smaller retail stores, and surface parking. The site has been identified as a candidate site with the vision of redeveloping the northern portion of the sites into residential uses. While a large site, the City's Zoning Ordinance does not require parcelization to redevelop the site with affordable housing. The Specific Plan and Zoning Ordinance allow for mixed use development. Additionally, a program is included In the Housing Plan for the City to facilitate redevelopment of the property. Development is anticipated to include a mix of affordable and market rate units. Redevelopment Factors: 2, 3
Rezones – Residential															
024-152-30, 024-152-25, 024-152-27, 024-152-28, 024-152-29	-	Bergman Marlyn J	1.32	R-1-10	Medium	Non-Vacant	1	80%	40	43	17	4	22	-	Four of the parcels are vacant with one parcel (024-152-25) is developed with single family dwelling unit. The parcels are located in a single family neighborhood. The five parcels are under common ownership and the property owner has expressed interest in consolidating the lots to allow for higher density residential development. Redevelopment Factors: 1, 2, 3 (applicable to 4 parcels), 5
022-491-24	4556 Scotts Valley Dr A	Shaffer Wayne & Jo H/W Cp Rs As Tc Etal	1.11	C-S	C-S	Non-Vacant	8	80%	40	35	14	3	18	-	The site is currently developed with 8 residential dwelling units. The structures were built in the 1940s to 1960s. The parcel is adjacent to other candidate sites in the 6th Cycle and adjacent to a site that is under common ownership. This enables the possibility of consolidation and can be feasibly redeveloped into a

APNS	Address	Property Owner	Acreage	Zoning	GPLU	Vacancy	Existing Units	Realistic Capacity	Expected Density	Potential Units				4 th /5 th Cycle	Existing Use and Additional Information
										Total	Low	Mod.	Above Mod.		
															<u>higher intensity residential use. Property will be rezoned to allow for 100% residential development, up from the currently allowed 50% residential development.</u> <u>Redevelopment Factors: 1, 2</u>
<u>022-491-23</u>	<u>4600 Scotts Valley Dr</u>	<u>Shaffer Wayne & Jo H/W Cp Rs As Tc Etal</u>	<u>0.75</u>	<u>C-S</u>	<u>C-S</u>	<u>Vacant</u>	<u>=</u>	<u>80%</u>	<u>40</u>	<u>24</u>	<u>9</u>	<u>2</u>	<u>13</u>	<u>=</u>	<u>The site is currently vacant. The site is considered underutilized, the land value exceeds the improvement value. This parcel is also adjacent to other candidate sites in the 6th Cycle and adjacent to a site that is under common ownership. This enables the possibility of consolidation and can feasibly be redeveloped into higher intensity residential use. Property will be rezoned to allow for 100% residential development, up from the currently allowed 50% residential development.</u> <u>Redevelopment Factors: 1, 2</u>
<u>022-491-12</u>	<u>4602 Scotts Valley Dr 1</u>	<u>San Lorenzo Homes LLC</u>	<u>0.56</u>	<u>C-S</u>	<u>C-S</u>	<u>Non-Vacant</u>	<u>8</u>	<u>80%</u>	<u>40</u>	<u>17</u>	<u>6</u>	<u>1</u>	<u>10</u>	<u>=</u>	<u>The site is developed with two existing apartment buildings with a total of 8 units. The buildings were building in the 1940s and 1980s. Approximately 60% of the lot is vacant and majority of it is dedicated to surface parking. The site is considered underutilized, the land value exceeds the improvement value of the structures on the parcel. This parcel is also adjacent to other candidate sites in the 6th Cycle, enabling the possibility of consolidation and can feasibly be redeveloped into higher intensity residential use. Property will be rezoned to allow for 100% residential development, up from the currently allowed 50% residential development.</u> <u>Redevelopment Factors: 1, 2</u>
<u>022-481-06</u>	<u>4425 Scotts Valley Dr</u>	<u>Bowers Robert Howard & Janice Kathleen</u>	<u>0.89</u>	<u>C-S</u>	<u>C-S</u>	<u>Non-Vacant</u>	<u>=</u>	<u>80%</u>	<u>40</u>	<u>28</u>	<u>11</u>	<u>2</u>	<u>15</u>	<u>=</u>	<u>The site is currently developed as a landscaping materials yard. The parcel is considered underutilized as the land value exceeds the improvement value of the yard. The parcel is adjacent to other residential uses, enabling the possibility of consolidation and can feasibly be redeveloped into a higher intensity residential use. Property will be rezoned to allow for 100% residential development, up from the currently allowed 50% residential development.</u> <u>Redevelopment Factors: 1, 2, 3</u>
<u>022-031-14</u>	<u>5311 Scotts Valley Dr</u>	<u>Bladat LLC</u>	<u>0.67</u>	<u>C-S</u>	<u>C-S</u>	<u>Non-Vacant</u>	<u>=</u>	<u>80%</u>	<u>40</u>	<u>21</u>	<u>8</u>	<u>2</u>	<u>11</u>	<u>=</u>	<u>The site is developed with a prefabricated building and landscape supply center constructed in the 1950s. This site is considered</u>

APNS	Address	Property Owner	Acreage	Zoning	GPLU	Vacancy	Existing Units	Realistic Capacity	Expected Density	Potential Units				4 th /5 th Cycle	Existing Use and Additional Information
										Total	Low	Mod.	Above Mod.		
															<u>underutilized, the land value exceeds the improvement value of the structures on the parcel. Approximately 50% of the lot is vacant. This parcel is adjacent to other residential units enabling the possibility of consolidation and can feasibly be redeveloped into higher intensity residential use. Property will be rezoned to allow for 100% residential development, up from the currently allowed 50% residential development. Redevelopment Factors: 1, 2, 3</u>
Rezones – Mixed-Use															
022-801-17	4404 Scotts Valley Dr	Markell Rodney E	0.24	C-S	C-S	Non-Vacant	3	70%	40	6	2	1	2	-	There is an existing two-story mixed-use building with three residential units on this parcel constructed in 2007. Approximately 60% of the lot is vacant and majority of it is dedicated to surface parking. The site is considered underutilized, the land value exceeds the improvement value of the mixed use structure on the parcel. This parcel is also adjacent to other residential units enabling the possibility of consolidation and can feasibly be redeveloped into a higher intensity residential use. <u>Potential consolidation for APNs: 022-491-27, 022-801-17, 022-491-06, 022-491-04, 022-871-01, 022-491-09</u>
022-031-13	5297 Scotts Valley Dr	Lee James J & Rella S Trustees	0.33	C-S	C-S	Non-Vacant	-	70%	40	8	3	1	4	-	The site is developed with a commercial building and parking lot area that was constructed in the 1960s. Approximately 60% of this parcel is vacant. This parcel is adjacent to other residential units enabling the possibility of consolidation and can feasibly be redeveloped into higher intensity residential use. <u>Redevelopment Factors: 2</u>
022-031-16	5271 Scotts Valley Dr	St Philip The Apostle Episcopal Church In Scotts Valley	1.20	C-S	C-S	Non-Vacant	-	70%	40	33	13	3	17	-	The parcel is developed with a church and parking lot. l. Approximately 70% of the site is dedicated towards surface parking. The site is adjacent to other residential uses and other candidate sites in the 6 th cycle housing element. The site can feasible redeveloped into a higher residential use. <u>Redevelopment Factors: 2, 3</u>
022-031-01	5163 Scotts Valley Dr	Bfd Holdings 1 LLC	1.01	C-S	C-S	Non-Vacant	-	70%	40	28	11	3	14	-	The site is developed with a commercial building with parking lot area towards the front of the site. The building was constructed in the 1960s. The site is considered underutilized as the land value exceeds the improvement value. Approximately 60% of this parcel is vacant. The property owner has expressed interest in redeveloping this site at a higher intensity residential use. The site is also adjacent to another parcel held in common ownership.



APNS	Address	Property Owner	Acreage	Zoning	GPLU	Vacancy	Existing Units	Realistic Capacity	Expected Density	Potential Units				4 th /5 th Cycle	Existing Use and Additional Information
										Total	Low	Mod.	Above Mod.		
															This parcel can feasibly be redeveloped into higher intensity residential use. Redevelopment Factors: 1, 2, 3, 5
022-031-09	5215 Scotts Valley Dr A	Bfd Holdings 1 LLC	0.48	C-S	C-S	Non-Vacant	7	70%	40	13	5	1	7	-	The site is development with a mixed use building with commercial spaces on the first floor and four residential units on the second floor. The building was constructed in the 1970s. Approximately 60% of this parcel is vacant. The property owner has expressed interest in redeveloping this site at a higher intensity residential use. The site is also adjacent to another parcel held in common ownership. The parcel can feasibly be redeveloped into a higher intensity use with the adjacent parcel. Redevelopment Factors: 2, 5
022-031-12	5275 Scotts Valley Dr	Perry Karen A	0.20	C-S	C-S	Non-Vacant	1	70%	40	5	2	1	2	-	The site is developed with a commercial building and one dwelling unit. The buildings were constructed in the 1960s. The site is considered underutilized as the land value exceeds the improvement value. Approximately 50% of this parcel is vacant. This parcel is adjacent to another candidate site identified for the 6th Cycle enabling the possibility of consolidation. The site can feasibly be redeveloped into higher intensity residential use. Redevelopment Factors: 1, 2
022-491-06	4408 Scotts Valley Dr	Double-O Developments Inc	0.24	C-S	C-S	Non-Vacant	-	70%	40	6	2	1	3	-	This site is currently developed as part of parking lot for a commercial office center. The site was improved as a parking lot in the 1970s. The County Assessor's Office notes that the site is classified as vacant commercial land. The parcel is adjacent to another candidate site under common ownership, enabling the possibility of consolidation. The site can be feasible be redeveloped into higher intensity residential use. Potential consolidation for APNs: 022-491-27, 022-801-17, 022-491-06, 022-491-04, 022-871-01, 022-491-09 Redevelopment Factors: 1, 2, 3
022-491-04	4444 Scotts Valley Dr	Double-O Developments Inc	0.90	C-S	C-S	Non-Vacant	-	70%	40	25	10	3	12	-	The site is currently developed as a commercial office building with surface parking. The site was built in the 1970s. T The parcel is adjacent to another candidate site under common ownership, enabling the possibility of consolidation. The site can feasibly be redeveloped into higher intensity residential use.

APNS	Address	Property Owner	Acreage	Zoning	GPLU	Vacancy	Existing Units	Realistic Capacity	Expected Density	Potential Units				4 th /5 th Cycle	Existing Use and Additional Information
										Total	Low	Mod.	Above Mod.		
															Potential consolidation for APNs: 022-491-27, 022-801-17, 022-491-06, 022-491-04, 022-871-01, 022-491-09 Redevelopment Factors: 2, 3
022-491-27	4402 Scotts Valley Dr	Fontana Family Investments LLC	0.49	C-S	C-S	Non-Vacant	-	70%	40	13	5	1	7	-	The site is currently developed as a restaurant and surface level parking. The building was constructed in the 1960s. This parcel is considered underutilized, the land value exceeds the improvement value of the structure on this parcel. This parcel is adjacent to other candidate sites listed in the 6 th Cycle enabling the possibility of consolidation and can feasibly be redeveloped into higher intensity residential use. Potential consolidation for APNs: 022-491-27, 022-801-17, 022-491-06, 022-491-04, 022-871-01, 022-491-09 Redevelopment Factors: 1, 2, 3
023-113-31	257 Glenwood Dr	Roman Catholic Bishop Of Monterey	4.44	P/QP	P/QP	Non-Vacant	1	80%	40	96	38	10	48	-	The site is developed with an existing church with a surface level parking lot. Approximately 70% of the site is dedicated towards surface parking with the remaining 30% undeveloped. The site can feasibly be redeveloped into a higher residential use. Redevelopment Factors: 2
022-491-07	4548 Scotts Valley Dr	Luzzi Adrian J Trustee Etal	2.40	C-S	C-S	Non-Vacant	1	70%	40	67	27	7	33	-	The site is developed with a single family dwelling unit. The building was constructed in the 1910s. This site is considered underutilized, the land value exceeds the improvement value of the residential unit on the parcel. Approximately 80% of the lot is vacant. This parcel is adjacent to other candidate sites listed in the 6 th Cycle enabling the possibility of consolidation and can feasibly be redeveloped into higher intensity residential use. Potential consolidation for APNs: 022-491-07 and 022-491-05 Redevelopment Factors: 1, 2
022-491-05	4446 Scotts Valley Dr	Hoffman Edward L Trustee Etal	0.40	C-S	C-S	Non-Vacant	1	70%	40	6	2	1	3	-	The site is developed with a structure that was constructed in 1977. Approximately 70% of the lot is vacant. This parcel is underutilized, the land value exceeds the improvement value of the structure on the parcel. This parcel is adjacent to other candidate sites listed in the 6 th Cycle, enabling the possibility of consolidation and can feasibly be redeveloped into higher intensity residential use. Potential consolidation for APNs: 022-491-07 and 022-491-05 Redevelopment Factors: 1, 2
022-871-01	-	Shadow Oaks Professional	1.32	C-S	C-S	Non-Vacant	-	70%	40	36	14	4	18	-	The site is developed with commercial condominiums and a common parking lot area. The commercial center was developed

APNS	Address	Property Owner	Acreage	Zoning	GPLU	Vacancy	Existing Units	Realistic Capacity	Expected Density	Potential Units				4 th /5 th Cycle	Existing Use and Additional Information
										Total	Low	Mod.	Above Mod.		
		Center Owners Assoc													in the 1980s. Approximately 60% of the parcel is vacant. This parcel is adjacent to another candidate site enabling the possibility of consolidation and can feasibly be redeveloped into a higher intensity use. Potential consolidation for APNs: 022-491-27, 022-801-17, 022-491-06, 022-491-04, 022-871-01, 022-491-09 Redevelopment Factors: 1, 2, 3
022-491-09	4402 Scotts Valley Dr	Taylor Eric T & Elaine M	0.12	C-S	C-S	Non-Vacant	-	70%	40	2	1	0	1	-	The site is currently developed as common open space for the adjacent property. The parcel is adjacent to other candidate sites in the 6 th Cycle and adjacent to a site that is under common ownership, enabling the possibility of consolidation and can feasibly be redeveloped into a higher intensity residential use. Potential consolidation for APNs: 022-491-27, 022-801-17, 022-491-06, 022-491-04, 022-871-01, 022-491-09 Redevelopment Factors: 1, 2, 3
022-491-08	4550 Scotts Valley Dr A	Taylor Eric T & Elaine M	1.75	C-S	C-S	Non-Vacant	3	70%	40	50	20	5	25	-	The site is developed with three dwelling units. The structures were constructed in the 1930s. This site is considered underutilized, the land value exceeds the improvement value of the residential units on the parcel. The parcel is adjacent to other candidate sites in the 6 th Cycle and adjacent to a site that is under common ownership. This enables the possibility of consolidation and can feasibly be redeveloped into a higher intensity residential use. Redevelopment Factors: 1, 2
022-072-33	4865 Scotts Valley Dr	Franich John Anthony & Nancy Katherine Trustees	0.46	C-S	C-S	Non-Vacant	-	70%	40	12	5	1	6	-	The site is currently developed with a commercial building that was constructed in the 1940s and modified in the 1970s. The site is considered underutilized, the land value exceeds the improvement value of the existing commercial building. Parcel has a surface parking lot and the structure takes up approximately 40% of the property. The parcel is adjacent to other candidate sites in the 6 th Cycle and adjacent to a site that is under common ownership. This enables the possibility of consolidation and can feasibly redevelop into a higher intensity residential use. Redevelopment Factors: 2

APNS	Address	Property Owner	Acreage	Zoning	GPLU	Vacancy	Existing Units	Realistic Capacity	Expected Density	Potential Units				4 th /5 th Cycle	Existing Use and Additional Information
										Total	Low	Mod.	Above Mod.		
022-351-13	4901 Scotts Valley Dr	Franich John Anthony & Nancy Katherine	0.47	C-S	C-S	Non-Vacant	-	70%	40	13	5	1	7	-	The site is currently developed with a commercial building that was constructed in the 1940s. The parcel is considered underutilized; the land value exceeds improvement value of the commercial structure. Parcel has a surface parking lot and vacant land that take up approximately 50% of the property. The parcel is adjacent to other candidate sites in the 6 th Cycle and adjacent to a site that is under common ownership. This enables the possibility of consolidation and can feasibly redevelop into a higher intensity use. Potential consolidation for APNs: 022-072-41 and 022-351-13 Redevelopment Factors: 1, 2, 3
022-072-41	4859 Scotts Valley Dr	Ross Lawrence A R & Ruth J	0.29	C-S	C-S	Non-Vacant	-	70%	40	8	3	1	4	-	The site is currently developed with a commercial building that was constructed in the 1940s. The parcel is considered underutilized as the land value exceeds improvement value of the commercial structure. Parcel is developed with a surface level parking and structure that takes up approximately 50% of the lot. The parcel is adjacent to other candidate sites in the 6 th Cycle, enabling the possibility of consolidation and can feasibly redevelop into a higher intensity use. Potential consolidation for APNs: 022-072-41 and 022-351-13 Redevelopment Factors: 1, 2, 3
022-231-18	90 Lockhart Gulch Rd	Storage Depot LLC	12.05	I-L	I-L	Non-Vacant	-	33%	40	159	64	16	79	-	The site is currently developed as a mini-warehouse facility and was constructed in the 1990s. The parcel has a dual zoning designation of industrial and open space. Therefore, the developable area of the site is calculated at 4.35 acres. The City does not require the parcelization of this site as the environmentally sensitive area of the parcel is held in an open space designation which prohibits development. The parcel is adjacent to residential uses, community amenities, and can feasibly be redeveloped into a higher intensity residential use. Redevelopment Factors: 1, 3
021-271-04	75 Mt Hermon Rd 100	Kontoudakis John & Barbara H/W Jt	1.90	C-S	C-S	Non-Vacant	-	70%	40	53	21	5	27	-	The site is currently developed as a commercial shopping center and was constructed in the 1970s. This parcel is considered underutilized, land value exceeds the improvement value of the commercial structures on the parcel. The parcel is adjacent to other candidate sites in the 6 th Cycle and various residential uses. This enables the possibility of consolidation and can feasibly redevelop into a higher intensity residential use.

APNS	Address	Property Owner	Acreage	Zoning	GPLU	Vacancy	Existing Units	Realistic Capacity	Expected Density	Potential Units				4 th /5 th Cycle	Existing Use and Additional Information
										Total	Low	Mod.	Above Mod.		
															Redevelopment Factors: 1, 2, 3
021-281-07		Lexertus LLC	0.54	C-S	C-S	Vacant	-	70%	40	15	6	2	7	-	This parcel is vacant. The parcel is considered underutilized as the land value exceeds the improvement value. The site is adjacent to other candidate sites in the 6 th Cycle, various residential uses, and sites under common ownership. These factors enable consolidation. As such, the site can feasibly redevelop into a higher intensity residential use.
021-281-08	69 Mt Hermon Rd	Lexertus LLC	0.30	C-S	C-S	Non-Vacant	1	70%	40	8	3	1	4	-	The site is developed with a single dwelling unit. The site is adjacent to other candidate sites in the 6 th Cycle, various residential uses, and sites under common ownership. These factors enable consolidation with other sites. As such, the site can feasibly redevelop into a higher intensity residential use. Potential consolidation for APNs: 021-281-08 and 021-281-09 Redevelopment Factors: 2
021-281-09	69 Mt Hermon Rd	Lexertus LLC	0.49	C-S	C-S	Non-Vacant	-	70%	40	13	5	1	7	-	The parcel is developed as an outdoor storage area. The site is considered underutilized as the improvement value of the lot is less than the value of the land. The site is adjacent to other candidate sites in the 6 th Cycle, various residential uses, and sites under common ownership. These factors enable consolidation with other sites. The site can feasibly be redeveloped into a higher intensity residential use. Potential consolidation for APNs: 021-281-08 and 021-281-09 Redevelopment Factors: 1, 2, 3
021-281-15	59 Mt Hermon Rd	Bei-Scott Company LLC	0.62	C-S	C-S	Non-Vacant	-	70%	40	17	7	2	8	-	This site is developed with a commercial building constructed in the 1980s. The site is adjacent to other candidate sites in the 6 th Cycle, various residential uses, and a site under common ownership. These factors enable consolidation with other sites. The site can feasibly be redeveloped into a higher intensity residential use. Potential consolidation for APNs: 021-281-15 and 021-281-14 Redevelopment Factors: 2, 3
021-281-14	57 Mt Hermon Rd	Bei-Scott Company LLC	0.44	C-S	C-S	Non-Vacant	-	70%	40	12	5	1	6	-	The site is developed with a commercial building constructed in the 1970s. This site is considered underutilized, the land value exceeds the improvement value of the residential structures on the parcel. Approximately 60% of the lot is vacant. The site is adjacent to other candidate sites in the 6 th Cycle, various

APNS	Address	Property Owner	Acreage	Zoning	GPLU	Vacancy	Existing Units	Realistic Capacity	Expected Density	Potential Units				4 th /5 th Cycle	Existing Use and Additional Information
										Total	Low	Mod.	Above Mod.		
															residential uses, and a site under common ownership. These factors enable consolidation with other sites. The site can feasibly be redeveloped into a higher intensity residential use. Potential consolidation for APNs: 021-281-15 and 021-281-14 Redevelopment Factors: 1, 2
022-571-02	2 Bean Creek Rd	Se-Camp Evers LLC	0.55	C-S	C-S	Non-Vacant	1	70%	40	15	6	2	7	-	The site is developed with a single family residential dwelling unit that was constructed in the 1920s. The structure is in need of rehabilitation. The site is considered underutilized, the land value exceeds the value of the improvement value of the residential structure on the parcel. Approximately 70% of the parcel is vacant. The site is adjacent to other candidate sites in the 6 th Cycle and sites under common ownership. These factors enable consolidation with other sites. The site can feasibly be redeveloped into a higher intensity residential use. Redevelopment Factors: 1, 2
022-571-03	50 Mt Hermon Rd	Se-Camp Evers LLC	0.98	C-S	C-S	Non-Vacant	-	70%	40	27	11	3	13	-	The site is developed with multiple commercial buildings that were constructed in the 1960s. This site is considered underutilized, the land value exceeds the improvement value of the residential structures on the parcel. Approximately 50% of the parcel is vacant. The site is adjacent to other candidate sites in the 6 th Cycle and sites under common ownership. These factors enable consolidation with other sites. The site can feasibly be redeveloped into a higher intensity residential use. Redevelopment Factors: 1, 2, 3
022-571-05	3101 Scotts Valley Dr	Se-Camp Evers LLC	1.49	C-S	C-S	Non-Vacant	-	70%	40	41	16	4	21	-	The site is developed with multiple commercial buildings that were constructed in the 1960s. This site is considered underutilized, the land value exceeds the improvement value of the residential structures on the parcel. Approximately 50% of the parcel is vacant. The site is adjacent to other candidate sites in the 6 th Cycle and sites under common ownership. These factors enable consolidation with other sites. The site can feasibly be redeveloped into a higher intensity residential use. Redevelopment Factors: 1, 2, 3
022-571-01	6 Bean Creek Rd	Se-Camp Evers LLC	0.55	C-S	C-S	Non-Vacant	1	70%	40	15	6	2	7	-	The site is developed with a single family residential dwelling unit that was constructed in the 1930s. The structure is in need of rehabilitation. The site is considered underutilized, the land value exceeds the value of the improvement value of the residential structure on the parcel. Approximately 70% of the parcel is

APNS	Address	Property Owner	Acreage	Zoning	GPLU	Vacancy	Existing Units	Realistic Capacity	Expected Density	Potential Units				4 th /5 th Cycle	Existing Use and Additional Information
										Total	Low	Mod.	Above Mod.		
															vacant. The site is adjacent to other candidate sites in the 6th Cycle and sites under common ownership. These factors enable consolidation with other sites. The site can feasibly be redeveloped into a higher intensity residential use. Additionally, the site is market as a potential sandhill habitat; however, this is not considered a constraint to residential development as the City has a history of successful residential development on such parcels which has not resulted in prolonged CEQA review or entitlement. More analysis is provided in Appendix C. <u>Redevelopment Factors: 1, 2</u>



APPENDIX G



Section 65583 of the Government Code states, “local government shall make diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort.” Meaningful community participation is also required in connection with the City’s Assessment of Fair Housing (AF). As such, a **Summary of Community Engagement** is included within this Appendix.

SUMMARY OF COMMUNITY ENGAGEMENT

Beginning of 2023, the City conducted a variety of outreach and engagement efforts detailed in this Appendix. As required by government Code Section 65585 (b)(2), all written comments regarding the Housing Element made by the public have been provided to each member of the City Council.

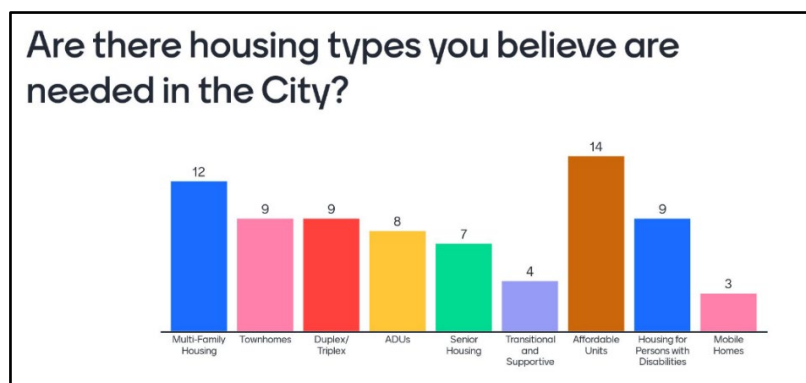
1. Community Workshop #1

On January 26th, 2023, the City held its first virtual community workshop to introduce the Housing Element update process and provide details on how the community could stay engaged through adoption and certification. The workshop and presentation were made available in both English and Spanish, and the recordings for both are available on the City's webpage. The workshop received a total of 30 attendees.

Participants were able to provide thoughts and input in real-time through live polling activities and a Q&A. Feedback received noted the high cost of housing in Scotts Valley and the lack of housing choices. Additionally, participants shared that the high cost of rent and property costs makes it too expensive to live in Scotts Valley.



When it came down to the selection of housing types, workshop participants noted a greater need for affordable housing units and multi-family housing. As shown below, Townhomes, Duplex/Triplex, and Housing for Persons with Disabilities were also tied as a need in housing types within the City.



Lastly, workshop participants were asked about what they valued about Scotts Valley's existing neighborhoods. They emphasized the importance of schools, walkability, proximity of resources, open space, parks, and low crime.

2. Community Workshop #2

On May 30th, 2023, the City held a second virtual community workshop to inform the community of the Public Review Draft Housing Element, provide details on strategies to address RHNA, and solicit input and feedback. The presentation was made available in Spanish on the Housing Element Update webpage. The workshop received a total of 19 attendees.

In conjunction with the release of the Public Review Draft on May 19, 2023, the City also released an online Feedback Form to collect responses on the Draft. Workshop attendees received guidance on submitting responses through the form and contacting Staff for more in-depth comments.

3. Joint City Council and Planning Commission Study Sessions

On April 5th, 2023, Staff presented to City Council, Planning Commission, and members of the public during a joint Study Session. The presentation provided introductory information on the Housing Element Update process, details on the City's RHNA allocation, and strategies for addressing the 6th Cycle RHNA. The Study Session was organized to solicit input and recommendations from Planning Commission, City Council, and members of the public. Recordings of the meeting is available on the Housing Element Update webpage.

On June 28th, 2023, Staff presented to City Council, Planning Commission, and members of the public during a second joint Study Session. The presentation provided information on the status of the Element, including public comments received during the Public Review Draft comment period and revisions made in response to those public comments and guidance received during the first Study Session. Staff collected feedback and recommendations from Planning Commission, City Council, and members of the public; and also received approval to submit the Draft Housing Element to HCD for an initial review. Recordings of the meeting is available on the Housing Element Update webpage.

Members of the public who attended the Study Session in-person and virtually were given the opportunity to make comments and ask questions.

4. Engaging Special Housing Needs Populations

The City is engaging special housing needs organizations throughout the Housing Element update. This engagement included providing Spanish translation needs at the first community workshop.

The City has outreach to the organizations listed below to solicit input and feedback. This included direct emails and phone calls to request both general input on the state of housing in the City, opportunities, challenges, etc., as well as to notify them when drafts of the Housing Element were made available for review. These organizations were identified for their specialized services to special housing needs households in Scotts Valley and the region. The

City has heard back from Community Bridges and Senior Network Services to schedule a one-on-one meeting, but did not receive a response from Encompass Community Services.

- **Community Bridges** – Provides a variety of services for children, adults, and seniors. This includes a food program, early education services, safe community space for women and children, family resources, senior day health care, door-to-door rides for seniors, and meals on wheels.
- **Senior Network Services** – Provides specialized services for senior residents throughout Santa Cruz County. This includes information and assistance, Medicare counseling, senior housing, respite, case management, and a grant program.
- **Encompass Community Services** – Provides county-wide services in behavioral health, family and social well-being, early childhood education, housing, substance use recovery programs, reentry services, and health and financial services.

Additionally, the City also contacted the following organizations to notify them of the available draft for feedback. These organizations include more regional groups and affordable housing developers.

- **Housing Santa Cruz County** – Provides public advocacy, democratic accountability, and community education relating to affordable housing across Santa Cruz County.
- **Habitat for Humanity Monterey Bay** – Builds affordable homes and provides home ownership opportunities in Santa Cruz and Monterey Counties.
- **Association of Faith Communities** – Provides resources and services to persons experiencing homelessness across Santa Cruz County. This includes the following four programs: 1) Safe Spaces providing a place for persons to park with access to sanitary facilities and other amenities; 2) Shower Ministry providing hot showers; 3) Faith Community Shelter providing nightly shelter and food; and 4) SPIN which distributes socks to shelters and food pantries.
- **Seniors Council** – Operates several programs for seniors across Santa Cruz, San Benito, Monterey, and Santa Clara Counties. Programs include Aging and Disability Resources Connection (ADRC), Area Agency on Aging, Falls Prevention, Foster Grandparent Program (FGP), Project SCOUT, and Senior Companion Program (SCP).
- **Eden Housing** – Affordable housing developer
- **MidPen Housing** – Affordable housing developer
- **Santa Cruz Co. Housing Authority** – Operates the Housing Choice Voucher (HCV) Program and a number of additional programs for housing affordability, for farmworkers, and for prospective homeowners.

The City has received separate public comments from the organizations listed below regarding special housing needs populations. Letters and public comments are included within this Appendix and also detailed in Table G-1 with responses.

- Affordable Housing NOW!
- Santa Cruz YIMBY



- [Housing Choices](#)
- [Santa Cruz Co. Housing Authority](#)

5. Housing Element Update Webpage

The City maintains a Housing Element Update webpage that was created to provide background information and guide the public to outreach events and resources throughout the course of the update process. The website provides information about the update process, key features of the housing element, recorded meetings, a project timeline, resources, and contact information. The website is available at: <https://tinyurl.com/th67rbyn>

All outreach materials, reports, and Drafts are available to the public through the Housing Element Update webpage.

PUBLIC COMMENTS

The following section contains all public comments submitted throughout the Housing Element Update process through ~~June 23~~October 19, 2023, and Table G-1 provides a matrix of public comments received during the Public Review Draft Housing Element and responses noting how each have been considered or incorporated.

Table G-1: Public Review Draft Comments and Responses

Public Comments		City Response
Submitted Letters		
Housing Choices	Affirmatively Further Fair Housing by Producing More Extremely Low-Income Housing. Not only is disability the highest-ranked source of Fair Housing complaints in Santa Cruz County, a growing body of Santa Cruz County data indicates that Black, Indigenous and other People of Color (BIPOC) with disabilities experience higher rates of severe rent burden than either BIPOC without disabilities or whites with disabilities. Such disparities in the experience of severe rent burden, housing instability and displacement from the City of Scotts Valley are attributable to the shortage of housing priced to be affordable to Extremely Low Income (ELI) households with incomes below 30% of Area Median Income. Multiple barriers including high land and construction costs and limited funding make it difficult for developers to produce Extremely Low Income units that would help to reduce such disparities. Local zoning and other policies that lead to increased production of Extremely Low Income units, as well as city staff dedicated to implementing and overseeing those policies, will Affirmatively Further Fair Housing in the City of Scotts Valley and decrease displacement and homelessness for the most at-risk residents, including people with developmental disabilities. <i>Sample Language: The City of Scotts Valley's plans to Affirmatively Further Fair Housing for Black, Indigenous and other People of Color, particularly those with disabilities, shall include policies designed to increase the production of Extremely Low Income units, as well as adequate staff capacity to implement and monitor the impact of these policies.</i>	An action has been added into Program H-3.2.
	Establish and monitor a quantitative goal. Tracking the City's success in housing people with developmental disabilities is essential to determine whether policies and programs are having an effect in overcoming historic patterns of discrimination and exclusion of people with developmental disabilities from affordable housing. A goal of 20 new Extremely Low-Income housing units for City of Scotts Valley residents with developmental disabilities over the period of the 2023-2031 Housing Element would represent meaningful progress towards the total unmet housing need of this special needs group. <i>Sample Language: The City of Scotts Valley shall monitor progress towards a quantitative goal of 20 new Extremely Low Income housing units that are subject to a preference for people with developmental disabilities needing the coordinated services provided by San Andreas Regional Center to live inclusively in affordable housing.</i>	A metric has been added into Program H-3.2
	Target City-Owned Land, Land Dedicated to Affordable Housing and City Housing Funds to Achieve City-Specific Priorities.	Comment has been noted.

Public Comments		City Response
	City-owned land, land dedicated to affordable housing development through a land trust or under an inclusionary housing ordinance, and city housing funds are often essential to the development of affordable housing that is financially feasible. In creating guidelines for the scoring of any competitive proposals for these scarce resources, the City should grant additional points to affordable housing projects that address the housing needs of the residents who are most difficult to house under existing state and federal housing finance programs--for example, by prioritizing proposals with a higher number of Extremely Low Income units or that make a percentage of units subject to a preference for identified categories of special needs people who would benefit from coordinated onsite services, including but not limited to people with developmental disabilities who benefit from services of the San Andreas Regional Center. Example: City of San Jose Housing Department NOFA; San Mateo County Affordable Housing Fund NOFA <i>Sample Language: In publishing requests for competitive proposals for any city-owned land, land dedicated to affordable housing or city housing funds, the City of Scotts Valley shall grant additional points to proposals that address the city's most difficult to achieve housing priorities, by, for example, providing a greater number of Extremely Low-Income units or committing to make a percentage of the units subject to a preference for people with special needs who will benefit from coordinated onsite services, such as people with developmental disabilities who receive services from the San Andreas Regional Center.</i>	
	Amend Density Bonus Program. Like many state and federal housing finance programs, the state density bonus program incentivizes the production of housing at the Low and Very Low Income level. But in counties like Santa Cruz County, with one of the highest Area Median Incomes in the state, these incentives have the effect of making much of the available affordable housing out of reach for residents on fixed incomes (including seniors and persons with disabilities) or who are working in low wage jobs and are thus unable to meet minimum income requirements to afford the rent assigned to the Very Low Income category. The City of Scotts Valley should update its density bonus program to conform with current state density bonus law which has increased the maximum density bonus allowed. In addition, the city should include in its updated density bonus program incentives which go above and beyond the state density bonus law to make it more responsive to the impact of Santa Cruz County's high Area Median Income on the affordability of housing for Scotts Valley residents who are Extremely Low Income. The city should also include additional incentives for projects that make a percentage of units subject to a preference for identified categories of special needs populations who experience the greatest	Program H-3.10 is included in the Housing Plan to bring the existing Ordinance into compliance with recent State law updates; the program includes the following actions: • Adopt a Density Bonus Ordinance amendment to bring policies into compliance with State density bonus law. • Promote the Density Bonus Ordinance to multi-family developers on a project-by-project basis to promote affordable housing unit development.

Public Comments		City Response
	barriers to housing access including but not limited to people with developmental disabilities who benefit from services of the Golden Gate Regional Center. <i>Sample Language: In addition to implementing the California density bonus statute, the City shall provide an additional local density bonus, incentives, and/or concessions for housing projects that include at least 5% of the units for people at the Extremely Low-Income affordability level or commit to make a percentage of the units subject to a preference for people with special needs who will benefit from coordinated onsite services, such as people with developmental disabilities who receive services from the Golden Gate Regional Center.</i>	Program H-3.2 aims to affirmatively further fair housing. Two actions specifically relating to special needs households include: • Extend housing choice voucher search times for particular groups, such as larger families with children or persons with disabilities. Aim to assist 20 households with special needs access housing choice vouchers. • Facilitate the development of affordable housing units for special housing needs population. This may include, but is not limited to, technical assistance, support for funding applications, permitting fee waivers, and development standards concessions, and other similar actions.
	Amend Inclusionary Housing Ordinance to Apply Restrictions to Rental Housing. California law (AB 1505, the “Palmer Fix”) explicitly allows cities to adopt inclusionary housing ordinances that address a range of income levels from moderate-income to extremely low-income. The City should take advantage of this authority to make its ordinance more responsive to local needs by offering developers of rental housing a menu of options for including affordable units, for example, by setting a higher percentage of units priced for moderate income and a lower percentage of units priced for extremely low income or targeted to special needs populations. Such a menu would address a broader range of the City of Scotts Valley’s housing needs, while giving developers more options for meeting the inclusionary requirement. Example: San Mateo County Inclusionary Affordable Housing Ordinance; Redwood City Affordable Housing Ordinance <i>Sample Language: The City of Scotts Valley shall revise its inclusionary housing ordinance to require developers of rental housing units to restrict some units to moderate, low, very low, and/or extremely low-income households. In addition developers will be offered a menu of options for achieving affordability, adjusting the percentage of units required to be affordable</i>	Program H-1.8 has been updated to include some of the proposed language regarding restricting some units to moderate, low, very low, and/or extremely low-income households.

Public Comments		City Response
	depending on the degree of affordability achieved (moderate-income, low income, very low income, and extremely low income) or special needs groups targeted, including, for example, people with developmental disabilities who will benefit from coordinated onsite services provided by the San Andreas Regional Center.	
	Extremely Low-Income Accessory Dwelling Units. As part of a larger plan to increase the supply of Accessory Dwelling Units (ADUs), the City should consider creating a financing program for homeowners who build ADUs and rent them for at least 15 years at Extremely Low Income rent levels or that are subject to a preference for identified categories of special needs people who would benefit from coordinated onsite services, including but not limited to people with developmental disabilities who benefit from services of the San Andreas Regional Center. Example: Portland System Development Charge Exemptions; LA Backyard Homes Project <i>Sample Language: Subject to funding availability, the City shall devise a program of financing for Accessory Dwelling Units subject to rent restrictions for at least 15 years at Extremely Low-Income rent levels and/or that target special needs populations, such as people with developmental disabilities who will benefit from coordinated services provided by the San Andreas Regional Center.</i>	Comment has been noted.
	Reduce Parking Requirements for People with Developmental and Other Disabilities. Because most adults with developmental disabilities do not drive or own a car, the City should revise its ordinances to limit parking required for affordable units for people with developmental disabilities to 0.5 space for each affordable studio or 1 bedroom unit and 1 space for an affordable 2 bedroom unit or larger. A similar reduction is recommended for affordable, physically accessible units. Example: Sunnyvale Parking Requirements for Special Housing Developments <i>Sample Language: The City of Scotts Valley shall encourage the inclusion of people with developmental and other disabilities in affordable housing by recognizing their transit dependence and establishing lower parking ratios for units targeted to people with developmental and other disabilities than would otherwise be required for affordable housing.</i>	This comment has been noted. As part of Program H-1.6 the City will be conducting a study of residential development standards to determine any potential constraints to housing.
	Affirmative Marketing of Physically Accessible Units: Developers are allowed to affirmatively market accessible units to disability-serving organizations in Santa Cruz County (i.e. San Andreas Regional Center, Housing Choices Coalition for Persons with Developmental Disabilities, Central Coast Center for Independent Living and others) but rarely take this step. Affirmative marketing is particularly needed by people with developmental disabilities who, because of cognitive, communication and social impairment, often rely on housing navigation services funded by the San Andreas Regional Center to learn about and apply for affordable housing.	This comment has been noted. The City encourages developers to affirmatively market accessible units.

Public Comments		City Response
	<i>Sample Language: As a condition of the disposition of any city-owned land, the award of city financing, any density bonus concessions, or land use exceptions or waivers for any affordable housing project, the City of Scotts Valley shall require that the housing developer implement an affirmative marketing plan for state-mandated physically accessible units which, among other measures, provides disability-serving organizations adequate prior notice of the availability of the accessible units and a process for supporting people with qualifying disabilities to apply.</i>	
Letter from Michael Shulman	It is rather confusing that there is identical numbering for the Policies and the Programs, as (for example) Policy H-1.1 speaks to housing variety in general while Program H-1.1 is specific to the 6 th cycle RHNA. Since this document will be used for the next 10 years, there could be some benefit to having some nomenclature distinction between these two classes (“PoH-1.1” v “PrH-1.1”, for example).	Comment has been noted.
	Program H-1.1 (RHNA): Table F-2 shows very encouraging numbers that bely publicly expressed concerns over the RHNA assigned to SV. Table F-6 takes an appropriately expanded view of the housing opportunities at the Town Center, recognizing the potential to redevelop certain existing parcels beyond their current singularly commercial purpose. The re-zoning opportunities along SV Drive, in addition to offering housing sites, can also generate long-needed economic revitalization along this corridor. But it is not clear why the rezoning is being proposed for only 33 identified parcels. An overlay zone that allows all property owners an ability to participate avoids the potential trap of the City attempting to pick winners-and-losers based on the ephemeral and potentially transient reasons offered on Page F-19. Identifying just these 33 parcels also creates unjustified inequitable development opportunities between adjacent parcels that may put the City on tenuous legal footing. We can’t know who will want to redevelop or who will constructively engage in lot consolidation; properties can change hands and zoning-based advantages can simply raise the perceived value of a parcel rather than necessarily lead to its prompt development. There should also be more consideration given to allow 100% residential along at least some portions of this corridor rather than insist on minimum 30% commercial development. There simply may not be a viable market for commercial anytime soon and the encumbrance on all properties is counterproductive. The City’s economic viability no longer relies on the sales and business tax generation that was the basis for the non-residential legacy zoning of SV Drive. A high density residential overlay combined with PD (planned development) regulations along SV Drive, from Mt. Hermon all the way to Victor Square, could simplify and stimulate redevelopment, make great strides towards fulfilling our RHNA, and provide more resident wallets that will drive economic growth in our existing retail and employment centers.	Comment has been noted.

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Program H-1.4 (ADU) – ADUs are perceived as an easy fix to affordable housing challenges because their small size makes them inherently more affordable, and by spreading them out within existing neighborhoods it can diffuse the opposition often associated with larger residential developments. But we should not overlook the adverse impacts they can have on fully developed neighborhoods by introducing more cars and traffics without any commensurate expansion of infrastructure, the loss of vegetation and open space (which matters, even when on individual parcels), and the crowding of structures and potential loss of privacy (depending on how the ADU is sited). ADUs should be accommodated where they work well in a particular neighborhood but we should be cautious about incentivizing them (as per H-2.2, Design Review). We can achieve our RHNA through commercial rezoning and undeveloped residential properties without reliance on one-off ADUs that warrant selective support and individual consideration; they are essentially a neighborhood-level ‘remodel’ and the incentives should focus on retaining the positive qualities of that neighborhood rather than be driven by quantity of units. The total number of projected ADUs shown in Table F-2 (40) speak to their near irrelevance to meeting SV’s RHNA. Some actions proposed are contrary to good planning and pose enforcement challenges -- permit ready ADU plans may conflict with the character of a property or neighborhood, and affordability deed restrictions on individual property owners are intrusive, difficult to effectively regulate, and can generate conflict when the property changes hands.	Comment has been noted.
Program H-1.5 (removal of constraints) – This program needs more substance; it only says we’ll talk about it and conduct research. Yet despite this ambiguity, it seems to have concluded that parking requirements are a fair target. Everyone hates parking except when it is a challenge for them or their guests / customers to find a space. In MF and commercial developments, minimum parking requirements exist for clear and valid reasons. SV has other legacy development constraints (building heights, densities, commercial v residential percentages, etc.) that do not necessarily have such clear rationale, at least in a broad, one-size-fits-all sense; see also my comment on page C-3 below. The concept behind this program is worthwhile but the text is insufficiently ambitious. To say “if constraints are identified, adopt changes with(in) two years” will not lead to changes if those who have maintained the constraints are those who are now supposed to identify them. The Actions should identify both the process (who, how, and when) and specific objectives for the program. For example, the Planning Commission could be charged with identifying the nexus between the residential development standards and our planning objectives, and then making recommendations (within one year) for balancing these with our affordable housing goals.	Comment has been noted. HCD considers a parking requirement of 2 or more parking spaces per unit for multi-family developments as a constraint to affordable housing development. As part of Program H-1.6 the City will be conducting a study of residential development standards to determine any potential constraints to housing.

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	Program H-1.7 (affordable housing) – Applying the inclusion ordinance City-wide doesn’t change the financial realities associated with creating lower-cost housing from high-cost land. It simply creates a new constraint (see Program H-1.5) on hillside properties or existing neighborhoods whose development future is more likely to consist of replacement rather than additional housing. Instead, we might consider associating the inclusionary ordinance with zoning density and/or project scale, having it apply for all MF zones and developments exceeding 5 units where it is much more practical to create affordable units.	The expansion of the Inclusionary Ordinance only refers to its boundary; the Ordinance will continue to apply to projects that meet the specified requirements.
	Policy H-2.1 (property maintenance) – The Policy (and Program) statements refer to property maintenance standards, but it is not clear that local government has an enforceable role beyond issues associated with health and safety codes. Zoning and building codes are generally applied only during the permitting process. The H-2.1 Policy and Program (and its underlying actions) text may need clarification. The City does not want neighbors with different aesthetic preferences to drag the City into squabbles over paint colors, landscaping, and similar conflicts that can arise and really need to be resolved between the parties.	The City will continue to ensure quality housing through compliance with health and safety codes.
	Policy H-3.1 (special needs groups) – It is not clear whether the expansive identification of these groups (as discussed on pages B-15 through B-24) is defined by the State or just reflects the opinion of the authors. Large families, single parents, and college students have housing affordability challenges that seem quite similar to those of the general population. Identifying them as a “special needs group” dilutes our ability to focus on the unique affordability challenges of those dependent on special housing accommodations (such as seniors, disabled, and extremely low income). While page B-23 cites 2020 ACS data showing 1,267 college or grad school students living in SV (a full 10% of our population), it is likely that most live in their family home and have simply not yet reached financial independence. That doesn’t make them a special needs group. This policy should perhaps be less ambitious so the associated programs and actions can have better focus.	State law requires the assessment of each of these groups for special housing needs.
	Policy H-3.3 (equal housing opportunity) – housing discrimination is blatantly illegal and the City should refer any such matters to the District Attorney rather than just “discourage” it. The City’s housing plan shouldn’t soft-pedal such behavior.	Comment has been noted.
	Program H-3.2 (fair housing) – The first sentence of the second paragraph is a bit garbled. The entire RCAA discussion (pages E-9 and E-10) tries to discuss patterns of discrimination but it just doesn’t work on the scale of SV. The data used here seems to have been gleaned from the 2015-2019 ACS which, as noted on B-24 (below), had some serious accuracy problems in this timeframe. The statement (page E-10) that <i>“RCAAs may represent a public policy issue to the extent that they have been created and maintained through exclusionary and discriminatory</i>	Comment has been noted.

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land use and development practices” is a charged accusation that seems reflective of our fraught political environment but it does nothing to help SV meet its housing goals. Appendix E overall fails to identify “racially concentrated areas of affluence” in SV, and there’s no reason given to “<i>establish specific incentives for the development of affordable units in the RCAAs</i>” rather than just city-wide. While some of this content may be legally required, it reads as an unnecessary and pointless distraction that looks to sound politically correct but is indecipherable in practice. Also under this program, the first action on page 2-15 suggests the City should “<i>provide home repair and rehabilitation assistance for at least 20 households.</i>” Any such assistance should be specifically targeted to those needing economic assistance and where the repair/rehab has a health or safety component; the City does not have the resources to just help everyone with their home improvement projects.	
Program H-3.3 (childcare facilities) – The phrasing here is misleading as the City does not “make” these services available, affordable, or accessible. The first sentence should be rephrased to “The City shall continue to support the availability of high quality childcare services that are affordable and accessible ...”.	This language correction has been made.
Program H-3.6 (housing for lower income households) – This is the core issue and it’s unfortunate to find it buried on page 27, with so little discussion and no tangible actions. “Coordinate” and “meet with” do not move the ball forward. Relevant actions that are cited elsewhere (such as rezoning, incentivizing lot consolidation, removal of development constraints, and density bonuses) should at least be referenced here.	Actions to address the needs of lower income households are included through a number of programs within Chapter 2; as such, Program H-3.6 does not reiterate the actions of other programs.
Program H-3.9 (emergency shelters) – the last bulleted action item may be overly ambitious and conflicts with our need to prioritize funding and incentives for affordable housing writ large. As noted in the Program text, the homeless population in Scotts Valley is quite small and prioritizing those housing needs will inherently deprioritize others. It should also be clarified as to whether the “projects” referred to in this action are separate emergency shelter facilities or programs to support emergency shelter functions at existing multi-purpose facilities.	Comment has been noted.
Program H-3.10 (density bonus) – Along with H-3.6, this program has a potentially large role to play in the City’s attainment of its RHNA. But it also can and should be coordinated with the otherwise underlying permitted zoning densities, proposed elsewhere (Program H-1.1) to permit up to 40 units per acre. Automatically applying PD zoning wherever density bonuses are offered can help address site and neighborhood compatibility.	Comment has been noted.
Program H-3.12 (condominium conversion) – Such an ordinance may have value for cities with centrally managed buildings full of condominiums; in SV, condominiums are individually owned and it is not practical or reasonable to prevent someone from selling their property when they	Comment has been noted.

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no longer wish to maintain it as a rental unit. There is no rational means for the city to establish “a maximum percent ... that can be converted over a certain period of time” nor is there even a suggestion of evidence that this is a problem in need of a solution. Table B-29 in fact shows a significant increase (from 2010 – 2020) of multifamily homes being rented rather than owned. The trend across the region is of wealthier individuals (and corporations) purchasing properties for investment and income generation purposes, and not taking them out of the rental market. There is simply no need for this ordinance in SV.	
Program H-4.3 (water and sewer service) – Since the City itself is the sewer provider, this text should be simplified by removing reference to providing coordination with the sewer service provider as if they are a separate entity.	Comment has been noted.
Page B-7 (economic characteristics) – This page has a typo where it states “<i>The County of Santa Cruz’s median income for a household of four is \$199,300, according to the 2022 State of California Income Limits for Santa Cruz County.</i>” That correct number is \$119,300 in accordance with https://www.hcd.ca.gov/docs/grants-and-funding/inc2k22.pdf.	Typo has been corrected.
Page B-24 (housing stock characteristics) – The acknowledged inaccuracy of the Table B-27 data, which suggests a significant decrease in housing units from 2010 (4661) to 2015 (4390) raises a question as to the accuracy of other estimates from the ACS surveys. It might be worthwhile for the City (or its consultant) to take careful stock of other numbers associated with these surveys to ensure that decisions and program choices are not being made based on bad or suspect data.	Comment has been noted.
Tables C-3 (permitted residential densities) and C-5 (development standards) – these are the key constraints impacting SV’s ability to meet its diverse and affordable housing needs. The ‘very high density residential’ cap of 20 units per acre, 2100 sq ft/unit, and 35 ft building height have been in place since prior to the 1994 General Plan, when land was cheap and the driving force behind increased density was developer profitability. These constraints on multifamily developments promote two story, nicely spaced structures with plentiful recreational and landscape amenities, which are very nice. But such developments are quite low density relative to what is otherwise possible and palatable. We can and should allow significantly higher unit densities along the SV Drive and Mt. Hermon corridors, recognizing their more urban aesthetic along transportation corridors, the different needs of today’s younger, older, and non-traditional households, and the financial realities of providing housing for those with lower incomes.	The City plans on allowing higher densities through its rezoning program and will establish development standards for the new zones to appropriately match the allowed density. Candidate sites for rezoning were selectively chosen along Scotts Valley Drive and Mount Hermon Road to promote higher density development along major corridors with access to resources.
Page C-44 (water supply) – The top of page C-46 cites only the decreased amount of effluent flowing to Monterey Bay as a result of the water reclamation facility (WRF), but that fact has	Comment has been noted.

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	only a modest relationship to increasing our housing stock. It would be of more value for this document to mention the significant decrease in potable water demand since the WRF came online and the positive impacts of various water conservation measures that have been implemented (including building code requirements for water efficient appliances). A frequent concern cited by those opposed to more housing in SV is the potential adverse impact to our sole-source water supply. Presenting the data showing how aquifer water levels have recovered since the early 2000s and discussing the relative water use rates between SF (with landscaping) vs MF units would go a long way towards making those discussions more rational and fact-based.	
Letter from C2G	Analysis included in the letter suggests that developers and property owners will not be able to meet the number of units assumed on each Mixed-Use Rezone parcel with the 30% commercial requirement given parking requirements for both commercial and residential. The letter suggests that an increase in the residential component at minimum to 90 percent, with 100% residential preferred, would be required for the development to be feasible.	Comment has been noted.
	With Scotts Valley being a transit corridor, these [mixed-use rezone] properties would be able to implement the State's Density Bonus Law. This could allow the density to increase by 35% with the affordable housing components required for these sites. This could increase the number of units to 54/Acre! The Density Bonus Law also reduces the parking requirements. Instead of relying on the State Density Bonus Law, it would make more sense for the City to reduce the parking requirements for these mix-use zoning areas with the new Housing Element. To the last topic, Residential Rezoning. When examining Table F-2 in the Housing Element, the RHNA housing goal is almost achieved without the rezoning of the three (3) suggested properties. If the Density Bonus Law was encouraged for the mix-use sites, the residential rezoning would not be needed.	HCD does not allow jurisdictions to rely on Density Bonuses in projecting development growth. However, units added through applied Density Bonuses will count towards the City's RHNA as projects develop.
	Also, SB9 and ADU laws should be encouraged by the City Planning staff and proactively reach out to the community via social media, local newspapers and local service community meetings. This approach would look better (than randomly picking properties to rezone with higher density) for the City in our professional opinion.	Program H-1.5 includes a number of actions the City is taking to proactively encourage ADU development. The City cannot rely on more ADUs than currently projected – the projections must be based on past performance and be supported with policy programs per HCD. Additionally, HCD does not allow jurisdictions to rely on housing development through SB9 as there is not enough evidence to support projections.

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Letter from Charlie Eadie	Add to your mixed use inventory of potential sites two parcels at 4627 Scotts Valley Drive, APNs 022-082-34.35. This site consists of just under an acre and would be a prime candidate for high density and/or mixed use high density housing.	Comment has been noted.
	Be explicit about the ratio of commercial to residential in mixed use projects in the Housing Element. The past policy in the General Plan (not the zoning ordinance) interpreted to require a 50/50 ratio (the "50 percent rule" so called), however well-intended, had the effect of killing numerous proposals for housing/commercial mixed use projects. Other jurisdictions are facilitating mixed use by either eliminating floor area ratio standards altogether, or setting the mix in a way that makes projects at least theoretically possible. For example, the County of SC now has proposed an 80/20 housing/commercial mix in their Housing Element.	Language specifying the increased ratio between residential and commercial is added in Program H-1.7
	Address processing issues. In particular, SV processing times have been extraordinarily long, and the Housing Element consultants should look into the history of that for various projects. One suggestion would be to reduce the high level of detailed engineering and other work now required by the City just to get to hearing on land use/design approval. This adds significant time and costs to getting a "complete" application, and can leave decision-makers frustrated because the project is essentially a "finished product" when they finally see it which inhibits their willingness/ability to make changes. Better to have the use and design considered and worked out before requiring the nth degree of detail in the plans.	Comment has been noted.
Letter from Affordable Housing Now	While the HE must address housing needs for all income levels, one of the greatest challenges is meeting the goals for very-low and low-income housing units. The density bonus law provides developers with powerful incentives to build lower income housing units. In the City of Santa Cruz, incentivizing the density bonus system has facilitated housing production, especially for very-low and low units, as the State law intended. The HE recommends updating to AB 2345 requirements (raising maximum bonus from 35% to 50%) and increasing the concessions. The reality is that Scots Valley has to compete with other jurisdictions to attract developers to deliver units, so it should entice them with density bonus incentives. With very few empty large lots available for new housing projects, bonus density applications including concessions and incentives will be critically important to help the City meets its 6th cycle HE housing goals.	Comment has been noted. Program H-3.10 is included to update the Density Bonus Ordinance in compliance with new State requirements. Included in the program is an action for the City to promote the use of density bonuses for multi-family developments as a way of promoting affordable housing development.
	One incentive successfully used in other jurisdictions that has not been formally used as an incentive in Scotts Valley is Section 8 Housing Vouchers. Since for years landlords have shunned using vouchers, the Housing Authority has been aggressive in securing dedicated voucher units in new projects and it is even doing its own project in the City of Santa Cruz. Both Santa Cruz and Watsonville allow for 5% of their inclusionary unit requirement to be met using housing vouchers, although at 20% their inclusionary rates are 5% higher than Scotts Valley's. This is a	Section 8 Vouchers (now referred to as Housing Choicer Vouchers) are addressed through Programs H-3.1 and H-3.2.

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	win-win as the developer gets market rate rents, but the voucher tenants who are the most needy, help deliver very-low and low housing units.	
	Affordable Housing NOW is concerned that too many of the RHNA units are tied to the Town Center. The HE indicates that 427 of the 649 very-low and low-income units would be built at the Town Center, and 657 of the total 1,220 units would be built there. Modifying the Town Center Specific Plan is vital. As we have argued before, standalone residential units are important, but for affordable housing units trading land for inclusionary requirements might yield more. However, the density bonus system would need to be employed for that and 100% affordable housing projects would have the highest bonuses and concessions.	Comment has been noted.
	The programs and policies included in the HE makes the city well-positioned to pursue the California Department of Housing and Community Development's Pro housing Designation. The benefit to receiving the prohousing designation includes being given preference and additional points when pursuing state grant funds for affordable housing projects. Funding for affordable housing is one of the greatest challenges to overcome and this designation could give the city a competitive edge when pursuing state funding for Affordable Housing and Sustainable Communities and Infill Infrastructure Grants. Working to obtain the Prohousing designation will take time, but the payoff would be worth it for both funding and the increased production of affordable housing units.	Comment has been noted.
	The city should also not overlook new state laws that have been enacted, or may be passed this year, to facilitate construction of affordable housing projects. Reduction of parking requirements, ministerial approvals, construction of projects on church property, and streamlining permitting and project approvals can all help move projects along and reduce the amount of time it takes to complete construction and make affordable units available to individuals and families in need of housing. Laws that allow ministerial approvals can help the city move forward with much needed larger housing projects that can provide workforce housing for our community and help the City reach its RHNA housing goals.	Comment has been noted. The Housing Element is required to comply with all State Housing laws.
	We support the city's plan to meet annually with the development community, although more often might be better. Improved communication with developers can help the city identify regulations that constrain or create barriers to the construction of new affordable housing, especially for extremely low and low income units. Amending ordinances and regulations that impede projects from going forward will facilitate increased production of those much needed housing units. We also encourage working in collaboration with developers in the early stages of project development to maximize potential for housing units in the very-low and low-income categories.	Comment has been noted.

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Letter from Eli May	Requesting the 125 Bethany site be removed due to: <u>Current redevelopment efforts at this property.</u> We have been working toward obtaining approvals to redevelop this property for over 3 years. We have applied for and paid for all application fees in excess of \$40,000 as well as over \$100,000 in additional reports requested by the city. We have been fully engaged in an ongoing and responsive exchange with city staff to move forward on the redevelopment of this property. This has involved serious and continuous community engagement. We have responded to over 100 items from public works and the planning department over the course of several redesigns and resubmittals. In fact, we will be entering environmental review for our redevelopment application this month. We have engaged in an incredibly lengthy, expensive, and involved process and we don't feel it's appropriate to include this property on a list to be rezoned for residential while in the middle of the application process to be redeveloped. This is particularly true when the "community engagement" process employed by consultants for the housing element has been seriously lacking in transparency and invalid by comparison to the process we have engaged in for a single redevelopment application and taken extensive time to seriously implement. We feel that we are legally entitled to proceed with processing our application under CEQA and welcome environmental review of our incredibly thoughtful and positive redevelopment plan. We are joined by our tenants and neighbors in looking forward to an approval for a new building that benefits the community and reduces - not increases - impacts. <u>Current Uses.</u> The current zoning of our property is commercial professional. It currently has ~ 14,000 gross sq ft, which is 100% occupied by businesses that serve the community. The current redevelopment plan would replace the existing amount of office space and create more opportunities for local businesses to operate and grow. As part of our resubmission in April 2022 we included half a dozen letters from businesses (existing and potential tenants) imploring the city to approve our redevelopment. These uses are an important part of the local economy and its loss would be a detriment to the community. <u>Neglected impacts of the draft designated use</u> In the process of applying to redevelop our property, the city asked us to perform a number of professional reports to study the impacts of the proposed redevelopment, which we did. This included extensive and expensive studies regarding noise, traffic and parking, as well as an	The 125 Bethany Drive site has been removed.

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arborist study and an archeologist study. The results of the studies showed that our proposed redevelopment would actually reduce impacts; it does not appear any similar studies have been performed to study the impacts of 41 residential units for this draft report. <u>Parking & Traffic</u> The traffic studies we had completed for our redevelopment show a delicate balance of parking on this property. 41 residential units at this site would make trip generations skyrocket and it would simply not be possible to park all of these units at this site. Furthermore, the site is a relative island with a noisy freeway on one side with no other parking available in the immediate area, which would be a huge issue. It does not appear that our existing study has been reviewed or that a similar study has been conducted for the specific use designated in the draft housing plan. Also, this property is at the same intersection as Vine Hill Elementary, which already causes significant congestion at the intersection during school drop-off and pick-up times. A 41-residential unit site at this intersection would further exacerbate traffic in this area, Neighbors who live on Tabor and Bethany would face far worse congestion and traffic than they already do. <u>Noise</u> This site sits along HWY 17, which creates significant noise that would not be acceptable for the 41 units without significant noise-barrier walls, and the site simply does not have the space for this. It does not appear that a study has been performed on the noise at this site for residential use, as we have done for our proposed use. <u>Arborist</u> We performed an arborist study for our redevelopment and the city has mandated that we keep existing mature trees and add more shade trees to the parking area. This condition has further inhibited the number of parking spaces we can fit. It does not seem that an arborist study has been performed for the use of 41 residential units at this site as we had been tasked with doing, as it would show a lack of necessary parking and the consequent elimination of mature trees. These studies would show that the site is simply not equipped for this type of residential use. <u>Community Engagement</u> During the process of our redevelopment efforts, we held meetings with many stakeholders in the city including a comprehensive community engagement plan. We built a website detailing the redevelopment and sent direct mail to all of our neighbors to communicate with them about the project and point them toward the website along with contact information. It appears there has been very little community engagement around the process to create the	

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	housing element draft plan. I was not informed in writing as an owner of one of the three properties identified for rezoning. The Scotts Valley Press Banner noted the same issue in its article “Scotts Valley Housing Element workshop features little community input”.	
	<u>Numerous opportunities elsewhere not identified</u> It is clear from the many public comments at the April 5th planning commission meeting that there are many property owners along Scotts Valley Dr that would be more than willing to build more dense residential projects, but are unable to because they would need to match 50/50 commercial to residential, which makes the projects not feasible. Allowing these property owners to build dense residential projects would create more foot traffic for the businesses along Scotts Valley Dr thus attracting more businesses and more revenue for the city. Instead, the Draft Housing Report identified only three parcels in the entire city for rezoning. We believe the city needs to look closer at other commercial parcels along Scotts Valley Dr and beyond to meet its plan. The draft housing element failed entirely to aggregate the 50/50 requirement on a larger basis - and did not assume anything for the assemblage of parcels. This is an abject failure on the part of the consultants to recognize and move on to an obvious solution.	Comment has been noted.
	Furthermore, we believe the draft report missed multiple appropriate and obvious opportunities elsewhere. This includes ADUs. Last year, California passed SB9 which allows for any single-family residence to build at least one ADU and in many cases more than one. Scotts Valley is truly unique in that the city contains numerous older and larger residential parcels that can take advantage of SB9 - and do so appropriately within existing residential neighborhoods. This would not only capitalize on existing infrastructure but will also significantly disperse any impacts from this incremental approach. Yet the public draft report used historic ADU origination numbers from the last 8 years of only 3 ADUs being built per year, without taking into account the tremendous growth in ADU construction which is just now occurring from this landmark legislation. There are also many other opportunities to account for more housing such as mobile home parks, which would be an obvious choice for more dense and affordable housing. In conclusion, rezoning the property at 125 Bethany is not appropriate for a myriad of reasons, and I formally request this property be immediately removed from the draft plan.	Program H-1.5 includes a number of actions the City is taking to proactively encourage ADU development. The City cannot rely on more ADUs than currently projected – the projections must be based on past performance and be supported with policy programs per HCD. Additionally, HCD does not allow jurisdictions to rely on housing development through SB9 as there is not enough evidence to support projections. The 125 Bethany Drive site has been removed.
Letter from Santa Cruz YIMBY	<u>Probability of Meeting Low Income Targets</u> “The City of Scotts Valley has facilitated the building of market rate housing in recent years, but has made little effort to develop housing for low income workers.” According to the site inventory Scotts Valley is expecting that all sites identified for rezoning will set aside roughly	Sites identified through the candidate sites inventory have been identified as having viable potential to be developed over the

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50% of their units for very-low, low, or moderate income families, while providing little evidence that this level of affordability will be realistically produced. Meanwhile, the city's four pipeline projects consist of only 18% affordable units. We would like the city to explain why it expects to achieve this 50% target, and how it will enable the development of additional housing if this target is not being met. For comparison, the City of Santa Cruz is projecting a 20% affordability rate for most parcels in its site inventory. If the city misses its target of 50% affordability, it faces the daunting task of identifying other sites to make up the difference under No Net Loss law. With nearly half of its very-low and low income units planned for through the Town Center Specific Plan, this single project not producing as many units as expected would subject the city to this law. Additionally, there is only a 9% buffer for moderate income units, HCD recommends a buffer of between 15 and 30 percent. In order for Scotts Valley to meet the needs of its most vulnerable residents, it is essential that plans for affordable housing not only sound good, but are workable and realistic.	next eight years with supportive programs included in the Housing Plan. Through a number of Programs, the City will provide incentives to development projects that include affordable housing units in order to meet its projections identified in the Candidate Sites Analysis – see Programs H-1.7, 1.8, and 3.6.
<u>Pipeline Projects</u> A significant source of new units for the city during the 6th cycle will be from pipeline projects. For jurisdictions relying heavily on pipeline projects, HCD recommends⁶ that "...the element should include programs with actions that commit to facilitating development and monitoring approvals of the projects, including the number of units and affordability (e.g., coordination with applicants to approve remaining entitlements, supporting funding applications, expediting approvals and monitoring of project progress, including rezoning or identification of additional sites, if necessary)." In order to meet this recommendation by HCD, the city should create policies to monitor the progress of pipeline projects. This could include automatic entitlement extensions until midway through the 6th cycle and proactively reaching out to all pipeline project developers to confirm that there is still development interest. In recent public meetings, local leaders said that they were contacting developers of existing pipeline projects to gauge their interest in resubmitting plans at a higher density or with additional units. The La Madrona and Valley Gardens projects together represent a vast majority of the city's pipeline units. We urge the city to work with the project developers to increase the amount of multifamily and missing middle housing, especially in those areas of the project site closest to Mt Hermon Road. The number of units in these two projects alone represents nearly 30% of the city's RHNA, and could easily fulfill more if they were revised to have majority multifamily units. These sites offer an opportunity for Scotts Valley to demonstrate leadership in building mixed density neighborhoods that bring people of different income levels together.	Comment has been noted. The City is actively coordinating with the developers and property owners of the pipeline projects.
<u>Goal H-1 – Housing Production</u>	Comments have been noted.

Public Comments		City Response
	With the city's RHNA increasing nearly tenfold from the 5th cycle, we see significant need for policies and programs which enable, not restrict, development. We applaud the city for identifying significant commercial and parking requirements as constraints to development but strongly disagree with the assertion that "...the City's standards for lot size, setbacks, height, and site coverage are not considered [constraints]..." As mentioned, the city has accurately identified its limit of 50% residential in mixed-use developments to be a constraint and is rezoning select parcels along main corridors to increase this cap to 70%. We would like to see the city go further and either remove this limitation entirely or allow for mixed-use development with an option for ground floor commercial only rather than as a percentage of total square footage. Additionally, granting this flexibility to all mixed-use projects in the city would incentivize development and allow developers to better respond to Scotts Valley's housing shortage. We would like to see the city commit to allowing more residential square footage in mixed-use developments if the proposed rezoning does not result in developer interest. With regards to parking requirements, the city should go much further in reducing or even eliminating requirements and the existing programs should have stronger language. Currently, program H-1.5 does not commit to lowering parking requirements and has a timeline of 2027. We would like to see this timeline moved up and a commitment to lowering requirements to no more than half a space per unit, uncovered. Creation of missing middle housing isn't mentioned within the policy plan - the city should adopt zoning regulations that would incentivize this form of housing. Examples include reducing minimum lot size, setbacks, and lot coverage restrictions. In Redwood City's compliant 6th cycle housing element amendments such as these are anticipated to result in an increase of at least 80 homes. Currently, duplexes are not conditionally or principally permitted in any of Scotts Valley's zoning districts.¹² The City of Scotts Valley should seek to allow a wide variety of housing types including duplexes, triplexes, fourplexes and other multifamily project types throughout the City. Much of this could be achieved without an EIR thanks to Senate Bill 10.	
	<u>Unaddressed Constraints</u> Along with the commercial and parking constraints discussed in the prior section, there are other constraints that we believe the city should address to ensure that housing can be built. We expect projects to make use of State Density Bonus law for feasibility of development of affordable housing. Currently, Scotts Valley zoning code includes constraints and limitations that could limit affordable multifamily or mixed-use housing from achieving assumed base	Comment has been noted. As part of Program H-1.6 the City will be conducting a study of residential development standards to determine any potential constraints to housing. Program H-2.8 has been added to facilitate lot consolidation.

Public Comments	City Response
densities. These include but are not limited to building height, FAR, and parking requirements. The city should better explore to what extent its density restrictions are a constraint to development. With the city's highest density residential zoning district capped at 20 du/acre, this is likely a significant barrier. We recommend the city expand its rezoning efforts to all 'Very High Residential' parcels at a minimum and allow up to 40 du/acre on such parcels. There are a number of small sites on the inventory which fall outside of the parcel size requirements set forth by AB 1397. These sites may still be included for a variety of reasons, in Scotts Valley's case "...a program to facilitate lot consolidation." There is no such program in the policy plan.	
<u>Town Center</u> One of the largest projects projected for Scotts Valley's 6th cycle will be further development of the Town Center Specific Plan, encompassing 58 acres in the heart of the city. This area is well situated to accommodate a significant amount of housing and associated amenities. While we are pleased that the city anticipates 657 units to be built on these sites we would like to see more in the housing element to indicate that the city is determined to see this housing come to fruition. This plan has been in the works since at least 2008 and has not seen a significant amount of the proposed housing be built in that time. According to the city, "...project applications have been submitted for the Plan, but development was not successful. Interest in developing the Town Center area has increased over recent years." Despite these failed developments and increased interest, there is no mention or analysis of the reasons for these failures or why development has not moved forward for this area in the housing element. Additionally, we would like the city to provide more detail on the affordability projections for the Kings Village parcel as part of the Town Center plan. While the other four parcels are publicly owned (by METRO or the city) this shopping center is privately owned. The city estimates that this parcel will produce a 50% affordable project, but provides no indication that there is interest from the owner, a developer, or any other type of agreement that would be required for housing production to happen.	Comment has been noted. Previously, surface soil contamination has been an obstacle to development in the Town Center Specific Plan area. The City is currently under contract to remediate the soil, which should be complete by Spring 2024.
<u>Mid-cycle Review</u> To ensure the city makes appropriate progress towards its 6th cycle goals we would like to see a commitment to a mid-cycle review and adjustment (if needed). Tying this review to programs to increase housing production such as rezoning, ADU incentives, or removing development constraints would allow the city to quickly make up lost ground and minimize impacts of falling behind in the 6th cycle. This would also be a time to review pipeline projects which have not progressed. Additional mid-cycle programs could include:	The City has included actions throughout programs to review trends and progress more often than once at mid-cycle. Program H-1.5 includes an action to establish an ADU monitoring program and biennially review ADU development progress.

Public Comments		City Response
	- Ministerial approval process for all site inventory projects - SB10 upzoning of small sites to 10 units per parcel Tracking commercial occupancy, and if vacancy is too high, relaxing commercial requirements in favor of more residential, including live/work units	Program H-1.6 includes an action to annually review development trends and biennially meet with the development community to receive input and feedback, and adopt changes if constraints are identified. Program H-1.2 has been added to establish by-right development in compliance with AB 1398 and 1397.
	<u>Transit Oriented Development</u> Despite being home to the Cavallaro Transit Center (CTC), Scotts Valley lacks any current or planned high quality transit stops. In the 2040 MTP/SCS the CTC was identified as such a site, however, it was subsequently removed in the 2045 MTP/SCS19. We encourage the city to commit to working with AMBAG in the 2050 MTP/SCS (scheduled for June 2026) to designate the CTC as a planned high quality major transit stop. This designation would incentivise more sustainable, affordable, and equitable development in an area identified for a significant amount of new housing in the 6th RHNA cycle. Scotts Valley is currently not a pedestrian and bike friendly community. The transit center is a key connector for jobs and opportunities for low income people that do not own cars. Further investment in housing around transit stops has been shown to increase ridership on public transit. Denser housing and investments in walking and biking infrastructure between the Valley Gardens, Town Center, and the CTC could together make great strides in helping Scotts Valley achieve its housing, climate, and safety goals while also making it easier for people of all ages, abilities, and incomes to access the city.	Comment has been noted.
	<u>Tenant Protections</u> As a city with a growing percentage of renters, it is important to have strong tenant protections. The housing element notes that “[a]bout 51.8 percent of renters are cost burdened, and 33.1 percent are severely cost burdened.” There are a number of programs we would like to see implemented or expanded in the city including: - Elimination of or cap on rental application fees - Creation of a rental registry. This was recently passed by both Salinas and Monterey	Comment has been noted.

Public Comments		City Response
	Local preference for people employed in the county COPA and TOPA programs Conduct a disparate impact analysis of non-high(est) resource areas and apply a live-work preference if it matches county demographics	
Online Feedback Form		
Comment from David Duquette	This is regarding the mixed-use rezones. I own a one acre parcel (5163 Scotts Valley drive) that is being considered for a rezone. The increase in the residential component from 50% to 70% is not enough to encourage development. If I imagine a building with 28 units averaging 850 square feet per unit, that would amount to 23,800 square feet. Under the 70% rule I would need an additional 10,200 square feet of commercial space. Adding more commercial space to an already saturated market will only add more "FOR LEASE" signs to the existing ones up and down Scotts Valley Drive. The parking requirements for the commercial space alone would be more than our lot could handle. At the standard 1 parking space for every 250 square feet for business/professional services, that would be 41 parking spaces for just the commercial. Relaxing the parking requirements won't help. I have owned commercial/retail buildings with inadequate parking and they are extremely difficult to rent. Tastefully designing 28 units on one acre is going to be very difficult by itself. This rezone makes Scotts Valley's housing problem worse. By increasing the density to 40 units per acre, it forces the property owners to go all in with an unprofitable and much larger commercial/retail investment. To make matters worse, we are expected to provide 50% of the units for low income. I don't see how this formula will make sense for any property owner. I strongly encourage the city to be more realistic about their needs regarding the amount of commercial space on Scotts Valley Drive, as well as the financial viability of asking property owners to shoulder such a large portion of affordable housing. Under this new zoning change, I will be unable to move forward on any future development.	Comments have been noted.
Comment from Jeanette Cook	Chapter 2: I do not see environmental sustainability included in any of the policies. Given the amount of growth encompassed in this plan, there should be specific actions related to mitigating and adapting to climate change. For example, requiring solar panels for new buildings. Although covered somewhat by policy Policy H-3.1, given the large number of seniors in the City, perhaps a specific goal could be included for new over-55 communities that are not mobile homes. Some of the larger sites (Valley Gardens, Avisa) could be targeted for a higher end senior community like The Villages.	Comments have been noted.

Public Comments		City Response
	Appendix B: The projected growth in population does not seem to be aligned with the increased number of residences. Increase of 1.5% in population by 2040 (175 people) compared to the proposed addition of 1220-2000 new residences. Is the goal to attract a lot of new residents to the City and if not would not these units be vacant? Some perspective on where the people to fill these residences would come from would be helpful in understanding the plan and goals. Is it likely that there would be increased numbers of people coming from "over the hill" who would purchase single family homes? Do you anticipate a growth in jobs with local workers residing in the multi-family rental properties?	The City is mandated by the State to plan for its Regional Housing Needs Allocation (RHNA) based on regional housing need. The regional housing need for Scotts Valley is determined by the Association for Monterey Bay Area Governments (AMBAG)
	Appendix F: Why is the former Avisia site not included in this plan? More ADU's could be included and encouraged. Most parcels have room for them. The sites that contain existing buildings/use seem unlikely to be converted. Taking half of the Nob Hill shopping center? Removing the parking from the Transit Center? What would be required to make this actually happen? Bank of America on Scotts Valley Drive has a huge underutilized site. Why was it not included along with the other unlikely sites? The Lockhart Gulch Storage Locker site is problematic from the perspective of the residents of Lockhart Gulch and associated roads. Adding 139 new residential units to this already impacted intersection will require substantial upgrades to the infrastructure.	Program H-1.5 includes a number of actions the City is taking to proactively encourage ADU development. The City cannot rely on more ADUs than currently projected – the projections must be based on past performance and be supported with policy programs per HCD. Sites identified through the candidate sites analysis have been identified as having viable potential to be developed over the next eight years with supportive programs included in the Housing Plan.
	Additional comments: The fact that the state is requiring the City to plan for 1,220 new units is utterly ridiculous. It does not take into account environmental factors such as terrain, access to water, wildfire risk, etc. I haven't been able to read the entire plan, but would like to see more of a push back. This could be particularly important should it actually be impossible to implement what is in this plan. I do not see traffic issues addressed anywhere. What upgrades to roads will be required to accommodate this many new drivers and trips? This aggressive growth plan will change the character of the City profoundly. Lots of good things have been implemented over the past 40+ years that I have lived here. Could there be some explicit goals that aim to retain the positive aspects that we currently enjoy? For example, including some allocation for new parks (like Skypark) and green space.	Comment has been noted.
September HCD TA Public Review Comments		
<u>Letter from John Swift</u>	<u>The property at 4850 Scotts Valley Drive, APN 022-091-12 is an appropriate site to be included in the list of Candidate Sites for Mixed Use Development in the 6th Cycle Housing Element.</u>	<u>Previously, the City reviewed this site for inclusion in the candidate sites inventory. Factors that precluded the site from its</u>

Public Comments		City Response
	<u>The property owners are interested in pursuing a mixed use commercial/residential redevelopment of this 39,209 S.F.; .9acre parcel. Currently the property is zoned C-2, Service Commercial. There is a small retail convenience/liquor store located at the front of the property along Scotts Valley Drive. The majority of the property , roughly 80% or 32,000 SF is located behind the existing commercial use and has been largely vacant or used for marginal outdoor storage for decades.</u> <u>A portion of the rear of the property is within the flood plain. Residential units could be elevated above the flood plain by designing parking and storage at grade with housing above. The property is 100' wide. This is sufficient width to provide access to a residential project in the rear of the property while maintaining a viable commercial use along the Scotts Valley Drive frontage. Additional access options to the rear of the property from Carbonero Way may be possible through the adjacent properties to the east and/or south which also appear to be underdeveloped .</u> <u>There is a realistic potential for 30 or more residential units on this property in addition to maintaining a viable commercial use along Scotts Valey Drive. The land value of this property exceeds the current improvement/development value of the property. The property has excellent access to transportation and community resources. The owners of the property are interested and motivated to make a productive use of this land which has been underutilized for many years. Please consider incorporating this property in the list of Potential Candidate Sites for mixed use development in the 6th Cycle Housing Element.</u>	<u>inclusion in the inventory include its proximity to industrial land uses to the South, commercial redevelopment on adjacent properties to the east to west, and its location near the “gateway” to the City’s industrial core area. Additionally, the City Council provided direction to Staff at the Joint Study Session in April 2023 to avoid inclusion of and properties adjacent to industrial land in the sites inventory. Based on these factors and Council/Planning Commission direction, the sites inventory does not include parcels near this industrial “gateway” area.</u>
<u>October HCD Resubmittal Public Review Comments</u>		
<u>Comment from David Duquette</u>	<u>Not that anyone will listen but I will reiterate what I have said all along. I have real concern and disapproval of the 30% requirement for commercial space on Scotts Valley Drive. With the expected larger footprint that 40 units per acre is going to bring, 30% is just not workable. Given all the existing vacant commercial/retail space up and down Scotts Valley drive, more space is not only unprofitable but not needed. I have been at every meeting regarding this Housing element and I did not hear one comment from the public or any official that did not support relaxing the commercial requirement in order to promote housing. I don't know why the city is still pushing for such a large commercial requirement. Lastly, relaxing the parking requirement is no help. Whether we like it or not, Scotts Valley is a mountain town that requires a large number of its residents to commute. Not requiring enough parking is going to only hurt the surrounding neighborhoods and jeopardize the success of any housing project. This is only magnified by the push for a larger amount of low income housing. Lower income households have a disproportionate larger number of cars. Lower income households typically have a larger number of working adults that require more cars to get to work and or school. I</u>	<u>Analysis on the purpose of the mixed-use requirement decrease and the purpose of keeping a commercial requirement has been added to Appendix C – Housing Constraints. In addition, the section above it includes a development example for a theoretical mixed-use project using the average size of the candidate sites identified for mixed-use rezoning and the existing mixed-use development standards. It should also be noted that as part of the rezonings, the City will adopt objective design standards – these will not be more constrictive than</u>

	Public Comments	City Response
	<u>personally own a low income apartment and I say this from experience. Lowering the parking requirement will only result in a failed project.</u>	<u>existing standards, which the analysis shows can currently be accommodate.</u>
<u>Letter from John Swift</u>	<u>This letter is a follow up to my previous letter dated Sept 18,2023 regarding the property at 4850 Scotts Valley Drive, APN 022-091-12. This property is an appropriate site to be included in the list of Candidate Sites for Mixed Use Development in the 6th Cycle Housing Element. In the City's draft response to the HCD Oct. 3, 2023 comment letter, City staff describes the redevelopment factors that are considered in the selection of candidate sites as follows:</u> <u>1. Land value is greater than the improvement value. 77 percent of non-vacant sites have land values that exceed the improvement values.</u> <u>2. Existing structure was built prior to 1990 (it was built over 30 years ago). 95 percent of non-vacant sites have structures built at least 30 years ago, with the majority being well over 30 years.</u> <u>3. Existing uses do not include housing units. 51 percent of non-vacant sites have no existing units.</u> <u>1. City-owned. 5 percent of non-vacant sites are City-owned.</u> <u>2. Development interest from a housing developer and/or property owner. 9 percent of non-vacant sites have stated developer or property owner interest.</u> <u>All but four of 43 total parcels have at least two identified redevelopment factors and 17 have at least three.</u> <u>The subject property at 4850 Scotts Valley Drive complies with 4 out of 5 of these factors. It is not a City owned property.</u> <u>Interestingly only 9% of the candidate sites have owners that have indicated their interest in pursuing redevelopment of the property.</u> <u>The owners of this property have clearly expressed their interest in redeveloping this property.</u> <u>The land value clearly exceeds the improvement value.</u> <u>The existing structure was built prior to 1990.</u> <u>The existing uses do not include housing.</u> <u>My understanding of the proposed Mixed-Use policies is that only Candidate sites will be eligible for the 70/30 mix of residential uses to commercial uses. If a property in the C-S zone, subsequent to the adoption of the General Plan/Housing Element, is proposed to be developed with a mixed-use project it will be subject to the City's current ratio of 50/50. Clearly this requirement is a disincentive for the redevelopment of these properties. The market realities of</u>	<u>Previously, the City reviewed this site for inclusion in the candidate sites inventory. Factors that precluded the site from its inclusion in the inventory include its proximity to industrial land uses to the South, commercial redevelopment on adjacent properties to the east to west, and its location near the "gateway" to the City's industrial core area. Additionally, the City Council provided direction to Staff at the Joint Study Session in April 2023 to avoid inclusion of and properties adjacent to industrial land in the sites inventory. Based on these factors and Council/Planning Commission direction, the sites inventory does not include parcels near this industrial "gateway" area. The parcel has not been included in this October 2023 Draft version. However, the City will continue to evaluate the site given the additional information provided by the commenter.</u>

Public Comments	City Response
<u>commercial uses will continue to make mixed use projects that are not designated as candidate sites unfeasible.</u> <u>There is no guarantee that candidate sites will be proposed for redevelopment. There are many complicated factors, such as taxes, estate issues, interest rates, etc. that can influence a property owner's decision to move forward with redevelopment. The property owners of 4850 Scotts Valley Drive are prepared to move forward with a mixed-use project that is expected to yield 30 or more housing units.</u> <u>Such a project could maintain the commercial use or allow for a modernization of the commercial structure that currently exists at the property frontage of Scotts Valley Drive.</u> <u>This property is over 140' removed from the commercial/industrial uses located to the south along El Pueblo Drive and is separated by a creek and a City Water District owned parcel of land. The presence of these industrial uses is not a realistic constraint to the redevelopment of this property with residential uses.</u> <u>This property has excellent access to transportation and community resources. The owners of the property are interested and motivated to make productive use of this land which has been underutilized for many years. Please consider incorporating this property in the list of Potential Candidate Sites for mixed use development in the 6th Cycle Housing Element.</u>	



Affordable Housing NOW!

P.O. Box 2374, Santa Cruz, California 95063
(831) 566-2360

Every Unit Counts!

Wednesday, January 25, 2023

Scotts Valley City Planning Department
1 Civic Center Drive
Scotts Valley, CA 95066

RE: January 26, 2023 HE Community Workshop

Dear Mr. Bateman:

Affordable Housing NOW (AHN) appreciates the opportunity to provide input on the City's process for updating its Housing Element (HE) for 2023-31. AHN understands the challenges Scotts Valley faces as the City begins to plan to meet its housing needs for the next eight years. The new RHNA numbers will be difficult to achieve and yet it is undeniable that we have a critical shortage of affordable housing.

As you know, the 6th Cycle HE includes new requirements for the Community Engagement Plan. AHN believes it is vital that the community engagement process not be limited to vocal opponents to growth. There should be an effort to engage business owners with employees and individuals least likely to know about and participate in the process, including people who would be the residents of affordable housing projects and people who work in Scotts Valley but at this time cannot afford to live here. Involving community members early in the City's HE planning efforts will help create buy-in and support from city residents which will be essential to helping Scotts Valley achieve its 6th cycle HE housing goals.

By planning for the housing needs of a diverse population, the HE is an investment in our community. AHN offers our assistance in supporting the City's planning efforts to help promote a vibrant community that embraces diversity and provides sufficient housing opportunities for all in need of an affordable place to live. Everyone in the City of Scotts Valley deserves to have a place to call home.

Sincerely,

A handwritten signature in blue ink that reads "Tim Willoughby".

Tim Willoughby, AHN Chair



Affordable Housing NOW!

P.O. Box 2374, Santa Cruz, California 95063
(831) 566-2360

Every Unit Counts!

February 1, 2023

Scotts Valley City Council
1 Civic Center Drive
Scotts Valley, CA 95066

Dear City Council Members:

Affordable Housing NOW (AHN) understands the challenges Scotts Valley faces as the City begins the planning process for the 6th Cycle Housing Element (HE). The new RHNA numbers will be difficult to achieve and yet it is undeniable that we have a critical shortage of affordable housing. AHN has developed some recommendations specific to Scotts Valley for your Council's consideration on strategies to help increase the City's housing supply. We hope you find our recommendations helpful.

In addition to our recommendations you might want to see what other jurisdictions are doing. SV@Home put together background information and examples from Silicon Valley cities that you can view by going to <https://siliconvalleyathome.org/advocacy/housing-element-toolkit/#policies>.

Going forward, AHN is willing to support the City in any way that would be helpful as you work on the 6th Cycle HE and develop a plan to meet the housing needs of Scotts Valley residents for the next eight years.

Sincerely,

A handwritten signature in cursive script that reads "Tim Willoughby".

Tim Willoughby, AHN Chair



Affordable Housing NOW!

P.O. Box 2374, Santa Cruz, California 95063
(831) 566-2360

Every Unit Counts!

6th Cycle Housing Element Recommendations

Affordable Housing NOW recognizes the City of Scotts Valley has limited financial resources resulting in a small staff and that the Housing Element (HE) has been contracted out to Kimley-Horn Associates. As the City begins the 6th cycle HE planning process, we offer the following recommendations for your consideration to help meet Scotts Valley's RHNA numbers for the 2023-2031 HE.

The Challenge

Scotts Valley already faces challenges recruiting city staff, police officers, and teachers due to the affordable housing crisis. Local businesses also struggle to hire and retain workers due to the lack of affordable housing. Homes for sale have become out of reach for most city residents and rental units make up only a quarter of the city's housing units, far fewer than in most cities. This does not make for a dynamic, economically viable and inclusive community. As the city begins the planning process for the 6th cycle HE, it will need to initiate changes and develop strategies to address these housing challenges.

As you are well aware, the city's new RHNA numbers have significantly increased, with the expectation that the city will provide a total of 1220 new housing units in the next eight years, compared to 140 new units in the previous HE cycle. The table below demonstrates the sizable increases and the challenge the city is up against as it begins the planning process to determine how it will meet new housing goals for the 6th cycle HE.

Income Level	6th Cycle RHNA	5th Cycle RHNA
Very Low	392	34
Low	257	22
Moderate	154	26
Above Moderate	417	58
Total Units	1220	140

While it may seem as though the city has little control over meeting these numbers and that it is at the mercy of developers who propose projects, city policies can have a significant impact on increasing the supply of affordable housing. When developing the new HE, the city should consider reducing governmental constraints to housing production, providing incentives to create more affordable housing opportunities, and providing adequate zoning density to enable the city to achieve its 2023-2031 housing goals.

Site Inventory

The most vital part of the HE is the Site Inventory, which requires the most planning and can spark the most controversy. This can be broken down into two categories: (1) large lots like the Town Center lot and the former golf course property, and (2) the two main transit corridors, Mt. Hermon Road and Scotts Valley Drive. To meet the new RHNA

numbers, Council may need to revisit zoning for Scotts Valley Drive and carefully examine Mt. Hermon Road sites in combination with density/design components. If housing units are made the highest priority, the main goal of the Sites Inventory, different criteria should be applied. It will also be critically important to complete the process of expanding the city's inclusionary program boundaries to apply city-wide.

In the current HE, sites were limited mostly to the city's few undeveloped lots. The site inventory process needs to expand to include redevelopment possibilities keeping in mind that several lots can be combined for larger projects. If you look at the Santa Cruz City Housing Element you will find that most parcels along their major corridors are listed in their HE as potential sites. Three combined lots (depending on size) are often sufficient for a 50-unit project, depending on the units/area zoning.

The City of Santa Cruz commissioned Keyser Marston Associates, known affordable housing experts, to research what it takes to make a 100% affordable housing project viable. The report concluded that the minimum number of housing units was 50 and a half-acre the minimum lot size for an affordable housing project, and in most cases, five stories would necessary. Advocates say those minimums have been an important driver of housing costs because they reduce the number of units that can be built and hike the per unit cost of development.

In inventorying sites it might be worth the extra time to also list which ones might fall under State laws that provide for ministerial approvals like: SB 35, AB 2345, AB 2162, SB 9, and SB 10. While Council should prepare for the community angst if those bills are applied, using those bills as a criterion can allow the city to better assess the credibility of its Site Inventory. Builders of 100% affordable housing projects compete for funding and application scoring systems award points to projects for proximity to transit hubs, schools, shopping, healthcare and other services, as well as bus route frequency.

Ministerial exempted projects use many of the same criteria, so research for one would result in similar data for the other. Developers of inclusionary projects would also be using similar criteria to qualify for the density bonus. As a general guide, a 100% affordable housing project in our area does not pencil out if it is under 40-50 units (or has funding above what is usually acquired) Other factors to consider when identifying sites are new state laws that make it easier to build projects on church parking lots, school land, and other jurisdictional land not being used. Another new state law reduces parking requirements for projects close to transit centers and/or bus routes.

A note of caution: jurisdictions in the past have not taken the site inventory process seriously. HCD expects the inventory to be both realistic and demonstrating housing as a priority. If a community does not identify sufficient sites adequate to accommodate its RHNA numbers, properties must be rezoned within one year from the deadline for HE adoption. The HE will not be found in compliance until all required rezones are complete. Santa Cruz County did not identify sufficient sites to meet its RHNA numbers in a previous cycle resulting in a lawsuit. Housing advocates statewide will be scrutinizing Sites Inventories. State Bill AB 686, Affirmatively Furthering Fair Housing (AFFH), fortified the HCD monitoring of jurisdictions and added consequences should cities attempt to block or needlessly slow housing production, including blocking state funding grants, not just for housing.

ADU's- Likely Source of Affordable Housing Over the Long Term

Like many cities, Scotts Valley does not have acres of undeveloped land. For that reason alone, ADU's hold great potential, and the city has already taken some measures to incentivize them.

At the April 2022 Council meeting reviewing the annual HE progress report, the City's consultant suggested that ADUs may not count toward RHNA numbers. That is partially correct if you are assuming that when they are permitted the owner is not required to rent them at affordable housing rates. (this is done in some cities because it can be required as a condition for a permit since the ADU is being built on an already developed/zoned piece of property).

At the May 2022 Scotts Valley Affordable Housing Month event, Council Members Reed and Dilles heard Suzanne Ise explain the County's system for identifying ADUs that qualify for their RHNA numbers. The City of Santa Cruz currently counts ADUs in its RHNA numbers. There is an affordable rent condition for some ADUs, but not for most. It is assumed that some ADUs will be rented out at high rates to pay for the ADU and others will be used to house relatives or friends etc. that pay no rent, so they average the two. In the current cycle, excluding the large downtown affordable housing projects that are breaking ground this year, ADUs accounted for the largest number of RHNA number units.

Habitat For Humanity began an interesting program a few years ago in the City of Santa Cruz. Habitat would build an ADU and repair/remodel the main house in trade for the seniors moving into the ADU and designating the house as a long-term affordable housing unit. Scotts Valley could begin such a program if it could finance it. Some thoughts on this are included in our funding sources recommendations. This is a win, win, win program! Intergenerational housing has become one of the few ways families can remain together in the same community. Seniors are able to remain in the community where they have lived for many years while making their home available to younger families with children, which helps the school district maintain enrollment numbers.

The State has also enacted many ADU building incentives to stimulate their production and some jurisdictions have added additional ones to lower the cost of building, including fee waivers and the time it takes to attain permits. One example is SB9. At the very least, Scotts Valley should continue to give ADUs priority through additional incentives.

Bonus Density/Concessions and Incentives

Scotts Valley has adopted the State bonus density law (SV 17.62) that provides incentives to build affordable housing units. Since SV has enlarged the zoning areas for inclusionary requirements, future projects may produce more affordable units, and more importantly, more very-low and low units since the density bonus incentivizes them. With very few empty large lots available for new housing projects, bonus density applications including concessions and incentives will be critically important to help the City meet its 6th cycle HE housing goals.

However, the City's bonus density lacks concessions and incentives that other cities have adopted to increase housing production. One significant concession most cities have is a height concession. Scotts Valley has a building height limit of 35 feet that limits the number of housing units and there is also no variation in the 20 units/acre zoning.

Twenty units/acre is very low for transit corridors. As an example, Santa Cruz has sections with 30-35 units/acre in residential zones and 40-60 in commercial districts. A 2.75 floor area ratio in bonus density zones is also part of the density bonus system. Another incentive to increase density is for a developer to commit to providing Section 8 housing units in addition to the affordable units. Without these concessions the bonus density is not much of an incentive. As stated earlier, a 100% affordable housing project in our area does not pencil out if it is under 40-50 units unless it has funding above what is usually acquired.

Scotts Valley has listed the Town Center as the primary opportunity site for meeting its RHNA numbers. But according to the current HE only 254 units are planned, 30 of which would be designated as affordable. Since the City has codified the State density bonus system, the Town Center could provide a significant number of housing units if there were concessions and if density limits were changed. However, there are two different density bonus methods to consider and AHN recommends that the city push for the land donation bonus incentive. (The City already received one such proposal from Eden Housing using land donation that may have predated the density bonus adoption.)

Here are numbers worth thinking about. Using the bonus density, a developer planning a 200 base unit housing project (or a mixed-use project with 200 housing units included) could propose a project applying for a 35% density bonus for designating as few as 5% very-low units resulting in a project with only 10 affordable housing units and a total project of 270 units. (note- those 10 units are important as it is likely only when the bonus density system is used that a developer will do very-low units)

Using the land donation density bonus system (17.62.040), a non-profit developer doing a 100% affordable housing project (the amount required in the city's system is a minimum of one acre) could likely build 70 (or more) affordable units. There are different bonus density results depending on the number of affordable housing units and the level of affordability, but there is quite a difference possible with a land donation. It is important to note that a 100% affordable housing project is entitled to a greater bonus density and more concessions.

State Housing Laws

The City should also consider new state laws that support increased production of affordable housing. A state law AB1851 makes it easier to build projects on church parking lots, school land, and other jurisdictional land not being used. Another new state law AB2097 reduces parking requirements for projects close to transit centers and/or bus routes.

As mentioned earlier, several laws have recently been passed that provide for ministerial approvals including SB 35, AB 2345, AB 2162, SB 9, and SB 10. NIMBY voices are loud and vocal whenever a sizeable affordable housing project comes before your Council, but the only way the city will be able to achieve its RHNA goals will be with larger affordable developments. Laws which allow ministerial approvals can help the city move forward with much needed larger housing projects that can provide workforce housing for our community and help the City reach its RHNA housing goals.

Transportation and Climate Change

The State requires the HE to include a parallel process for transportation. Funding for affordable housing projects is competitive. Projects located near transit centers, schools,

shopping, and other services are awarded points that increase the likelihood the project will receive funding. Housing projects located near bus routes may also be able to reduce parking requirements, but the frequency of bus stops is a critical factor. Bus frequency in Scotts Valley, at this time, is an hour on the major thoroughfares. AHN would encourage the City to lobby the METRO for half/hour frequency which can increase the potential for affordable housing funding, as well as providing better service to city residents relying on bus transportation. It is also worth noting that locating projects near transit centers and bus routes can reduce carbon emissions by reducing the number of cars on the road and providing workforce housing in our community will reduce vehicle miles traveled when local workers don't have to commute from other communities to work in Scotts Valley. Projects with proximity to transit centers and bus routes may also qualify for ministerial approvals.

Prohousing Designation

The County of Santa Cruz is recommending that all jurisdictions work toward the Prohousing designation so they can be eligible for and be more competitive in securing state funding from Affordable Housing and Sustainable Communities and Infill Infrastructure Grants.

Much of what the City would need to do to receive this designation is included in our recommendations, such as updating zoning, reducing construction and development costs, reducing parking requirements, and providing incentives and increasing fee waivers. The system mirrors affordable housing funding grant requirements- applying a point system for such things as transportation infrastructure, parks and open spaces, amount of money in housing trust funds and other criteria. Working to obtain the Prohousing designation will take time, but the payoff would be worth it for both funding and the increased production of affordable housing units.

Funding Sources

Scotts Valley will only marginally meet its RHNA numbers without financial resources. Non-profit builders cannot buy land for projects. When competing for funding, the value of city-owned land increases the possibility of grants and tax credits, and even with the land subsidy they still fare better in securing funding if a city provides some of the funding.

The City previously invested in one project, to lower the affordability level of the inclusionary units. This is a common practice, as is using subsidy to increase the number of inclusionary units beyond the statutory minimums, but this requires a steady funding stream. Some cities, instead of having a dedicated funding source, have entered into agreements with developers to forgo or reduce property taxes, but that reduces general funds so it is not as viable as having a dedicated funding source.

AHN recommends that Scotts Valley consider raising the real estate transfer tax as many California cities have done. It is an easier tax to approve, requiring only a 50% threshold to pass. With continuing increases in real estate values, fewer people might object to some of that profit being taxed to support affordable housing. A half- percent tax increase can accumulate significant funding over time. Examples of other Bay Area cities' real estate tax increases (above the current base tax of .55) include: Alameda 1.2%, Berkeley 1.5%, Hayward .45% and San Jose, and Mountain View with a .33% tax.

The organizers of the county-wide housing bond have discussed attempting another bond measure. There is a statewide coalition working on getting a proposition on the 2024 ballot that would lower the threshold for passing housing bonds from the current 2/3rds to a majority vote. That would make the possibility of a county-wide housing bond more feasible. Since SV participated in the bond measure last time, we assume it would again.

Successful Strategies from other cities

The following are additional strategies for Council's consideration that other communities have adopted to increase the production of affordable housing.

1. Encourage redevelopment of existing single-story commercial buildings to include upper story residential units, where feasible.
2. Change the residential- commercial mixed-use requirement of 50%. Housing should be given priority, but also demand for commercial space is low so that percentage makes projects infeasible.
3. The State has passed many housing bills in the last few years, and many more are working their way through the system. Those already passed can be part of the HE process, but it would be worth looking at those working their way through the legislature and adopting relevant ones in anticipation of their passing.
4. Examine parking requirement constraints that may deter the development of Planned Developments.
5. Examine mixed-use zoning questioning whether apartment complexes should be given higher priority than the commercial space in a mixed-use project.
6. Work with the development community to streamline the project and design review processes to provide a greater level of certainty in the outcome of housing proposals. Also work in collaboration with developers in the early stages of project development to maximize potential for housing units in the needed income categories.
7. Review existing development fee structure, including water and sewer connection fees, to determine if the current structure is appropriate and equitable.
8. Consider adding provisions to allow Single Occupancy Units, and at the same time change how units per acre are calculated as 100 SRO units would not take up more space than 50 regular units. Why should a 400 square foot SRO count the same as a four- bedroom house with a garage for zoning purposes? There are very few small units in SV, SRO's are desperately needed. Not taking size of a unit into account, and having a 20-unit per acre maximum, provides no incentive for those most needed units. They are also affordable by design, so they are essentially 100% affordable projects.

In Conclusion

When housing choice and access are limited because of someone's race, sexual orientation, disability or income status, there are far-reaching impacts on access to job opportunity, access to quality education, and on one's quality of life, including mental and physical health. The new HE requirements under AB 686 seek to promote safe, affordable homes and vibrant, inclusive sustainable communities.

The 6th Cycle HE includes new requirements for the Community Engagement Plan. Adding housing in Scotts Valley has been controversial and affordable housing even more controversial. AHN believes it is vital that the community engagement process not be limited to vocal opponents to growth. There should be an effort to engage business owners with employees and individuals least likely to know about and participate in the process, including people who would be the residents of affordable housing projects and people who work in Scotts Valley but at this time cannot afford to live here. Involving community members early in the City's HE planning efforts will help create buy-in and support from city residents which will be essential to helping Scotts Valley achieve the 6th cycle HE housing goals.

By planning for the housing needs of a diverse population, the HE is an investment in our community. AHN offers our assistance in supporting the City's planning efforts to help promote a vibrant community that embraces diversity and provides sufficient housing opportunities for all in need of an affordable place to live. Everyone in the City of Scotts Valley deserves to have a place to call home.

6-9-23

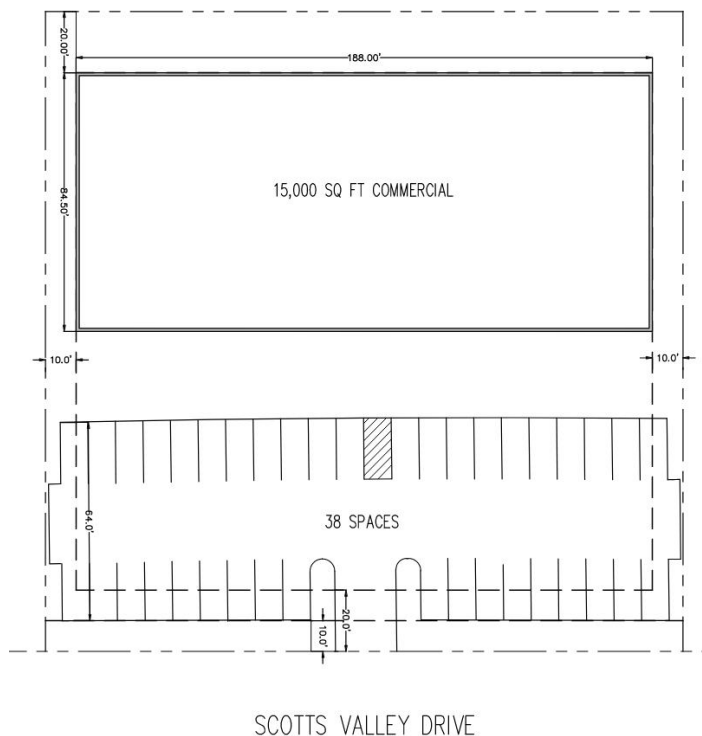
City of Scotts Valley
Planning Department
1 Civic Center Drive
Scotts Valley, CA 95066

Subject: Infeasibility of 70/30 Residential Mix in Commercial Zone
& impact on complying with Housing Element

C2G/Civil Consultants Group, Inc. (C2G) has reviewed the initial draft of the Housing Element for the City of Scotts Valley to address their Regional Housing Need Assessment (RHNA) mandate by State Housing Law required by the State of California Department of Housing and Community (HCD). It is clear the current draft will not meet the Housing Element's intent and is what we believe City is trying to achieve.

To substantiate this claim, C2G has run a hypothetical analysis (shown below) to help show how the proposed 70/30 mix for Mix-Use development does not go far enough in incentive a property owner to proceed with developing their property with a high residential density mix. This will result in the City drastically falling short of the RHNA numbers required in the 6th cycle.

Below C2G has shown a hypothetically vacant 1-acre property along Scotts Valley Drive that is currently zoned Commercial Service (CS) per the City's zoning standards. Since this lot is proposed to be adjacent to other mixed-use properties residential setbacks were used. This analysis also assumes a 50/50 split between residential and commercial per the city's **current** General Plan and **current** Zoning Standards (maximum 20 dwellings per acre).



The analysis for the 1-acre property on page 1 (with current zoning requirements) would result in the following:

15,000 SQ FT of Commercial

Parking (1 stall/500 SQ Ft) = 30 stalls required

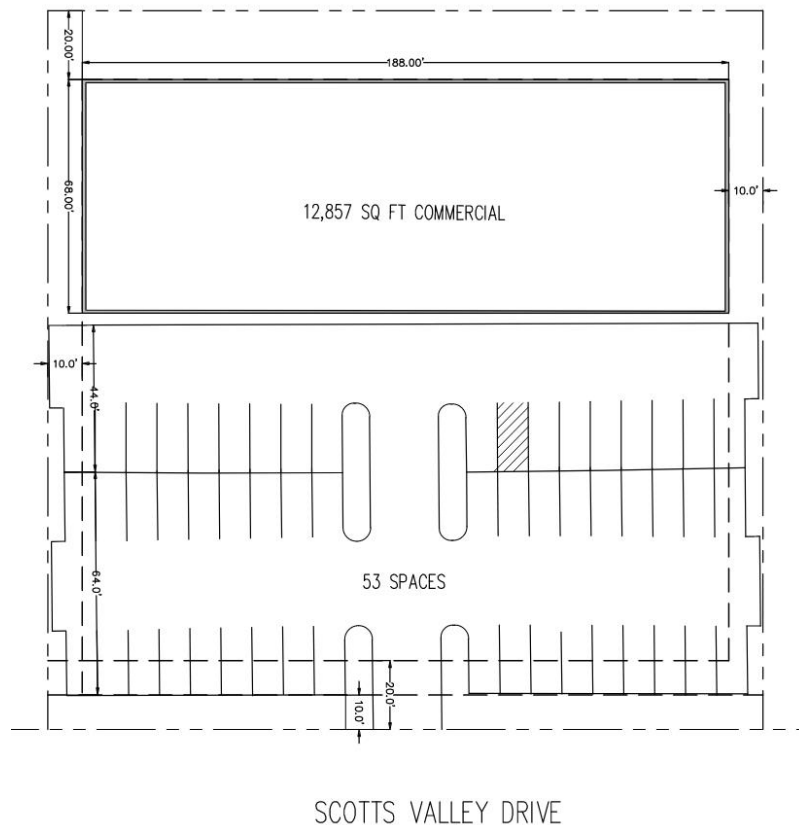
15,000 SQ FT of Residential (750 SQ. FT. Units)

Parking (2.2 stalls per unit) x 20 = 44 stalls

30,000 SQ FT of Total Mix-Use

38 stalls are shown, but 44 can be achieved with minor reconfiguration of the building footprint. Also assumes, commercial use does not coincide with residential use so parking can be shared.

When performing the same analysis with the proposed modification in the Draft Housing Element, the density increases (40 units/acre) and the ability to increase the residential component of the site goes up to 70-percent. Below is an exhibit of what a potential layout would look like.



This analysis for the same 1-acre property creates the following results with the 70/30 mix:

12,857 SQ FT of Commercial (30 percent)

Parking (1/500) = 25 stall required

30,000 SQ FT of Residential (750 SQ. FT. Units)

Parking (2.2) x 40 = 88 Stalls required

42,857 SQ FT

Parking cannot be met. This is substantially short of the required parking per the City's current parking standards for residential.

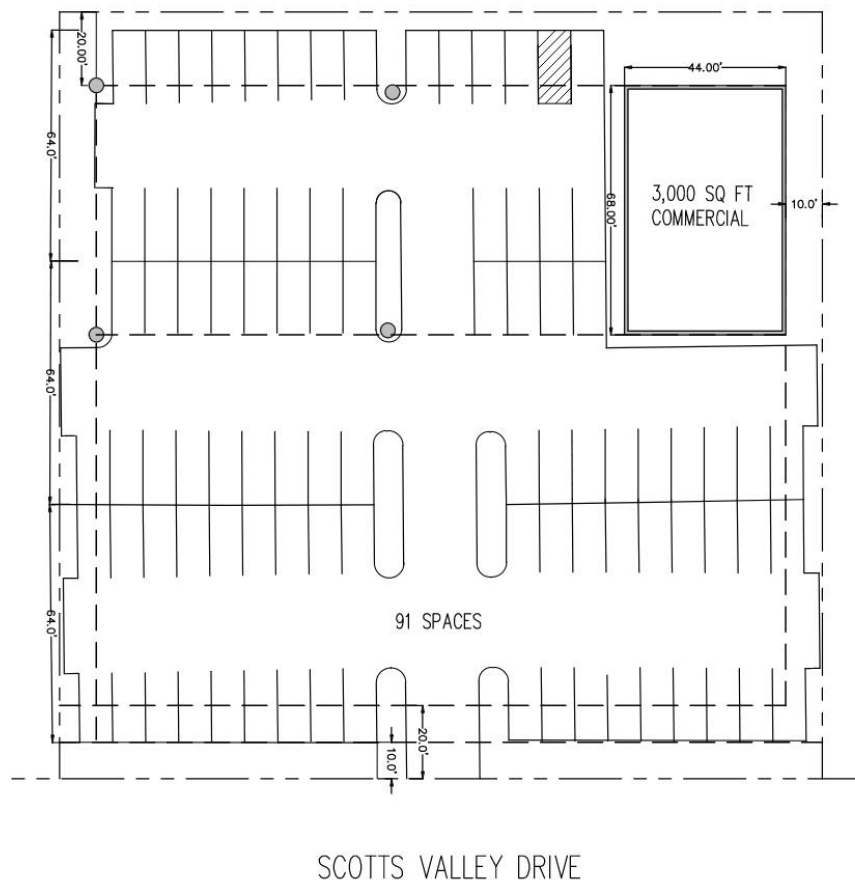
This layout would also require a 3-story building.

With the transition from the current zoning to the proposed Housing Element zoning, you will notice that the housing is currently dictated by the commercial size. The proposed Housing Element flips the scenario

where the size of the commercial square footage is dictated by the new residential density. Though the site has increased the residential component to 70-percent, the reduction in commercial is only 14% when comparing square footage size from the current zoning of commercial space.

C2G's professional experience with developers focusing on Scotts Valley understands this reduction is not enough to offset the increase in affordable housing associated with the density increase. In order for the City to entice a developer to proceed with a project with this type of density and still have a commercial component, the commercial reduction would need to be closer to 80-percent reduction.

In order to get a 780-percent reduction in commercial area the residential component would need to be 90%. This would result in the following exhibit below:



This analysis for the same 1-acre property creates the following results with the 90/10 mix:

3,000 SQ FT of Commercial (10 percent)
30,000 SQ FT of Residential (750 SQ. FT. Units)
33,000 SQ FT

Parking (1/500) = 6 stall required
Parking (2.2) x 40 = 88 Stalls required

Parking is met in this scenario.

This layout would be a podium style building and probably 4-stories in height. This would exceed the current City height requirements.

The analysis shows the suggested 70/30 does not work. The percentages would need to be 90/10 to work.



C2G suggest a better option would be allowing landowners to go 100-percent residential in these areas. This would make the most sense.

Also, it needs to be pointed out that with Scotts Valley being a transit corridor, these properties would be able to implement the State's Density Bonus Law. This could allow the density to increase by 35% with the affordable housing components required for these sites. This could increase the number of units to 54/Acre!

The Density Bonus Law also reduces the parking requirements. Instead of relying on the State Density Bonus Law, it would make more sense for the City to reduce the parking requirements for these mix-use zoning areas with the new Housing Element.

To the last topic, Residential Rezoning. When examining Table F-2 in the Housing Element, the RHNA housing goal is almost achieved without the rezoning of the three (3) suggested properties. If the Density Bonus Law was encouraged for the mix-use sites, the residential re-zoning would not be needed. Also, SB9 and ADU laws should be encouraged by the City Planning staff and proactively reach out to the community via social media, local newspapers and local service community meetings. This approach would look better (than randomly picking properties to rezone with higher density) for the City in our professional opinion.

If you have any questions on our calculations or would like to discuss them in more detail. Please call my office. Thank you.

Very truly yours,

C2G/CIVIL CONSULTANTS GROUP, Inc.



David Dauphin
Vice President / Associate Engineer



Todd Creamer
President/Principal Engineer



Eli May
Co-Owner, 125 Bethany Dr. Scotts Valley, CA
elinathanielmay@gmail.com
831-419-9641

June 21th, 2023

City of Scotts Valley
Planning Department
1 Civic Center Drive
Scotts Valley, CA 95066

Re: Scotts Valley Housing Element Public Review Draft

I am a co-owner of 125 Bethany Dr in Scotts Valley, which was identified as one of three properties to be rezoned in the recently released Scotts Valley Housing Element Draft Plan. The draft plan calls for changing the general plan and zoning of our 1.35-acre property from its current commercial zoning to multi-family residential use of up to 41 units.

We were surprised to learn our property was included in the housing element plan as we were never officially notified in writing at any point in time that it was being considered for rezoning. This shocking news was particularly surprising because our property is currently the subject of an active redevelopment application with the city and has been for several years. During this time we have been working very closely with the numerous and various planners who have come and gone during this process with city staff. We currently have a completed application with the city that is entering environmental review. We believe it is incumbent on the city to process our existing application for redevelopment and remove this property from the draft housing plan.

I am also very concerned about the lack of community engagement that has failed to occur with this process. Having never been officially notified, let alone consulted, regarding our property's inclusion in the housing plan, there was no proper opportunity to engage in the process. In fact, the *Scotts Valley Press Banner* noted the same issue in its article "[Scotts Valley Housing Element workshop features little community input](#)", which noted that the most recent public meeting *"was cut off after less than an hour—before all comments could be aired verbally."* This article was in response to the May 30th community workshop, which was the first meeting since the draft plan was released on May 19th. Unfortunately, the lack of public input and community engagement seriously threatens to leave the plan open to invalidation by HCD.

For these reasons and the ones explained below, this site does not actually have any real potential to be developed into 41 residential units, and I am formally requesting our property at 125 Bethany be removed from consideration in the draft plan.

Current redevelopment efforts at this property

We have been working toward obtaining approvals to redevelop this property for over 3 years. We have applied for and paid for all application fees in excess of \$40,000 as well as over \$100,000 in additional reports requested by the city. We have been fully engaged in an ongoing and responsive exchange with city staff to move forward on the redevelopment of this property. This has involved serious and continuous community engagement. We have responded to over 100 items from public works and the planning department over the course of several redesigns and resubmittals. In fact, we will be entering environmental review for our redevelopment application this month. We have engaged in an incredibly lengthy, expensive, and involved process and we don't feel it's appropriate to include this property on a list to be rezoned for residential while in the middle of the application process to be redeveloped. This is particularly true when the "community engagement" process employed by consultants for the housing element has been seriously lacking in transparency and invalid by comparison to the process we have engaged in for a single redevelopment application and taken extensive time to seriously implement.

We feel that we are legally entitled to proceed with processing our application under CEQA and welcome environmental review of our incredibly thoughtful and positive redevelopment plan. We are joined by our tenants and neighbors in looking forward to an approval for a new building that benefits the community and reduces - not increases - impacts.

Current Uses

The current zoning of our property is commercial professional. It currently has ~ 14,000 gross sq ft, which is 100% occupied by businesses that serve the community. The current redevelopment plan would replace the existing amount of office space and create more opportunities for local businesses to operate and grow. As part of our resubmission in April 2022 we included half a dozen letters from businesses (existing and potential tenants) imploring the city to approve our redevelopment. These uses are an important part of the local economy and its loss would be a detriment to the community.

Neglected impacts of the draft designated use

In the process of applying to redevelop our property, the city asked us to perform a number of professional reports to study the impacts of the proposed redevelopment, which we did. This included extensive and expensive studies regarding noise, traffic and parking, as well as an arborist study and an archeologist study. The results of the studies showed that our proposed redevelopment would actually reduce impacts; it does not appear any similar studies have been performed to study the impacts of 41 residential units for this draft report.

Parking & Traffic

The traffic studies we had completed for our redevelopment show a delicate balance of parking on this property. 41 residential units at this site would make trip generations skyrocket and it would simply not be possible to park all of these units at this site. Furthermore, the site is a relative island with a noisy freeway on one side with no other parking available in the immediate area, which would be a huge issue. It does not appear that our existing study has been

reviewed or that a similar study has been conducted for the specific use designated in the draft housing plan. Also, this property is at the same intersection as Vine Hill Elementary, which already causes significant congestion at the intersection during school drop-off and pick-up times. A 41-residential unit site at this intersection would further exacerbate traffic in this area, Neighbors who live on Tabor and Bethany would face far worse congestion and traffic than they already do.

Noise

This site sits along HWY 17, which creates significant noise that would not be acceptable for the 41 units without significant noise-barrier walls, and the site simply does not have the space for this. It does not appear that a study has been performed on the noise at this site for residential use, as we have done for our proposed use.

Arborist

We performed an arborist study for our redevelopment and the city has mandated that we keep existing mature trees and add more shade trees to the parking area. This condition has further inhibited the number of parking spaces we can fit. It does not seem that an arborist study has been performed for the use of 41 residential units at this site as we had been tasked with doing, as it would show a lack of necessary parking and the consequent elimination of mature trees. These studies would show that the site is simply not equipped for this type of residential use.

Community Engagement

During the process of our redevelopment efforts, we held meetings with many stakeholders in the city including a comprehensive community engagement plan. We built a website detailing the redevelopment and sent direct mail to all of our neighbors to communicate with them about the project and point them toward the website along with contact information. It appears there has been very little community engagement around the process to create the housing element draft plan. I was not informed in writing as an owner of one of the three properties identified for rezoning. The **Scotts Valley Press Banner** noted the same issue in its article "[Scotts Valley Housing Element workshop features little community input](#)".

Numerous opportunities elsewhere not identified

It is clear from the many public comments at the April 5th planning commission meeting that there are many property owners along Scotts Valley Dr that would be more than willing to build more dense residential projects, but are unable to because they would need to match 50/50 commercial to residential, which makes the projects not feasible. Allowing these property owners to build dense residential projects would create more foot traffic for the businesses along Scotts Valley Dr thus attracting more businesses and more revenue for the city. Instead, the Draft Housing Report identified only three parcels in the entire city for rezoning. We believe the city needs to look closer at other commercial parcels along Scotts Valley Dr and beyond to meet its plan. The draft housing element failed entirely to aggregate the 50/50 requirement on a larger basis - and did not assume anything for the assemblage of parcels. This is an abject failure on the part of the consultants to recognize and move on to an obvious solution.

Furthermore, we believe the draft report missed multiple appropriate and obvious opportunities elsewhere. This includes ADUs. Last year, California passed SB9 which allows for any single-family residence to build at least one ADU and in many cases more than one. Scotts Valley is truly unique in that the city contains numerous older and larger residential parcels that can take advantage of SB9 - and do so appropriately within existing residential neighborhoods. This would not only capitalize on existing infrastructure but will also significantly disperse any impacts from this incremental approach. Yet the public draft report used historic ADU origination numbers from the last 8 years of only 3 ADUs being built per year, without taking into account the tremendous growth in ADU construction which is just now occurring from this landmark legislation. There are also many other opportunities to account for more housing such as mobile home parks, which would be an obvious choice for more dense and affordable housing.

In conclusion, rezoning the property at 125 Bethany is not appropriate for a myriad of reasons, and I formally request this property be immediately removed from the draft plan.

Sincerely,
Eli May
Co-Owner of 125 Bethany Dr. Scotts Valley CA

[REDACTED]

[REDACTED]

[REDACTED]

From: Charlie Eadie <charlie@eadieconsultants.com>

Sent: Thursday, June 1, 2023 10:45 AM

To: Sarah Wikle <swikle@scottsvally.gov>

Cc: Taylor Bateman <tbateman@scottsvally.gov>; Wiseman, Bill <bill.wiseman@kimley-horn.com>

Subject: Housing Element

Hi Sarah:

Good talking to you today. Following up our conversation, here are three recommendations:

1. Add to your mixed use inventory of potential sites two parcels at 4627 Scotts Valley Drive, APNs 022-082-34.35. This site consists of just under an acre and would be a prime candidate for high density and/or mixed use high density housing.
2. Be explicit about the ratio of commercial to residential in mixed use projects in the Housing Element. The past policy in the General Plan (not the zoning ordinance) interpreted to require a 50/50 ratio (the "50 percent rule" so called), however well-intended, had the effect of killing numerous proposals for housing/commercial mixed use projects. Other jurisdictions are facilitating mixed use by either eliminating floor area ratio standards altogether, or setting the mix in a way that makes projects at least theoretically possible. For example, the County of SC now has proposed an 80/20 housing/commercial mix in their Housing Element.
3. Address processing issues. In particular, SV processing times have been extraordinarily long, and the Housing Element consultants should look into the history of that for various projects. One suggestion would be to reduce the high level of detailed engineering and other work now required by the City just to get to hearing on land use/design approval. This adds significant time and costs to getting a "complete" application, and can leave decision-makers frustrated because the project is essentially a "finished product" when they finally see it which inhibits their willingness/ability to make changes. Better to have the use and design considered and worked out before requiring the nth degree of detail in the plans.

Charles Eadie,
Principal



P.O. Box 1647, Santa Cruz, CA 95061-1647
831.431.3396 (cell) 831.426.7609 (fax)



June 19, 2023

To: Sarah Wikle, Senior Planner
CC: Scotts Valley City Council, Scotts Valley Planning Commission
City of Scotts Valley
1 Civic Center Drive
Scotts Valley, CA 95066

RE: Draft Housing Element (May 2023)

Santa Cruz YIMBY advocates for abundant housing at all levels of affordability to meet the needs of a growing population in Santa Cruz County. We support sustainable growth, including along transportation corridors and activity centers and a commitment to lower Vehicle Miles Traveled by housing people near services and jobs.

We submit the following comments on the City of Scotts Valley's 6th cycle Housing Element draft of May 19, 2023¹.

Probability of Meeting Low Income Targets

"The City of Scotts Valley has facilitated the building of market rate housing in recent years, but has made little effort to develop housing for low income workers."²

According to the site inventory³ Scotts Valley is expecting that all sites identified for rezoning will set aside roughly 50% of their units for very-low, low, or moderate income families, while providing little evidence that this level of affordability will be realistically produced. Meanwhile, the city's four pipeline projects consist of only 18% affordable units. We would like the city to explain why it expects to achieve this 50% target, and how it will enable the development of additional housing if this target is not being met. For comparison, the City of Santa Cruz⁴ is projecting a 20%

¹ [Scotts Valley Housing Element - Public Review Draft 5.19.2023](#)

² [Santa Cruz Civil Grand Jury - Housing Our Workers](#), page 18, Finding 9

³ Housing Element, F-23

⁴ The only jurisdiction in Santa Cruz County to meet its 5th cycle goals

affordability rate for most parcels in its site inventory.

If the city misses its target of 50% affordability, it faces the daunting task of identifying other sites to make up the difference under No Net Loss law. With nearly half of its very-low and low income units planned for through the Town Center Specific Plan, this single project not producing as many units as expected would subject the city to this law. Additionally, there is only a 9% buffer for moderate income units, HCD recommends a buffer of between 15 and 30 percent⁵.

In order for Scotts Valley to meet the needs of its most vulnerable residents, it is essential that plans for affordable housing not only sound good, but are workable and realistic.

Pipeline Projects

A significant source of new units for the city during the 6th cycle will be from pipeline projects. For jurisdictions relying heavily on pipeline projects, HCD recommends⁶ that “...the element should include programs with actions that commit to facilitating development and monitoring approvals of the projects, including the number of units and affordability (e.g., coordination with applicants to approve remaining entitlements, supporting funding applications, expediting approvals and monitoring of project progress, including rezoning or identification of additional sites, if necessary).”

In order to meet this recommendation by HCD, the city should create policies to monitor the progress of pipeline projects. This could include automatic entitlement extensions until midway through the 6th cycle and proactively reaching out to all pipeline project developers to confirm that there is still development interest.

In recent public meetings, local leaders said that they were contacting developers of existing pipeline projects to gauge their interest in resubmitting plans at a higher density or with additional units. The La Madrona and Valley Gardens projects together represent a vast majority of the city’s pipeline units. We urge the city to work with the project developers to increase the amount of multifamily and missing middle⁷ housing, especially in those areas of the project site closest to Mt Hermon Road. The number of units in these two projects alone represents nearly 30%⁸ of the city’s RHNA, and could easily fulfill more if they were revised to have majority multifamily units. These sites offer an opportunity for Scotts Valley to demonstrate

⁵ [Housing Element Sites Inventory Guidebook](#), page 22

⁶ [City of Brisbane’s 6th Cycle \(2023-2031\) Draft Housing Element](#), page 3

⁷ [Missing Middle Housing](#)

⁸ On a total unit basis, not 30% of all affordability categories

leadership in building mixed density neighborhoods that bring people of different income levels together.

Goal H-1 - Housing Production

With the city's RHNA increasing nearly tenfold from the 5th cycle, we see significant need for policies and programs which enable, not restrict, development. We applaud the city for identifying significant commercial and parking requirements as constraints to development but strongly disagree with the assertion that "...the City's standards for lot size, setbacks, height, and site coverage are not considered [constraints]..."⁹

As mentioned, the city has accurately identified its limit of 50% residential in mixed-use developments to be a constraint and is rezoning select parcels along main corridors to increase this cap to 70%.¹⁰ We would like to see the city go further and either remove this limitation entirely or allow for mixed-use development with an option for ground floor commercial only rather than as a percentage of total square footage. Additionally, granting this flexibility to all mixed-use projects in the city would incentivize development and allow developers to better respond to Scotts Valley's housing shortage.

We would like to see the city commit to allowing more residential square footage in mixed-use developments if the proposed rezoning does not result in developer interest.

With regards to parking requirements, the city should go much further in reducing or even eliminating requirements and the existing programs should have stronger language. Currently, program H-1.5 does not commit to lowering parking requirements and has a timeline of 2027. We would like to see this timeline moved up and a commitment to lowering requirements to no more than half a space per unit, uncovered.

Creation of missing middle housing isn't mentioned within the policy plan - the city should adopt zoning regulations that would incentivize this form of housing. Examples include reducing minimum lot size, setbacks, and lot coverage restrictions. In Redwood City's compliant 6th cycle housing element¹¹ amendments such as these are anticipated to result in an increase of at least 80 homes. Currently, duplexes are not conditionally or principally permitted in any of Scotts Valley's zoning districts.¹² The City of Scotts Valley should seek to allow a wide variety of housing types

⁹ Housing Element, C-24

¹⁰ Housing Element, F-19

¹¹ [Redwood City 2023-2031 Housing Element](#)

¹² Housing Element, C-16

including duplexes, triplexes, fourplexes and other multifamily project types throughout the City. Much of this could be achieved without an EIR thanks to Senate Bill 10¹³.

Unaddressed Constraints

Along with the commercial and parking constraints discussed in the prior section, there are other constraints that we believe the city should address to ensure that housing can be built.

We expect projects to make use of State Density Bonus law for feasibility of development of affordable housing. Currently, Scotts Valley zoning code includes constraints and limitations that could limit affordable multifamily or mixed-use housing from achieving assumed base densities. These include but are not limited to building height, FAR, and parking requirements.

The city should better explore to what extent its density restrictions are a constraint to development. With the city's highest density residential zoning district capped at 20 du/acre, this is likely a significant barrier. We recommend the city expand its rezoning efforts to all 'Very High Residential' parcels at a minimum and allow up to 40 du/acre on such parcels.

There are a number of small sites on the inventory which fall outside of the parcel size requirements set forth by AB 1397. These sites may still be included for a variety of reasons, in Scotts Valley's case "...a program to facilitate lot consolidation."¹⁴ There is no such program in the policy plan.

Town Center

One of the largest projects projected for Scotts Valley's 6th cycle will be further development of the Town Center Specific Plan, encompassing 58 acres in the heart of the city. This area is well situated to accommodate a significant amount of housing and associated amenities. While we are pleased that the city anticipates 657 units to be built on these sites we would like to see more in the housing element to indicate that the city is determined to see this housing come to fruition.

This plan has been in the works since at least 2008¹⁵ and has not seen a significant amount of the proposed housing be built in that time. According to the city, "...project applications have been submitted for the Plan, but development was not successful. Interest in developing the Town Center area has increased over recent

¹³ [SB 10 - California YIMBY](#)

¹⁴ Housing Element, F-21

¹⁵ [Scotts Valley Town Center Specific Plan EIR](#)

years.”¹⁶ Despite these failed developments and increased interest, there is no mention or analysis of the reasons for these failures or why development has not moved forward for this area in the housing element.

Additionally, we would like the city to provide more detail on the affordability projections for the Kings Village parcel¹⁷ as part of the Town Center plan. While the other four parcels are publicly owned (by METRO or the city) this shopping center is privately owned. The city estimates that this parcel will produce a 50% affordable project, but provides no indication that there is interest from the owner, a developer, or any other type of agreement that would be required for housing production to happen.

Mid-cycle Review

To ensure the city makes appropriate progress towards its 6th cycle goals we would like to see a commitment to a mid-cycle review and adjustment (if needed). Tying this review to programs to increase housing production such as rezoning, ADU incentives, or removing development constraints would allow the city to quickly make up lost ground and minimize impacts of falling behind in the 6th cycle. This would also be a time to review pipeline projects which have not progressed.

Additional mid-cycle programs could include:

- Ministerial approval process for all site inventory projects
- SB10 upzoning of small sites to 10 units per parcel
- Tracking commercial occupancy, and if vacancy is too high, relaxing commercial requirements in favor of more residential, including live/work units

Transit Oriented Development

Despite being home to the Cavallaro Transit Center (CTC), Scotts Valley lacks any current or planned high quality transit stops. In the 2040 MTP/SCS¹⁸ the CTC was identified as such a site, however, it was subsequently removed in the 2045 MTP/SCS¹⁹. We encourage the city to commit to working with AMBAG in the 2050 MTP/SCS (scheduled for June 2026) to designate the CTC as a planned high quality major transit stop. This designation would incentivise more sustainable, affordable, and equitable development in an area identified for a significant amount of new housing in the 6th RHNA cycle.

¹⁶ Housing Element, F-12

¹⁷ Parcel #022-601-18

¹⁸ [AMBAG 2040 Metropolitan Transportation Plan](#)

¹⁹ [AMBAG 2045 Metropolitan Transportation Plan](#)

Scotts Valley is currently not a pedestrian and bike friendly community. The transit center is a key connector for jobs and opportunities for low income people that do not own cars. Further investment in housing around transit stops has been shown to increase ridership on public transit. Denser housing and investments in walking and biking infrastructure between the Valley Gardens, Town Center, and the CTC could together make great strides in helping Scotts Valley achieve its housing, climate, and safety goals while also making it easier for people of all ages, abilities, and incomes to access the city.

Tenant Protections

As a city with a growing percentage of renters, it is important to have strong tenant protections. The housing element notes that “[a]bout 51.8 percent of renters are cost burdened, and 33.1 percent are severely cost burdened.”²⁰ There are a number of programs we would like to see implemented or expanded in the city including:

- Elimination of or cap on rental application fees
- Creation of a rental registry. This was recently passed by both Salinas²¹ and Monterey²²
- Local preference for people employed in the county
- COPA²³ and TOPA²⁴ programs
- Conduct a disparate impact analysis of non-high(est) resource areas²⁵ and apply a live-work preference if it matches county demographics

²⁰ Housing Element, B-14

²¹ [Salinas passes rental registry](#)

²² [Monterey City Council moves ahead with rental registry](#)

²³ [Community Opportunity to Purchase Act \(COPA\) | San Francisco](#)

²⁴ [EBCLC's Tenant Opportunity to Purchase Act \(TOPA\) - East Bay Community Law Center](#)

²⁵ [2023 CTCAC HCD Opportunity Map](#)

June 2, 2023

Sarah Wikle
City of Scotts Valley, Planning Dept.
Via email: swikle@scottsvalley.gov

Subject: Comments on the 2023-2031 Housing Element

Hello Sarah. Attached are my compiled comments on the Housing Element. Most are indexed to specific policies and programs, although some include reference to information from the Appendices. There are a few comments at the end related to information in Appendices B and C.

It is rather confusing that there is identical numbering for the Policies and the Programs, as (for example) Policy H-1.1 speaks to housing variety in general while Program H-1.1 is specific to the 6th cycle RHNA. Since this document will be used for the next 10 years, there could be some benefit to having some nomenclature distinction between these two classes ("PoH-1.1" v "PrH-1.1", for example).

I'll look forward to seeing the final draft. Feel free to reach out to me if there are any questions.

Michael Shulman
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Cc: tbateman@scottsvalley.gov

Program H-1.1 (RHNA): Table F-2 shows very encouraging numbers that bely publicly expressed concerns over the RHNA assigned to SV. Table F-6 takes an appropriately expanded view of the housing opportunities at the Town Center, recognizing the potential to redevelop certain existing parcels beyond their current singularly commercial purpose. The re-zoning opportunities along SV Drive, in addition to offering housing sites, can also generate long-needed economic revitalization along this corridor. But it is not clear why the rezoning is being proposed for only 33 identified parcels. An overlay zone that allows all property owners an ability to participate avoids the potential trap of the City attempting to pick winners-and-losers based on the ephemeral and potentially transient reasons offered on Page F-19. Identifying just these 33 parcels also creates unjustified inequitable development opportunities between adjacent parcels that may put the City on tenuous legal footing. We can't know who will want to redevelop or who will constructively engage in lot consolidation; properties can change hands and zoning-based advantages can simply raise the perceived value of a parcel rather than necessarily lead to its prompt development.

There should also be more consideration given to allow 100% residential along at least some portions of this corridor rather than insist on minimum 30% commercial development. There simply may not be a viable market for commercial anytime soon and the encumbrance on all properties is counterproductive. The City's economic viability no longer relies on the sales and business tax generation that was the basis for the non-residential legacy zoning of SV Drive. A high density residential overlay combined with PD (planned development) regulations along SV Drive, from Mt. Hermon all the way to Victor Square, could simplify and stimulate redevelopment, make great strides towards fulfilling our RHNA, and provide more resident wallets that will drive economic growth in our existing retail and employment centers.

Program H-1.4 (ADU) – ADUs are perceived as an easy fix to affordable housing challenges because their small size makes them inherently more affordable, and by spreading them out within existing neighborhoods it can diffuse the opposition often associated with larger residential developments. But we should not overlook the adverse impacts they can have on fully developed neighborhoods by introducing more cars and traffics without any commensurate expansion of infrastructure, the loss of vegetation and open space (which matters, even when on individual parcels), and the crowding of structures and potential loss of privacy (depending on how the ADU is sited). ADUs should be accommodated where they work well in a particular neighborhood but we should be cautious about incentivizing them (as per H-2.2, Design Review). We can achieve our RHNA through commercial rezoning and undeveloped residential properties without reliance on one-off ADUs that warrant selective support and individual consideration; they are essentially a neighborhood-level 'remodel' and the incentives should focus on retaining the positive qualities of that neighborhood rather than be driven by quantity of units. The total number of projected ADUs shown in Table F-2 (40) speak to their near irrelevance to meeting SV's RHNA. Some actions proposed are contrary to good planning and pose enforcement challenges -- permit ready ADU plans may conflict with the character of a property or neighborhood, and affordability deed restrictions on individual property owners are intrusive, difficult to effectively regulate, and can generate conflict when the property changes hands.

Program H-1.5 (removal of constraints) – This program needs more substance; it only says we'll talk about it and conduct research. Yet despite this ambiguity, it seems to have concluded that parking

requirements are a fair target. Everyone hates parking except when it is a challenge for them or their guests / customers to find a space. In MF and commercial developments, minimum parking requirements exist for clear and valid reasons. SV has other legacy development constraints (building heights, densities, commercial v residential percentages, etc.) that do not necessarily have such clear rationale, at least in a broad, one-size-fits-all sense; see also my comment on page C-3 below. The concept behind this program is worthwhile but the text is insufficiently ambitious. To say “if constraints are identified, adopt changes with(in) two years” will not lead to changes if those who have maintained the constraints are those who are now supposed to identify them. The Actions should identify both the process (who, how, and when) and specific objectives for the program. For example, the Planning Commission could be charged with identifying the nexus between the residential development standards and our planning objectives, and then making recommendations (within one year) for balancing these with our affordable housing goals.

Program H-1.7 (affordable housing) – Applying the inclusion ordinance City-wide doesn’t change the financial realities associated with creating lower-cost housing from high-cost land. It simply creates a new constraint (see Program H-1.5) on hillside properties or existing neighborhoods whose development future is more likely to consist of replacement rather than additional housing. Instead, we might consider associating the inclusionary ordinance with zoning density and/or project scale, having it apply for all MF zones and developments exceeding 5 units where it is much more practical to create affordable units.

Policy H-2.1 (property maintenance) – The Policy (and Program) statements refer to property maintenance standards, but it is not clear that local government has an enforceable role beyond issues associated with health and safety codes. Zoning and building codes are generally applied only during the permitting process. The H-2.1 Policy and Program (and its underlying actions) text may need clarification. The City does not want neighbors with different aesthetic preferences to drag the City into squabbles over paint colors, landscaping, and similar conflicts that can arise and really need to be resolved between the parties.

Policy H-3.1 (special needs groups) – It is not clear whether the expansive identification of these groups (as discussed on pages B-15 through B-24) is defined by the State or just reflects the opinion of the authors. Large families, single parents, and college students have housing affordability challenges that seem quite similar to those of the general population. Identifying them as a “special needs group” dilutes our ability to focus on the unique affordability challenges of those dependent on special housing accommodations (such as seniors, disabled, and extremely low income). While page B-23 cites 2020 ACS data showing 1,267 college or grad school students living in SV (a full 10% of our population), it is likely that most live in their family home and have simply not yet reached financial independence. That doesn’t make them a special needs group. This policy should perhaps be less ambitious so the associated programs and actions can have better focus.

Policy H-3.3 (equal housing opportunity) – housing discrimination is blatantly illegal and the City should refer any such matters to the District Attorney rather than just “discourage” it. The City’s housing plan shouldn’t soft-pedal such behavior.

Program H-3.2 (fair housing) – The first sentence of the second paragraph is a bit garbled. The entire RCAA discussion (pages E-9 and E-10) tries to discuss patterns of discrimination but it just doesn't work on the scale of SV. The data used here seems to have been gleaned from the 2015-2019 ACS which, as noted on B-24 (below), had some serious accuracy problems in this timeframe. The statement (page E-10) that *"RCAAs may represent a public policy issue to the extent that they **have been created and maintained through exclusionary and discriminatory land use and development practices**"* is a charged accusation that seems reflective of our fraught political environment but it does nothing to help SV meet its housing goals. Appendix E overall fails to identify "racially concentrated areas of affluence" in SV, and there's no reason given to *"establish specific incentives for the development of affordable units in the RCAAs"* rather than just city-wide. While some of this content may be legally required, it reads as an unnecessary and pointless distraction that looks to sound politically correct but is indecipherable in practice.

Also under this program, the first action on page 2-15 suggests the City should *"provide home repair and rehabilitation assistance for at least 20 households."* Any such assistance should be specifically targeted to those needing economic assistance and where the repair/rehab has a health or safety component; the City does not have the resources to just help everyone with their home improvement projects.

Program H-3.3 (childcare facilities) – The phrasing here is misleading as the City does not "make" these services available, affordable, or accessible. The first sentence should be rephrased to "The City shall continue to support the availability of high quality childcare services that are affordable and accessible ...".

Program H-3.6 (housing for lower income households) – This is the core issue and it's unfortunate to find it buried on page 27, with so little discussion and no tangible actions. "Coordinate" and "meet with" do not move the ball forward. Relevant actions that are cited elsewhere (such as rezoning, incentivizing lot consolidation, removal of development constraints, and density bonuses) should at least be referenced here.

Program H-3.9 (emergency shelters) – the last bulleted action item may be overly ambitious and conflicts with our need to prioritize funding and incentives for affordable housing writ large. As noted in the Program text, the homeless population in Scotts Valley is quite small and prioritizing those housing needs will inherently deprioritize others. It should also be clarified as to whether the "projects" referred to in this action are separate emergency shelter facilities or programs to support emergency shelter functions at existing multi-purpose facilities.

Program H-3.10 (density bonus) – Along with H-3.6, this program has a potentially large role to play in the City's attainment of its RHNA. But it also can and should be coordinated with the otherwise underlying permitted zoning densities, proposed elsewhere (Program H-1.1) to permit up to 40 units per acre. Automatically applying PD zoning wherever density bonuses are offered can help address site and neighborhood compatibility.

Program H-3.12 (condominium conversion) – Such an ordinance may have value for cities with centrally managed buildings full of condominiums; in SV, condominiums are individually owned and it is not practical or reasonable to prevent someone from selling their property when they no longer wish to maintain it as a rental unit. There is no rational means for the city to establish “*a maximum percent ... that can be converted over a certain period of time*” nor is there even a suggestion of evidence that this is a problem in need of a solution. Table B-29 in fact shows a significant increase (from 2010 – 2020) of multifamily homes being rented rather than owned. The trend across the region is of wealthier individuals (and corporations) purchasing properties for investment and income generation purposes, and not taking them out of the rental market. There is simply no need for this ordinance in SV.

Program H-4.3 (water and sewer service) – Since the City itself is the sewer provider, this text should be simplified by removing reference to providing coordination with the sewer service provider as if they are a separate entity.

Page B-7 (economic characteristics) – This page has a typo where it states “*The County of Santa Cruz’s median income for a household of four is \$199,300, according to the 2022 State of California Income Limits for Santa Cruz County.*” That correct number is \$119,300 in accordance with <https://www.hcd.ca.gov/docs/grants-and-funding/inc2k22.pdf> (see page 12).

Page B-24 (housing stock characteristics) – The acknowledged inaccuracy of the Table B-27 data, which suggests a significant decrease in housing units from 2010 (4661) to 2015 (4390) raises a question as to the accuracy of other estimates from the ACS surveys. It might be worthwhile for the City (or its consultant) to take careful stock of other numbers associated with these surveys to ensure that decisions and program choices are not being made based on bad or suspect data.

Tables C-3 (permitted residential densities) and C-5 (development standards) – these are the key constraints impacting SV’s ability to meet its diverse and affordable housing needs. The ‘very high density residential’ cap of 20 units per acre, 2100 sq ft/unit, and 35 ft building height have been in place since prior to the 1994 General Plan, when land was cheap and the driving force behind increased density was developer profitability. These constraints on multifamily developments promote two story, nicely spaced structures with plentiful recreational and landscape amenities, which are very nice. But such developments are quite low density relative to what is otherwise possible and palatable. We can and should allow significantly higher unit densities along the SV Drive and Mt. Hermon corridors, recognizing their more urban aesthetic along transportation corridors, the different needs of today’s younger, older, and non-traditional households, and the financial realities of providing housing for those with lower incomes.

Page C-44 (water supply) – The top of page C-46 cites only the decreased amount of effluent flowing to Monterey Bay as a result of the water reclamation facility (WRF), but that fact has only a modest relationship to increasing our housing stock. It would be of more value for this document to mention the significant decrease in potable water demand since the WRF came online and the positive impacts of various water conservation measures that have been implemented (including building code requirements for water efficient appliances). A frequent concern cited by those opposed to more

housing in SV is the potential adverse impact to our sole-source water supply. Presenting the data showing how aquifer water levels have recovered since the early 2000s and discussing the relative water use rates between SF (with landscaping) vs MF units would go a long way towards making those discussions more rational and fact-based.



DEVELOPMENTAL DISABILITIES HOUSING NEEDS ANALYSIS FOR CITY OF SCOTTS VALLEY 2023-2031 HOUSING ELEMENT

Introduction to Developmental Disabilities

California state law defines developmental disabilities as a disabling condition that emerged before age 18, is expected to be lifelong, and is a substantial disability attributable to major impairment of cognitive and/or social functioning. A substantial disability is defined as “significant functional limitations...in three or more of the following areas of major life activity, as appropriate to the person's age: Receptive and expressive language; Learning; Self-care; Mobility; Self-direction; Capacity for independent living; and/or Economic self-sufficiency”. Developmental disabilities include intellectual disability, autism, Down syndrome, epilepsy, cerebral palsy, and other disabling conditions similar in their functional impact to an intellectual disability. A developmental disability by definition does not include conditions that are solely physical, psychiatric or learning disabilities (Section 4512 of the Welfare and Institutions Code and Section 54000-54002 of the Code of Regulations). Under California’s Lanterman Developmental Disabilities Services Act and the U.S. Supreme Court’s 1999 decision in *Olmstead v. L.C.*, people with developmental disabilities are entitled to receive community-based services that allow them to live in the least restrictive setting of their choosing. In California these services are accessed through the state’s 21 Regional Centers and funded by the Department of Developmental Disabilities. The shift to de-institutionalization has led to the closure of the most restrictive segregated settings and to the requirement, under SB 812, that local jurisdictions in their Housing Elements assess and plan specifically for the housing needs of people with developmental disabilities who receive supportive services from the Regional Center in order to live in their home community. San Andreas Regional Center serves all of Santa Cruz County and while they are able to fund the services needed for consumers to live independently they are not able to provide funding for housing.

Demographic and Other Trends Affecting the Housing Needs of People with Developmental Disabilities

Lower Rate of Adults with Developmental Disabilities Living in City of Scotts Valley than County

Overall. The City of Scotts Valley is home to 61 people with developmental disabilities of whom 61% are adults, lower than the County population overall where 71% of the population are adults. Instead a higher portion of the City of Scotts Valley population with developmental disabilities is under the age of 18 (39% vs 29%). This is most likely attributable to a lack of deeply affordable housing needed by adults with developmental disabilities wanting to live independently as compared to neighboring jurisdictions.

Table ____ City of Scotts Valley and Santa Cruz County Population with Developmental Disabilities

Age	City of Scotts Valley	City of Scotts Valley Percent of total	Santa Cruz County	Santa Cruz County % of total
Under age 18	24	39%	407	29%
18 and older	37	61%	1009	71%
Total	61	100%	1416	100%

Note: The City of Scotts Valley population with developmental disabilities was provided by San Andreas Regional Center as of November 2021. The Santa Cruz County population with developmental disabilities is based on county-level data published by the Department of Developmental Services as of June 2021.

Living Arrangements of City of Scotts Valley Adults with Developmental Disabilities. Assessing the housing needs of adults with developmental disabilities is of particular importance because as they age the adults will require a residential option outside the family home, whereas the family home is the preferred living option for children with developmental disabilities. As of November 2021, San Andreas Regional Center (SARC) reported that 76% of Scotts Valley adults with developmental disabilities still lived in the family home. This is significantly higher than the County overall where only 62% of adults live at home. As discussed below, overreliance on aging parents to provide housing for adults with developmental disabilities puts them at greater risk of homelessness or displacement as they age in place. Due to the lack of deeply affordable housing in the City of Scotts Valley only 22% of adults with developmental disabilities have been able to transition from the family home into their own apartment with supportive services, lower than Santa Cruz County adults with developmental disabilities overall, 25% of whom have transitioned to independent living. In addition, fewer adults with developmental disabilities are able to transition into licensed care facilities (3%) in the City of Scotts Valley as compared to Santa Cruz County adults overall (12%) further reducing housing options available to Scotts Valley adults with developmental disabilities when aging parents can no longer provide housing. By increasing the production of inclusive affordable housing options for people with developmental disabilities, where they can live in the community along with people without disabilities rather than in segregated settings, the City of Scotts Valley can Affirmatively Further Fair Housing by reducing the number of adults with developmental disabilities being displaced from the community or falling in to homelessness.

Table ____ Living Arrangements of Adults with Developmental Disabilities in the City of Scotts Valley Compared to Santa Cruz County

Adult Living Arrangements	City of Scotts Valley	City of Scotts Valley Percent of Total	Santa Cruz County	County Percent of Total
In the family home	28	76%	630	62%

Own apartment with supportive services	8	22%	248	25%
Licensed Facilities	1	3%	125	12%
Other	0	-	6	1%
Total Adults	37	100%	1009	100%

Note: The City of Scotts Valley population with developmental disabilities was provided by San Andreas Regional Center as of November 2021. The Santa Cruz County population with developmental disabilities is based on county-level data published by the Department of Developmental Services as of June 2021.

Decline in Licensed Care Facilities in Santa Cruz County. The Department of Developmental Services reports that between September 2015 and June 2021, there was a 7% decrease in the number of people with developmental disabilities able to be housed in licensed care facilities (including Community Care Facilities, Intermediate Care Facilities, and Skilled Nursing Facilities) in Santa Cruz County, even as the adult population in need of residential options outside the family home grew. This trend increases the need for affordable housing options coordinated with supportive services funded by the San Andreas Regional Center. The County's reduced supply of licensed care facilities increases the likelihood that City of Scotts Valley adults with developmental disabilities will be forced out of the County when their parents are no longer able to house them--unless there is a significant improvement in access to affordable housing.

Table ____ Changes in Living Arrangements of Adults with Developmental Disabilities from 2015-2021 in Santa Cruz County

Adult Living Arrangements	2015	2021	Percent Change
In the family home	477	630	32%
Own apartment with supportive services	231	248	7%
Licensed Facilities	135	125	(-7%)
Other (including homeless)	5	6	20%
Total Adults	848	1009	19%

Source: Department of Developmental Services Quarterly Report by County.

Note: These data assume that all people with developmental disabilities under age 18 live in the family home. The impact of this assumption, if incorrect, is to underestimate the number of adults living in the family home who may need other residential living options.

Increase of Autism Diagnosis Reflected in Increase in Adults in their 20s and 30s. Growth in the Santa Cruz County adult population with developmental disabilities correlates with a well-documented annual increase in the diagnosis of autism that began in the mid-1980s and did not level out until after 2015. The cumulative impact of this trend is already seen in the growth of the Santa Cruz County population

aged 18 to 41 with developmental disabilities and will continue into the future. This trend has significant implications for housing needs among City of Scotts Valley adults with developmental disabilities during the period of the 2023-2031 Housing Element, as the population can be expected to continue to grow at a faster rate than the general population.

Table __ Changes in Age Distribution of Adult Population in Santa Cruz County

Age	2015 Number	2021 Number	% Change
18 to 31	395	484	23%
32 to 41	185	192	4%
41 to 52	103	135	31%
52 to 61	118	114	(-3%)
62 plus	47	84	79%
Total adults	848	1009	19%

Source: Department of Developmental Services data reported at the county level in June 2021 and September 2015

Longer Life Spans. Between September 2015 and June 2021, the Department of Developmental Services reports that the number of Santa Cruz County residents with developmental disabilities age 62 and older grew by 79% (Table __). This increase is generally attributable to well-documented gains in life span rather than migration of seniors into high cost Santa Cruz County. Longer life spans mean that more adults with developmental disabilities will outlive their parents and family members who are a major source of housing for people with developmental disabilities in the City of Scotts Valley. And because older adults currently occupying a licensed facility in Santa Cruz County are living longer, this reduced rate of occupant turnover, coupled with closing facilities, will make it more difficult for other adults who have been living with aging parents in the City of Scotts Valley to transition to licensed care when their parents pass away.

Displacement. Notwithstanding 19% growth in Santa Cruz County’s total population of adults with developmental disabilities, the Department of Developmental Services has documented a 3% decline in the age group 52 to 61 in Santa Cruz County between September 2015 and June 2021 (Table ____). In light of gains in life expectancy, this loss can reasonably be attributed to displacement from the county because of a lack of residential living options (either licensed care facilities or affordable housing) when an elderly family caregiver passes away or becomes unable to house and care for the adult. Due to increased reliance on the family home as a living arrangement (based on a 32% increase of adults remaining in the family home in Santa Cruz County between 2015-2021) this trend is expected to continue to worsen unless more inclusive affordable housing is developed during the 2023-2031 RHNA cycle. Displacement takes a particular toll on adults with developmental disabilities who depend on familiarity with transit routes and shopping and services, as well as support from community-based services and informal networks built up over years of living in the City of Scotts Valley.

Higher Rates of Physical Disabilities. People with developmental disabilities are more likely than the general population to have an accompanying physical disability. According to the Department of Developmental Services 26% of Santa Cruz County residents with developmental disabilities have limited mobility, 9% have a vision impairment and 4% have a hearing impairment. The need for an accessible unit coupled with the need for coordinated supportive services compounds the housing barriers faced by those with both cognitive and physical disabilities.

Ineligibility for Many Affordable Rental Units. Some adults with developmental disabilities depend on monthly income of around \$1,000 from the Supplemental Security Income (SSI) program, pricing them out of many of the limited number of affordable housing units in the City of Scotts Valley. Those with employment tend to work part-time in the lowest paid jobs and also struggle to income-qualify for many of the affordable housing units now available for rent in the City of Scotts Valley.

Transit-Dependent. Most adults with developmental disabilities do not drive or own a car so rely on public transit as a means to integration in the larger community.

Best Practices for Inclusion of People with Developmental Disabilities in Typical Affordable Housing

As demonstrated by a growing number of inclusive affordable housing developments in neighboring jurisdictions, the City of Scotts Valley can meet the housing needs of people with developmental disabilities by adopting policies and programs to continue promoting their inclusion with coordinated services in typical affordable housing. The following considerations should guide the City of Scotts Valley in this pursuit:

- **Integration in typical affordable housing** is a priority in order to Affirmatively Further Fair Housing for a group that has historically experienced no alternatives to segregated living and also to counter the displacement of adults with developmental disabilities out of the City of Scotts Valley.
- **Coordination of housing with onsite supportive services** funded by the San Andreas Regional Center should be encouraged. These fully funded coordinated services provide a supported pathway for people with developmental disabilities to apply for and retain an affordable apartment and are often as essential to a person with a developmental disability as a physically modified unit is to a person with a mobility, vision, or hearing impairment.
- **A mix of unit sizes** at inclusive housing properties would address the needs of those who require live-in aides, want to live with roommates or partners, or have children.
- **Location of housing near public transit** would accommodate the transit-dependency of most adults with developmental disabilities.
- **Deeply affordable housing is needed by people with developmental disabilities.** Per HCD guidance, the City of Scotts Valley should plan for at least 196 Extremely Low Income (ELI) units, or 50% of its Very Low Income RNHA allocation. ELI units are particularly important to people with developmental disabilities, and some of the City's planned production of ELI units should be subject to a preference for people with developmental disabilities.

Policy and Program Recommendations

The City of Scotts Valley has a responsibility not simply to assess the housing needs of people with developmental disabilities but also to create and implement policy, zoning, program and other changes that make it more feasible for affordable housing developers to include people with developmental disabilities in their housing plans. In order to meet the increasing needs of the City's population of adults with developmental disabilities, policies and programs that explicitly promote inclusion of people with developmental disabilities in affordable housing with coordinated services provided by the San Andreas Regional Center are needed. Below are examples of programs and policies which can help to incentivize the development of more deeply affordable, inclusive housing in order to prevent homelessness or displacement of these vulnerable residents as well as to provide opportunities for people with developmental disabilities to live in the least restrictive setting of their choosing.

- **Affirmatively Further Fair Housing by Producing More Extremely Low-Income Housing.** Not only is disability the highest-ranked source of Fair Housing complaints in Santa Cruz County, a growing body of Santa Cruz County data indicates that Black, Indigenous and other People of Color (BIPOC) with disabilities experience higher rates of severe rent burden than either BIPOC without disabilities or whites with disabilities. Such disparities in the experience of severe rent burden, housing instability and displacement from the City of Scotts Valley are attributable to the shortage of housing priced to be affordable to Extremely Low Income (ELI) households with incomes below 30% of Area Median Income. Multiple barriers including high land and construction costs and limited funding make it difficult for developers to produce Extremely Low Income units that would help to reduce such disparities. Local zoning and other policies that lead to increased production of Extremely Low Income units, as well as city staff dedicated to implementing and overseeing those policies, will Affirmatively Further Fair Housing in the City of Scotts Valley and decrease displacement and homelessness for the most at-risk residents, including people with developmental disabilities.

Sample Language: The City of Scotts Valley's plans to Affirmatively Further Fair Housing for Black, Indigenous and other People of Color, particularly those with disabilities, shall include policies designed to increase the production of Extremely Low Income units, as well as adequate staff capacity to implement and monitor the impact of these policies.

- **Establish and monitor a quantitative goal.** Tracking the City's success in housing people with developmental disabilities is essential to determine whether policies and programs are having an effect in overcoming historic patterns of discrimination and exclusion of people with developmental disabilities from affordable housing. A goal of 20 new Extremely Low-Income housing units for City of Scotts Valley residents with developmental disabilities over the period of the 2023-2031 Housing Element would represent meaningful progress towards the total unmet housing need of this special needs group.

Sample Language: The City of Scotts Valley shall monitor progress towards a quantitative goal of 20 new Extremely Low Income housing units that are subject to a preference for people with

developmental disabilities needing the coordinated services provided by San Andreas Regional Center to live inclusively in affordable housing.

- **Target City-Owned Land, Land Dedicated to Affordable Housing and City Housing Funds to Achieve City-Specific Priorities.** City-owned land, land dedicated to affordable housing development through a land trust or under an inclusionary housing ordinance, and city housing funds are often essential to the development of affordable housing that is financially feasible. In creating guidelines for the scoring of any competitive proposals for these scarce resources, the City should grant additional points to affordable housing projects that address the housing needs of the residents who are most difficult to house under existing state and federal housing finance programs--for example, by prioritizing proposals with a higher number of Extremely Low Income units or that make a percentage of units subject to a preference for identified categories of special needs people who would benefit from coordinated onsite services, including but not limited to people with developmental disabilities who benefit from services of the San Andreas Regional Center. Example: City of San Jose Housing Department NOFA; San Mateo County Affordable Housing Fund NOFA

Sample Language: In publishing requests for competitive proposals for any city-owned land, land dedicated to affordable housing or city housing funds, the City of Scotts Valley shall grant additional points to proposals that address the city's most difficult to achieve housing priorities, by, for example, providing a greater number of Extremely Low-Income units or committing to make a percentage of the units subject to a preference for people with special needs who will benefit from coordinated onsite services, such as people with developmental disabilities who receive services from the San Andreas Regional Center.

- **Amend Density Bonus Program.** Like many state and federal housing finance programs, the state density bonus program incentivizes the production of housing at the Low and Very Low Income level. But in counties like Santa Cruz County, with one of the highest Area Median Incomes in the state, these incentives have the effect of making much of the available affordable housing out of reach for residents on fixed incomes (including seniors and persons with disabilities) or who are working in low wage jobs and are thus unable to meet minimum income requirements to afford the rent assigned to the Very Low Income category. The City of Scotts Valley should update its density bonus program to conform with current state density bonus law which has increased the maximum density bonus allowed. In addition, the city should include in its updated density bonus program incentives which go above and beyond the state density bonus law to make it more responsive to the impact of Santa Cruz County's high Area Median Income on the affordability of housing for Scotts Valley residents who are Extremely Low Income. The city should also include additional incentives for projects that make a percentage of units subject to a preference for identified categories of special needs populations who experience the greatest barriers to housing access including but not limited to people with developmental disabilities who benefit from services of the Golden Gate Regional Center.

Sample Language: In addition to implementing the California density bonus statute, the City shall provide an additional local density bonus, incentives, and/or concessions for housing projects that include at least 5% of the units for people at the Extremely Low-Income affordability level or commit to make a percentage of the units subject to a preference for people with special needs who will benefit from coordinated onsite services, such as people with developmental disabilities who receive services from the Golden Gate Regional Center.

- **Amend Inclusionary Housing Ordinance to Apply Restrictions to Rental Housing.** California law (AB 1505, the “Palmer Fix”) explicitly allows cities to adopt inclusionary housing ordinances that address a range of income levels from moderate-income to extremely low-income. The City should take advantage of this authority to make its ordinance more responsive to local needs by offering developers of rental housing a menu of options for including affordable units, for example, by setting a higher percentage of units priced for moderate income and a lower percentage of units priced for extremely low income or targeted to special needs populations. Such a menu would address a broader range of the City of Scotts Valley’s housing needs, while giving developers more options for meeting the inclusionary requirement. Example: San Mateo County Inclusionary Affordable Housing Ordinance; Redwood City Affordable Housing Ordinance

Sample Language: The City of Scotts Valley shall revise its inclusionary housing ordinance to require developers of rental housing units to restrict some units to moderate, low, very low, and/or extremely low-income households. In addition developers will be offered a menu of options for achieving affordability, adjusting the percentage of units required to be affordable depending on the degree of affordability achieved (moderate-income, low income, very low income, and extremely low income) or special needs groups targeted, including, for example, people with developmental disabilities who will benefit from coordinated onsite services provided by the San Andreas Regional Center.

- **Extremely Low-Income Accessory Dwelling Units.** As part of a larger plan to increase the supply of Accessory Dwelling Units (ADUs), the City should consider creating a financing program for homeowners who build ADUs and rent them for at least 15 years at Extremely Low Income rent levels or that are subject to a preference for identified categories of special needs people who would benefit from coordinated onsite services, including but not limited to people with developmental disabilities who benefit from services of the San Andreas Regional Center. Example: Portland System Development Charge Exemptions; LA Backyard Homes Project

Sample Language: Subject to funding availability, the City shall devise a program of financing for Accessory Dwelling Units subject to rent restrictions for at least 15 years at Extremely Low-Income rent levels and/or that target special needs populations, such as people with developmental disabilities who will benefit from coordinated services provided by the San Andreas Regional Center.

- **Reduce Parking Requirements for People with Developmental and Other Disabilities.** Because most adults with developmental disabilities do not drive or own a car, the City should revise its

ordinances to limit parking required for affordable units for people with developmental disabilities to 0.5 space for each affordable studio or 1 bedroom unit and 1 space for an affordable 2 bedroom unit or larger. A similar reduction is recommended for affordable, physically accessible units. Example: Sunnyvale Parking Requirements for Special Housing Developments

Sample Language: The City of Scotts Valley shall encourage the inclusion of people with developmental and other disabilities in affordable housing by recognizing their transit dependence and establishing lower parking ratios for units targeted to people with developmental and other disabilities than would otherwise be required for affordable housing.

- **Affirmative Marketing of Physically Accessible Units:** Developers are allowed to affirmatively market accessible units to disability-serving organizations in Santa Cruz County (i.e. San Andreas Regional Center, Housing Choices Coalition for Persons with Developmental Disabilities, Central Coast Center for Independent Living and others) but rarely take this step. Affirmative marketing is particularly needed by people with developmental disabilities who, because of cognitive, communication and social impairment, often rely on housing navigation services funded by the San Andreas Regional Center to learn about and apply for affordable housing.

Sample Language: As a condition of the disposition of any city-owned land, the award of city financing, any density bonus concessions, or land use exceptions or waivers for any affordable housing project, the City of Scotts Valley shall require that the housing developer implement an affirmative marketing plan for state-mandated physically accessible units which, among other measures, provides disability-serving organizations adequate prior notice of the availability of the accessible units and a process for supporting people with qualifying disabilities to apply.



September 1, 2023

To: Clare Blackwell, Housing Policy Analyst, HCD

CC: Sarah Wickle, Senior Planner, Scotts Valley

RE: Scotts Valley Submitted Housing Element (July 2023)

Santa Cruz YIMBY advocates for abundant housing at all levels of affordability to meet the needs of a growing population in Santa Cruz County. We support sustainable growth, including along transportation corridors and activity centers and a commitment to lower Vehicle Miles Traveled by housing people near services and jobs.

The following are our comments on the City of Scotts Valley's submitted Housing Element of July 5, 2023.

Justification and Analysis of Low Income Targets

"The City of Scotts Valley has facilitated the building of market rate housing in recent years, but has made little effort to develop housing for low income workers."¹

Scotts Valley is expecting that all sites identified for rezoning² will develop roughly 50% of their units for very-low, low, or moderate income families, while providing little to no evidence (historic or otherwise) that this level of affordability will be realistically produced. The city's four pipeline projects consist of only 18% affordable units. We would like the city to explain why it expects to achieve this 50% target.

Most of the parcels in the Site Inventory under Rezones-Mixed Use are non-vacant, as is the largest one in the Town Center Specific Plan. The City has not described the realistic development potential of each site, including, as HCD recommends, "...the extent that the nonvacant site's existing use impedes additional residential development, the jurisdiction's past experience converting existing uses to higher density residential development, market trends and conditions, and regulatory or

¹ [Santa Cruz Civil Grand Jury - Housing Our Workers](#), page 18, Finding 9

² Housing Element, F24-26

other incentives or standards that encourage additional housing development on the nonvacant sites.”³

This is compounded by the fact that these sites (Rezoned-Mixed Use and the Town Center Specific Plan parcel) account for more than 50% of the lower income RHNA, so “...the existing use is presumed to impede additional residential development, unless the housing element describes findings based on substantial evidence that the use will likely be discontinued during the planning period.”⁴ The city has not provided such findings aside from noting surface soil contamination in the process of remediation at the town center site.

If the city misses its target of 50% affordability on even just a few parcels (especially its larger sites), it faces the daunting task of identifying other sites to make up the difference under No Net Loss law. Additionally, there is only a 9% buffer for moderate income units, HCD recommends a buffer of between 15 and 30 percent⁵.

In order for Scotts Valley to meet the needs of its most vulnerable residents, it is essential that plans for affordable housing not only sound good, but are workable and realistic.

Pipeline Projects

A significant source of new units for the city during the 6th cycle will be from pipeline projects. For jurisdictions relying heavily on pipeline projects, HCD recommends⁶ that “...the element should include programs with actions that commit to facilitating development and monitoring approvals of the projects, including the number of units and affordability (e.g., coordination with applicants to approve remaining entitlements, supporting funding applications, expediting approvals and monitoring of project progress, including rezoning or identification of additional sites, if necessary).”

In order to meet this recommendation by HCD, the city should create specific programs to monitor the progress of pipeline projects. This could include automatic entitlement extensions until midway through the 6th cycle and proactively reaching out to all pipeline project developers to confirm that there is still development interest.

³ [Housing Element Sites Inventory Guidebook](#), Page 24

⁴ [Housing Element Sites Inventory Guidebook](#), Page 27

⁵ [Housing Element Sites Inventory Guidebook](#), page 22

⁶ [City of Brisbane's 6th Cycle \(2023-2031\) Draft Housing Element](#), page 3

Town Center

One of the largest projects projected for Scotts Valley's 6th cycle will be further development of the Town Center Specific Plan, encompassing 58 acres in the heart of the city. This area is well situated to accommodate a significant amount of housing and associated amenities. While we are pleased that the city anticipates 657 units to be built on these sites we would like to see more in the housing element to indicate that the city is determined to see this housing come to fruition.

This plan has been in the works since at least 2008⁷ and has not seen a significant amount of the proposed housing be built in that time. According to the city, "...project applications have been submitted for the Plan, but development was not successful. Interest in developing the Town Center area has increased over recent years."⁸ The city also notes that "surface soil contamination has been an obstacle to development." The City should include a program to ensure that the soil contamination remediation will be completed successfully and that the site will be developable after.

With nearly half of its very-low and low income units planned for through the Town Center Specific Plan, this single project not producing as many units as expected would subject the city to the No Net Loss law. It is imperative that the city demonstrate that these sites are appropriate to accommodate lower income RHNA.

Additionally, we would like the city to provide more detail on the affordability and development potential projections for the Kings Village parcel⁹ as part of the Town Center plan. While the other four parcels in this plan are publicly owned (by METRO or the city) this shopping center is privately owned. The city claims that this parcel will produce a 50% affordable project with 383 total units - almost 18% of the City's RHNA. The only evidence cited is that "the City is currently reviewing two projects on sites that are over 10 acres."¹⁰ These two projects are on vacant land and have a 15% affordability component, whereas the Kings Village parcel is currently occupied by numerous commercial tenants and is projected to have a 50% affordability component. Without further evidence from the City to the contrary, it is hard to accept the cited pipeline projects as development interest in an occupied parcel's conversion to 50% affordable housing.

⁷ [Scotts Valley Town Center Specific Plan EIR](#)

⁸ Housing Element, F-13

⁹ Parcel #022-601-18

¹⁰ Housing Element, F-22

Goal H-1 - Housing Production

With the city's RHNA increasing nearly tenfold from the 5th cycle, we see significant need for policies and programs which enable, not restrict, development. The city has correctly identified significant commercial and parking requirements as barriers to development but does not go far enough to remove these constraints. We strongly disagree with the assertion that "...the City's standards for lot size, setbacks, height, and site coverage are not considered [constraints].." ¹¹

To ensure the city makes appropriate progress towards its 6th cycle goals we would like to see a commitment in **Program H-1.1** to a mid-cycle review or circuit-breaker language for progress beyond only ADUs (~3% of RHNA). Tying this to programs developed now would allow the city to quickly make up lost ground and minimize impacts of falling behind in the 6th cycle. Additional mid-cycle programs could include:

- Ministerial approval process for all site inventory projects
- SB10 upzoning of small sites to 10 units per parcel
- Automatic entitlement extensions for pipeline projects
- Tracking commercial occupancy, and if vacancy is too high, relaxing commercial requirements in favor of more residential, including live/work units

As mentioned, the city has accurately identified its limit of 50% residential in mixed-use developments to be a constraint and is rezoning select parcels along main corridors to increase this cap to 70%. ¹² Based on feedback the city received from local planning consultants and Scotts Valley property owners interested in development, this reduction still does not allow for development. ¹³ In **Program H-1.7**, we would like to see the city commit to adopting a further reduction in residential square footage in mixed-use developments. This should occur if the proposed rezoning does not result in developer interest as evidenced within the first year by at least one formally submitted project application with a total unit count that meets or exceeds the units expected in the site inventory for the given site at all income levels.

With regards to parking, the city should go much further in reducing or even eliminating such requirements. Currently, **Program H-1.6** does not commit to lowering parking requirements and has a timeframe of 2027. We would like to see this timeline moved up and a commitment to lowering requirements to no more than a space per unit, uncovered.

¹¹ Housing Element, C-25

¹² Ibid, F-19

¹³ Ibid, Appendix G, Letters from Civil Consultants Group, Charles Eadie, and David Duquette

There are other constraints that we believe the city should address to ensure that housing can be built as well.

In **Program H-1.6, H-1.7, and H-1.8** the city should better explore to what extent its density restrictions are a constraint to development, especially of affordable housing. With the city's highest density residential zoning district capped at 20 du/acre, this is likely a significant barrier. We recommend the city expand its rezoning efforts to all 'Very High Residential' parcels at a minimum and allow up to 40 du/acre on such parcels. We recommend a higher base density than 40 du/acre for Mixed-Use parcels along transit corridors. These programs should also occur sooner than 2027, nearly halfway through the 6th cycle.

We expect projects to make use of State Density Bonus law for feasibility of development of affordable housing. Currently, Scotts Valley zoning code includes constraints and limitations that could limit affordable multifamily or mixed-use housing from achieving assumed base densities. These include but are not limited to building height, FAR, and parking requirements. **Program H-1.7** should also include a "comprehensive study" on Mixed-Use development standards as constraints, as they are a different portion of the current zoning code.

Program H-1.8 should include undertaking a study to ensure expansion of this policy will enable development of additional housing, not chill it. This could take the form of a study similar to Capitola's 2021 affordable housing fee assessment.¹⁴

Creation of missing middle housing isn't mentioned within the policy plan. Under **Goal H-1**, the City of Scotts Valley should seek to allow a wide variety of housing types including duplexes, triplexes, fourplexes and other multifamily project types throughout the City. Much of this could be achieved without an EIR thanks to Senate Bill 10¹⁵. This would be a significant addition to **Program H-3.2**. We recommend that the city develop objective standards for multi-family projects - this would fit into **Program H-2.7** for SB35 streamlining.

Program H-2.6 and H-2.8 lack active language and do not commit the City to any changes which would enable large lot development or lot consolidation. These programs should be more specific and commit to specific actions as outlined in the description of each. There are a number of sites on the inventory which fall outside of the parcel size requirements for lower income housing set forth by AB 1397.¹⁶ In addition, the City has not included a sufficient analysis of these parcels. Despite this, all of these parcels are projected to provide lower income housing.

¹⁴ [Capitola Affordable Housing Study 2021](#)

¹⁵ [SB 10 - California YIMBY](#)

¹⁶ [Housing Element Sites Inventory Guidebook](#), Page 16-17

Transit Oriented Development

Despite being home to the Cavallaro Transit Center (CTC), Scotts Valley lacks any current or planned high quality transit stops. In the 2040 MTP/SCS¹⁷ the CTC was identified as such a site, however, it was subsequently removed in the 2045 MTP/SCS¹⁸. We encourage the city to commit to working with AMBAG in the 2050 MTP/SCS (scheduled for June 2026) to designate the CTC as a planned high quality major transit stop. This designation would incentivise more sustainable, affordable, and equitable development in an area identified for a significant amount of new housing in the 6th RHNA cycle.

Scotts Valley is currently not a pedestrian and bike friendly community. The transit center is a key connector for jobs and opportunities for low income people that do not own cars. Further investment in housing around transit stops has been shown to increase ridership on public transit. Denser housing and investments in walking and biking infrastructure between the Valley Gardens, Town Center, and the CTC could together make great strides in helping Scotts Valley achieve its housing, climate, and safety goals while also making it easier for people of all ages, abilities, and incomes to access the city.

Scotts Valley includes no programs to promote development near transit.

Tenant Protections

As a city with a growing percentage of renters, it is important to have strong tenant protections. There are a number of programs we would like to see implemented or expanded in the city to protect tenants:

- Elimination of or cap on rental application fees
- Creation of a rental registry. This was recently passed by both Salinas¹⁹ and Monterey²⁰
- Local preference for people employed in the county
- COPA²¹ and TOPA²² programs
- Conduct a disparate impact analysis of non-high(est) resource areas²³ and apply a live-work preference if it matches county demographics

¹⁷ [AMBAG 2040 Metropolitan Transportation Plan](#)

¹⁸ [AMBAG 2045 Metropolitan Transportation Plan](#)

¹⁹ [Salinas passes rental registry](#)

²⁰ [Monterey City Council moves ahead with rental registry](#)

²¹ [Community Opportunity to Purchase Act \(COPA\) | San Francisco](#)

²² [EBCLC's Tenant Opportunity to Purchase Act \(TOPA\) - East Bay Community Law Center](#)

²³ [2023 CTCAC HCD Opportunity Map](#)

From: David Kellogg <david.kellogg@gmail.com>
Sent: Friday, November 18, 2022 6:23 PM
To: Housing Elements@HCD
Subject: Public Comment on Housing Element

Nov 18, 2022

On behalf of David Kellogg (a Contra Costa County resident), 350 Contra Costa, Greenbelt Alliance, CaRLA, Scott O'Neil (a resident of Palo Alto), Watson Ladd (a resident of Berkeley), Marven Normal (a resident of San Bernadino), Dara Dadachanji (a resident of San Francisco), and George Grohwin (a resident of San Francisco), we provide the following comment on the Housing Element from SCOTTS VALLEY.



Issue

- The Housing Element from SCOTTS VALLEY fails to adequately analyze compliance with one of the state's fundamental streamlining laws.
- Under PRC 21080.1 & 21080.2, a lead agency must determine if a housing development is exempt from CEQA within 30 days of completeness, or if an EIR or other CEQA document will be required.
- For CEQA-exempt housing, this CEQA determination then triggers a 60-day approval clock (with deemed approved remedies) under the Permit Streamlining Act. Thus, if state housing laws were followed, CEQA-exempt housing projects should generally receive approvals in about 120 days.
 1. 30 days to determine completeness
 2. 30 days for CEQA review
 3. 60 days for approval.
- SCOTTS VALLEY does not appear to issue determinations of CEQA-exemption within 30 days of completeness. As a result, **builders and the public are denied the right to the timely approval of housing**. Additionally, the builders are forced into an unreasonable bargaining position, as they lack the "deemed approved" options they should have. This improperly empowers jurisdictions to treat builders arbitrarily in the entitlement process.
- Moreover, SCOTTS VALLEY has no apparent good-faith basis for delaying CEQA-exemption determinations beyond the allowance of Public Resources Code 21080.1 & 21080.2. In the vast majority of instances, these exemptions are uncontested and straightforward.

Recommendation

- The Housing Element from SCOTTS VALLEY should include an analysis of compliance in its approval process with PRC 21080.1 & 21080.2.
- The Housing Element from SCOTTS VALLEY should add a program to specify (i) who is responsible for making the CEQA determination of PRC 21080.1, specify (ii) that their decision will be made within the timeframe permitted by PRC 21080.2, and specify that (iii), when they determine a project is exempt

from CEQA, their determination triggers the Permit Streamlining Act (PSA) 60-day deadline (Gov. Code 65950(a)(5)). If existing local practices or regulations are incompatible with these state laws, the program should commit to enacting reforms necessary to achieve compliance within a reasonable and definite timeline.

HCD Technical Assistance Letter

- The CEQA issues mentioned herein are discussed in the June 3, 2022 Technical Assistance letter sent to Berkeley by Shannan West, Housing Accountability Unit Chief (copy included below).
- In the letter, HCD notes that Berkeley had been issuing “recommendations” of CEQA-exemption and that the actual “determinations” were made more than 30 days beyond the completeness date. HCD notes that such practice was in violation of PRC 21080.1 & 21080.2 and “may act as a governmental constraint on housing.”

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



June 3, 2022

Sharon Gong, Senior Planner
City of Berkeley
1947 Center Street, 2nd Floor
Berkeley, CA 94704

Dear Sharon Gong:

RE: Berkeley – Letter of Technical Assistance

The purpose of this letter is to provide technical assistance to the City of Berkeley (City). The California Department of Housing and Community Development (HCD) has become aware of potential conflicts between the practices of the City's Zoning Adjustments Board (ZAB) concerning determinations for projects determined to be exempt from the California Environmental Quality Act (CEQA) and timelines pursuant to Public Resources Code section 21080.1, subdivision (a), and Public Resources Code section 21080.2. HCD is concerned that these actions may act as a governmental constraint on housing development and requests the City review the CEQA determination process in Berkeley's 6th Cycle Housing Element and include programs to mitigate or remove constraints as necessary.

Obligations Under Public Resources Code sections 21080.1 & 21080.2

HCD has been made aware of at least five development applications where the final ZAB determination was made more than 30 days after the relevant permit was determined to be complete. As the City is aware, under the Public Resources Code, a lead agency must make a determination under CEQA for projects exempt from environmental review within 30 days of a project application being deemed complete. These provisions are critical to meeting the Permit Streamlining Act requirement set in Government Code section 65950, subdivision (a) (5), and generally facilitate the processing of housing developments.

6th Cycle Housing Element

As Berkeley is updating its 6th Cycle Housing Element, the City must describe and analyze the permit process from application to approvals, including a discussion on timeframes for each step in the process, impediments, and how it addresses the

application of state law on application processing pursuant to Government Code section 65583, subdivision (a)(5). In addition, the element must also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need and include program actions to remove or mitigate identified constraints pursuant to Government Code section 65583, subdivision (c)(3). Excessive CEQA review timeframes can delay project approval and pose a constraint to the development of housing and should be reviewed as part of the City's housing element update.

Conclusion

HCD understands that the City is currently reviewing its compliance with these provisions and is looking at strategies to transparently document the process to ensure timely approval of CEQA determinations and provide additional transparency. HCD supports these efforts and encourages the City to take meaningful steps to ensure that its processes comply with provisions of state housing law.

If you have questions or need additional information, please contact Kevin Hefner at Kevin.Hefner@hcd.ca.gov

Sincerely,

A handwritten signature in black ink, appearing to read "Shannan West".

Shannan West
Housing Accountability Unit Chief

Swift Consulting Services

9/18/2023

Sarah Wikle
City of Scotts Valley Planning Dept.
Sarah Wikle <swikle@scottsvally.gov>

RE: 4850 Scotts Valley Drive-Potential Candidate Site for Housing Element

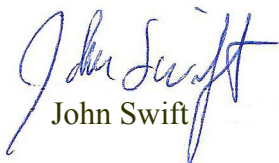
The property at 4850 Scotts Valley Drive , APN 022-091-12 is an appropriate site to be included in the list of Candidate Sites for Mixed Use Development in the 6th Cycle Housing Element.

The property owners are interested in pursuing a mixed use commercial/residential redevelopment of this 39,209 S.F.; .9acre parcel. Currently the property is zoned C-2, Service Commercial. There is a small retail convenience/liquor store located at the front of the property along Scotts Valley Drive. The majority of the property , roughly 80% or 32,000 SF is located behind the existing commercial use and has been largely vacant or used for marginal outdoor storage for decades.

A portion of the rear of the property is within the flood plain. Residential units could be elevated above the flood plain by designing parking and storage at grade with housing above. The property is 100' wide. This is sufficient width to provide access to a residential project in the rear of the property while maintaining a viable commercial use along the Scotts Valley Drive frontage. Additional access options to the rear of the property from Carbonero Way may be possible through the adjacent properties to the east and/or south which also appear to be underdeveloped .

There is a realistic potential for 30 or more residential units on this property in addition to maintaining a viable commercial use along Scotts Valey Drive. The land value of this property exceeds the current improvement/development value of the property. The property has excellent access to transportation and community resources. The owners of the property are interested and motivated to make a productive use of this land which has been underutilized for many years.

Please consider incorporating this property in the list of Potential Candidate Sites for mixed use development in the 6th Cycle Housing Element,


John Swift



Galmiche, Ines

From: Galmiche, Ines
Sent: Thursday, October 5, 2023 10:54 AM
To: Galmiche, Ines
Subject: FW: 6th cycle element redline comments

From: Corbett Wright <corb323@hotmail.com>
Sent: Sunday, September 17, 2023 1:23 PM
To: Sarah Wikle <swikle@scottsvalley.gov>
Cc: Taylor Bateman <tbateman@scottsvalley.gov>; Mali LaGoe <mlagoe@scottsvalley.gov>
Subject: 6th cycle element redline comments

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Please convey the following to council for consideration.

Section H 1.10

The requirement states 25% minimum lower income households. This seems to be inconsistent with statement as to minimum 300 bmr on a gross development total.

Is the city anticipating 1,200 units on the town center parcels? $300 \text{ min bmr} / 25\% \text{ bmr} = 1,200 \text{ gross du}$
Please consider amending to 20% of gross units.

Additionally, it states that the requirement will be to enter into an agreement to build 300 below market rate units. Please consider amending to 20% of the total units and provide the city discretion with the total mix of affordable vs market rate for the orderly economic development of the town center specific plan.

Corbett Wright
174 West Cliff Drive
Santa Cruz, CA 95060
1(408)205-7998

Sent from my iPhone. Please disregard typos.

Galmiche, Ines

From: Galmiche, Ines
Sent: Monday, October 16, 2023 12:48 PM
To: Galmiche, Ines
Subject: FW: Housing element - Public Comment

From: David Duquette <dukeprop@gmail.com>
Sent: Monday, October 16, 2023 10:58 AM
To: Sarah Wikle <swikle@scottsvalley.gov>
Subject: Housing element

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Hi Sarah,

Not that anyone will listen but I will reiterate what I have said all along. I have real concern and disapproval of the 30% requirement for commercial space on Scotts Valley Drive. With the expected larger footprint that 40 units per acre is going to bring, 30% is just not workable. Given all the existing vacant commercial/retail space up and down Scotts Valley drive, more space is not only unprofitable but not needed. I have been at every meeting regarding this Housing element and I did not hear one comment from the public or any official that did not support relaxing the commercial requirement in order to promote housing. I don't know why the city is still pushing for such a large commercial requirement. Lastly, relaxing the parking requirement is no help. Whether we like it or not, Scotts Valley is a mountain town that requires a large number of its residents to commute. Not requiring enough parking is going to only hurt the surrounding neighborhoods and jeopardize the success of any housing project. This is only magnified by the push for a larger amount of low income housing. Lower income households have a disproportionate larger number of cars. Lower income households typically have a larger number of working adults that require more cars to get to work and or school. I personally own a low income apartment and I say this from experience. Lowering the parking requirement will only result in a failed project.

Dave Duquette

Swift Consulting Services

October 16, 2023

Sarah Wikle
City of Scotts Valley Planning Dept.
Sarah Wikle <swikle@scottsvalley.gov>

RE: 4850 Scotts Valley Drive-Potential Candidate Site for Housing Element

This letter is a follow up to my previous letter dated Sept 18,2023 regarding the property at 4850 Scotts Valley Drive , APN 022-091-12. This property is an appropriate site to be included in the list of Candidate Sites for Mixed Use Development in the 6th Cycle Housing Element.

In the City's draft response to the HCD Oct. 3, 2023 comment letter , City staff describes the redevelopment factors that are considered in the selection of candidate sites as follows:

- 1. Land value is greater than the improvement value. 77 percent of non-vacant sites have land values that exceed the improvement values.*
- 2. Existing structure was built prior to 1990 (it was built over 30 years ago). 95 percent of non-vacant sites have structures built at least 30 years ago, with the majority being well over 30 years.*
- 3. Existing uses do not include housing units . 51 percent of non-vacant sites have no existing units.*
- 4. City-owned. 5 percent of non-vacant sites are City-owned.*
- 5. Development interest from a housing developer and/or property owner. 9 percent of non-vacant sites have stated developer or property owner interest.*

All but four of 43 total parcels have at least two identified redevelopment factors and 17 have at least three.

The subject property at 4850 Scotts Valley Drive complies with 4 out of 5 of these factors. It is not a City owned property.

Interestingly only 9% of the candidate sites have owners that have indicated their interest in pursuing redevelopment of the property.

The owners of this property have clearly expressed their interest in redeveloping this property.
The land value clearly exceeds the improvement value.
The existing structure was built prior to 1990.
The existing uses do not include housing.

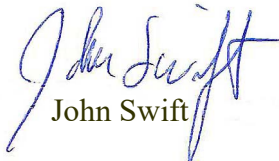
My understanding of the proposed Mixed-Use policies is that only Candidate sites will be eligible for the 70/30 mix of residential uses to commercial uses. If a property in the C-S zone, subsequent to the adoption of the General Plan/Housing Element, is proposed to be developed with a mixed-use project it will be subject to the City's current ratio of 50/50. Clearly this requirement is a disincentive for the redevelopment of these properties. The market realities of commercial uses will continue to make mixed use projects that are not designated as candidate sites unfeasible.

There is no guarantee that candidate sites will be proposed for redevelopment. There are many complicated factors, such as taxes, estate issues, interest rates, etc. that can influence a property owner's decision to move forward with redevelopment. The property owners of 4850 Scotts Valley Drive are prepared to move forward with a mixed-use project that is expected to yield 30 or more housing units.

Such a project could maintain the commercial use or allow for a modernization of the commercial structure that currently exists at the property frontage of Scotts Valley Drive.

This property is over 140' removed from the commercial/industrial uses located to the south along El Pueblo Drive and is separated by a creek and a City Water District owned parcel of land. The presence of these industrial uses is not a realistic constraint to the redevelopment of this property with residential uses.

This property has excellent access to transportation and community resources. The owners of the property are interested and motivated to make productive use of this land which has been underutilized for many years. Please consider incorporating this property in the list of Potential Candidate Sites for mixed use development in the 6th Cycle Housing Element,



John Swift

Attachment: Sept. 18, 2023 letter to Sarah Winkle

Swift Consulting Services

9/18/2023

Sarah Wikle
City of Scotts Valley Planning Dept.
Sarah Wikle <swikle@scottsvally.gov>

RE: 4850 Scotts Valley Drive-Potential Candidate Site for Housing Element

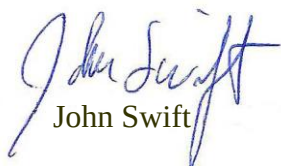
The property at 4850 Scotts Valley Drive , APN 022-091-12 is an appropriate site to be included in the list of Candidate Sites for Mixed Use Development in the 6th Cycle Housing Element.

The property owners are interested in pursuing a mixed use commercial/residential redevelopment of this 39,209 S.F.; .9acre parcel. Currently the property is zoned C-2, Service Commercial. There is a small retail convenience/liquor store located at the front of the property along Scotts Valley Drive. The majority of the property , roughly 80% or 32,000 SF is located behind the existing commercial use and has been largely vacant or used for marginal outdoor storage for decades.

A portion of the rear of the property is within the flood plain. Residential units could be elevated above the flood plain by designing parking and storage at grade with housing above. The property is 100' wide. This is sufficient width to provide access to a residential project in the rear of the property while maintaining a viable commercial use along the Scotts Valley Drive frontage. Additional access options to the rear of the property from Carbonero Way may be possible through the adjacent properties to the east and/or south which also appear to be underdeveloped .

There is a realistic potential for 30 or more residential units on this property in addition to maintaining a viable commercial use along Scotts Valey Drive. The land value of this property exceeds the current improvement/development value of the property. The property has excellent access to transportation and community resources. The owners of the property are interested and motivated to make a productive use of this land which has been underutilized for many years.

Please consider incorporating this property in the list of Potential Candidate Sites for mixed use development in the 6th Cycle Housing Element,



John Swift



APPENDIX H



The [Glossary](#) appendix provides definitions of terms and a list of acronyms used throughout the Housing Element.

GLOSSARY

Above Moderate-Income Household. A household with an annual income usually greater than 120 percent of the area median income adjusted by household size, as determined by a survey of incomes conducted by a city or a county, or in the absence of such a survey, based on the latest available legibility limits established by the U.S. Department of Housing and Urban Development (HUD) for the Section 8 housing program.

Accessory Dwelling Unit (ADU). A smaller, independent residential dwelling unit located on the same lot as a standalone single-family home. The Planning and Zoning Law authorizes a local agency to provide, by ordinance, for the creation of accessory dwelling units in single-family and multifamily residential zones and requires such an ordinance to impose standards on accessory dwelling units, including, among others, lot coverage. Existing law also requires such an ordinance to require the ADU to be either attached to, or located within, the living area of the proposed/existing primary dwelling, or detached from the proposed/existing primary dwelling and located on the same lot as the proposed or existing primary dwelling.

Agricultural Housing. Dwellings and/or living quarters for farm laborers, or other types of dwellings determined to be substantially similar to the above by the Director of Community Development.

Affirmatively Furthering Fair Housing (AFFH). Taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. The duty to affirmatively further fair housing extends to all of a public agency's activities and programs relating to housing and community development.

Affordable Housing Cost. For lower-income households is defined in State law as not more than 30 percent of gross household income with variations (Health and Safety Code Section 50052.5).

Area Median Income (AMI). The midpoint of a geographic area's income distribution, to account for regional differences in cost of living.

Assisted Housing. Generally multi-family rental housing, but sometimes single-family ownership units, whose construction, financing, sales prices, or rents have been subsidized by federal, state, or local housing programs. These types of units include, but are not limited to Federal Section 8 (new construction, substantial rehabilitation, and loan management set-asides), Federal Sections 213, 236, and 202, Federal Sections 221 (d) (3) (below-market interest rate program), Federal Sections 101 (rent supplement assistance), CDBG, FMHA Sections 515, multi-family mortgage revenue bond programs, local redevelopment and in lieu fee programs, and units developed pursuant to local inclusionary housing and density bonus programs.

Below-Market-Rate (BMR). Any housing unit specifically priced to be sold or rented to low- or moderate income households for an amount less than the fair-market value of the unit. Both the State of California and the U.S. Department of Housing and Urban Development set standards for determining which households qualify as “low income” or “moderate income.” The financing of housing at less than prevailing interest rates.

Build-Out. That level of urban development characterized by full occupancy of all developable sites in accordance with the General Plan; the maximum level of development envisioned by the General Plan. Build-out does not assume that each parcel is developed to include all floor area or housing units possible under zoning regulations.

Building Height. The vertical distance from the highest point of a structure to either the natural grade or the finished grade of the structure pad, whichever is greater, excluding basements or crawl spaces around the structure which are below grade and not created by a fill; provided, however, that for the purposes of measuring height, chimneys, flagpoles, and radio and television aerials shall not be considered a part of the structure.

California Department of Housing and Community Development (HCD). The State Department responsible for administering State-sponsored housing programs and for reviewing housing elements to determine compliance with State housing law.

Community Care Facility. A 24-hour residential facility providing care for persons, including: the elderly, persons in an alcoholism or drug abuse recovery or treatment facility, persons in a facility for mentally disordered, handicapped persons or dependent and neglected children, persons in an intermediate care facility/developmentally disabled-habilitative, intermediate care facility/developmentally disabled-nursing, and congregate living health facilities. A Community Care Facility may be located in any type of residence.

Community Development Block Grant (CDBG). A grant program administered by the U.S. Department of Housing and Urban Development (HUD) on a formula basis for entitled communities and administered by the State Department of Housing and Community Development (HCD) for non-entitled jurisdictions. This grant allots money to cities and counties for housing rehabilitation and community development, including public facilities and economic development.

Condominium. A multi-family building where the units are individually owned, and the common space is owned collectively by condominium unit owners. A condominium structure may have two or more units.

Covenants, Conditions, and Restrictions (CC&Rs). A term used to describe limitations that may be placed on property and its use, and which usually are made a condition of holding title or lease.



Density Bonus. A density increases for residential units over the otherwise allowed residential density under the applicable zoning and land use designation when a percentage of the units provided are for lower income households on the date an application is deemed complete.

Deed. A legal document which affects the transfer of ownership of real estate from the seller to the buyer.

Developable Land. Land that is suitable as a location for structures and that can be developed free of hazards to, and without disruption of, or significant impact on, natural resource areas.

Discretionary Action. An action or approval which requires the exercise of judgment or deliberation when the City decides to approve or disapprove a project.

Down Payment. Money paid by a buyer from his own funds, as opposed to that portion of the purchase price which is financed.

Dwelling. Any building or portion thereof, designed or used as the residence or sleeping place of one or more persons.

Dwelling, Multifamily. Building, or portion thereof, designed or used for residence purposes by two or more families or housekeeping units.

Dwelling, Single-Family. Detached building designed or used for residence purposes by one family or housekeeping unit.

Dwelling Unit. Any building, or portion thereof, designed or used as the residence or sleeping place of one or more persons.

Emergency Shelters. Housing with minimal supportive services that is limited to occupancy of six months or less.

Extremely Low-Income Household. A household with an annual income that is less than 30 percent of the area median family income adjusted by household size, as determined by a survey of incomes conducted by a city or a county, or in the absence of such a survey, based on the latest available eligibility limits established by the U.S. Department of Housing and Urban Development (HUD) for the Section 8 housing program.

Family. A person or persons related by blood, marriage or adoption or a group of not more than five persons, excluding servants, not related by blood, marriage or adoption, living together as a single housekeeping unit in a dwelling unit.

Fair Market Price. The rent, including utility allowances, determined by the United States Department of Housing and Urban Development for purposed of administering the Section 8 Program.

General Plan. The General Plan is a legal document, adopted by the legislative body of a City or County, setting forth policies regarding long-term development. California law requires the preparation of seven elements or chapters in the General Plan: Land Use, Housing, Circulation, Conservation, Open Space, Noise, and Safety. Additional elements are permitted, such as Economic Development, Urban Design and similar local concerns.

Goal. A general, overall, and ultimate purpose, aim, or end toward which the City will direct effort.

Gross Monthly Income (GMI). Total income before any deductions.

HAMFI. HUD Area Median Family Income. This is the median family income calculated by HUD for each jurisdiction, in order to determine Fair Market Rents (FMRs) and income limits for HUD programs.

Housing and Community Development Department (HCD). The State agency that has principal responsibility for assessing, planning for, and assisting communities to meet the needs of low- and moderate-income households.

Housing Choice Voucher Program. (See “Section 8 Rental Assistance Program.”)

Housing Cost. Commonly includes rent or mortgage payments, utilities (gas, electricity, water, sewer, garbage, recycling, green waste), and property taxes and insurance on owner-occupied housing.

Housing Element. One of the seven State-mandated elements of a local general plan, it assesses the existing and projected housing needs of all economic segments of the community, identifies potential sites adequate to provide the amount and kind of housing needed, and contains adopted goals, policies, and implementation programs for the preservation, improvement, and development of housing. Under State law, Housing Elements must be updated every five years.

Housing Unit. The place of permanent or customary abode of a person or family. A housing unit may be a single-family dwelling, a multi-family dwelling, a condominium, a modular home, a mobile home, a cooperative, or any other residential unit considered real property under State law.

HUD (U.S. Department of Housing and Urban Development). An executive departments of the U.S. federal government which administers federal housing and urban development laws. **Infill Development.** Refers to building within unused and underutilized lands within existing development patterns, typically but not exclusively in urban areas.

Jobs-Housing Balance. A ratio used to describe the adequacy of the housing supply within a defined area to meet the needs of persons working within the same area. The General Plan



uses SCAG's definition which is a job total equal to 1.2 times the number of housing units within the area under consideration.

Land Use Classification. A system for classifying and designating the appropriate use of properties.

Live-Work Units. Buildings or spaces within buildings that are used jointly for commercial and residential purposes where the residential use of the space is secondary or accessory to the primary use as a place of work.

Low Barrier Navigation Centers (LBNC). A "Housing First," low barrier, temporary, service-enriched shelter that helps homeless individuals and families to quickly obtain permanent housing.

Lot. Parcel of land consisting of a single parcel of record.

Lot Coverage. The maximum lot area which may be covered with buildings and structures. Buildings and structures include all land covered by principal buildings, garages and carports, accessory structures, covered decks and gazebos, and other enclosed and covered areas; but not standard roof overhangs, cornices, eaves, uncovered decks, swimming pools, paved areas such as walkways, driveways, patios, uncovered parking areas or roads. All areas of coverage are computed in terms of net lot area at ground level.

Low-Income Household. A household with an annual income usually between 51 and 80 percent of the area median income adjusted by household size, as determined by a survey of incomes conducted by a city or a county, or in the absence of such a survey, based on the latest available eligibility limits established by the U.S. Department of Housing and Urban Development (HUD) for the Section 8 housing program.

Low-Income Housing Tax Credits. Tax reductions provided by the federal and State governments for investors in housing for low-income households.

Mixed Use. Development that contains both commercial (retail or office) uses and residential uses.

Mobile Home. A vehicle designed and equipped for human habitation, and for being drawn behind a vehicle. Such mobile home must either be constructed after September 15, 1971 and issued an insignia of approval by the California Department of Housing and Community Development and permanently located on a permanent foundation system, or be constructed after July 15, 1976, and issued an insignia of approval by the U.S. Department of Housing and Urban Development and permanently located on a permanent foundation system, or other type of housing determined to be substantially similar to the above.

Mobile Home Park. A development or subdivision of an existing parcel, or contiguous parcels, of land for the purpose of separate sale, lease, or financing to allow the installation of mobile homes or manufactured homes.

Moderate-Income Household. A household with an annual income usually between 81 and 120 percent of the area median income adjusted by household size, as determined by a survey of incomes conducted by a city or a county, or in the absence of such a survey, based on the latest available eligibility limits established by the U.S. Department of Housing and Urban Development (HUD) for the Section 8 housing program.

Multi-Family Residence. A building or a portion of a building used and/or designed as residences for two or more families living independently of each other. This Includes: duplexes, triplexes, and fourplexes (detached buildings under one ownership with two, three, or four residential units (respectively) in the same building); and apartments (five or more units under one ownership in a single building); attached unit projects such as condominiums and townhouses; and Boarding House. This use type may include other residential types determined to be substantially similar to the above by the City of Scotts Valley Director of Community Development, or designee.

Ordinance. A law or regulation set forth and adopted by a governmental authority, usually a city or county.

Overcrowding. The U.S. Census defines an overcrowded unit as one occupied by 1.01 persons or more per room. Units with more than 1.5 persons per room are considered severely overcrowded. Overcrowding increases health and safety concerns and stresses the condition of the housing stock and infrastructure. Overcrowding is strongly related to household size and the availability of suitably sized housing. Overcrowding impacts both owners and renters; however, renters are generally more significantly impacted. In 2000, renter households were three times more likely than owners to be overcrowded, regardless of household size.

Parcel. A lot or tract of land.

Person with a Disability. Any individual (1) with a physical or mental impairment that substantially limits one or more major life activities; (2) with a record of such impairment; or (3) who is regarded as having such an impairment. A physical or mental impairment includes, but is not limited to, conditions such as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, Human Immunodeficiency Virus (HIV), developmental disabilities, mental illness, drug addiction, and alcoholism.

Planning Area. The area directly addressed by the general plan. A city's planning area typically encompasses the city limits and potentially annexable land within its sphere of influence.

Planned Unit Development (PUD). Form of development usually characterized by a unified site design for a number of housing units, clustered buildings and the provision of common open space, density increases and a mix of building types and land uses.

Planning Commission. Planning Commission of the City of Scotts Valley.

Policy. A specific statement of principle or of guiding action that implies clear commitment but is not mandatory. A general direction that a governmental agency sets to follow, in order to meet its objectives before undertaking an action program. (See “Program.”)

Poverty Level. As used by the U.S. Census, families and unrelated individuals are classified as being above or below the poverty level based on a poverty index that provides a range of income cutoffs or “poverty thresholds” varying by size of family, number of children, and age of householder. The income cutoffs are updated each year to reflect the change in the Consumer Price Index.

Program. An action, activity, or strategy carried out in response to adopted policy to achieve a specific goal or objective. Policies and programs establish the “who,” “how” and “when” for carrying out the “what” and “where” of goals and objectives.

Quasi-Public Uses. Uses owned or operated by a nonprofit, religious or philanthropic institution and providing educational, cultural, recreational, religious or similar types of public programs.

Recreation, Commercial. Clubs or recreation facilities operated as a business which may or may not be open to the general public for a fee.

Recreation, Private. Clubs or recreation facilities of a noncommercial nature operated by a nonprofit organization and open only to bona fide members of such nonprofit organizations.

Residential. Land designated in the General Plan and zoning ordinance for building consisting of dwelling units. May be improved, vacant, or unimproved. (See “Dwelling Unit.”)

Residential Care Facility. A facility that provides 24-hour care and supervision to its residents

Retail Service. Use engaged in providing retail sale or rental of items primarily intended for consumer or household use, including but not limited to the following: groceries, meat, vegetables, dairy products, baked goods, candy and other food products; liquor and bottled goods; household cleaning and maintenance products; drugs; cards, stationery, notions, tobacco products, cosmetics and specialty items; flowers, plants and garden products; hobby materials; toys; handcrafted items; clothing, shoes, apparel, jewelry, fabrics and like items; cameras and photography equipment; furniture, furnishings, appliances, antiques, art objects, paint and wallpaper, floor coverings and lighting fixtures; office supplies; musical instruments; hardware and building supplies; and bicycles, mopeds and automotive parts and accessories.

Rezoning. An amendment to the map to effect a change in the nature, density, or intensity of uses allowed in a zoning district and/or on a designated parcel or land area.

Section 8 Rental Assistance Program. A federal (HUD) rent-subsidy program, which is one of the main sources of federal housing assistance for low-income households, operates by providing “housing assistance payments” to owners, developers, and public housing agencies to make up the difference between the “Fair Market Rent” of a unit (set by HUD) and the household’s contribution toward the rent, which is calculated at 30 percent of the household’s adjusted gross monthly income (GMI). “Section 8” includes programs for new construction, existing housing, and substantial or moderate housing rehabilitation. Now referred to as Housing Choice Voucher Program.

Senior Housing. Typically, one- and two-bedroom apartments or condominiums designed to meet the needs of persons 62 years of age and older or, if more than 150 units, persons 55 years of age and older, and restricted to occupancy by them.

Shared Living Facility. The occupancy of a dwelling unit by persons of more than one family in order to reduce housing expenses and provide social contact, mutual support, and assistance. Shared living facilities serving six or fewer persons are permitted in all residential districts by Section 1566.3 of the California Health and Safety Code.

Single-Family Dwelling, Attached. A dwelling unit occupied or intended for occupancy by only one household that is structurally connected with at least one other such dwelling unit. (See “Townhouse.”)

Single-Family Dwelling, Detached. A dwelling unit occupied or intended for occupancy by only one household that is structurally independent from any other such dwelling unit or structure intended for residential or other use.

Single Housekeeping Unit. A residence with two or more members, whose members are a non-transient interactive group of persons jointly occupying a single dwelling unit, including but not limited to the joint use of common areas and sharing household activities and responsibilities such as meals, chores, and expenses.

Single Room Occupancy (SRO). A building or buildings constructed or converted for residential living consisting of one-room dwelling units, where each unit is occupied by a single individual or two persons living together as a domestic unit, and where the living and sleeping space are combined. A one-room dwelling unit is not required to contain a bathroom or a kitchen except that if a bathroom or kitchen is not provided within the unit such common facilities shall be provided on-site for residents. A unit that contains both a bathroom and kitchen shall be considered a studio unit and not a Single Room Occupancy Unit. Common facilities for laundry may or may not be provided on-site.



Site Coverage. Percentage of site area covered by impervious surfaces, including all structures, opened, or enclosed or projections of structures.

Special Needs Group. Government Code Section 65583 (a)(7) defines special housing needs includes the elderly; persons with disabilities, including a developmental disability, as defined in Section 4512 of the Welfare and Institutions Code; large families; farmworkers; families with female heads of households; and families and persons in need of emergency shelter.

Substandard Housing. Residential dwellings that, because of their physical condition, do not provide safe and sanitary housing.

Supportive Housing. Housing with no limit on length of stay, that is occupied by the target population, and that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community; as defined by Section 50675 of the California Health and Safety Code.

Target Population. Target population refers to people with low incomes who have one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health condition, or individuals eligible for services provided pursuant to the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code) and may include, among other populations, adults, emancipated minors, families with children, elderly people, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and people experiencing homelessness.

Tenure. If a unit is owner occupied or renter occupied.

Townhouse. A single-family unit constructed in a group of three or more attached units in which each unit extends from the foundation to the roof and with its own front and rear access to the outside. A townhouse unit can be individually owned.

Transitional Housing. Temporary rental housing intended for occupancy by target populations transitioning to permanent housing that is operated under program requirements calling for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six months as defined in Section 50675.2 of the California Health and Safety Code.

Use. Purpose for which a site or structure is arranged, designed, intended, constructed, erected, moved, altered or enlarged or for which either a site or structure(s) may be occupied or maintained.

Zone or Zoning district. Portion of the territory of the city within which certain uniform regulations and requirements or various combinations thereof, apply under the provisions of Scotts Valley Municipal Code (SVMC) Title 17.

Zoning Map. Official zoning map or maps of the City of Scotts Valley, adopted by the city council and effective upon the effective date of the ordinance codified in this title, together with all amendments thereto hereafter made.

Zoning Permit. Document signed by the building inspector, as required in this title, as a condition precedent to the commencement of a use or the erection, construction, reconstruction, restoration, alteration, conversion or installation of a structure or building which acknowledges that such use, structure or building complies with the provisions of this title.

ACRONYMS

AMBAG: Association of Monterey Bay Area Governments

ACS: American Community Survey.

ADU: Accessory Dwelling Unit

ACS: American Community Survey

ADA: Americans with Disabilities Act

AFFH: Affirmatively Furthering Fair Housing

AMI: Area Median Income

BMR: Below Market Rate

CAR: California Association of Realtors

CEQA: California Environmental Quality Act

CCCE: Central Cost Community Energy

CCCIL: Central Coast Center for Independent Living

CDDS: California Department of Developmental Services

CDBG: Community Development Block Grant

CHAS: Comprehensive Housing Affordability Strategy

CPCU: California Public Utilities Commission

DFEH: Department of Fair Employment and Housing

ELI: Extremely Low-Income

FHEO: Office of Fair Housing and Equal Opportunity

FAR: Floor Area Ratio

FEMA: Federal Emergency Management Agency

FMR: Fair Market Rate

GMI: Gross Median Income

HAMI: HUD Area Median Income

HAMFI: HUD Area Median Family Income

HCD: Housing and Community Development

HUD: Development Housing and Urban Development

HCVP: Section 8 Housing Choice Voucher

HH: Household

HMDA: Home Mortgage Disclosure Act

HOA: Homeowners Association

ICC: International Code Council

LBNC: Low-Barrier Navigation Center

LEAP: Local Early Action Planning

LIHTC: Low Income Housing Tax Credit

MCC: Mortgage Credit Certificate

MHI: Median household Income

MSA/MD: Metropolitan Statistical Area/ Metropolitan Division

OEHHA: Office of Environmental Health Hazard Assessment

PIT: Point-in-Time

PG&E: Pacific Gas and Electric Company

RMCC: Reissued Mortgage Credit Certificate

R/ECAP: Racially Concentrated Areas of Poverty

RCAA: Racially Concentrated Areas of Affluence

RHNA: Regional Housing Needs Assessment

ROI: Regional Opportunity Index

SRO: Single-Room Occupancy Unit

SVSLA: Scotts Valley Senior Life Association

SVMC: Scotts Valley Municipal Code

SB: Senate Bill

TCAC: California Tax Credit Allocation Committee

UC: University of California



November 21, 2023

To: Clare Blackwell, Housing Policy Analyst, HCD
CC: Taylor Bateman, Director, Community Development Department
Sarah Wikle, Senior Planner

RE: Scotts Valley Submitted Housing Element (October 20, 2023)

Santa Cruz YIMBY advocates for abundant housing at all levels of affordability to meet the needs of a growing population in Santa Cruz County. We support sustainable growth, including along transportation corridors and activity centers and a commitment to lower Vehicle Miles Traveled by housing people near services and jobs.

The following are our comments on the City of Scotts Valley's submitted [Housing Element of October 20, 2023](#) as they relate to [HCD's letter dated October 3, 2023](#)

AFFH - General

HCD comment: Contributing Factors: The element identifies two contributing factors to fair housing issues. However, these issues and goals do not appear to be rooted in the AFFH analysis and do not appear adequate to facilitate the formulation of meaningful action to AFFH. The element should re-assess contributing factors upon completion of analysis and make revisions as appropriate

Scotts Valley added more factors on Page E-53 and more analysis on E-57+. Without substantial changes to their site inventory or rezoning, Scotts Valley perpetuates segregation and exclusivity. In particular, they are not addressing housing mobility including in their Racially Concentrated Areas of Affluence.

AFFH - Census Tract 1

HCD comment: Identified Sites and AFFH: The element analyzed the identified sites for various fair housing components including access to opportunity and segregation and integration of income. However, the element states (p. E-11) that the City allocated a majority of its low- and very low-income Regional Housing Needs Allocation (RHNA) to Census Tract 1 since it has the lowest median income. The element must include analysis and reasoning about the location of sites and impact on current fair housing conditions. The element should discuss whether this strategy potentially isolates a significant number of the housing need for lower-income households and

include actions as appropriate to promote inclusive communities and equitable quality of life throughout the City.

Scotts Valley added more explanation regarding Census Tracts 2 and 3. Census Tract 2 and 3 can be targeted for more housing, especially Missing Middle housing.

- Both Census Tract 2 and 3 have large portions of R-1-10 zoning with 10,000 sq foot min lot size. (See Figure C-5 on page C-15) Lots are big enough.

The City claims that both of these Census Tracts “...experience topographic conditions that make the development of housing, specifically affordable housing, more difficult. The topography of this portion of the City creates a financial constraint to the development of housing.”

- Much of Census 2 and 3 R1-10 zoning has slope of 0-15% (See page E-59)

There is no Missing Middle housing mentioned in the Housing Element:

- Under Goal H-1, the City of Scotts Valley should commit to allowing a variety of housing types including duplexes, triplexes, fourplexes and other multifamily project types throughout the City.

They have not addressed housing mobility throughout the city.

Monitoring - Pipeline Projects

HCD comment: While the describes the status of each project, to fully demonstrate these units are expected to be constructed during the planning period, the element should provide information on anticipated remaining steps and any known barriers to development in the planning period. For example, the element could analyze infrastructure schedules, City's past completion rates on pipeline projects, outreach with project developers, and should describe any anticipated timelines for final approvals. This is particularly important given that several of these projects were identified to accommodate the RHNA during the last planning period but have not yet been constructed.

In addition, given the element's reliance on pipeline projects, the element should include a program that commits to facilitating development and monitoring approvals of the projects (e.g., coordination with applicants to approve remaining entitlements, supporting funding applications, expediting approvals, and monitoring of project progress, including rezoning or identification of additional sites, if necessary).

There is more language in Appendix F regarding the status and prospects of each of the pipeline projects. On page F-7: “Projects listed do not have any known constraints or barriers which may hold-up or delay the entitlement and/or permitting process. As such, these sites are included for their anticipated development in the planning period.”

However, some pipeline projects have been around for a while, including in the last RHNA cycle. The Town Center project has been in discussion since at least 2008, La Madrona’s EIR was started in 2020, and Valley Gardens’ in 2021. In order to meet this recommendation by

HCD, the city should create specific programs to monitor and expedite the progress of pipeline projects. This could include automatic entitlement extensions until midway through the 6th cycle and proactively reaching out to all pipeline project developers to confirm that there is still development interest.

Non Vacant sites - Lower Income

HCD comment: In addition, the housing element relies upon nonvacant sites to accommodate more than 50 percent of the RHNA for lower-income households. For your information, the housing element must demonstrate existing uses are not an impediment to additional residential development and will likely discontinue in the planning period (Gov. Code, §65583.2, subd. (g)(2)). Absent findings (e.g., adoption resolution) based on substantial evidence, the existing uses will be presumed to impede additional residential development and will not be utilized toward demonstrating adequate sites to accommodate the RHNA

Scotts Valley's "facilitation of affordable housing development" (Program H-1.8) is focused on the inclusionary zoning (IZ). They are not going to meet their targets using a 15% IZ citywide.

City-owned land - Lower Income (Town Ctr)

Program H-1.10 (Surplus Land): While the Program commits to surplus sites and comply with the surplus land act, it should include additional steps the City will take to encourage development in the planning period, including facilitating entitlements, assisting with funding, issuing building permits and taking alternative actions by a specified date if development will not occur in the planning period

Scotts Valley's Surplus Land Act program (H-1.10) indicates that City-owned land is for affordable housing. Town Center (city-owned) is identified as all lower-income and is the APNs identified in the Timeframe objective. However the Timeframe in H-1.10 allows for only 25% for lower income.

The only reference to the Town Center Specific Plan is in Program H-1.1 and does not include alternative actions if development is not occurring in the planning period.

Constraints

HCD Comment: Finally, While the element provides a brief analysis of development controls, the analysis must address height limits, minimum lot size, setbacks, site coverage and maximum density requirements. The analysis should address any impacts on cost, supply, housing choice, affordability, timing, approval certainty and ability to achieve maximum densities and include programs to address identified constraints.

HCD Comment: In addition, while the element includes Program H-1.1 to increase the residential cap on R-H zoned sites from 50 percent to 70 percent, the commercial requirement may constrain residential development. The element should analyze the 30 percent commercial requirement as a constraint on multifamily development and add or modify programs as appropriate.

The city has correctly identified significant commercial and parking requirements as barriers to development but does not go far enough to remove these constraints. We strongly disagree with the assertion that "...the City's standards for lot size, setbacks, height, and site coverage are not considered [constraints].." (Page C-25)

If this is the case, why hasn't there been more housing built in the last cycle?

- In **Program H-1.6, H-1.7, and H-1.8** the city should better explore to what extent its density restrictions are a constraint to development, especially of affordable housing. With the city's highest density residential zoning district capped at 20 du/acre, this is likely a significant barrier. We recommend a higher base density than 40 du/acre for Mixed-Use parcels along transit corridors. These programs should also occur sooner than 2027, nearly halfway through the 6th cycle.
- In **Program H-1.7**, the city should commit to adopting a further reduction in residential square footage in mixed-use developments if the proposed rezoning does not result in developer interest as evidenced by at least one formally submitted project application where total unit count meets or exceeds the units expected in the site inventory.
- **Program H-1.7** should also include a comprehensive study on Mixed-Use development standards as constraints.
- **Program H-1.8** should include undertaking a study to ensure expansion of the inclusionary zoning policy will enable development of additional housing, not chill it.

Consolidation - Small Sites

HCD Comment: Small Sites: Sites smaller than half an acre are deemed inadequate to accommodate housing for lower-income households unless it is demonstrated, with sufficient evidence, that sites of equivalent size and affordability were successfully developed during the prior planning period or other evidence demonstrates the suitability of these sites. The element mentions some parcels are located next to one another and under common ownership but should also discuss the potential for consolidation. For example, the element could evaluate the circumstances potentially leading to consolidation such as existing shared access, necessity for consolidation to share access, necessity for consolidation to promote financial feasibility, meet development standards or facilitate site planning. Based on the outcomes of this analysis, the element should

add or modify actions (Program H-2.8) to encourage lot consolidation. For example, the element could consider graduated density as an additional incentive to promote lot consolidation.

There has been no change to Program H-2.8 which lacks active language and does not commit the City to any changes which would enable lot consolidation.

Large Lots

HCD Comment: Large Sites: Sites larger than ten acres in size are deemed inadequate to accommodate housing for lower-income housing unless it is demonstrated that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower-income housing units as projected for the site or unless the housing element describes other evidence to HCD that the site is adequate to accommodate lower-income housing (Gov. Code, § 65583.2, subd. (c)(2)(A)). While the element mentions parceling is not necessary, it should also discuss how the site facilitate developments with units affordable to lower-income households, particularly how the level of affordability could be achieved as assumed in the inventory. Alternatively, the element could adjust affordability assumptions similar to the application of inclusionary requirements.

Program H-2.6 (Development of Large Lots): The Program should commit to establish incentives to promote affordability on identified large sites as assumed in the inventory.

There has been no change to Program H-2.6 which lacks active language and does not commit the City to any changes which would enable large lot development.

Transit Oriented Development

Scotts Valley added language on Page F-31: "This parcel contains the METRO Cavallero transit center and the Scotts Valley Park and Ride center. The City has been in discussions with METRO about converting the site to affordable residential units with workforce components.

Redevelopment of the site would result in parking being moved underground or provided through a parking structure. This would allow for Transit-Oriented Development (TOD) to occur in partnership with the transit center."

Despite being home to the METRO Cavallero transit center and the Scotts Valley Park and Ride center, Scotts Valley lacks any current or planned high quality transit stops. A high-quality transit stop can help Scotts Valley/affordable housing developers in securing additional funding, e.g. through grant programs that focus on transit-oriented development or reduction of green-house gasses.

We recommend Scotts Valley add a program objective::

"Scotts Valley will work with AMBAG in the 2050 MTP/SCS (scheduled for June 2026) to designate the METRO Cavallero transit center as a planned high quality major transit stop."
