A G E N D A

Meeting of the
Scotts Valley City Council

Date: October 7, 2015
Time: 6:00 p.m.

CITY OF SCOTTS VALLEY	MEETING LOCATION	POSTING: The agenda was posted
1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5602	City Council Chambers 1 Civic Center Drive Scotts Valley, CA 95066	10-2-15 at City Hall, SV Senior Center, SV Library and on the Internet at www.scottsvalley.org.

Elected Officials	City Staff Members
Dene Bustichi, Mayor Donna Lind, Vice Mayor Stephany E. Aguilar, Council Member Randy Johnson, Council Member Jim Reed, Council Member	Steve Ando, City Manager Kirsten Powell, City Attorney Corrie Kates, Community Dev Dir/Deputy City Mgr Scott Hamby, Public Works Director John Weiss, Chief of Police Tracy Ferrara, City Clerk

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.

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.scottsvalley.org 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.scottsvalley.org.

Televised Meetings:
City Council meetings are cablecast "Live" on Community Television of Santa Cruz County on Comcast Channel 25.

CALL TO ORDER 6:00 p.m.

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE

ROLL CALL

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.)

Interjurisdictional Committees:

✓	Criminal Justice Council	(Lind/Johnson)
✓	Transportation Commission	(Johnson/Lind)
✓	Metro Transit District Board	(Bustichi)
✓	County Integrated Waste Mgmt Local Task Force	(Lind/Hamby)
✓	City/School District Joint Committee	(Reed/Johnson)
✓	AMBAG	(Aguilar/Lind)
✓	LAFCO	(Lind)
✓	City Selection Committee	(Mayor)
✓	League of California Cities Delegate Program	(Aguilar)
✓	Hazardous Materials Advisory Commission	(Ron Whittle)
✓	Cultural Council	(Lind)
✓	Seniors Advisory Council	(Lind)
✓	Santa Margarita Ground Water Basin Advisory Committee	(Lind /Aguilar)
✓	Library Financing Authority/Joint Powers Boards	(Reed/Johnson)

Standing Local Committees:

✓	Traffic Safety Committee	(Lind/Aguilar)
✓	Economic Development	(Johnson/Bustichi)
✓	Affordable Housing	(Aguilar/Bustichi)
✓	Water Subcommittee	(Bustichi/Lind)
✓	Budget Subcommittee	(Mayor/Vice Mayor)
✓	Sign Subcommittee	(Aguilar/Lind)
✓	Green Building Permit Process Subcommittee	(Lind/Reed)
✓	ADA Accessibility Subcommittee	(Aguilar)

Project Specific Committees:

✓	Skypark Subcommittee	(Johnson/Bustichi)
✓	Gateway South Commercial	(Reed/Johnson)
✓	Library Construction Subcommittee	(Bustichi/Reed)
✓	Glenwood Trails Subcommittee	(Aguilar/Reed)

CITY MANAGER REPORT

PUBLIC COMMENT TIME

(This is the opportunity for individuals to make and/or submit written or 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.

ALTERATIONS TO CONSENT AGENDA
(Council can remove or add items to the Consent Agenda.)

CONSENT AGENDA
(The Consent Agenda is comprised of items which appear to be non-controversial. Persons wishing to speak on any item may do so by raising their hand to be recognized by the Mayor.)

A. Approve City Council meeting minutes of 9-16-15

B. Approve check register – 9-22-15, 9-21-15

C. Approve out of state travel for Council Member Aguilar to attend the National League of Cities 2015 Congress of Cities and Exposition in Nashville, Tennessee, November 3-7, 2015, in conjunction with her role as the 2015 President of the League of California Cities, with all associated costs to be reimbursed by the League of California Cities

D. Approve the Memorandum of Understanding between the City of Scotts Valley and the Mid Management Association for the term July 1, 2015 through June 30, 2017

E. Approve Resolution No. 1551.24 establishing salary levels and establishing the management compensation benefit package for the Scotts Valley Management Team through June 30, 2017

F. Approve Contract for Professional Services between the City of Scotts Valley and Pacific Crest Engineering in the amount of $1,000 for geotechnical and related review of a submitted building permit application

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. Consider authorizing staff to send the Draft 2015-2023 Housing Element Update to the California Department of Housing and Community Development for the streamlined 60-day review period and to initiate a concurrent public review period (Planning/Fodge)

2. Consider approval of participation in the Prescription Discount Card Program with the League of California Cities (CityManager/Ando)

3. Future Council agenda items
(This portion of the Regular Agenda allows the Council to determine items to be placed on a future agenda and to choose a date, if so desired.)

CONVENE TO CLOSED SESSION

CLOSED SESSION
SUBJECT:
(1) Conference with legal counsel regarding real property negotiations.
Legal Authority: Govt Code Section 54956.8
APN: 022-212-22
Staff Present: City Manager, City Attorney, Community Development Director/Deputy City Manager, Public Works Director,

		Recreation Division Manager
(2)	Conference with legal counsel regarding real property negotiations.	
	Legal Authority:	Govt Code section 54956.8
	Location/APN's:	The City of Scotts Valley ocean outfall pipeline starting at the City's wastewater facility, APN 021-061-25 and through Hocus Pocus Park, APN 021-061-45 which runs along Whispering Pines Drive, to Estrella Drive, to Lockewood Lane to Graham Hill Road with turnouts located off of Sims Road and Deer Path Road onto APN 060-011-02, the Pasatiempo Golf Club
	Staff Present:	City Manager, City Attorney, Community Development Director/ Deputy City Manager
(3)	City Manager Performance Evaluation	
	Legal Authority:	Govt Code Section 54957
	Staff Present:	City Manager, City Attorney

RECONVENE TO OPEN SESSION

REPORT ON ACTION TAKEN DURING CLOSED SESSION

ADJOURNMENT

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; 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.

CONSENT AGENDA ITEM A
DATE: 10-7-2015

M I N U T E S

Meeting of the
Scotts Valley City Council

Date: September 16, 2015

POSTING:
The agenda was posted on 9-11-15
at City Hall, the SV Senior Center, and
the SV Library, by the City Clerk.

CALL TO ORDER 6:00 p.m.

PLEDGE OF ALLEGIANCE and **MOMENT OF SILENCE**

ROLL CALL

Present:	Mayor Bustichi Vice Mayor Lind Council Member Aguilar Council Member Johnson	City Manager Ando City Attorney Powell Comm Dev Dir/Deputy City Mgr Kates Public Wks Director Hamby Police Chief Weiss Senior Planner Bateman City Clerk Ferrara
Absent:	Council Member Reed	

COMMITTEE REPORTS

CM Aguilar reported that the AMBAG Board of Directors met and they are looking at the regional housing allocation requirements that the State Housing and Community Development Department requires of jurisdictions.

CM Aguilar reported that the League of California Cities has been working very closely with the Fire Chief's Association and medical marijuana representatives to provide for more structure related to medical marijuana. She reported that the Legislature just passed a medical marijuana bill that has a structure and emphasis on local control, and better oversight of medical marijuana distribution.

Mayor Bustichi reported that the Water Subcommittee met to receive an update and continue discussions regarding providing recycled water to the Pasatiempo Golf Course.

VM Lind reported that she attended the LAFCO annual conference and the majority of topics at the conference centered around water issues and water conservation. She stated that the City of Scotts Valley was well received for our conservation efforts and recycled water plant.

CITY MANAGER REPORT

- PG&E will be instituting a program with mobile home parks whereby they will be replacing out master meters and installing meters at each mobile home site. Each unit will then receive their own billing rather than the mobile home park association allocating the billing from the one master meter to all of the park residents. Scotts Valley Mobile Home Park on Scotts Valley Drive with 30 units will have their meters installed between December 28 and February 1.
- All 10 neighborhood branches in the network of the Santa Cruz Public Libraries will participate in National Voter Registration Day on Tuesday, September 22. Volunteers will be available at each branch library during each branch's regular open hours to facilitate voter registration, either online or on paper forms.
- I attended Library Facilities Financing Authority board meetings on September 9 and 10. The Board is attempting to come up with an allocation of proceeds from a potential bond measure to be used for improvements to the various branches.
- We are starting the year off well for sales tax. The State gives us estimated monthly payments each quarter. Once the actual results have been determined, the State compares the actual results to the estimates. If the estimated payments were less than the actual results, the State will give us the difference with the payment at the end of the next quarter. The results of the quarter ended June 30 have the City receiving an additional $68,000 with our September estimate payment.

PUBLIC COMMENT

Bruce Holloway, Boulder Creek resident, spoke regarding the delay in bringing the library bond forward and recommended that the City of Scotts Valley not be a part of the library bond.

Lorena Ramos, County of Santa Cruz Health Services Agency and the Tobacco Education Coalition, presented the City Council with sample “No Smoking / No Vaping” signs that were purchased at ETR in Scotts Valley and she can be contacted should we be interested in purchasing additional signs.

Scott Hamby, Public Works Director, announced that this Saturday, September 19th is the City’s 13th annual e-waste collection event, from 9:00 am to 1:00 pm on Erba Lane across from the Fire District. He stated that the City is partnering with Scotts Valley Rotary and the Scotts Valley High School Interact Club.

ALTERATIONS TO
CONSENT AGENDA

Mayor Bustichi recused himself from voting on Item E due to a conflict of interest.

M/S: Aguilar/Lind
To approve the Consent Agenda.
Carried 4/0/1 (AYES: Aguilar, Bustichi, Johnson, Lind; ABSENT: Reed)

Consent Agenda:
A. Approve City Council meeting minutes of 9-2-15
B. Approve check register – 9-8-15, 8-25-15
C. Authorize Council Member Aguilar to vote as Scotts Valley's representative to the League of California Cities on the 2015 Annual Conference resolutions being considered at the League of California Cities Annual Conference September 30 to October 2, 2015
D. Approve Resolution No. 1907.1 supporting the use of Transportation Development Act (TDA) funding for the City of Scotts Valley Crosswalk Safety Improvement project
E. Approve second reading and adoption of Ordinance No. 190, adding Chapter 5.38 to Title 5 of the Scotts Valley Municipal Code requiring firearms dealers to meet certain requirements and to obtain a firearms dealers license, and approve Resolution No. 1908 establishing a one-time firearms dealer license fee of $100, to locally regulate and enforce the sales of firearms

ALTERATIONS TO
REGULAR AGENDA

CM Aguilar requested that Item 2 be heard before Item 1.

M/S: Aguilar/Lind
To approve the Regular Agenda as amended moving Item 2 to be heard before Item 1.
Carried 4/0/1 (AYES: Aguilar, Bustichi, Johnson, Lind; ABSENT: Reed)

REGULAR AGENDA

2. **Future Council agenda items**

CM Aguilar requested a future agenda item to discuss making the recycled water made available to residents

ADJOURN AT 6:20 PM

The City Council adjourned their regular meeting at 6:20 pm to hold their Scotts Valley Successor Agency of the Scotts Valley Redevelopment Agency meeting.

RECONVENE REGULAR CITY COUNCIL MEETING AT 6:24 PM

The City Council reconvened their regular City Council meeting at 6:24 pm.

CONVENE TO CLOSED SESSION

The City Council convened to closed session at 6:24 p.m. to discuss the following items:

1. Pursuant to Government Code Section 54957.6, the City Council met in closed session to confer with their labor negotiator re employee negotiations with Mid Management Group, Management Group.

RECONVENE TO OPEN SESSION

The City Council reconvened to open session at 6:29 p.m.

REPORT ON ACTION TAKEN DURING CLOSED SESSION

Mayor Bustichi announced that there was nothing to report.

PUBLIC HEARINGS

1. **Consider approval of Minor Land Division No. MLD 15-001 to create four parcels from one existing vacant 43,610 square foot parcel located on Meadow Way, APN 024-152-24**

   SP Bateman presented the written staff report and responded to questions from Council.

PUBLIC HEARING OPENED - 6:35 PM

Marlyn Bergman, property owner, spoke regarding this minor land division and responded to questions from Council.

PUBLIC HEARING CLOSED - 6:34 PM

M/S: Aguilar/Lind
To approve Resolution No. 1909 approving Minor Land Division No. MLD15-001 to create four parcels from one existing vacant 43,610 square foot parcel located on Meadow Way, APN 024-152-24.
Carried 4/0/1 (AYES: Aguilar, Bustichi, Johnson, Lind; ABSENT: Reed)

ADJOURNMENT The meeting adjourned at 6:39 p.m.

Approved: ______________________________
Dene Bustichi, Mayor

Attest:_________________________________
Tracy A. Ferrara, City Clerk

MINUTES

Special Closed Session Meeting of the Scotts Valley City Council

Date: September 16, 2015

POSTING:
The agenda was posted on 9-15-15
at City Hall, the SV Senior Center, and
the SV Library, by the City Clerk.

CALL TO ORDER 5:00 p.m.

ROLL CALL

Present:	Dene Bustichi, Mayor	Steve Ando, City Manager
	Donna Lind, Vice Mayor	Kirsten Powell, City Attorney
	Stephany E. Aguilar, City Council Member	Corrie Kates, Community Dev Dir/Deputy City Mgr
	Randy Johnson, City Council Member	Scott Hamby, Public Works Director
		Kristin Ard, Recreation Division Manager
Absent:	Jim Reed, City Council Member	

CONVENE TO CLOSED SESSION

The City Council convened to closed session at 5:03 p.m. to discuss the following item:

(1) Pursuant to Government Code Section 54956.8, the City Council met in closed session to confer with their legal counsel regarding real property negotiations, APN 022-212-22.

RECONVENE TO OPEN SESSION

The City Council reconvened to open session at 5:34 p.m.

REPORT ON ACTION TAKEN DURING CLOSED SESSION

Mayor Bustichi announced that there was nothing to report.

ADJOURNMENT The meeting adjourned at 5:34 p.m.

Approved: ______________________________
Dene Bustichi, Mayor

Attest:______________________________
Tracy A. Ferrara, City Clerk

SCOTTS VALLEY ACCOUNTS PAYABLE
CITY OF SCOTTS VALLEY
09/22/2015 15:47:35
GL540R-V07.27 PAGE 1

Check Register

CONSENT AGENDA ITEM B
DATE: 10-7-2015

BANK	VENDOR	CHECK#	DATE	AMOUNT
BA GENERAL CHECKING ACCOUNT				
000182	A SIGN ASAP	105424	09/22/15	80.90
001405	AFLAC-FLEX ONE	105425	09/22/15	2,879.44
001219	ALHAMBRA	105426	09/22/15	106.83
001219	ALHAMBRA	105427	09/22/15	55.15
000881	ALVAREZ INDUSTRIES INC.	105428	09/22/15	3,291.00
001670	AT &T	105429	09/22/15	1,947.72
000097	AT&T	105430	09/22/15	165.87
000211	AVIS	105431	09/22/15	549.24
000205	BACK TO EDEN INC	105432	09/22/15	950.00
000614	BATTERIES PLUS	105433	09/22/15	2.71
000021	BOWMAN & WILLIAMS	105434	09/22/15	26.25
001385	CALIFORNIA PUBLIC EMPLOY	105435	09/22/15	120,362.92
003211	CARNU DDS/OANA	105436	09/22/15	268.00
000226	COAST PAPER & SUPPLY INC	105437	09/22/15	941.66
002091	COMCAST	105438	09/22/15	234.16
003160	DIXON & SON TIRE	105439	09/22/15	231.18
001537	DYNAMIC PRESS	105440	09/22/15	48.45
001131	GRUBER DDS/MICHAEL	105441	09/22/15	512.50
.14948	GUZMAN/ELIDA	105442	09/22/15	200.00
000835	INTERSTATE SALES	105443	09/22/15	2,064.01
001372	KURATOMI DDS/REED K	105444	09/22/15	89.60
000332	LABOR READY INC	105445	09/22/15	1,718.82
003056	LAURENT/JOHN	105446	09/22/15	480.00
001673	LINCOLN FINANCIAL GROUP	105447	09/22/15	1,022.59
000284	LOGAN & POWELL, LLP	105448	09/22/15	742.00
000218	MID VALLEY SUPPLY	105449	09/22/15	1,669.38
001966	MINE SAFETY APPLIANCES C	105450	09/22/15	1,398.46
000939	NATIONAL COMTEL NETWORK	105451	09/22/15	26.65
000101	PACIFIC GAS & ELECTRIC C	105452	09/22/15	172.93
001982	PEAVEY COMPANY/LYNN	105453	09/22/15	23.93
001857	PHOENIX GROUP	105454	09/22/15	209.40
001233	PORTER DDS MS/BRENT J	105455	09/22/15	370.40
000196	ROSS RECREATION EQUIPMEN	105456	09/22/15	41,359.90
000134	S.V. WATER DISTRICT	105457	09/22/15	12,163.56
.14947	SANCHEZ/ROBERTO	105458	09/22/15	200.00
000143	SUMMIT UNIFORMS	105459	09/22/15	246.86
001366	U.S. BANCORP OFFICE	105460	09/22/15	1,257.46
003145	WAGE WORKS	105461	09/22/15	110.00
001625	YOSHIDA DDS/NOREEN	105462	09/22/15	247.00
GENERAL CHECKING ACCOUNT				198,426.93 ***

Check Register

BANK	VENDOR	CHECK#	DATE	AMOUNT
REPORT TOTALS:				198,426.93

RECORDS PRINTED - 000133

SCOTTS VALLEY ACCOUNTS PAYABLE
CITY OF SCOTTS VALLEY
09/22/2015 15:47:36
GL060S-V07.27 RECAPPAGE

Check Register

GL540R

FUND RECAP:

FUND	DESCRIPTION	DISBURSEMENTS
001	GENERAL	121,881.41
004	RECREATION	10,691.97
009	PARKS & REC FACILITIES	40,159.65
010	WASTEWATER OPERATIONS	14,276.55
011	TERTIARY TREATMENT PLANT	1,398.46
023	SVRDA SUCCESSOR AGENCY	742.00
028	SENIOR CENTER	1,278.24
077	SKYPARK MAINT ASSESS DIST	4,430.76
112	DENTAL INS INTERNAL SERV	1,487.50
123	COMMUNITY FACILITY CENTER	2,080.39
TOTAL ALL FUNDS		198,426.93

BANK RECAP:

BANK	NAME	DISBURSEMENTS
BA	GENERAL CHECKING ACCOUNT	198,426.93
TOTAL ALL BANKS		198,426.93

Check Register

BA GENERAL CHECKING ACCOUNT

BANK	VENDOR	CHECK#	DATE	AMOUNT
003457	ADAMS/TROY	105368	09/21/15	759.10
001626	AGUILAR/STEPHANY	105369	09/21/15	22.54
000563	APPI	105370	09/21/15	946.05
003149	AQUATIC BIOASSAY &	105371	09/21/15	3,475.00
000998	ASSOCIATED SERVICES CO.	105372	09/21/15	52.78
000861	BANK OF AMERICA	105373	09/21/15	72.00
000021	BOWMAN & WILLIAMS	105374	09/21/15	24,672.49
000437	BRASS KEY LOCKSMITH	105375	09/21/15	15.20
001566	BUSINESS WITH PLEASURE	105376	09/21/15	21.74
003304	BUSTICHI/DENE	105377	09/21/15	366.26
000773	CENTRAL COAST LANDSCAPE	105378	09/21/15	383.00
001051	COASTAL EVERGREEN CORP	105379	09/21/15	850.00
003466	COLE PRO MEDIA LLC	105380	09/21/15	900.00
002091	COMCAST	105381	09/21/15	153.16
002091	COMCAST	105382	09/21/15	267.96
003465	CREECH DDS/CYNTHIA	105383	09/21/15	13.70
000037	CRYSTAL SPRINGS WATER CO	105384	09/21/15	17.85
003398	CYPRESS ENVIRONMENTAL	105385	09/21/15	4,235.00
000911	D.A.R.E. AMERICA	105386	09/21/15	549.24
003333	D&R ELECTRONICS	105387	09/21/15	1,463.50
000389	DASSEL'S PETROLEUM INC	105388	09/21/15	4,851.62
001257	EBRAHIMIAN DDS/MARK	105389	09/21/15	144.00
000375	FIRST ALARM SECURITY & P	105390	09/21/15	110.00
000051	FISHER SCIENTIFIC	105391	09/21/15	34.60
001597	FLEMING/JOSEPHINE	105392	09/21/15	637.50
003467	GRISWOLD INDUSTRIES	105393	09/21/15	2,115.65
000057	HACH COMPANY	105394	09/21/15	256.62
000801	HINDERLITER, DE LLAMAS &	105395	09/21/15	595.00
000615	HOHMANN/PATRICK J.	105396	09/21/15	206.60
001805	HOOVER DDS/REX W.	105397	09/21/15	204.40
000666	HOUSING AUTHORITY OF SC	105398	09/21/15	433.50
001856	HUB INTERNATIONAL	105399	09/21/15	256.08
001856	HUB INTERNATIONAL	105400	09/21/15	855.00
000430	INTERSTATE BATTERIES	105401	09/21/15	443.53
001992	KOSMONT COMPANIES, INC	105402	09/21/15	3,020.00
003325	LEO'S U-SAVE LIQUORS	105403	09/21/15	110.95
000284	LOGAN & POWELL, LLP	105404	09/21/15	10,000.00
000195	MESITI-MILLER ENGINEERIN	105405	09/21/15	16,707.62
002078	METRO MOBILE COMMUNICATI	105406	09/21/15	1,908.53
003171	MICHALAK/GENE	105407	09/21/15	110.00
000967	MONTEREY BAY SYSTEMS	105408	09/21/15	620.66
001974	NORTH AMERICAN UV INC	105409	09/21/15	2,214.58
000089	OLIVE SPRINGS QUARRY INC	105410	09/21/15	398.12
000101	PACIFIC GAS & ELECTRIC C	105411	09/21/15	2.26
000098	PALACE ART & OFFICE	105412	09/21/15	2,511.85
001787	PETRINI'S GARDENING SERV	105413	09/21/15	110.00
000134	S.V. WATER DISTRICT	105414	09/21/15	239.00
001894	S.V. WATER DISTRICT - BU	105415	09/21/15	211.14

Check Register

BANK	VENDOR	CHECK#	DATE	AMOUNT	
BA	GENERAL CHECKING ACCOUNT				
000129	SCOTTS VALLEY BANNER	105416	09/21/15	374.00	
000131	SCOTTS VALLEY MEDICAL	105417	09/21/15	361.00	
003085	SHRED-IT USA INC	105418	09/21/15	69.79	
000153	THOMSON REUTERS-WEST	105419	09/21/15	269.86	
001106	VERIZON WIRELESS	105420	09/21/15	110.62	
000952	WILSON/JOHN	105421	09/21/15	46.69	
003166	WISDOM/ANGIE	105422	09/21/15	33.06	
001625	YOSHIDA DDS/NOREEN	105423	09/21/15	19.20	
	GENERAL CHECKING ACCOUNT			89,829.60	***

Check Register

BANK	VENDOR	CHECK#	DATE	AMOUNT
REPORT TOTALS:				89,829.60

RECORDS PRINTED - 000093

SCOTTS VALLEY ACCOUNTS PAYABLE
CITY OF SCOTTS VALLEY
09/18/2015 12:34:18
GL060S-V07.27 RECAPPAGE

Check Register

GL540R

FUND RECAP:

FUND	DESCRIPTION	DISBURSEMENTS
001	GENERAL	43,034.51
003	GAS TAX - SPECIAL STATE TRST	13,336.82
004	RECREATION	3,028.09
009	PARKS & REC FACILITIES	990.00
010	WASTEWATER OPERATIONS	7,211.12
011	TERTIARY TREATMENT PLANT	3,364.83
019	AFFORDABLE HOUSING	433.50
023	SVRDA SUCCESSOR AGENCY	3,230.00
025	GENERAL TRUST	9,620.00
028	SENIOR CENTER	366.44
050	PINEWOOD EST LNDSCP MAINT DT	383.00
112	DENTAL INS INTERNAL SERV	1,347.00
123	COMMUNITY FACILITY CENTER	112.26
306	SUPPL LAW ENFORCEMENT SRVS	1,463.50
316	HOMELAND SECURITY GRANT	1,908.53
TOTAL ALL FUNDS		89,829.60

BANK RECAP:

BANK	NAME	DISBURSEMENTS
BA	GENERAL CHECKING ACCOUNT	89,829.60
TOTAL ALL BANKS		89,829.60

Agenda No. ___C____
Date: October 7, 2015

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: October 7, 2015

TO: Honorable Mayor and City Council

FROM: Tracy A. Ferrara, City Clerk

APPROVED: Stephen H. Ando, City Manager

SUBJECT: **ATTENDANCE AT NATIONAL LEAGUE OF CITIES 2015 CONGRESS OF CITIES AND EXPOSITION, NOVEMBER 3-7, 2015**

SUMMARY OF ISSUE

As the 2015 President of the League of California Cities, Council Member Aguilar has been invited to attend the National League of Cities 2015 Congress of Cities and Exposition in Nashville, Tennessee, November 3-7, 2015 to represent the League of California Cities. All costs associated with travel and attendance at the conference will be reimbursed by the League of California Cities.

This conference includes sessions and learning opportunities on a variety of topics, such as economic development, infrastructure, sustainability and the environment, leadership, public safety, and topics around improving outcomes for youth and families in our community.

Per City of Scotts Valley Administrative Rule No. 42, regarding out of state travel, "The City Council must approve expenses and travel outside the State. Out-of-state travel requests must include the reason for the trip, trip dates, estimated cost, and individual(s) traveling."

FISCAL IMPACT

Conference registration is paid directly by the League of California Cities. All other costs associated with the conference including round trip airfare, hotel, parking, and meals will be reimbursed by the League of California Cities.

STAFF RECOMMENDATION

The City Council authorize Council Member Aguilar to attend the National League Cities 2015 Congress of Cities and Exposition in Nashville, Tennessee, November 3-7, 2015.

Agenda No. D
Date: October 7, 2015

City of Scotts Valley
INTEROFFICE MEMORANDUM

DATE: October 7, 2015

TO: Honorable Mayor and City Council

FROM: Steve Ando, City Manager

SUBJECT: **MID MANAGEMENT MEMORANDUM OF UNDERSTANDING July 1, 2015 THROUGH JUNE 30, 2017**

SUMMARY OF ISSUE

The current Memorandum of Understanding (MOU) ended June 30, 2015. After negotiating with the members of the Mid Management Association a tentative agreement has been reached. A copy of the MOU is attached. The main items of the MOU are as follows:

Term: **July 1, 2015 through June 30, 2017**

Salary: **1.5% increase effective July 1, 2015**

.5% increase effective July 1, 2016

One-time bonus amount to be paid in fiscal year 2016-17 based on a percentage of actual sales tax revenues for 2015-16 exceeding the budgeted amount.

A redline copy of the MOU highlighting the changes for the previous MOU is also attached for your review. Deletions are shown as ~~strikeouts~~ and additions are underlined.

FISCAL IMPACT

The financial impacts are within the parameters set by the City Council.

STAFF RECOMMENDATION

Staff recommends that the City Council approve the Memorandum of Understanding between the City of Scotts Valley and Mid-Management and authorize the Mayor and City Manager to execute the MOU.

TABLE OF CONTENTS **PAGE**

MEMORANDUM OF UNDERSTANDING
between
CITY OF SCOTTS VALLEY
and
SCOTTS VALLEY MID-MANAGEMENT ASSOCIATION

July 1, 2015 - JUNE 30, 2017

1.00 PREAMBLE

The agreement is entered into and by the City of Scotts Valley (hereafter referred to as the City) and the Scotts Valley Mid-Management Association (hereafter referred to as the Association). Member defined for the purpose of this agreement shall mean a Member assigned to a classification within the Scotts Valley Mid-Management Association as delineated in Appendix A.

The City and the Association have met and conferred in good faith through their authorized representatives and have arrived at an understanding concerning wages, hours, working conditions and oaths of employment for the period of July 1, 2015, through June 30, 2017.

This contract is subject to sections 3500-3510 of the Government Code of the State of California and Resolution No. 680.7 (Personnel Rules and Regulations ["PR & R's"]), of the City of Scotts Valley. In the event of conflict between this contract and City Resolution No. 680.7, this contract shall prevail.

The parties agree that this agreement along with the PR & R's in effect at the time this MOU is signed will constitute the only policies, rules, practices, agreements, resolutions and other such documents that shall be used in administering the terms and provisions herein. No changes to the PR & R's may be made unless changed through mutual agreement of both parties to this MOU.

2.00 RECOGNITION

Scotts Valley Mid-Management Association is comprised of all regular full-time employees (hereinafter "Member"), listed on Appendix A, attached hereto. The Association shall negotiate for wages and benefits on behalf of all Members.

3.00 NO DISCRIMINATION

The City and the Association will cooperate in pursuing a policy of affirmative action, equal employment and equal promotional opportunity for all individuals in accordance with applicable law. There shall be no discrimination because of a person's political, religious or Union affiliation or belief, non-affiliation or non-belief, race, color, age, sex national origin, disability, martial or military status, or sexual preference except as limited by law.

4.00 RELATIONSHIP AFFIRMATION

The Association recognizes its obligation to cooperate with the City to assure maximum service of the highest quality and efficiency to the citizens of Scotts Valley, consistent with its obligations to the Members it represents. The City and the Association affirm the principle that harmonious labor-management relations are to be promoted and furthered

5.00 RELEVANT MATERIALS

The Association shall have the right to review at reasonable times and receive upon request without cost, copies of any and all current materials prepared, excluding privileged information, relating to wages, hours, and other terms and conditions of employment, which are relevant for the Association to fulfill its duties and obligations as the exclusive representative of unit Members covered by this contract. The Association shall be given reasonable notice and given the opportunity to meet and confer with the City management prior to the adoption of a written ordinance, rule, resolution or policy related to the scope of representation. Reasonable notice shall be considered to be ten (10) working days.

6.00 MEMORANDUM OF UNDERSTANDING - PRINTING AND DISTRIBUTION

The City will print copies of this Memorandum of Understanding within fifteen (15) days after ratification and make it available to all unit Members and department heads.

7.00 CONTRACTING OUT

The City will notify the Association at least ninety (90) days in advance if it intends to contract out work currently performed by Members within the unit. Upon request, the City will meet with the Association to explain the reason to contract out and to solicit Association views on the proposal. The City retains to the right to contract out work.

8.00 MANAGEMENT RIGHTS

The City reserves all rights with respect to matters of general legislative and managerial policy including, among others, the exclusive right to determine the mission of its constituent departments, divisions, commissions and boards; set standards of service; determine the procedures and standards for recruitment and selection of Members within the law; direct its Members; take disciplinary action; relieve its Members of duties because of lack of work or for other good reasons; maintain the efficiency of governmental operations; determine the methods, means and personnel by which governmental operations will be conducted; require overtime; take all necessary actions to carry out its mission in emergencies; exercise complete control and discretion over its organization and the technology of performing its work; and to develop positive and productive employer/member relationships. These rights shall not be limited except as specified in this agreement.

9.00 PERSONNEL RULES/ACTIONS

9.01 Probationary Period

The probationary period for newly hired Members shall be twelve (12) months.

9.02 Reclassification

9.02.01 Reclassification/Classifications

The City retains the right to classify and/or reclassify positions. The City will notify the Association of the creation or abolition of classification and, upon request, meet and confer regarding the salaries attached to positions and/or the effect of changes on promotional opportunities.

9.02.02 Reclassification Probationary Period

Reclassified Members shall not be subject to a probationary period.

9.03 Salary Studies

Members may submit salary surveys to the City for consideration of a possible salary adjustment. Once the surveys are prepared Members will provide a copy to theCity.

For the purpose of the survey:

1. The City of Santa Cruz, County of Santa Cruz, City of Watsonville, City of Capitola, and City of Scotts Valley shall be included.
2. The salary used for each position in each jurisdiction shall be the top step, plus maximum longevity pay, not including any other incentive pay.
3. The salary for any employees who pay the employee's portion of the retirement shall be reduced by the percentage paid by the employee.
4. The maximum monthly medical premium benefit for a family for each position shall be added to reflect medical benefits.
5. The City shall determine which positions are comparable for each jurisdiction by comparing the job duties and responsibilities with those of the Scotts Valley Mid-Managers.

10.00 COMPENSATION

The salary range for each classification in the Association starting with the first full pay period in July 2015 shall be increased 1.5% as set forth in Exhibit A attached hereto and incorporated herein. The compensation for the first full pay period in July 2016 shall be increased .5% as set forth in Exhibit B attached hereto and incorporated herein.

In addition to the salary above, each permanent member in the Association shall receive a one-time bonus if the following condition is met. Should the City's actual sales tax revenue be greater than the budgeted amount during Fiscal Year 2015-2016, the difference between the budgeted sales tax revenues and the actual tax revenues shall be split 50% to the City, and the remainder shall be divided equally by the total number of permanent City employees (prorated for part-time employees). This amount shall then be multiplied by the number of employees in the Association ("Bonus"). The Bonus shall be a one-time payment to employees based on full-time status in the Association to be paid no later than the first pay period in November 2016. In the event no Bonus is paid, the parties agree to a reopener on salary only by December 31, 2016.

10.01 Longevity

The City agrees that all Members with fifteen (15) years of continuous service shall receive a 5% increase in pay on their 15th anniversary.

10.02 Boot Allowance

The City shall provide for the issue of two (2) pairs of steel-toed safety boots at a cost not to exceed $175 each pair, for the Maintenance Division Manager and the Wastewater/environmental Program Manager annually. The cost of repair shall be the responsibility of the Member. The boots provided for the Maintenance Division Manager and the Wastewater/Environmental Program Manager by the City are for the purpose of safety and are to be worn at all times while on the job. Steel-toed boots are optional at conferences, workshops and appropriate meetings. Failure to wear steel-toed boots may be cause for disciplinary action. This section applies to the Maintenance Division Manager and Wastewater/Environmental Program Manager only.

10.03 Clothing Allowance

The City shall provide $250 per year for each Member, except Maintenance Division Manager and Wastewater/Environmental Program Manager, for clothing allowance for such things as shoes, rain boots, rain coats, protective wear and gloves.

Uniforms (shirts and pants) shall be provided to the Maintenance Division Manager and Wastewater/Environmental Program Manager and cleaned at City expense.

10.03.01 Cleaning, Repair or Replacement of Damaged Clothing

The City shall pay for the cleaning, repairing or replacement of any personal clothing that is soiled or damaged while in the performance of duties on the job.

10.04 Working Out of Classification Pay

1. Mid-Managers assigned to an "out of classification" position for sick leave replacement, vacation leave replacement, industrial accident, or other similar reason will receive acting pay beginning on the sixth consecutive day or upon the tenth non-consecutive day and each day worked in the classification thereafter. Such pay shall be a minimum of five percent (5%).

2. All assignments to an out of classification position shall be set forth on a personnel transaction report form prior to the first day of assignment and shall be approved by the department head, or Personnel Officer in the event the department head is unavailable.

3. Mid-Managers appointed by the City Manager to serve as the interim department head shall be paid a salary increase of no less than five percent (5%) below the first step of the department head salary of the department to which he/she is appointed and payment shall continue for the duration of such appointment.

10.05 Vehicle Allowance

Mileage reimbursement, using the current IRS rate, shall be provided to mid-managers who utilize their own vehicles for City business. City vehicles shall not be taken home by Members.

10.06 Cell Phone Reimbursement

Recreation Manager and City Engineer, who are required by their department head to use their personal cell phones for City business, will receive $30 per month cell phone stipend during that approved period. The City will not be responsible for cell phone replacement, damage or any other costs associated with the Members personal cell phone. A cell phone stipend participating form will be signed by each Member and kept on file.

11.00 HEALTH AND WELFARE

11.01 PERS Medical Plan

11.01.1 Cafeteria Plan

The City will provide medical insurance through the Public Employees' Retirement System (PERS). The City's contribution towards medical coverage will be the minimum amount required by Government Code section 22825 for regular full-time employees. All employees who elect coverage in the PERS medical plan may choose any medical plan available.

The City will also make available a Flexible Benefit Plan (Cafeteria Plan). The cafeteria plan contribution rate for 2004 shall be the PERS Choice rate, minus Government Code section 22825 contribution. The cafeteria plan contribution rate for 2005 shall be the PERS HMO rate minus the Government Code section 22825 contribution. However, for employees choosing the PERS Choice Plan in 2005, the City shall contribute the PERS Choice rate plus 50% of the difference between the PERS Choice and the PERS HMO rates per month to be used towards the cafeteria plan.

The City shall also pay administrative fees and contingency reserve fund assessments, if any.

11.01.02 Optional Benefits

Employees may also elect the following optional benefits if the employee has surplus cafeteria plan funds remaining after electing medical insurance coverage:

1. Medical reimbursement account
2. Dependent care assistance plan
3. AFLAC supplemental insurance
4. Deferred compensation
5. Taxable cash-out

Employees who wish to participate in the optional benefits in the plan, but do not have any surplus City-contributed cafeteria funds, can elect to make pre-tax deductions in an amount to cover the cost of the optional benefits.

11.01.03 Opt out of Medical Coverage

Employees may elect not to be covered by the PERS medical plan, provided they provide proof to the City of dual coverage from PERS or other medical coverage. Employees who decline coverage will be eligible to receive the following amounts per month from the above-listed optional pre-tax benefits and/or a taxable cash-out benefit.

1. Employee eligible to enroll as employee plus one, but enrolls as employee only = $100.

2. Employee eligible to enroll as employee plus two, but enrolls as employee plus one = $100.

3. Employee eligible to enroll employee plus two, but enrolls employee only = $150.
4. Employee eligible to enroll employee plus one, but enrolls no one = $150.

5. Employee eligible to enroll employee plus two but enrolls no one = $225.

11.01.04 Part-Time Employees

Regular part-time employees working a minimum of twenty hours per week who do not accept paid medical insurance through his/her spouse shall be eligible to receive medical premiums and cafeteria plan contributions combined to equal to the rate for the Blue Shield HMO provided that the employee makes the following contribution:

1. Employees working between 20-29 hours/week =$125/month
2. Employees working between 30-39 hours/week = $100/month

Regular part-time employees working a minimum of 20 hours per week, who accept health care coverage through his/her spouse or other family member shall be eligible to receive health benefits on a pro-rated PERS Blue Shield HMO Plan basis given the ratio of their work schedule to full time work.

11.01.05 Reopener in the Event of Provider Change

In the event that no PERS HMO and/or no PERSChoice contract with one of the four major care providers in the area (Sutter, Dominican, Santa Cruz Medical Clinic or Physicians Medical Group) during the term of this MOU, the parties agree that to re-open section 11.01.

11.01.06 Dental Insurance

The City shall provide reimbursement for employees’ and dependents’ (including children up to 26 years of age) documented dental expenses, with the first $200 in expenses 100% reimbursed, the next $500 in expenses 80% reimbursed, and the next $1,000 in expenses 50% reimbursed up to a maximum of $1,100 in City contribution each calendar year.

<u>11.02</u> <u>Health, Dental & Vision Coverage</u>

The City has implemented a self-insured dental plan. The level of existing coverage shall remain in effect for the term of this agreement.

The level of existing vision coverage will remain in effect for the term of this agreement.

11.02.01 Retiree Medical Benefits Coverage

It is the purpose of the Employees Retiree Medical Coverage program to provide for medical insurance compensation to retired Members in order to insure that these individuals, who have dedicated a number of years of service to the City of Scotts Valley, do not face an economic hardship at the time of retirement in paying for medical insurance coverage.

To be eligible for this benefit a Member:

1. Must have been employed with the City for ten years or longer.

2. Shall retire from the City of Scotts Valley. Public safety persons shall be eligible for this benefit upon retiring at age 50 or older; all other Members shall be eligible upon retiring at age 55 or older. Retirement shall be defined as "retiring under the provisions of the PERS Retirement Plan."

3. The retired Member shall provide annual proof on the anniversary of retirement of current medical insurance coverage including the costs to the retiree. The retiree must notify the City if the medical insurance policy is canceled. Failure to carry medical insurance or to notify the City of its cancellation will eliminate eligibility for this benefit. The retired Member must secure his/her own medical insurance coverage.

The medical benefit shall be provided directly to the retiree at following rates:

1. For EMPLOYEES who have served 10 to 20 years with the City: 100% of premiums to a maximum of 50% of the PERS-CARE plan premium level (benchmark plan);

2. For EMPLOYEES who have served 20-30 years with the City: 100% of the premiums to a maximum of 67% of the PERS-CARE plan;

3. For EMPLOYEES who have served over 30 years with the City: 100% of the premiums to a maximum of 75% of the PERS-CARE plan.

The medical benefit will be provided to the retiree and their spouse. However, this benefit shall only be payable while the retiree is living, and shall not be payable to the spouse of the retiree after the retiree's death.

11.03 Life Insurance

The City shall pay the premium for a $50,000 life insurance plan for all unit Members.

11.04 LTDI

The City shall continue in effect and pay the full premium for the existing long term disability insurance program.

11.05 State Disability Insurance

Members shall be eligible for paid sick leave benefits in accordance with City rules. Members shall continue to pay the premium cost for State Disability Insurance. It shall be the Member's responsibility to apply for State Disability benefits and to file with the City immediately upon receipt from the Department of Employment the "Notice of Calculation" for Disability Insurance. Upon receipt of the notice the City shall adjust the Member's sick leave usage and wages for the affected period so their net pay is equal to that which they would receive if working.

11.06 P.E.R.S. Contribution

The City shall continue to pay the Member's contribution to the Public Employees' Retirement System. The plan for all members is the 2.5% at age 55 plan with the one year final compensation benefit.

Upon the conclusion of negotiations with all affected employee organizations and the processing the CalPERS contract amendments, newly hired employees only will be covered by the 2% at age 60 retirement plan with the 36 consecutive months final compensation provision. They will also pay the 7% employee retirement contribution.

11.07 Child and Dependant Care Services

City has implemented a child and dependent care services flexible spending program, whereby employee dollars spent on child and dependent care services may be sheltered from taxation. This type of program is described in Internal Revenue Code Section 129. The cost of administering this voluntary program shall continue to be borne by the participating employee.

12.00 HOLIDAYS

12.01 Holidays

Each Member of the bargaining unit shall be entitled to the following holidays and to receive wages based on the normal scheduled work for the day. Any holiday that would otherwise be on a Saturday will be taken on the preceding Friday. Any holiday that would otherwise be on a Sunday will be taken on a Monday.

1) The first day of January
2) Third Monday in January - Dr. Martin Luther King, Jr. Day
3) The third Monday in February - Washington's Birthday
4) The last Monday in May - Memorial Day
5) July 4th - Independence Day
6) The first Monday in September - Labor Day
7) The second Monday in October - Columbus Day
8) November 11 - Veteran's Day
9) Thanksgiving Day
10) The day following Thanksgiving
11) The day preceding Christmas
12) Christmas Day
13) The day preceding New Years Day
14) Two floating holidays per fiscal year. (Members must use the floating holidays within the fiscal year or lose those holidays for that fiscal year.
15) Every day appointed by the President of the United States or the Governor of the State of California and the City Council for a public fast, thanksgiving or holiday

13.00 VACATION

13.01 Vacation Accrual

Members shall accrue paid vacation as follows:

a) Less than five years

For Members completing less than five (5) years continuous service, eight (8) hours for each month of service. (Twelve days per year.)

b) Five years or more but less than ten years

For Members completing five or more years but less than ten (10) years of continuous service, eleven and one-third (11-1/3) hours for each month of service. (Seventeen days per year.)

c) Ten years or more but less than fifteen years

For Members completing ten (10) or more years but less than fifteen (15) years of continuous service, fourteen and two-thirds (14-2/3) hours for each month of service. (Twenty-two days per year.)

d) Fifteen years or more

For Members completing fifteen (15) or more years of continuous service, fifteen and one-third (15 1/3) hours for each month of service (Twenty-three days per year).

13.02 Vacation Accrual Maximum

Members shall be allowed to carry over a maximum of 2 times their annual vacation accrual from one calendar year to the next (Members may accrue over 2 times during the calendar year).

If a Member has requested and been denied vacation leave within four (4) months of the time that the vacation accrual maximum will be reached, enforcement of the vacation leave accrual maximum shall be postponed. The department and Member shall schedule the use of vacation time sufficient to reduce the Members accrual below the maximum within a reasonable time.

13.03 Vacation - Illness

If a Member becomes ill while on vacation and such illness can be supported by a written statement from a licensed medical practitioner, or if the Member is hospitalized for any period, the Member at the Member option shall have the period of illness charged against sick leave, if accrued, instead of vacation time.

13.04 Vacation Schedule Conflict

In the event of a conflict in scheduling vacations within a department, the Member with the greatest seniority shall receive preference.

13.05 Vacation Buy-back

The City will buy back up to two weeks (80 hours) of vacation annually, after 15 years of service with the City, so long as the Member has an accrued vacation balance of at least one week (40 hours) remaining following the buy back. To request a vacation buy back, the Member shall submit a written request to the City Manager. So long as the Member meets the requirement of this subsection, the City Manager shall grant the request.

14.00 LEAVES

14.01 Leaves

Leaves shall be as set forth in the City's Personnel rules.

14.02 Sick Leave Accrual

Effective immediately, the maximum accrual of sick leave shall be one hundred twenty (150) days.

14.02.01 Sick Leave for Care of Immediate Family

The usage of sick leave for family members shall be governed by the following provisions:

1. Sick leave shall be allowed and used in the case of sickness, disability, medical or dental treatment of a member of the Member's immediate family (as defined in the City Personnel Rules & Regulations).
2. A limit of six (6) days per fiscal year may be used for sick leave for family members.
3. When calling in sick the Member is required to indicate that this is sick leave for family members.
4. All other provisions of the City Personnel Rules & Regulations dealing with sick leave shall apply to sick leave for family members.

14.02.02 Unused Sick Leave/Termination

Upon termination, any unused accrued sick leave, up to a maximum of one hundred twenty (120) days, shall be paid at the following rate:

Years of Service	Percentage (%) of Base Salary
5-10 years	27.5
10-15 years	40
15-20 years	60
20-25 years	70
25 yrs + years	80

In lieu of payoff of sick leave at the above rates, City has amended the PERS contract to add Section 20862.8 of the California Government Code (Credit for Unused Sick Leave). Unused accumulated sick leave at time of retirement, up to the maximum of 150 days, may be converted to additional Service Credit."

14.03 Paid Bereavement Leave

Members shall be granted a leave with full pay in the event of the death of any member of the Member's immediate family. The leave shall be for a period of three (3) days, or five (5) days if travel in excess of 400 miles is required. The immediate family is defined as husband, wife, parent, grandparent, sister, brother, son, daughter, grandchild, mother-in-law, father-in-law, or any person living in the immediate household of the Member.

14.04 Personal Business Leave

Members within the bargaining unit shall be eligible to use forty (40) hours per fiscal year of personal leave to be taken in increments of one hour or more with the time chargeable to accumulated sick leave. Personal leave taken after July 1, 1998, shall not be deducted from the potential bonus of the "Stay Well Plan". The taking of personal leave shall be approved in advance by the department head. Approval shall be at the discretion of the department head with due regard for the needs of the Member. Personal leave shall be taken only for purposes of pressing personal business which does not qualify for paid sick leave.

14.05 Medical Leave - Insurance Coverage

The City shall continue to provide paid health, dental, and vision coverage to Members as provided for in Section 11.01, during the first three (3) months of a medical leave. In the event an extension of the medical leave is granted beyond three (3) months, the City shall pay half the insurance premium the City would otherwise pay through the sixth (6th) month of the leave, at which time the Member may purchase insurance coverage at group rates through the City at his/her own sole cost and expense.

14.06 Administrative Leave

The Middle Management Unit shall be entitled to seven (7) days of administrative leave per fiscal year, commencing on July 1 of each fiscal year. Administrative leave is not cumulative from year to year, and no compensation shall be made for any unused leave. However, up to 28 hours of administrative leave may be cashed out, at the employee’s option effective June 30th of each year.

Administrative leave may be taken in connection with vacation. Administrative leave shall be prorated if employment is commenced during the fiscal year.

Middle Managers are salaried and are exempt from the overtime compensation requirements of the Fair Labor Standards Act.

15.00 TRAINING

The City shall maintain, consistent with budgetary allocations and availability, a training program which will enable Members to upgrade their skills and improve their levels of performance. The City desires to provide a training program for all City employees. The selection of training opportunities shall be at the sole discretion of the department head and City Manager, consistent with City policies, but the City shall solicit input from Members and will consider training requests. Each Member shall be encouraged to join and attend meetings and conferences of the appropriate organizations related to their field of work.

The City agrees to reimburse Members for only the cost of tuition and books associated with job-related upper level college or university courses, when approved by the department head prior to enrollment. Payment shall be made upon successful completion of each course. The City shall not reimburse members for supplies or mileage used to travel to and from such courses. This provision shall be limited to $400 per fiscal year.

16.00 PEACEFUL PERFORMANCE - NO STRIKE/LOCKOUT

The Association agrees that during the term of this Memorandum of Understanding neither it nor the Members it represents will engage in, encourage, sanction, and/or support: (1) strikes, (2) slowdowns, (3) mass resignations, (4) mass absenteeism, (5) picketing which would involve suspension of or interference with normal work of the department or other City departments, or (6) any other similar actions which would involve suspension of or interference with normal work of the department or other City departments.
In the event of any job action as described in (1) - (6) above, the Association will immediately notify involved Members that the action(s) is in violation of this section and direct them to cease the action(s).

The City shall not lockout any Member in the bargaining unit.

17.00 STAY WELL PLAN

The specific purpose of the Stay Well Plan is to encourage City Members to stay physically fit and well and to miss as few work days as possible due to illness or any other reason. The Stay Well Plan includes the following provisions:

1) The Stay Well Year shall be from December 1 though November 30.

2) To be eligible for the Stay Well Plan, Members must have accumulated thirty (30) sick days (240 hours).

3) All sick leave (other than personal leave days) taken by Members, regardless of the reason, shall be deducted from the potential Stay Well Bonus.

4) The Stay Well Bonus shall be payable in a separate check to all eligible Members on the first pay date in December at the straight time salary rate in effect on November 30 of each year.

5) Members shall have the option of receiving a Stay Well Bonus on the first pay date in December or crediting their unused sick leave to their total accumulation. A decision to credit unused sick leave to accumulation must be presented in writing to the City Administrator prior to December 1 of each year. The City shall provide a written reminder of this provision to all Members no later than November 1 of each year.

6) Eligible Members shall receive a Stay Well Bonus, or a pro rata share, according to the following schedule should they become eligible at some point during the Stay Well Year.

Sick Leave Bonus	Time Bonus	Pro Rata Bonus
0 Sick Days	60 hours	62.5%
1 Sick Day	50 hours	52.1%
2 Sick Days	40 hours	41.6%
3 Sick Days	30 hours	31.3%
4 Sick Days	20 hours	20.8%
5 Sick Days	10 hours	10.4%
6-12 Sick Days Straight	0 hours	0%

18.00 CLASSIFICATIONS

City agrees to update the Mid-Manager classification list to include current classification titles and to update salary schedules to list salaries for all Middle-Management positions, including those not currently budgeted or filled.

19.00 FULL UNDERSTANDING

This Memorandum of Understanding contains all the covenants, stipulations, and provisions agreed to by the parties. It is understood that all terms relating to Member wages, hours and other terms and conditions of employment not covered by this Memorandum of Understanding shall remain the same for the term of this Memorandum of Understanding shall remain the same for the term of this Memorandum of Understanding. Therefore, except by mutual agreement of the parties or as specifically provided otherwise herein, for the life of this Memorandum of Understanding neither party shall be compelled to bargain with the other concerning any mandatory bargaining issue whether or not the issue was specifically bargained prior to the execution of this Memorandum of Understanding.

20.00 TERM OF MEMORANDUM

This Memorandum of Understanding shall become effective upon the approval of the City Council and the Association and shall remain in full force and effect from July 1, 2015 to June 30, 2017.

CITY OF SCOTTS VALLEY

____
Dene Bustichi, Mayor

____
Stephen H. Ando, City Manager

APPROVED AS TO FORM:

____
Kirsten M. Powell, City Attorney

SCOTTS VALLEY MID-MANAGEMENT
ASSOCIATION

____
Kristin Ard, Recreation Division Manager

____
Taylor Bateman, Senior Planner

____
Michelle Fodge, Senior Planner

____
Laurie Grundy, Accountant II

____
Troy Adams, Wastewater Division Manager

APPENDIX A

CLASSIFICATIONS

Associate Civil Engineer
Building Official
City Engineer
Maintenance Division Manager
Recreation Division Manager
Senior Planner
Wastewater Division Manager
Wastewater and Environmental Program Manager
Wastewater Plant Superintendent
Accountant II
Civil Engineer
Principal Planner

EXHIBIT A

CITY OF SCOTTS VALLEY

MID-MANAGEMENT ASSOCIATION

SALARY SCHEDULE

07/01/2015 - 06/30/2016

Position Classification	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
Accountant II	4,759	4,997	5,247	5,509	5,784	6,073	6,377
Associate Civil Engineer	5,651	5,934	6,231	6,543	6,870	7,214	7,575
Building Official	5,053	5,306	5,571	5,850	6,143	6,450	6,773
City Clerk	4,963	5,211	5,472	5,746	6,033	6,335	6,652
City Engineer	6,904	7,249	7,611	7,992	8,392	8,812	9,253
Civil Engineer	5,991	6,291	6,606	6,936	7,283	7,647	8,029
Civil Enginer (Traffic)	6,277	6,591	6,921	7,267	7,630	8,012	8,413
Maintenance Division Manager	4,980	5,229	5,490	5,765	6,053	6,356	6,674
Recreation Division Manager	4,741	4,978	5,227	5,488	5,762	6,050	6,353
Senior Planner	5,420	5,691	5,976	6,275	6,589	6,918	7,264
Wastewater Division Manager	5,739	6,026	6,327	6,643	6,975	7,324	7,690
Wastewater & Environmental Program Manager	5,739	6,026	6,327	6,643	6,975	7,324	7,690
Wastewater Plant Superintendent	5,090	5,345	5,612	5,893	6,188	6,497	6,822
Principal Planner	6,529	6,855	7,198	7,558	7,936	8,333	8,750

EXHIBIT B

CITY OF SCOTTS VALLEY

MID-MANAGEMENT ASSOCIATION

SALARY SCHEDULE

07/01/2016 - 06/30/2017

Position Classification	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
Accountant II	4,783	5,022	5,273	5,537	5,814	6,105	6,410
Associate Civil Engineer	5,679	5,963	6,261	6,574	6,903	7,248	7,610
Building Official	5,078	5,332	5,599	5,879	6,173	6,482	6,806
City Clerk	4,988	5,237	5,499	5,774	6,063	6,366	6,684
City Engineer	6,939	7,286	7,650	8,033	8,435	8,857	9,300
Civil Engineer	6,021	6,322	6,638	6,970	7,319	7,685	8,069
Civil Enginer (Traffic)	6,308	6,623	6,954	7,302	7,667	8,050	8,453
Maintenance Division Manager	5,005	5,255	5,518	5,794	6,084	6,388	6,707
Recreation Division Manager	4,765	5,003	5,253	5,516	5,792	6,082	6,386
Senior Planner	5,447	5,719	6,005	6,305	6,620	6,951	7,299
Wastewater Division Manager	5,768	6,056	6,359	6,677	7,011	7,362	7,730
Wastewater & Environmental Program Manager	5,768	6,056	6,359	6,677	7,011	7,362	7,730
Wastewater Plant Superintendent	5,115	5,371	5,640	5,922	6,218	6,529	6,855
Principal Planner	6,562	6,890	7,235	7,597	7,977	8,376	8,795

MEMORANDUM OF UNDERSTANDING
between
CITY OF SCOTTS VALLEY
and
SCOTTS VALLEY MID-MANAGEMENT ASSOCIATION

July 1, 201~~4~~5 - JUNE 30, 201~~5~~7

1.00 PREAMBLE

The agreement is entered into and by the City of Scotts Valley (hereafter referred to as the City) and the Scotts Valley Mid-Management Association (hereafter referred to as the Association). Member defined for the purpose of this agreement shall mean a Member assigned to a classification within the Scotts Valley Mid-Management Association as delineated in Appendix A.

The City and the Association have met and conferred in good faith through their authorized representatives and have arrived at an understanding concerning wages, hours, working conditions and oaths of employment for the period of July 1, 201~~4~~5, through June 30, 201~~5~~7.

This contract is subject to sections 3500-3510 of the Government Code of the State of California and Resolution No. 680.7 (Personnel Rules and Regulations ["PR & R's"]), of the City of Scotts Valley. In the event of conflict between this contract and City Resolution No. 680.7, this contract shall prevail.

The parties agree that this agreement along with the PR & R's in effect at the time this MOU is signed will constitute the only policies, rules, practices, agreements, resolutions and other such documents that shall be used in administering the terms and provisions herein. No changes to the PR & R's may be made unless changed through mutual agreement of both parties to this MOU.

2.00 RECOGNITION

Scotts Valley Mid-Management Association is comprised of all regular full-time employees (hereinafter "Member"), listed on Appendix A, attached hereto. The Association shall negotiate for wages and benefits on behalf of all Members.

3.00 NO DISCRIMINATION

The City and the Association will cooperate in pursuing a policy of affirmative action, equal employment and equal promotional opportunity for all individuals in accordance with applicable law. There shall be no discrimination because of a person's political, religious or Union affiliation or belief, non-affiliation or non-belief, race, color, age, sex national origin, disability, martial or military status, or sexual preference except as limited by law.

4.00 RELATIONSHIP AFFIRMATION

The Association recognizes its obligation to cooperate with the City to assure maximum service of the highest quality and efficiency to the citizens of Scotts Valley, consistent with its obligations to the Members it represents. The City and the Association affirm the principle that harmonious labor-management relations are to be promoted and furthered

5.00 RELEVANT MATERIALS

The Association shall have the right to review at reasonable times and receive upon request without cost, copies of any and all current materials prepared, excluding privileged information, relating to wages, hours, and other terms and conditions of employment, which are relevant for the Association to fulfill its duties and obligations as the exclusive representative of unit Members covered by this contract. The Association shall be given reasonable notice and given the opportunity to meet and confer with the City management prior to the adoption of a written ordinance, rule, resolution or policy related to the scope of representation. Reasonable notice shall be considered to be ten (10) working days.

6.00 MEMORANDUM OF UNDERSTANDING - PRINTING AND DISTRIBUTION

The City will print copies of this Memorandum of Understanding within fifteen (15) days after ratification and make it available to all unit Members and department heads.

7.00 CONTRACTING OUT

The City will notify the Association at least ninety (90) days in advance if it intends to contract out work currently performed by Members within the unit. Upon request, the City will meet with the Association to explain the reason to contract out and to solicit Association views on the proposal. The City retains to the right to contract out work.

8.00 MANAGEMENT RIGHTS

The City reserves all rights with respect to matters of general legislative and managerial policy including, among others, the exclusive right to determine the mission of its constituent departments, divisions, commissions and boards; set standards of service; determine the procedures and standards for recruitment and selection of Members within the law; direct its Members; take disciplinary action; relieve its Members of duties because of lack of work or for other good reasons; maintain the efficiency of governmental operations; determine the methods, means and personnel by which governmental operations will be conducted; require overtime; take all necessary actions to carry out its mission in emergencies; exercise complete control and discretion over its organization and the technology of performing its work; and to develop positive and productive employer/member relationships. These rights shall not be limited except as specified in this agreement.

9.00 PERSONNEL RULES/ACTIONS

9.01 Probationary Period

The probationary period for newly hired Members shall be twelve (12) months.

9.02 Reclassification

9.02.01 Reclassification/Classifications

The City retains the right to classify and/or reclassify positions. The City will notify the Association of the creation or abolition of classification and, upon request, meet and confer regarding the salaries attached to positions and/or the effect of changes on promotional opportunities.

9.02.02 Reclassification Probationary Period

Reclassified Members shall not be subject to a probationary period.

9.03 Salary Studies

Members may submit salary surveys to the City for consideration of a possible salary adjustment. Once the surveys are prepared Members will provide a copy to theCity.

For the purpose of the survey:

1. The City of Santa Cruz, County of Santa Cruz, City of Watsonville, City of Capitola, and City of Scotts Valley shall be included.
2. The salary used for each position in each jurisdiction shall be the top step, plus maximum longevity pay, not including any other incentive pay.
3. The salary for any employees who pay the employee's portion of the retirement shall be reduced by the percentage paid by the employee.
4. The maximum monthly medical premium benefit for a family for each position shall be added to reflect medical benefits.
5. The City shall determine which positions are comparable for each jurisdiction by comparing the job duties and responsibilities with those of the Scotts Valley Mid-Managers.

10.00 COMPENSATION

The salary range for each classification in the Association~~unit~~ starting with the first full pay period in July 2015 shall be increased 1.5% as set forth in Exhibit A attached hereto and incorporated herein. The compensation for the first full pay period in July 2016 shall be increased .5% as set forth in Exhibit B attached hereto and incorporated herein.~~shall remain unchanged for the first year of this agreement.~~

In addition to the salary above, each permanent member in the Association shall receive a one-time bonus if the following condition is met. Should the City's actual sales tax revenue be greater than the budgeted amount during Fiscal Year 2015-2016, the difference between the budgeted sales tax revenues and the actual tax revenues shall be split 50% to the City, and the remainder shall be divided equally by the total number of permanent City employees (prorated for part-time employees). This amount shall then be multiplied by the number of employees in the Association ("Bonus"). The Bonus shall be a one-time payment to employees based on full-time status in the Association to be paid no later than the first pay period in November 2016. In the event no Bonus is paid, the parties agree to a reopener on salary only by December 31, 2016.

10.01 Longevity

The City agrees that all Members with fifteen (15) years of continuous service shall receive a 5% increase in pay on their 15th anniversary.

10.02 Boot Allowance

The City shall provide for the issue of two (2) pairs of steel-toed safety boots at a cost not to exceed $175 each pair, for the Maintenance Division Manager and the Wastewater/environmental Program Manager annually. The cost of repair shall be the responsibility of the Member. The boots provided for the Maintenance Division Manager and the Wastewater/Environmental Program Manager by the City are for the purpose of safety and are to be worn at all times while on the job. Steel-toed boots are optional at conferences, workshops and appropriate meetings. Failure to wear steel-toed boots may be cause for disciplinary action. This section applies to the Maintenance Division Manager and Wastewater/Environmental Program Manager only.

10.03 Clothing Allowance

The City shall provide $250 per year for each Member, except Maintenance Division Manager and Wastewater/Environmental Program Manager, for clothing allowance for such things as shoes, rain boots, rain coats, protective wear and gloves.

Uniforms (shirts and pants) shall be provided to the Maintenance Division Manager and Wastewater/Environmental Program Manager and cleaned at City expense.

10.03.01 Cleaning, Repair or Replacement of Damaged Clothing

The City shall pay for the cleaning, repairing or replacement of any personal clothing that is soiled or damaged while in the performance of duties on the job.

10.04 Working Out of Classification Pay

1. Mid-Managers assigned to an "out of classification" position for sick leave replacement, vacation leave replacement, industrial accident, or other similar reason will receive acting pay beginning on the sixth consecutive day or upon the tenth non-consecutive day and each day worked in the classification thereafter. Such pay shall be a minimum of five percent (5%).

2. All assignments to an out of classification position shall be set forth on a personnel transaction report form prior to the first day of assignment and shall be approved by the department head, or Personnel Officer in the event the department head is unavailable.

3. Mid-Managers appointed by the City Manager to serve as the interim department head shall be paid a salary increase of no less than five percent (5%) below the first step of the department head salary of the department to which he/she is appointed and payment shall continue for the duration of such appointment.

10.05 Vehicle Allowance

Mileage reimbursement, using the current IRS rate, shall be provided to mid-managers who utilize their own vehicles for City business. City vehicles shall not be taken home by Members.

10.06 Cell Phone Reimbursement

Recreation Manager and City Engineer, who are required by their department head to use their personal cell phones for City business, will receive $30 per month cell phone stipend during that approved period. The City will not be responsible for cell phone replacement, damage or any other costs associated with the Members personal cell phone. A cell phone stipend participating form will be signed by each Member and kept on file.

11.00 HEALTH AND WELFARE

11.01 PERS Medical Plan

11.01.1 Cafeteria Plan

The City will provide medical insurance through the Public Employees' Retirement System (PERS). The City's contribution towards medical coverage will be the minimum amount required by Government Code section 22825 for regular full-time employees. All employees who elect coverage in the PERS medical plan may choose any medical plan available.

The City will also make available a Flexible Benefit Plan (Cafeteria Plan). The cafeteria plan contribution rate for 2004 shall be the PERS Choice rate, minus Government Code section 22825 contribution. The cafeteria plan contribution rate for 2005 shall be the PERS HMO rate minus the Government Code section 22825 contribution. However, for employees choosing the PERS Choice Plan in 2005, the City shall contribute the PERS Choice rate plus 50% of the difference between the PERS Choice and the PERS HMO rates per month to be used towards the cafeteria plan.

The City shall also pay administrative fees and contingency reserve fund assessments, if any.

11.01.02 Optional Benefits

Employees may also elect the following optional benefits if the employee has surplus cafeteria plan funds remaining after electing medical insurance coverage:

1. Medical reimbursement account
2. Dependent care assistance plan
3. AFLAC supplemental insurance
4. Deferred compensation
5. Taxable cash-out

Employees who wish to participate in the optional benefits in the plan, but do not have any surplus City-contributed cafeteria funds, can elect to make pre-tax deductions in an amount to cover the cost of the optional benefits.

11.01.03 Opt out of Medical Coverage

Employees may elect not to be covered by the PERS medical plan, provided they provide proof to the City of dual coverage from PERS or other medical coverage. Employees who decline coverage will be eligible to receive the following amounts per month from the above-listed optional pre-tax benefits and/or a taxable cash-out benefit.

1. Employee eligible to enroll as employee plus one, but enrolls as employee only = $100.

2. Employee eligible to enroll as employee plus two, but enrolls as employee plus one = $100.

3. Employee eligible to enroll employee plus two, but enrolls employee only = $150.
4. Employee eligible to enroll employee plus one, but enrolls no one = $150.

5. Employee eligible to enroll employee plus two but enrolls no one = $225.

11.01.04 Part-Time Employees

Regular part-time employees working a minimum of twenty hours per week who do not accept paid medical insurance through his/her spouse shall be eligible to receive medical premiums and cafeteria plan contributions combined to equal to the rate for the Blue Shield HMO provided that the employee makes the following contribution:

1. Employees working between 20-29 hours/week =$125/month
2. Employees working between 30-39 hours/week = $100/month

Regular part-time employees working a minimum of 20 hours per week, who accept health care coverage through his/her spouse or other family member shall be eligible to receive health benefits on a pro-rated PERS Blue Shield HMO Plan basis given the ratio of their work schedule to full time work.

11.01.05 Reopener in the Event of Provider Change

In the event that no PERS HMO and/or no PERSChoice contract with one of the four major care providers in the area (Sutter, Dominican, Santa Cruz Medical Clinic or Physicians Medical Group) during the term of this MOU, the parties agree that to re-open section 11.01.

11.01.06 Dental Insurance

The City shall provide reimbursement for employees’ and dependents’ (including children up to 26 years of age) documented dental expenses, with the first $200 in expenses 100% reimbursed, the next $500 in expenses 80% reimbursed, and the next $1,000 in expenses 50% reimbursed up to a maximum of $1,100 in City contribution each calendar year.

<u>11.02</u> <u>Health, Dental & Vision Coverage</u>

The City has implemented a self-insured dental plan. The level of existing coverage shall remain in effect for the term of this agreement.

The level of existing vision coverage will remain in effect for the term of this agreement.

11.02.01 Retiree Medical Benefits Coverage

It is the purpose of the Employees Retiree Medical Coverage program to provide for medical insurance compensation to retired Members in order to insure that these individuals, who have dedicated a number of years of service to the City of Scotts Valley, do not face an economic hardship at the time of retirement in paying for medical insurance coverage.

To be eligible for this benefit a Member:

1. Must have been employed with the City for ten years or longer.

2. Shall retire from the City of Scotts Valley. Public safety persons shall be eligible for this benefit upon retiring at age 50 or older; all other Members shall be eligible upon retiring at age 55 or older. Retirement shall be defined as "retiring under the provisions of the PERS Retirement Plan."

3. The retired Member shall provide annual proof on the anniversary of retirement of current medical insurance coverage including the costs to the retiree. The retiree must notify the City if the medical insurance policy is canceled. Failure to carry medical insurance or to notify the City of its cancellation will eliminate eligibility for this benefit. The retired Member must secure his/her own medical insurance coverage.

The medical benefit shall be provided directly to the retiree at following rates:

1. For EMPLOYEES who have served 10 to 20 years with the City: 100% of premiums to a maximum of 50% of the PERS-CARE plan premium level (benchmark plan);

2. For EMPLOYEES who have served 20-30 years with the City: 100% of the premiums to a maximum of 67% of the PERS-CARE plan;

3. For EMPLOYEES who have served over 30 years with the City: 100% of the premiums to a maximum of 75% of the PERS-CARE plan.

The medical benefit will be provided to the retiree and their spouse. However, this benefit shall only be payable while the retiree is living, and shall not be payable to the spouse of the retiree after the retiree's death.

11.03 Life Insurance

The City shall pay the premium for a $50,000 life insurance plan for all unit Members.

11.04 LTDI

The City shall continue in effect and pay the full premium for the existing long term disability insurance program.

11.05 State Disability Insurance

Members shall be eligible for paid sick leave benefits in accordance with City rules. Members shall continue to pay the premium cost for State Disability Insurance. It shall be the Member's responsibility to apply for State Disability benefits and to file with the City immediately upon receipt from the Department of Employment the "Notice of Calculation" for Disability Insurance. Upon receipt of the notice the City shall adjust the Member's sick leave usage and wages for the affected period so their net pay is equal to that which they would receive if working.

11.06 P.E.R.S. Contribution

The City shall continue to pay the Member's contribution to the Public Employees' Retirement System. The plan for all members is the 2.5% at age 55 plan with the one year final compensation benefit.

Upon the conclusion of negotiations with all affected employee organizations and the processing the CalPERS contract amendments, newly hired employees only will be covered by the 2% at age 60 retirement plan with the 36 consecutive months final compensation provision. They will also pay the 7% employee retirement contribution.

11.07 Child and Dependant Care Services

City has implemented a child and dependent care services flexible spending program, whereby employee dollars spent on child and dependent care services may be sheltered from taxation. This type of program is described in Internal Revenue Code Section 129. The cost of administering this voluntary program shall continue to be borne by the participating employee.

12.00 HOLIDAYS

12.01 Holidays

Each Member of the bargaining unit shall be entitled to the following holidays and to receive wages based on the normal scheduled work for the day. Any holiday that would otherwise be on a Saturday will be taken on the preceding Friday. Any holiday that would otherwise be on a Sunday will be taken on a Monday.

1) The first day of January
2) Third Monday in January - Dr. Martin Luther King, Jr. Day
3) The third Monday in February - Washington's Birthday
4) The last Monday in May - Memorial Day
5) July 4th - Independence Day
6) The first Monday in September - Labor Day
7) The second Monday in October - Columbus Day
8) November 11 - Veteran's Day
9) Thanksgiving Day
10) The day following Thanksgiving
11) The day preceding Christmas
12) Christmas Day
13) The day preceding New Years Day
14) Two floating holidays per fiscal year. (Members must use the floating holidays within the fiscal year or lose those holidays for that fiscal year.
15) Every day appointed by the President of the United States or the Governor of the State of California and the City Council for a public fast, thanksgiving or holiday

13.00 VACATION

13.01 Vacation Accrual

Members shall accrue paid vacation as follows:

a) Less than five years

For Members completing less than five (5) years continuous service, eight (8) hours for each month of service. (Twelve days per year.)

b) Five years or more but less than ten years

For Members completing five or more years but less than ten (10) years of continuous service, eleven and one-third (11-1/3) hours for each month of service. (Seventeen days per year.)

c) Ten years or more but less than fifteen years

For Members completing ten (10) or more years but less than fifteen (15) years of continuous service, fourteen and two-thirds (14-2/3) hours for each month of service. (Twenty-two days per year.)

d) Fifteen years or more

For Members completing fifteen (15) or more years of continuous service, fifteen and one-third (15 1/3) hours for each month of service (Twenty-three days per year).

13.02 Vacation Accrual Maximum

Members shall be allowed to carry over a maximum of 2 times their annual vacation accrual from one calendar year to the next (Members may accrue over 2 times during the calendar year).

If a Member has requested and been denied vacation leave within four (4) months of the time that the vacation accrual maximum will be reached, enforcement of the vacation leave accrual maximum shall be postponed. The department and Member shall schedule the use of vacation time sufficient to reduce the Members accrual below the maximum within a reasonable time.

13.03 Vacation - Illness

If a Member becomes ill while on vacation and such illness can be supported by a written statement from a licensed medical practitioner, or if the Member is hospitalized for any period, the Member at the Member option shall have the period of illness charged against sick leave, if accrued, instead of vacation time.

13.04 Vacation Schedule Conflict

In the event of a conflict in scheduling vacations within a department, the Member with the greatest seniority shall receive preference.

13.05 Vacation Buy-back

The City will buy back up to ~~one~~two weeks (~~40~~80 hours) of vacation annually, after 15 years of service with the City, so long as the Member has an accrued vacation balance of at least one week (40 hours) remaining following the buy back. To request a vacation buy back, the Member shall submit a written request to the City Manager. So long as the Member meets the requirement of this subsection, the City Manager shall grant the request.

14.00 LEAVES

14.01 Leaves

Leaves shall be as set forth in the City's Personnel rules.

14.02 Sick Leave Accrual

Effective immediately, the maximum accrual of sick leave shall be one hundred twenty (150) days.

14.02.01 Sick Leave for Care of Immediate Family

The usage of sick leave for family members shall be governed by the following provisions:

1. Sick leave shall be allowed and used in the case of sickness, disability, medical or dental treatment of a member of the Member's immediate family (as defined in the City Personnel Rules & Regulations).
2. A limit of six (6) days per fiscal year may be used for sick leave for family members.
3. When calling in sick the Member is required to indicate that this is sick leave for family members.
4. All other provisions of the City Personnel Rules & Regulations dealing with sick leave shall apply to sick leave for family members.

14.02.02 Unused Sick Leave/Termination

Upon termination, any unused accrued sick leave, up to a maximum of one hundred twenty (120) days, shall be paid at the following rate:

Years of Service	Percentage (%) of Base Salary
5-10 years	27.5
10-15 years	40
15-20 years	60
20-25 years	70
25 yrs + years	80

In lieu of payoff of sick leave at the above rates, City has amended the PERS contract to add Section 20862.8 of the California Government Code (Credit for Unused Sick Leave). Unused accumulated sick leave at time of retirement, up to the maximum of 150 days, may be converted to additional Service Credit."

14.03 Paid Bereavement Leave

Members shall be granted a leave with full pay in the event of the death of any member of the Member's immediate family. The leave shall be for a period of three (3) days, or five (5) days if travel in excess of 400 miles is required. The immediate family is defined as husband, wife, parent, grandparent, sister, brother, son, daughter, grandchild, mother-in-law, father-in-law, or any person living in the immediate household of the Member.

14.04 Personal Business Leave

Members within the bargaining unit shall be eligible to use forty (40) hours per fiscal year of personal leave to be taken in increments of one hour or more with the time chargeable to accumulated sick leave. Personal leave taken after July 1, 1998, shall not be deducted from the potential bonus of the "Stay Well Plan". The taking of personal leave shall be approved in advance by the department head. Approval shall be at the discretion of the department head with due regard for the needs of the Member. Personal leave shall be taken only for purposes of pressing personal business which does not qualify for paid sick leave.

14.05 Medical Leave - Insurance Coverage

The City shall continue to provide paid health, dental, and vision coverage to Members as provided for in Section 11.01, during the first three (3) months of a medical leave. In the event an extension of the medical leave is granted beyond three (3) months, the City shall pay half the insurance premium the City would otherwise pay through the sixth (6th) month of the leave, at which time the Member may purchase insurance coverage at group rates through the City at his/her own sole cost and expense.

14.06 Administrative Leave

The Middle Management Unit shall be entitled to seven (7) days of administrative leave per fiscal year, commencing on July 1 of each fiscal year. Administrative leave is not cumulative from year to year, and no compensation shall be made for any unused leave. However, up to 28 hours of administrative leave may be cashed out, at the employee's option effective June 30th of each year.

Administrative leave may be taken in connection with vacation. Administrative leave shall be prorated if employment is commenced during the fiscal year.

Middle Managers are salaried and are exempt from the overtime compensation requirements of the Fair Labor Standards Act.

15.00 TRAINING

The City shall maintain, consistent with budgetary allocations and availability, a training program which will enable Members to upgrade their skills and improve their levels of performance. The City desires to provide a training program for all City employees. The selection of training opportunities shall be at the sole discretion of the department head and City Manager, consistent with City policies, but the City shall solicit input from Members and will consider training requests. Each Member shall be encouraged to join and attend meetings and conferences of the appropriate organizations related to their field of work.

The City agrees to reimburse Members for only the cost of tuition and books associated with job-related upper level college or university courses, when approved by the department head prior to enrollment. Payment shall be made upon successful completion of each course. The City shall not reimburse members for supplies or mileage used to travel to and from such courses. This provision shall be limited to $400 per fiscal year.

16.00 PEACEFUL PERFORMANCE - NO STRIKE/LOCKOUT

The Association agrees that during the term of this Memorandum of Understanding neither it nor the Members it represents will engage in, encourage, sanction, and/or support: (1) strikes, (2) slowdowns, (3) mass resignations, (4) mass absenteeism, (5) picketing which would involve suspension of or interference with normal work of the department or other City departments, or (6) any other similar actions which would involve suspension of or interference with normal work of the department or other City departments.
In the event of any job action as described in (1) - (6) above, the Association will immediately notify involved Members that the action(s) is in violation of this section and direct them to cease the action(s).

The City shall not lockout any Member in the bargaining unit.

17.00 STAY WELL PLAN

The specific purpose of the Stay Well Plan is to encourage City Members to stay physically fit and well and to miss as few work days as possible due to illness or any other reason. The Stay Well Plan includes the following provisions:

1) The Stay Well Year shall be from December 1 though November 30.

2) To be eligible for the Stay Well Plan, Members must have accumulated thirty (30) sick days (240 hours).

3) All sick leave (other than personal leave days) taken by Members, regardless of the reason, shall be deducted from the potential Stay Well Bonus.

4) The Stay Well Bonus shall be payable in a separate check to all eligible Members on the first pay date in December at the straight time salary rate in effect on November 30 of each year.

5) Members shall have the option of receiving a Stay Well Bonus on the first pay date in December or crediting their unused sick leave to their total accumulation. A decision to credit unused sick leave to accumulation must be presented in writing to the City Administrator prior to December 1 of each year. The City shall provide a written reminder of this provision to all Members no later than November 1 of each year.

6) Eligible Members shall receive a Stay Well Bonus, or a pro rata share, according to the following schedule should they become eligible at some point during the Stay Well Year.

Sick Leave Bonus	Time Bonus	Pro Rata Bonus
0 Sick Days	60 hours	62.5%
1 Sick Day	50 hours	52.1%
2 Sick Days	40 hours	41.6%
3 Sick Days	30 hours	31.3%
4 Sick Days	20 hours	20.8%
5 Sick Days	10 hours	10.4%
6-12 Sick Days Straight	0 hours	0%

18.00 CLASSIFICATIONS

City agrees to update the Mid-Manager classification list to include current classification titles and to update salary schedules to list salaries for all Middle-Management positions, including those not currently budgeted or filled.

19.00 FULL UNDERSTANDING

This Memorandum of Understanding contains all the covenants, stipulations, and provisions agreed to by the parties. It is understood that all terms relating to Member wages, hours and other terms and conditions of employment not covered by this Memorandum of Understanding shall remain the same for the term of this Memorandum of Understanding shall remain the same for the term of this Memorandum of Understanding. Therefore, except by mutual agreement of the parties or as specifically provided otherwise herein, for the life of this Memorandum of Understanding neither party shall be compelled to bargain with the other concerning any mandatory bargaining issue whether or not the issue was specifically bargained prior to the execution of this Memorandum of Understanding.

20.00 TERM OF MEMORANDUM

This Memorandum of Understanding shall become effective upon the approval of the City Council and the Association and shall remain in full force and effect from July 1, 201~~4~~5 to June 30, 201~~5~~7.

CITY OF SCOTTS VALLEY

____

~~Jim Reed~~Dene Bustichi, Mayor

Stephen H. Ando, City Manager

APPROVED AS TO FORM:

Kirsten M. Powell, City Attorney

SCOTTS VALLEY MID-MANAGEMENT ASSOCIATION

____
Kristin Ard, Recreation Division Manager

____
Taylor Bateman, Senior Planner

____
Michelle Fodge, Senior Planner

____
Laurie Grundy, Accountant II

____
~~Majid Yamin, City Engineer~~Troy Adams, Wastewater Division Manager

APPENDIX A

CLASSIFICATIONS

Associate Civil Engineer
Building Official
City Engineer
Maintenance Division Manager
Recreation Division Manager
Senior Planner
Wastewater Division Manager
Wastewater and Environmental Program Manager
Wastewater Plant Superintendent
Accountant II
Civil Engineer
Principal Planner

Agenda No. E
Date: October 7, 2015

City of Scotts Valley
INTEROFFICE MEMORANDUM

DATE: October 7, 2015

TO: Honorable Mayor and City Council

FROM: Steve Ando, City Manager

SUBJECT: **Approval of Management Memorandum of Understanding through June 30, 2017**

SUMMARY OF ISSUE

The current Management Compensation Benefit Package (Package) ended June 30, 2015. The Package attached to Resolution No. 1551.24 is for two years. The main items of the Package are as follows:

Term: **July 1, 2015 through June 30, 2017**

Salary: **1.5% increase effective July 1, 2015**

.5% increase effective July 1, 2016

One-time bonus amount to be paid in fiscal year 2016-17 based on a percentage of actual sales tax revenues for 2015-16 exceeding the budgeted amount.

A redline copy of the MOU highlighting the changes for the previous MOU is also attached for your review. Deletions are shown as ~~strikeouts~~ and additions are underlined.

FISCAL IMPACT

The financial impacts are within the parameters set by the City Council.

STAFF RECOMMENDATION

Staff recommends that the City Council approve Resolution No. 1551.24 establishing salary levels and benefit package for the Scotts Valley Management Team and authorize the Mayor and City Manager to sign the Package.

TABLE OF CONTENTS — PAGE

RESOLUTION NO. 1551.24

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY ESTABLISHING SALARY LEVELS AND ESTABLISHING THE MANAGEMENT COMPENSATION BENEFIT PACKAGE FOR THE SCOTTS VALLEY MANAGEMENT TEAM

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY, that the "Management Compensation Benefits Package" for the Scotts Valley Management Team (hereinafter referred to as "Benefits Package") attached hereto as Exhibit A and incorporated herein by this reference is hereby approved as the compensation benefits package for all management employees as identified in Attachment A to the Benefits Package.

BE IT FURTHER RESOLVED that even though the Benefits Package may be amended from time to time by the City Council, all management employees employed by the City of Scotts Valley on the date of adoption of this resolution shall have a vested right to continue to receive benefits provided in the "Benefits Package" as approved herein.

BE IT FURTHER RESOLVED that salaries for management employees shall be as provided for in the Benefits Package.

The foregoing resolution was adopted by the City Council of the City of Scotts Valley at a regularly scheduled meeting held on the 7th day of October, 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved:________________________
Dene Bustichi, Mayor

Attest:________________________
Tracy A. Ferrara, City Clerk

Exhibit A

CITY OF SCOTTS VALLEY

MANAGEMENT COMPENSATION BENEFITS PACKAGE

CITY OF SCOTTS VALLEY

SCOTTS VALLEY MANAGEMENT TEAM MISCELLANEOUS GROUP

COMPENSATION BENEFITS PACKAGE

TABLE OF CONTENTS

SCOTTS VALLEY MANAGEMENT COMPENSATION BENEFITS PACKAGE

1.0 PURPOSE

The City of Scotts Valley requires the services of certain management personnel; and the City Council desires to provide certain benefits, conditions of employment and working conditions. The management employees covered by this Management Compensation Benefits Package (hereinafter referred to as the "Benefits Package") are comprised of those individuals serving in those positions defined in Attachment "A" which is attached hereto and incorporated herein by this reference. The City seeks to:

A. Secure and retain the services of management employees and provide inducement for them to remain in such employment.

B. To make full work productivity possible by assuring management employees' morale and peace of mind with respect to future security.

C. To act as a deterrent against malfeasance or dishonesty for personal gain.

D. To provide a just means for terminating a Department Head's services at such time as he/she may be unable to fully discharge his/her duties due to age or disability.

2.0 TERMINATION AND SEVERANCE PAY FOR DEPARTMENT HEADS ONLY

A. In the event a Department Head (as designated in Attachment "A") is terminated by the City Manager during such time that the Department Head is willing and able to perform his/her duties, the City agrees to pay him/her a lump sum cash payment ("Severance Pay") equal to two (2) weeks gross pay if terminated within one (1) year of hire and four (4) months gross salary if terminated after one year of hire. City agrees to pay life, medical, and dental insurance premiums for one (1) month if terminated within one year of hire and four (4) months if terminated after one year. However, the City shall have no obligation to pay Severance Pay if a Department Head is terminated for cause or because of his/her conviction of or plea of guilty or no contest to any felony involving personal gain or moral turpitude.

B. For purposes of receiving severance pay, a Department Head may be considered terminated, at his/her option, effective with the date of any one of the following events:

1. The City at any time reduces the salary or other financial benefits of the Department Head;

2. Following written notice from the Department Head, the City refuses to comply with any other provisions contained herein;

3. A Department Head is terminated by the City for reasons other than those specified in Paragraph 2.0(A) above (relating to exemption from payment of severance pay).

C. In the event a reduction in salary or change in benefits is the result of a general salary reduction or benefit reduction policy adopted by the City Council for all employees, Paragraph 2.0(B)(1) shall not apply.

D. In the event the City's refusal to comply with any other provisions herein also affects other employees in general, Paragraph 2.0(B)(2) hereinabove shall not apply and no Severance Pay shall be paid.

E. The Department Head shall give the City one month's advance notice of a voluntary resignation from City employment. Department Heads are not entitled to Severance Pay in the event of voluntary resignation.

F. Nothing herein shall prevent, limit, or otherwise interfere with the right of a Department Head to resign from his/her position with the City at any time, subject only to the provisions set forth in Paragraph 2.0(E) hereinabove.

<u>3.0 ADMINISTRATIVE LEAVE</u>

The management employee shall be entitled to ten (10) days of administrative leave per fiscal year commencing on July 1 of each fiscal year. Administrative leave may be taken in conjunction with vacation. Administrative leave is not cumulative from year to year. Administrative leave shall be prorated if employment is commenced during the fiscal year.

<u>3.1 Other Leave Without Pay</u>

The City Manager may grant a management employee a leave of absence without pay for a definite period not to exceed three (3) months. The City Council may grant a management employee a leave of absence without pay for a definite period not to exceed one year. The request for leave, and the reasons therefore, shall be submitted in writing by the management employee and must be approved by both the City Manager and, when necessary, the Council.

Upon expiration of the approved leave, the management employee shall be reinstated to his/her former position or to a comparable one if the former position is abolished during the period of leave and the management employee would otherwise not have been laid off.

Failure on the part of a management employee to return to work on the date scheduled shall be cause for termination.

<u>3.2 Leave for Jury Duty</u>

Leave of absence with pay shall be granted to a management employee while going to and from court and serving on jury duty. Any jury fee awarded to such person shall be deposited with the City Treasurer.

<u>3.3 Restriction on Leave for Outside Employment</u>

A leave of absence without pay may not be granted to a management employee for purposes of accepting either private or other public employment outside the service of the City.

<u>4.0 VACATION AND HOLIDAYS</u>

The management employee shall be entitled to three (3) weeks vacation annually up to five (5) years of service; four (4) weeks vacation annually after five (5) years of service; and five (5) weeks vacation annually after twelve (12) years of service with the City.

Vacation accrual (carry over from year-to-year) will be governed by the following chart:

Years of Service	Maximum Vacation Accrual
Under 5	30
5 or more	40 (plus 5 days per year may be added each year after the 30-day level is reached)

4.1 Holidays

Each management employee shall be entitled to the following holidays and to receive wages based on the normal scheduled work for the day. Any holiday that would otherwise be on a Saturday will be taken on the preceding Friday. Any holiday that would otherwise be on a Sunday will be taken on a Monday.

1) The first day of January
2) Third Monday in January - Dr. Martin Luther King, Jr. Day
3) The third Monday in February - Washington's Birthday
4) The last Monday in May - Memorial Day
5) July 4th - Independence Day
6) The first Monday in September - Labor Day
7) The second Monday in October - Columbus Day
8) November 11 - Veteran's Day
9) Thanksgiving Day
10) The day following Thanksgiving
11) The day preceding Christmas
12) Christmas Day
13) The day preceding New Years Day
14) Two floating holidays per fiscal year. (Management employee must use the floating holidays within the fiscal year or lose those holidays for that fiscal year.)
15) Every day appointed by the President of the United States or the Governor of the State of California and the City Council for a public fast, thanksgiving or holiday

4.2 Vacation Buy Back

The City will buy back up to two weeks (80 hours) of vacation annually, after 15 years of service with the City, so long as the management employee has an accrued vacation balance of at least one week (40 hours) remaining following the buy back. To request a vacation buy back, the management employee shall submit a written request to the City Manager. So long as the management employee meets the requirements of this subsection, the City Manager shall grant the request.

5.0 SICK LEAVE

Sick leave shall be accrued at the rate of eight (8) hours per month, beginning with the first month of employment without maximum accrual.

Upon termination, any unused accrued sick leave, up to a maximum of 150 days, shall be paid at the following rate:

Years of Service	Percent (%) of Base Salary
5 yrs + 1 day - 10 yrs	45
10 yrs + 1 day - 15 yrs	50
15 yrs + 1 day - 20 yrs	55
20 yrs + 1 day - 25 yrs	65
25 yrs + 1 day - 30 yrs	75
Over 30 yrs or at retirement	85

In lieu of pay off of sick leave at the above rates, the City has amended the PERS Contract to add section 20862.8 of the California Government Code (Credit for Unused Sick Leave). Unused accumulated sick leave at time of retirement may be converted to additional Service Credit.

Leave of absence with pay because of sickness or injury in the immediate family of an employee may be granted by the City Manager or his/her designated representative for the time reasonably necessary to arrange for care of the sick person by other, but not to exceed the amount of time which the person would be authorized for sick leave. Time taken for leave of absence under the provisions of this subsection shall be deducted from the management employee's accrued sick leave balance. For the purposes of this subsection, "immediate family" means mother, step-mother, father, step-father, husband, wife, son, step-son, daughter, step-daughter, foster parent, foster child or any person sharing the relationship of loco parentis; and, when living in the household of the employee, a brother, sister, brother-in-law, sister-in-law, mother-in-law, father-in-law or grandparent.

6.0 HEALTH AND WELFARE BENEFITS

In addition to the medical, vision and long-term disability coverage provided to all employees, the City shall provide a $50,000 premium life insurance coverage for the management employees. For dental insurance the City shall provide reimbursement for employees’ and dependents’ up to 23 years of age documented dental expenses, with the first $200 in expenses 100% reimbursed, the next $500 80% reimbursed, and the next $1,000 in expenses 50% reimbursed up to a maximum of $1,100 in City contribution each calendar year.

6.1 Employee Retiree Medical Coverage Program

It is the purpose of the Employees Retiree Medical Coverage program to provide for medical insurance compensation to retired management employees in order to insure that these individuals, who have dedicated a number of years of service to the City of Scotts Valley, do not face an economic hardship at the time of retirement in paying for medical insurance coverage.

To be eligible for this benefit a management employee:

A. Must have been employed with the City for ten (10) years or longer;

B. Shall retire from the City of Scotts Valley. Public Safety management employees shall be eligible for their benefit upon retiring at age 50 or older; all other management employees shall be eligible upon retiring at age 55 or older. Notwithstanding the above, a management employee who retires with a minimum of ten (10) years service prior to age 55 shall become eligible for his/her benefit at age 55; and

C. The retired management employee shall provide annual proof on the anniversary of retirement of current medical insurance coverage including the costs to the retiree. The retiree must notify the City if the medical insurance policy is cancelled. Failure to carry medical insurance or to notify the City of its cancellation will eliminate eligibility for his/her benefit. The retired management employee must secure their own medical insurance coverage. The medical benefit will be provided directly to the retiree at a rate not less than two thirds (2/3) of the monthly premium paid for "PERS retirees" under the PERS-CARE medical insurance plan (benchmark plan) except that the minimum contribution shall be at least $250 per month.

The medical benefit will be at a rate in accordance with the following schedule:

Years of Service	Percent (%) of Cost of Benchmark Premium
10 years	66%
15 years	70%
20 years	80%
25 years	90%
30 years	100%

The medical benefit will be provided to the retiree and their spouse. However, their benefit shall only be payable while the retiree is living, and shall not be payable to the spouse of the retiree after the retiree's death.

Retiree Health Insurance pursuant to this section will not apply to newly hired employees effective upon written agreement with all City employee organizations.

6.2 PERS Compensation

The PERS plan for public safety members is 3% @ 50, and, for all others, the plan is 2.5% @ 55 for those employees hired prior to January 1, 2013, or hired after such date but already in the CalPERS system without a six-month break in service, at City expense. For those Members hired on or after January 1, 2013, new to the CalPERS system, the City shall provide 2.7% at 57 for safety members and 2% at 62 for all other members in accordance with State law. The contribution for new Members shall be shared in accordance with State law.

For all employees not under the new Public Employees Pension Reform Act:

The City shall provide the IRS 414(h) pick-up of the employee portion of the PERS retirement payment as employer contributions in lieu of employee contributions, for all members effective July 1, 2001.

PERS retirement shall be paid, based on the management employee's single highest year of compensation if the management employee agrees to pay any added cost, provided all other bargaining units in the City agree to the single highest year option with the employee paying any added costs.

7.0 LONGEVITY

Each management employee shall receive a five percent (5%) increase in salary upon completion of fifteen (15) consecutive years of service with the City.

8.0 EDUCATIONAL REIMBURSEMENTS

The City will reimburse management employees for the cost associated with upper level college courses and training sessions, in a curriculum related to a professional job related degree or certificate, approved in advance, by the City Manager. Reimbursable costs include only tuition, books and course-related fees. The City will not reimburse management employees for supplies or mileage used to travel to and from such courses.

9.0 SPECIAL BENEFITS/CHIEF OF POLICE AND POLICE CAPTAIN

The City agrees that in addition to any other benefits, the Chief of Police (“Chief”) and the Police Captain (“Captain”) shall be entitled to those benefits set out in Attachment “B”, a copy of which is attached thereto and incorporated herein by this reference.

10.0 AUTOMOBILE POLICY

All Department Heads shall either be assigned a City vehicle, receive a monthly automobile allowance, or be reimbursed a mileage reimbursement at the rate set by the Internal Revenue Service as an allowable deduction for automobile business expenses when the management employee is using his/her private automobile for City business.

11.0 GRIEVANCE PROCEDURE

A Department Head may grieve any matter involving an interpretation of the terms of his/her benefits set out herein by following steps 1 and 2 below:

Step 1: Informal meeting with the City Manager in an attempt to resolve the grievance.

Step 2: If the grievance cannot be resolved by the Department Head and City Manager, it shall be presented to the City Council in Closed Session or at the option of the Department Head in an open meeting.

All other management employees may grieve any matter involving an interpretation of the terms of the benefits in accordance with the procedures established in the Personnel Rules and Regulations.

12.0 COMPENSATION

Compensation starting with the first full pay period in July 2015 shall increase 1.5% as set forth in Attachment "C". Compensation starting with the first full pay period in July 2016 shall increase .5% as set forth in Attachment "D". Copies of these are are attached hereto and incorporated herein by this reference.

In addition to the salary above, each management employee shall receive a one-time bonus if the following condition is met. Should the City's actual sales tax revenue be greater than the budgeted amount during Fiscal Year 2015-2016, the difference between the budgeted sales tax revenues and the actual tax revenues shall be split 50% to the City, and the remainder shall be divided equally by the total number of permanent City employees (prorated for part-time employees). This amount shall then be multiplied by the number of management employees ("Bonus"). The Bonus shall be a one-time payment to employees based on full-time status in the Management Team to be paid no later than the first pay period in November 2016. In the event no Bonus is paid, the parties agree to a reopener on salary only by December 31, 2016.

13.0 "AT WILL" POSITIONS

The management positions listed in Attachment A are "at will" positions, meaning that they serve at the pleasure of the City Manager and may be removed at any time, with or without cause.

CITY OF SCOTTS VALLEY

____
Dene Bustichi, Mayor

____
Stephen H. Ando, City Manager

SCOTTS VALLEY MANAGEMENT EMPLOYEES

____
John Weiss, Chief of Police

____
Corrie Kates, Community Development Director / Deputy City Manager

____
Scott Hamby, Public Works Director

APPROVED AS TO FORM:

____
Kirsten M. Powell, City Attorney

ATTACHMENT A

MANAGEMENT EMPLOYEES

Deputy City Manager / Administrative Services Director	Department Head
Chief of Police	Department Head
Community Development Director / Deputy City Manager	Department Head
Public Works Director	Department Head
Public Works Director / City Engineer	Department Head
Community Development Director	Department Head
Finance Director	Department Head
*Police Captain	
*Accounting Manager	

* Not a Department Head

ATTACHMENT B

POLICE CHIEF AND CAPTAIN / SPECIAL BENEFITS

(Applicable to Police Chief and Captain Only)

1. LEGAL DEFENSE

The City shall provide legal representation and necessary coverage for the protection and defense of the Police Chief and Police Captain ("Covered Employee") of the City of Scotts Valley Police Department acting legally in his / her sworn capacity while "on or off duty", and in accordance with the requirements of the California penal Code. The City agrees to provide the necessary legal liability coverage and legal representation to cover any litigation brought against the Covered Employees as a result of his / her actions as a Peace Officer.

2. ASSIGNED POLICE VEHICLE

The Police Chief and Captain shall be assigned an unmarked police unit from the Department fleet for his / her full time use, due to the nature of his / her employment.

3. HEALTH AND SAFETY - EQUIPMENT

City shall comply with all applicable State, Federal and County Safety Regulations and shall furnish all safety equipment required by law or deemed necessary by the City Manager, to the Covered Employee. At the commencement of employment, Covered Employee shall be provided safety equipment by the City as follows:

One (1) leather belt for slacks

One (1) leather duty belt with: holster, clip holder, handcuff case, mace holder, baton ring, key ring, four (4) keepers, belt buckle, tape recorder holster

One (1) weapon, clip and ammunition

One (1) O.C. spray canister

One (1) bullet-proof vest

One (1) set of handcuffs with key

One (1) expandable baton

One (1) police flashlight

One (1) tape recorder

City shall provide all equipment deemed essential by the Chief of Police to complete assigned duties.

4. UNIFORMS

At the commencement of employment, Covered Employee shall be provided uniforms by the City as follows"

One (1) uniform hat and hat piece

Three (3) uniform shirts, long or short sleeve

Three (3) uniform slacks or skirts

One (1) uniform duty jacket

One (1) uniform dress jacket

Patches as required for above uniforms

One (1) name tag for uniform shirt

One (1) name tag for uniform jacket

One (1) complete set of rain gear and rain boots

One (1) utility uniform

Two (2) collar emblems

One (1) duty badge

One (1) off-duty badge and badge wallet

The City agrees to maintain any required uniform for the Covered Employee.

5. MILEAGE ALLOWANCE

When Covered Employee is required to use his / her personal vehicle on

City business, the City shall pay the mileage allowance provided by the rules and regulations of the Internal Revenue Service. When reimbursable to the City under POST Plans, the City shall pay maximum mileage allowance provided by rules and regulations of the POST Plan.

6. AMOUNT OF DURATION OF PAYMENT

Covered Employee shall be entitled to receive industrial sick leave with pay equal to the difference between 100% of his / her normal salary and the amount of any Worker's Compensation temporary disability payments to which the Covered Employee is entitled during such incapacity for a period not to exceed one (1) calendar year from the date of such sickness or injury.

7. PEACE OFFICERS' BILL OF RIGHTS

The City and the Association acknowledge and reaffirm all rights and privileges granted to the Covered Employee by law, including, but not without limitation, those provisions of the Peace Officers' Procedural Bill of Rights (Gov. Code § 33000 et seq.) And the Meyers-Milias-Brown Act (Gov. Code § 3500 et seq.).

8. RETIREMENT

Covered Employee is a management Safety member under PERS and shall be covered under the applicable Safety plan as defined in Section 6.2 of this Benefits Package. All other provisions of Section 6.2 also apply to the Covered Employee.

9. TEMPORARY ASSIGNMENT TO HIGHER LEVEL VACANCY (Captain Only)

An employee specifically on a temporary basis to a higher level position shall be compensated at the pay rate for the higher level position if the service in such position exceeds a total of twenty (20) days in any twelve (12) month period, and payment shall be retroactive to the first day of such service.

10. VACATION ACCRUAL (Captain Only)

The Captain's allowable vacation accrual carry-over shall be 2.5 times annual accrual.

11. EFFECT OF ABSENCE ON CONTINUOUS SERVICE (Captain Only)

Absence on authorized leave with or without pay, time during which an employee is laid off because his services are not needed and time during which an employee is temporarily not employed by the City shall not be considered as an interruption of continuous service if such absence is followed by re-employment within one (1) year. However, such absences shall not be counted in computing the employee's years of continuous service.

12. AMOUNT AND DURATION OF PAYMENT

Covered employee shall be entitled to receive industrial sick leave with pay equal to the difference between 100% of his / her normal salary and the amount of any Worker's Compensation temporary disability payments to which he / she is entitled during such incapacity for a period not to exceed one (1) calendar year from the date of such sickness or injury.

Attachment C

CITY OF SCOTTS VALLEY

MANAGEMENT TEAM SALARY SCHEDULE

07/01/2015 - 6/30/2016

Position Classification	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
Chief of Police	9,274	9,738	10,225	10,736	11,273	11,837	12,429
Community Development Director / Deputy City Manager	8,559	8,987	9,436	9,908	10,403	10,923	11,469
Director of Public Works / City Engineer	8,281	8,695	9,130	9,587	10,066	10,569	11,097
Deputy City Manager / Administrative Services Director	8,281	8,695	9,130	9,587	10,066	10,569	11,097
Community Development Director	8,153	8,561	8,989	9,438	9,910	10,406	10,926
Finance Director	7,868	8,261	8,674	9,108	9,563	10,041	10,543
Police Captain	7,160	7,518	7,894	8,289	8,703	9,138	9,595
Accounting Manager	6,167	6,475	6,799	7,139	7,496	7,871	8,265

Attachment D

CITY OF SCOTTS VALLEY

MANAGEMENT TEAM SALARY SCHEDULE

07/01/2016 - 6/30/2017

Position Classification	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
Chief of Police	9,320	9,786	10,275	10,789	11,328	11,894	12,489
Community Development Director / Deputy City Manager	8,602	9,032	9,484	9,958	10,456	10,979	11,528
Director of Public Works / City Engineer	8,322	8,738	9,175	9,634	10,116	10,622	11,153
Deputy City Manager / Administrative Services Director	8,322	8,738	9,175	9,634	10,116	10,622	11,153
Community Development Director	8,194	8,604	9,034	9,486	9,960	10,458	10,981
Finance Director	7,907	8,302	8,717	9,153	9,611	10,092	10,597
Police Captain	7,196	7,556	7,934	8,331	8,748	9,185	9,644
Accounting Manager	6,198	6,508	6,833	7,175	7,534	7,911	8,307

Exhibit A

CITY OF SCOTTS VALLEY

MANAGEMENT COMPENSATION BENEFITS PACKAGE

CITY OF SCOTTS VALLEY

SCOTTS VALLEY MANAGEMENT TEAM MISCELLANEOUS GROUP

COMPENSATION BENEFITS PACKAGE

TABLE OF CONTENTS

Page No.

SCOTTS VALLEY MANAGEMENT COMPENSATION BENEFITS PACKAGE

1.0 PURPOSE

The City of Scotts Valley requires the services of certain management personnel; and the City Council desires to provide certain benefits, conditions of employment and working conditions. The management employees covered by this Management Compensation Benefits Package (hereinafter referred to as the "Benefits Package") are comprised of those individuals serving in those positions defined in Attachment "A" which is attached hereto and incorporated herein by this reference. The City seeks to:

A. Secure and retain the services of management employees and provide inducement for them to remain in such employment.

B. To make full work productivity possible by assuring management employees' morale and peace of mind with respect to future security.

C. To act as a deterrent against malfeasance or dishonesty for personal gain.

D. To provide a just means for terminating a Department Head's services at such time as he/she may be unable to fully discharge his/her duties due to age or disability.

2.0 TERMINATION AND SEVERANCE PAY FOR DEPARTMENT HEADS ONLY

A. In the event a Department Head (as designated in Attachment "A") is terminated by the City Manager during such time that the Department Head is willing and able to perform his/her duties, the City agrees to pay him/her a lump sum cash payment ("Severance Pay") equal to two (2) weeks gross pay if terminated within one (1) year of hire and four (4) months gross salary if terminated after one year of hire. City agrees to pay life, medical, and dental insurance premiums for one (1) month if terminated within one year of hire and four (4) months if terminated after one year. However, the City shall have no obligation to pay Severance Pay if a Department Head is terminated for cause or because of his/her conviction of or plea of guilty or no contest to any felony involving personal gain or moral turpitude.

B. For purposes of receiving severance pay, a Department Head may be considered terminated, at his/her option, effective with the date of any one of the following events:

1. The City at any time reduces the salary or other financial benefits of the Department Head;

2. Following written notice from the Department Head, the City refuses to comply with any other provisions contained herein;

3. A Department Head is terminated by the City for reasons other than those specified in Paragraph 2.0(A) above (relating to exemption from payment of severance pay).

C. In the event a reduction in salary or change in benefits is the result of a general salary reduction or benefit reduction policy adopted by the City Council for all employees, Paragraph 2.0(B)(1) shall not apply.

D. In the event the City's refusal to comply with any other provisions herein also affects other employees in general, Paragraph 2.0(B)(2) hereinabove shall not apply and no Severance Pay shall be paid.

E. The Department Head shall give the City one month's advance notice of a voluntary resignation from City employment. Department Heads are not entitled to Severance Pay in the event of voluntary resignation.

F. Nothing herein shall prevent, limit, or otherwise interfere with the right of a Department Head to resign from his/her position with the City at any time, subject only to the provisions set forth in Paragraph 2.0(E) hereinabove.

3.0 ADMINISTRATIVE LEAVE

The management employee shall be entitled to ten (10) days of administrative leave per fiscal year commencing on July 1 of each fiscal year. Administrative leave may be taken in conjunction with vacation. Administrative leave is not cumulative from year to year. Administrative leave shall be prorated if employment is commenced during the fiscal year.

3.1 Other Leave Without Pay

The City Manager may grant a management employee a leave of absence without pay for a definite period not to exceed three (3) months. The City Council may grant a management employee a leave of absence without pay for a definite period not to exceed one year. The request for leave, and the reasons therefore, shall be submitted in writing by the management employee and must be approved by both the City Manager and, when necessary, the Council.

Upon expiration of the approved leave, the management employee shall be reinstated to his/her former position or to a comparable one if the former position is abolished during the period of leave and the management employee would otherwise not have been laid off.

Failure on the part of a management employee to return to work on the date scheduled shall be cause for termination.

3.2 Leave for Jury Duty

Leave of absence with pay shall be granted to a management employee while going to and from court and serving on jury duty. Any jury fee awarded to such person shall be deposited with the City Treasurer.

3.3 Restriction on Leave for Outside Employment

A leave of absence without pay may not be granted to a management employee for purposes of accepting either private or other public employment outside the service of the City.

4.0 VACATION AND HOLIDAYS

The management employee shall be entitled to three (3) weeks vacation annually up to five (5) years of service; four (4) weeks vacation annually after five (5) years of service; and five (5) weeks vacation annually after twelve (12) years of service with the City.

Vacation accrual (carry over from year-to-year) will be governed by the following chart:

Years of Service	Maximum Vacation Accrual
Under 5	30
5 or more	40 (plus 5 days per year may be added each year after the 30-day level is reached)

4.1 Holidays

Each management employee shall be entitled to the following holidays and to receive wages based on the normal scheduled work for the day. Any holiday that would otherwise be on a Saturday will be taken on the preceding Friday. Any holiday that would otherwise be on a Sunday will be taken on a Monday.

1) The first day of January
2) Third Monday in January - Dr. Martin Luther King, Jr. Day
3) The third Monday in February - Washington's Birthday
4) The last Monday in May - Memorial Day
5) July 4th - Independence Day
6) The first Monday in September - Labor Day
7) The second Monday in October - Columbus Day
8) November 11 - Veteran's Day
9) Thanksgiving Day
10) The day following Thanksgiving
11) The day preceding Christmas
12) Christmas Day
13) The day preceding New Years Day
14) Two floating holidays per fiscal year. (Management employee must use the floating holidays within the fiscal year or lose those holidays for that fiscal year.)
15) Every day appointed by the President of the United States or the Governor of the State of California and the City Council for a public fast, thanksgiving or holiday

4.2 Vacation Buy Back

The City will buy back up to two weeks (80 hours) of vacation annually, after 15 years of service with the City, so long as the management employee has an accrued vacation balance of at least one week (40 hours) remaining following the buy back. To request a vacation buy back, the management employee shall submit a written request to the City Manager. So long as the management employee meets the requirements of this subsection, the City Manager shall grant the request.

5.0 SICK LEAVE

Sick leave shall be accrued at the rate of eight (8) hours per month, beginning with the first month of employment without maximum accrual.

Upon termination, any unused accrued sick leave, up to a maximum of 150 days, shall be paid at the following rate:

Years of Service	Percent (%) of Base Salary
5 yrs + 1 day - 10 yrs	45
10 yrs + 1 day - 15 yrs	50
15 yrs + 1 day - 20 yrs	55
20 yrs + 1 day - 25 yrs	65
25 yrs + 1 day - 30 yrs	75
Over 30 yrs or at retirement	85

In lieu of pay off of sick leave at the above rates, the City has amended the PERS Contract to add section 20862.8 of the California Government Code (Credit for Unused Sick Leave). Unused accumulated sick leave at time of retirement may be converted to additional Service Credit.

Leave of absence with pay because of sickness or injury in the immediate family of an employee may be granted by the City Manager or his/her designated representative for the time reasonably necessary to arrange for care of the sick person by other, but not to exceed the amount of time which the person would be authorized for sick leave. Time taken for leave of absence under the provisions of this subsection shall be deducted from the management employee's accrued sick leave balance. For the purposes of this subsection, "immediate family" means mother, step-mother, father, step-father, husband, wife, son, step-son, daughter, step-daughter, foster parent, foster child or any person sharing the relationship of loco parentis; and, when living in the household of the employee, a brother, sister, brother-in-law, sister-in-law, mother-in-law, father-in-law or grandparent.

6.0 HEALTH AND WELFARE BENEFITS

In addition to the medical, vision and long-term disability coverage provided to all employees, the City shall provide a $50,000 premium life insurance coverage for the management employees. For dental insurance the City shall provide reimbursement for employees' and dependents' up to 23 years of age documented dental expenses, with the first $200 in expenses 100% reimbursed, the next $500 80% reimbursed, and the next $1,000 in expenses 50% reimbursed up to a maximum of $1,100 in City contribution each calendar year.

6.1 Employee Retiree Medical Coverage Program

It is the purpose of the Employees Retiree Medical Coverage program to provide for medical insurance compensation to retired management employees in order to insure that these individuals, who have dedicated a number of years of service to the City of Scotts Valley, do not face an economic hardship at the time of retirement in paying for medical insurance coverage.

To be eligible for this benefit a management employee:

A. Must have been employed with the City for ten (10) years or longer;

B. Shall retire from the City of Scotts Valley. Public Safety management employees shall be eligible for their benefit upon retiring at age 50 or older; all other management employees shall be eligible upon retiring at age 55 or older. Notwithstanding the above, a management employee who retires with a minimum of ten (10) years service prior to age 55 shall become eligible for his/her benefit at age 55; and

C. The retired management employee shall provide annual proof on the anniversary of retirement of current medical insurance coverage including the costs to the retiree. The retiree must notify the City if the medical insurance policy is cancelled. Failure to carry medical insurance or to notify the City of its cancellation will eliminate eligibility for his/her benefit. The retired management employee must secure their own medical insurance coverage. The medical benefit will be provided directly to the retiree at a rate not less than two thirds (2/3) of the monthly premium paid for "PERS retirees" under the PERS-CARE medical insurance plan (benchmark plan) except that the minimum contribution shall be at least $250 per month.

The medical benefit will be at a rate in accordance with the following schedule:

Years of Service	Percent (%) of Cost of Benchmark Premium
10 years	66%
15 years	70%
20 years	80%
25 years	90%
30 years	100%

The medical benefit will be provided to the retiree and their spouse. However, their benefit shall only be payable while the retiree is living, and shall not be payable to the spouse of the retiree after the retiree's death.

Retiree Health Insurance pursuant to this section will not apply to newly hired employees effective upon written agreement with all City employee organizations.

6.2 PERS Compensation

The PERS plan for public safety members is 3% @ 50, and, for all others, the plan is 2.5% @ 55 for those employees hired prior to January 1, 2013, or hired after such date but already in the CalPERS system without a six-month break in service, at City expense. For those Members hired on or after January 1, 2013, new to the CalPERS system, the City shall provide 2.7% at 57 for safety members and 2% at 62 for all other members in accordance with State law. The contribution for new Members shall be shared in accordance with State law.

For all employees not under the new Public Employees Pension Reform Act:

The City shall provide the IRS 414(h) pick-up of the employee portion of the PERS retirement payment as employer contributions in lieu of employee contributions, for all members effective July 1, 2001.

PERS retirement shall be paid, based on the management employee's single highest year of compensation if the management employee agrees to pay any added cost, provided all other bargaining units in the City agree to the single highest year option with the employee paying any added costs.

7.0 LONGEVITY

Each management employee shall receive a five percent (5%) increase in salary upon completion of fifteen (15) consecutive years of service with the City.

8.0 EDUCATIONAL REIMBURSEMENTS

The City will reimburse management employees for the cost associated with upper level college courses and training sessions, in a curriculum related to a professional job related degree or certificate, approved in advance, by the City Manager. Reimbursable costs include only tuition, books and course-related fees. The City will not reimburse management employees for supplies or mileage used to travel to and from such courses.

9.0 SPECIAL BENEFITS/CHIEF OF POLICE AND POLICE CAPTAIN

The City agrees that in addition to any other benefits, the Chief of Police ("Chief") and the Police Captain ("Captain") shall be entitled to those benefits set out in Attachment "B", a copy of which is attached thereto and incorporated herein by this reference.

10.0 AUTOMOBILE POLICY

All Department Heads shall either be assigned a City vehicle, receive a monthly automobile allowance, or be reimbursed a mileage reimbursement at the rate set by the Internal Revenue Service as an allowable deduction for automobile business expenses when the management employee is using his/her private automobile for City business.

11.0 GRIEVANCE PROCEDURE

A Department Head may grieve any matter involving an interpretation of the terms of his/her benefits set out herein by following steps 1 and 2 below:

Step 1: Informal meeting with the City Manager in an attempt to resolve the grievance.

Step 2: If the grievance cannot be resolved by the Department Head and City Manager, it shall be presented to the City Council in Closed Session or at the option of the Department Head in an open meeting.

All other management employees may grieve any matter involving an interpretation of the terms of the benefits in accordance with the procedures established in the Personnel Rules and Regulations.

12.0 COMPENSATION

Compensation starting with the first full pay period in July 2015 shall increase 1.5% as set forth in Attachment "C". Compensation starting with the first full pay period in July 2016 shall increase .5% as set forth in Attachment "D". Copies of these are are attached hereto and incorporated herein by this reference.~~shall remain unchanged per Attachment C for this Benefits Package.~~

In addition to the salary above, each management employee shall receive a one-time bonus if the following condition is met. Should the City's actual sales tax revenue be greater than the budgeted amount during Fiscal Year 2015-2016, the difference between the budgeted sales tax revenues and the actual tax revenues shall be split 50% to the City, and the remainder shall be divided equally by the total number of permanent City employees (prorated for part-time employees). This amount shall then be multiplied by the number of management employees ("Bonus"). The Bonus shall be a one-time payment to employees based on full-time status in the Management Team to be paid no later than the first pay period in November 2016. In the event no Bonus is paid, the parties agree to a reopener on salary only by December 31, 2016.

13.0 "AT WILL" POSITIONS

The management positions listed in Attachment A are "at will" positions, meaning that they serve at the pleasure of the City Manager and may be removed at any time, with or without cause.

CITY OF SCOTTS VALLEY

____
~~Jim Reed~~Dene Bustichi, Mayor

____
Stephen H. Ando, City Manager

SCOTTS VALLEY MANAGEMENT EMPLOYEES

____
John Weiss, Chief of Police

____
Corrie Kates, Community Development Director / Deputy City Manager

____
Scott Hamby, Public Works Director

APPROVED AS TO FORM:

____
Kirsten M. Powell, City Attorney

ATTACHMENT A

MANAGEMENT EMPLOYEES

Deputy City Manager / Administrative Services Director	Department Head
Chief of Police	Department Head
Community Development Director / Deputy City Manager	Department Head
Public Works Director	Department Head
Public Works Director / City Engineer	Department Head
Community Development Director	Department Head
Finance Director	Department Head
*Police Captain	
*Accounting Manager	

* Not a Department Head

ATTACHMENT B

POLICE CHIEF AND CAPTAIN / SPECIAL BENEFITS

(Applicable to Police Chief and Captain Only)

1. LEGAL DEFENSE

The City shall provide legal representation and necessary coverage for the protection and defense of the Police Chief and Police Captain ("Covered Employee") of the City of Scotts Valley Police Department acting legally in his / her sworn capacity while "on or off duty", and in accordance with the requirements of the California penal Code. The City agrees to provide the necessary legal liability coverage and legal representation to cover any litigation brought against the Covered Employees as a result of his / her actions as a Peace Officer.

2. ASSIGNED POLICE VEHICLE

The Police Chief and Captain shall be assigned an unmarked police unit from the Department fleet for his / her full time use, due to the nature of his / her employment.

3. HEALTH AND SAFETY - EQUIPMENT

City shall comply with all applicable State, Federal and County Safety Regulations and shall furnish all safety equipment required by law or deemed necessary by the City Manager, to the Covered Employee. At the commencement of employment, Covered Employee shall be provided safety equipment by the City as follows:

One (1) leather belt for slacks

One (1) leather duty belt with: holster, clip holder, handcuff case, mace holder, baton ring, key ring, four (4) keepers, belt buckle, tape recorder holster

One (1) weapon, clip and ammunition

One (1) O.C. spray canister

One (1) bullet-proof vest

One (1) set of handcuffs with key

One (1) expandable baton

One (1) police flashlight

One (1) tape recorder

City shall provide all equipment deemed essential by the Chief of Police to complete assigned duties.

4. UNIFORMS

At the commencement of employment, Covered Employee shall be provided uniforms by the City as follows"

One (1) uniform hat and hat piece

Three (3) uniform shirts, long or short sleeve

Three (3) uniform slacks or skirts

One (1) uniform duty jacket

One (1) uniform dress jacket

Patches as required for above uniforms

One (1) name tag for uniform shirt

One (1) name tag for uniform jacket

One (1) complete set of rain gear and rain boots

One (1) utility uniform

Two (2) collar emblems

One (1) duty badge

One (1) off-duty badge and badge wallet

The City agrees to maintain any required uniform for the Covered Employee.

5. MILEAGE ALLOWANCE

When Covered Employee is required to use his / her personal vehicle on

City business, the City shall pay the mileage allowance provided by the rules and regulations of the Internal Revenue Service. When reimbursable to the City under POST Plans, the City shall pay maximum mileage allowance provided by rules and regulations of the POST Plan.

6. AMOUNT OF DURATION OF PAYMENT

Covered Employee shall be entitled to receive industrial sick leave with pay equal to the difference between 100% of his / her normal salary and the amount of any Worker's Compensation temporary disability payments to which the Covered Employee is entitled during such incapacity for a period not to exceed one (1) calendar year from the date of such sickness or injury.

7. PEACE OFFICERS' BILL OF RIGHTS

The City and the Association acknowledge and reaffirm all rights and privileges granted to the Covered Employee by law, including, but not without limitation, those provisions of the Peace Officers' Procedural Bill of Rights (Gov. Code § 33000 et seq.) And the Meyers-Milias-Brown Act (Gov. Code § 3500 et seq.).

8. RETIREMENT

Covered Employee is a management Safety member under PERS and shall be covered under the applicable Safety plan as defined in Section 6.2 of this Benefits Package. All other provisions of Section 6.2 also apply to the Covered Employee.

9. TEMPORARY ASSIGNMENT TO HIGHER LEVEL VACANCY (Captain Only)

An employee specifically on a temporary basis to a higher level position shall be compensated at the pay rate for the higher level position if the service in such position exceeds a total of twenty (20) days in any twelve (12) month period, and payment shall be retroactive to the first day of such service.

10. VACATION ACCRUAL (Captain Only)

The Captain's allowable vacation accrual carry-over shall be 2.5 times annual accrual.

11. EFFECT OF ABSENCE ON CONTINUOUS SERVICE (Captain Only)

Absence on authorized leave with or without pay, time during which an employee is laid off because his services are not needed and time during which an employee is temporarily not employed by the City shall not be considered as an interruption of continuous service if such absence is followed by re-employment within one (1) year. However, such absences shall not be counted in computing the employee's years of continuous service.

12. AMOUNT AND DURATION OF PAYMENT

Covered employee shall be entitled to receive industrial sick leave with pay equal to the difference between 100% of his / her normal salary and the amount of any Worker's Compensation temporary disability payments to which he / she is entitled during such incapacity for a period not to exceed one (1) calendar year from the date of such sickness or injury.

City of Scotts Valley
INTEROFFICE MEMORANDUM

DATE: October 7, 2015

TO: Honorable Mayor and City Council

FROM: Michelle Fodge, Senior Planner

APPROVED: Corrie D. Kates, Community Dev. Director/Deputy City Manager

SUBJECT: **CONTRACT FOR PROFESSIONAL SERVICES BY PACIFIC CREST ENGINEERING GEOTECHNICAL GROUP TO REVIEW A BUILDING PERMIT APPLICATION FOR A DEBRIS FLOW WALL (PLANNING PERMIT FILE NOS. V05-002.2 AND DR05-022.2)**

SUMMARY OF ISSUE

The City has received a building permit application for a debris flow wall (120-feet long x 8-feet tall x 10-inches wide), located at the base of a sandy slope between 903 Whispering Pines Drive and 100 Blueberry Drive. The debris flow wall is part of an ongoing civil suit case, and City code enforcement case which received Planning Commission approval and subsequent extensions of the variance and design review planning permits.

Geotechnical review by a qualified consultant on behalf of the City has occurred throughout the planning permit process. Now that a building permit application has been submitted, geotechnical review is recommended to review the construction documents.

FISCAL IMPACT

Geotechnical review will be funded by the applicant/property owner.

STAFF RECOMMENDATION

Approve the Contract for Professional Services to perform geotechnical review of a submitted building permit application in an amount not to exceed $1,000.

TABLE OF CONTENTS — PAGE

City of Scotts Valley

CONTRACT FOR PROFESSIONAL SERVICES

This contract is made by and between the City of Scotts Valley, a municipal corporation, hereinafter referred to as "CITY", and **Pacific Crest Engineering Inc.,** hereinafter referred to as "CONSULTANT" for the project known as Building Permit Application for a Debris Flow Wall at 903 Whispering Pines Drive, hereinafter referred to as "PROJECT"

RECITALS

A. CITY desires to contract for certain professional services.

B. CONSULTANT desires to perform said professional services and represents to CITY that it is qualified by training and experience to perform said work.

NOW, THEREFORE, in consideration of the recitals and the mutual promises contained herein, CITY and CONSULTANT agree as follows:

AGREEMENT

1. **Employment of CONSULTANT**: CITY agrees to, and hereby does, retain and employ CONSULTANT to perform the professional services as set forth herein.

2. **Responsible Personnel**: Primary personnel responsible for the completion of the work described in this Agreement shall be Brian D. Bauldry, GE, PE, Vice-President Geotechnical Group is 444 Airport Boulevard, Watsonville, CA 95076; telephone (831) 722-9446; fax (831) 722-9158; Email brian@pacengineering.com.

3. **Description and Scope of Work for the Project**: CONSULTANT shall perform services as specified in Exhibit A, a two-page letter from CONSULTANT dated September 24, 2015, attached hereto and incorporated herein.

4. **Compensation**: CONSULTANT shall accept compensation for services performed as set forth in Section 3 in an amount not to exceed $1,000 (one thousand hundred dollars). Such compensation shall be paid monthly in arrears, based on time and expenses in performing the services as set forth in Exhibit B, CONSULTANT'S Standard Fee Schedule for the Geotechnical Group, dated June 2015, attached hereto and incorporated herein.

   4.1 CITY reserves the right to conduct an audit of services provided in this agreement. CONSULTANT shall make available to CITY, Caltrans, FHWA, or their authorized representatives, all necessary books reflecting the charges contained in this agreement for CITY's inspection and audit during reasonable business hours as agreed to by CONSULTANT and CITY. Cost of audit shall be borne by the CITY. Any sub-consultant hired by CONSULTANT must have an agreement with CONSULTANT that allows the

CITY, Caltrans, FHWA, or their authorized representatives, if they so choose, to audit the sub-consultant's books, and CONSULTANT shall provide CITY with proof that such an agreement exists.

5. **Insurance and Hold Harmless**:

5.1 CONSULTANT shall be responsible for providing such insurance including automobile, workers' compensation, health, and/or personal liability as it desires to protect itself, its employees and subcontractors, at its own expense.

5.2 CONSULTANT shall hold harmless, indemnify and defend CITY, its elective and appointive boards, commissions, officers, agents, servants, volunteers, and employees from any and all claims, costs, damages, liability, losses, or suits (including court costs and attorney fees) for personal injury (including death), property damage and any other damages of any sort whatsoever, arising out of, or alleged to have arisen out of, the willful or negligent acts, errors or omissions of CONSULTANT or CONSULTANT'S contractor, subcontractors, agents, or employees in the performance of this Agreement. This indemnity shall not apply to a) claims brought by CONSULTANT for default of this Agreement, or b) claims brought by CITY or any third party where the underlying injury or damage is finally determined by a court of competent jurisdiction to arise solely from the negligence or willful misconduct of CITY.

6. **Termination**:

6.1 CITY may terminate this Agreement at any time, without cause, by giving written notice of discontinuance and termination of this Agreement.

6.2 CITY may, at any time at its discretion, abandon or suspend any portion of the work being done under the terms of this Agreement. In the event of abandonment or suspension of work for which professional services have been performed under this Agreement by CONSULTANT, or in the event of the termination of this Agreement, CONSULTANT shall immediately stop work on the project required by this Agreement, or shall stop work at the stage directed by CITY, provided that CONSULTANT may perform such minor additional activities which are necessary to stop work.

6.3 CONSULTANT shall accept, for itself, as full payment for services rendered and all work to be done and performed hereunder and in complete satisfaction of all claims against CITY by reason of voluntary abandonment or suspension of work or termination of the Agreement, the sum determined on an hourly basis in accordance with the provisions of this Agreement, or any modification of amendment thereto, plus all direct expenses incurred, including those expenses incurred which are directly attributable to the incomplete portion of the work which could not be canceled.

6.4 In the event of termination, CONSULTANT shall deliver as a condition to the payment of the compensation provided for in Section 6.3 above, or otherwise make available to CITY, all research data, reports, estimates, summaries, and other such information and materials as may have been accumulated by CONSULTANT in performing this Agreement, whether completed or in process.

6.5 The Federal Acquisition Regulations in Title 48, CFR 31 are the governing factors regarding allowable elements of cost. The CONSULTANT warrants that he/she has not employed or retained any company or person, other than a bonafide employee working for the CONSULTANT, to solicit or secure this agreement, and that he/she has not paid or agreed to pay any company or person, other than a bonafide employee, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or formation of this agreement. For a breach or violation of this warranty, the CITY shall have the right to annul this agreement without liability, or at its discretion to deduct from the agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

7. **Documents**: Notes, studies, charts, computations, electronic files, and other data and information obtained by CONSULTANT for this project shall, upon receipt of full payment for services rendered, be made available to CITY by CONSULTANT at CITY'S request and shall become the property of CITY. In the event CITY alters the document, CITY agrees CONSULTANT shall have no responsibility whatsoever for any claim arising out of, or alleged to have risen out of, use of the altered document. The City may permit copyrighting reports or other agreement products. California Department of Transportation (“Caltrans”) and FHWA (Federal Highway Administration) shall have the royalty-free non-exclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use, the work for government purposes. CONSULTANT shall be responsible for the record drawing and shall be retained and made available for inspection by the CITY, Caltrans, FHWA, or their authorized representatives for a period of at least three years after final payment to the CONSULTANT.

8. **Independent Contractor**: CONSULTANT is an independent contractor retained by CITY to perform the work described herein. All personnel employed by CONSULTANT are not and shall not be deemed to be employees of CITY. CONSULTANT shall comply with all state and federal laws pertaining to employment and compensation of its employees and its agents, including the provision of Workers' Compensation.

9. **Assignment**: CITY is entering in to this Agreement in consideration of the rendition of the services required herein by CONSULTANT. CONSULTANT shall not assign any of the duties, responsibilities or obligations of this Agreement to any other firm, company, entity, or individual, except with the express written consent of CITY previously obtained.

10. **Time Schedule**: CONSULTANT will endeavor to fulfill its obligations under this contract in accordance with the schedule outlined in Exhibit A. CONSULTANT will be given an extension of time for delays beyond its control or those caused by tardy approval of work in progress by various official agencies. No waiver by either party hereto of the nonperformance or any breach of any term, provision or condition of this Agreement, or any default hereunder shall be considered to be or operate as a waiver of any subsequent nonperformance, breach or default.

11. **Binding on Successors**: This Agreement is binding on the heirs, successors and assigns of the parties hereto.

12. **Amendment**: This Agreement may be amended, modified or changed by the parties, provided that said Agreement, modification or change is in writing and approved by the authorized representative of the parties.

13. **Applicable Law and Attorney's Fees**: This Agreement shall be construed and enforced in accordance with the laws of the State of California. Should any legal action be brought by a party for breach of this Agreement or to enforce any provision of the Agreement, the prevailing party of such action shall be entitled to reasonable attorney fees, court costs and any other costs as may be fixed by the court.

14. **Entire Agreement**: This Agreement contains the entire understanding between the parties with respect to the subject matter herein. There are no representations, agreements or understandings, whether oral or written, between or among the parties relating to the subject matter of this Agreement which are not fully expressed herein. The drafting and negotiation of this Agreement have been participated in by each of the parties and/or their counsel, and for all purposes this Agreement shall be deemed to have been drafted jointly by all parties.

15. **Severability**: If any one or more of the covenants, agreements or portions thereof shall be held by a court of competent jurisdiction in a final judicial action to be void, voidable or unenforceable, such covenant, or covenants, such agreement or agreements, or such portions thereof shall be null and void and shall be deemed severable from the remaining covenants and agreements or portions thereof, and shall in no way affect the validity or enforceability of the remaining portions of this Agreement.

* *

IN WITNESS WHEREOF this Contract is executed by CITY and by CONSULTANT on the ______ day of _____________, 2015, at Scotts Valley, California.

Pacific Crest Engineering Inc.

CITY OF SCOTTS VALLEY

____
Brian D. Bauldry, Geotechnical Engineer

____
Dene Bustichi, Mayor

APPROVED AS TO FORM

____
Kirsten Powell, City Attorney

ATTEST

____
Tracy A. Ferrara, City Clerk

Exhibit A
City Contract with
Pacific Crest Engineering
October 7, 2015

444 Airport Blvd, Suite 106
Watsonville, CA 95076
Phone: 831-722-9446
Fax: 831-722-9158

RECEIVED
SEP 3 0 2015
CITY OF SCOTTS VALLEY

September 24, 2015

Proposal No. PR164

Ms. Michelle Fodge, AICP
City of Scotts Valley
One Civic Center Drive
Scotts Valley, CA 95066

Subject: Proposal for Geotechnical Engineering, SWPPP, and Special Inspection & Testing Services Scotts Valley, California

Dear Ms. Fodge:

Pacific Crest Engineering Inc. (PCE) is pleased to submit this proposal for On-Call Geotechnical Engineering, SWPPP and Special Inspection & Testing services to the City of Scotts Valley.

Pacific Crest Engineering Inc. is a broad-service geotechnical engineering firm located in Watsonville, California, and is certified as a Small Business (#47199) and woman-owned DBE (#41551) with the State of California. We are staffed with California registered geotechnical and civil engineers who have provided geotechnical consulting services for both public agencies and private clients in the Monterey Bay region for over 25 years. Our services include geotechnical investigations for public, commercial, industrial and residential developments; foundation investigations, bridge investigations, landslide and slope stability investigations, karst investigations, liquefaction analyses, ground modification engineering, forensic investigations, geotechnical engineering peer review services, construction observation and testing services, materials testing and special inspections, SWPPP Designer (QSD) and SWPPP Practitioner (QSP) inspection services.

Our services for this project will consist of on-call consulting services to be performed as requested by the City of Scotts Valley. The services to be performed must be mutually agreed upon. The City of Scotts Valley is not obligated to use Pacific Crest Engineering Inc. for any particular project or for all phases of a project. Pacific Crest Engineering Inc. is not obligated to provide services for all projects or all phases of a particular project.

A scope of service and associated fees can be provided for approval by the City of Scotts Valley prior to the commencement of any project or our services can be performed on a time and materials basis.

SCOPE OF WORK

Services provided under this agreement will be performed on an on-call basis and may include, but are not limited to, the following.

1. Perform Geotechnical Engineering Peer Review Services for miscellaneous projects.

2. Perform site reconnaissances, attend meetings and provide geotechnical consultation for miscellaneous projects on an as-requested basis.

3. Perform full geotechnical investigations which may include test borings, laboratory testing of retrieved soil samples, and preparation of a written report which documents our field and laboratory investigations including an analysis of our findings and recommendations for the design and construction of the project.

4. Perform SWPPP Designer (QSD) and SWPPP Practitioner (QSP) inspection services.

5. Perform plan reviews and provide supplemental recommendations, as necessary.

6. Perform construction observation and testing services including site and subgrade preparation, the construction of keys and keyways, observe and test fill materials placed (locations and grades will be determined by others), observe the construction of foundations, and observe the installation of the subsurface and surface drainage facilities.

7. Perform laboratory tests.

8. Perform special inspection and materials testing.

9. Preparation of reports summarizing the work done, including test results.

Pacific Crest Engineering Inc. should be retained to provide construction observation and testing services for those phases of the project for which they have provided design and construction recommendations. Observation and testing during the construction phase will enable Pacific Crest Engineering Inc. to form an opinion as to whether the work is progressing in general conformance with their geotechnical recommendations and specifications, according to the design concepts, and to ascertain that the assumed soil conditions do not deviate from those disclosed during the geotechnical investigation.

To authorize our firm to provide the services outlined herein, please complete the enclosed Professional Services Agreement and return a copy to our office as soon as possible.

Thank you for considering Pacific Crest Engineering; we look forward to working with you. If you have any questions, please contact me at your convenience.

Very Truly Yours,

PACIFIC CREST ENGINEERING INC.

Brian Bauldry

Elizabeth Mitchell

Brian D. Bauldry, GE
Vice-President of the Geotechnical Group
GE 2479
Expires 12/31/16

Elizabeth M. Mitchell, GE
President/Principal Geotechnical Engineer
GE 2718
Expires 12/31/16

Exhibit B
City Contract with
Pacific Crest Engineering
October 7, 2015

444 Airport Blvd, Suite 106
Watsonville, CA 95076
Phone: 831-722-9446
Fax: 831-722-9158

PACIFIC CREST ENGINEERING INC.

STANDARD FEE SCHEDULE – GEOTECHNICAL GROUP

June 1, 2015

The following schedule presents our rates for professional services. If desired, services other than construction observation and testing can be contracted on a negotiated fixed fee basis. Hours and mileage for professional and technical services are charged portal-to-portal from our office. Services during construction, such as testing and observation of grading, require both professional and technical services. Depending on the scope and duration of the construction project, an opinion of probable cost can be made. Minimum fee for any project is $1,000.00. Professional, technical, mileage and laboratory fees and rates are subject to change without notice.

PROFESSIONAL SERVICES	Billing Rate
Principal Engineer	$ 170.00 per hour
Associate Engineer\Geologist	$ 165.00 per hour
Senior Engineer\Geologist	$ 155.00 per hour
Staff Engineer\Geologist II	$ 140.00 per hour
Staff Engineer\Geologist I	$ 130.00 per hour
Senior CAD Operator	$ 100.00 per hour
CAD Operator	$ 90.00 per hour
Administrative Staff	$ 75.00 per hour
Expert Witness	$ 280.00 per hour
Outside Consultants	1.15X Hourly Rate

TECHNICAL SERVICES

Senior Field Engineer (Prevailing Wage Projects)*	$ 110.00 per hour
Staff Field Engineer (Prevailing Wage Projects)*	$ 105.00 per hour
Senior Field Engineer (Non-Prevailing Wage Projects - Residential)*	$ 100.00 per hour
Staff Field Engineer (Non-Prevailing Wage Projects - Residential)*	$ 90.00 per hour
Construction Inspector (Prevailing Wage, Group 2)	$ 110.00 per hour
QSP/SWPPP Monitoring Services	$ 110.00 per hour
Lab Technician	$ 85.00 per hour
Asphalt Core Drilling (Rig + Staff Time)*	$ 150.00 per hour

* Includes nuclear density testing, concrete sampling, and core drilling; two hour minimum charge per site visit.

OVER TIME

Over Time	1.5X hourly rate
Sunday/Holiday	2.0X hourly rate
Night Shift	1.8X hourly rate

MILEAGE EXPENSES

Auto Mileage	$0.56 per mile (or current IRS standard rate)
Drill Rig Mileage	No Charge

OVERTIME

Overtime, when applicable, shall be defined as working more than 8 hours in any one day, more than 40 hours in any one week, and any work performed on Saturdays, Sundays, and Holidays. Double time is billed for Sunday and Holiday work, and for work performed in excess of 8 hours on Saturdays. All other overtime hours are billed as time and a half. Night shift work is shift work commencing after 2:00 pm or before 4:00 am during any 24 hour period starting at 12:01 am. Our normal working hours are 8:00 am to 5:00 pm, Monday through Friday.

FIELD TESTS

Plate bearing load tests, pile load tests, vane shear tests, piezometer installations, slope inclinometer installations, and other special tests will be charged at standard engineering and personnel rates, plus cost of special equipment.

INCIDENTAL EXPENSES

Consultant shall be paid the actual cost plus fifteen percent of all other out-of-pocket expenses, including any costs of air travel, applicable sales, use and city taxes, as well as miscellaneous outside services and facilities, including: Subconsultant or Subcontractor fees; equipment rental, drill rig, underground locator, renderings, overnight delivery, permit and plan check fees, and similar expenses.

SUBSISTENCE

Subsistence charges shall include the actual net cost plus fifteen percent of meals, lodging and local transportation, including car rental costs incurred whenever the Consultant's employees are required to be away from their normal place of business. In lieu of this charge of cost plus fifteen percent, Consultant and Client may agree on a lump sum per diem charge to cover subsistence.

PRINTS AND SPECFICATIONS

Reproduction charges for prints and specification books for client use in bidding or construction or at client request will be billed at cost plus fifteen percent.

COPIES OF PREVIOUS REPORTS

Orders for copies of previously issued work will be billed on a time and material basis (minimum charge of $25.00).

DRILLING AND SAMPLING — Billing Rate

Drill Rig including crew - truck mounted or crawler mounted:

Mobilization	Cost + 15%
Straight Time	Cost + 15%
Over Time	Cost + 15%
Cone Penetrometer Rig (CPT)	Cost + 15%
CPT Travel Time & Mobilization	Cost + 15%

Drilling is charged at 4 hours minimum.

Time is charged portal-to-portal from the drilling rig yard.

Casing, Shelby tubes and any special sampling or subcontract equipment will be charged at cost plus 15%.

LABORATORY TESTS

Soil/Aggregate Classification and Index Tests:

Atterberg Limits (Liquid Limit/Plastic Limit/ Plasticity Index):	
• Method A (Multi Point), ASTM D-4318/AASHTO T89 & T90	$175.00
• Method B (Single Point), ASTM D-4318/AASHTO T89 & T90	$150.00
• California Test Method, CT-204	$175.00
Grain Size Distribution of Soil:	
• Sieve Analysis w/ Hydrometer ASTM D-422/AASHTO T88	$200.00
• Sieve Analysis w/o Hydrometer, ASTM D-422/AASHTO T88	$110.00
• Material Finer than #200 Sieve ASTM D-1140	$ 85.00
• California Test Method, CT-202	$115.00
Grain Size Analysis of Aggregate:	
• Sieve Analysis ASTM C-136/AASHTO T27	$120.00
• Material Finer than #200 Sieve ASTM C-117/AASHTO T11	$ 85.00
• California Test Method, CT-202	$125.00
Moisture Determination, ASTM D-2216/AASHTO T265/CT-226	$ 25.00
R-Value:	
• Native Soil Samples ASTM D-2844/AASHTO T190/CT-301	$280.00
• With Additives, ASTM D-2844/AASHTO T190/CT-301	$350.00
Sand Equivalent, ASTM D-2419/CT-217	$120.00
Specific Gravity of Soil, ASTM D-854/AASHTO T100	$100.00
Expansion Index, ASTM D4829	$200.00

Moisture Density Relations/Compaction Curves:

Modified Proctor:	
• 4" Mold, ASTM D-1557/AASHTO T180	$250.00
• 6" Mold, ASTM D-1557/AASHTO T180	$285.00
• One Point Verification (Check Point)	$100.00
Standard Proctor:	
• 4" Mold, ASTM D-698/AASHTO T99	$250.00
• 6" Mold, ASTM D-698/AASHTO T99	$285.00
• One Point Verification (Check Point)	$100.00
Cal-Impact Test, CT-216	$280.00

Strength Tests:

Direct Shear:	
• CD Peak and Residual, ASTM D-3080 (per point)	$225.00
• CU Peak and Residual, ASTM D-3080 Modified (per point)	$105.00
Unconfined Compression, ASTM D-2166/AASHTO T208	$ 80.00

Consolidation & Expansion Tests:

Consolidation, ASTM D-2435	$380.00
Expansion Pressure, ASTM D-3877	$325.00

Concrete Testing:

Compressive Strength Testing, ASTM C-39, CT-521 (per cylinder)	$ 40.00

Hot Mix Asphalt (HMA) Tests:

Bulk Specific Gravity of Compacted Hot Mix Asphalt	
• Saturated Surface Dry Method, ASTM D2726/AASHTO T166	$ 50.00
• Coated Specimens, ASTM D-1188/AASHTO T275	$ 55.00
• California Test Method, CT-308	$ 55.00
Moisture Content of HMA, AASHTO T329	$ 25.00
Theoretical Maximum Density, ASTM D-2041, CT-309	$145.00

Miscellaneous:

Triaxial, concrete, permeability or other special inspection testing services are individually quoted.

Agenda No. 1
Date: October 7, 2015

City of Scotts Valley
INTEROFFICE MEMORANDUM

DATE: October 7, 2015

TO: Honorable Mayor and City Council

FROM: Michelle Fodge, Senior Planner

APPROVED: Corrie D. Kates, Community Dev. Director/Deputy City Manager

SUBJECT: **AUTHORIZATION TO BEGIN PUBLIC REVIEW OF THE CITY'S DRAFT 2015-2023 HOUSING ELEMENT UPDATE AND TO REFER IT TO THE STATE FOR REVIEW**

SUMMARY OF ISSUE

As regularly required by the California Department of Housing and Community Development (HCD), the City is updating its Housing Element (HE), one of seven state-mandated chapters in the City's General Plan. The General Plan is the main policy document that guides new construction and development in the City.

Updating the HE requires the City Council to release a draft to HCD for a 60-day review period and concurrent public review period. Kimley-Horn Associates, City Consultant, have prepared the attached *Draft 2015-2023 Housing Element Update.* The due date to submit the draft to HCD is December 31, 2015.

Although not required, on August 13, 2015, the Planning Commission reviewed the draft, held a public meeting to receive input, and recommended that the City Council authorize staff to send the draft to HCD.

For details, see the attached Planning Commission Action Meeting Minutes and Staff Report for background, project description, discussion, Regional Housing Needs Allocation, key changes, and environmental review,

NEXT STEPS

After HCD's streamlined review for compliance with state requirements, the City has 120-days (by April 29, 2015) to make any necessary revisions and adopt an HE. Within this time period, public hearings will be scheduled for the formal *Draft 2015-2023 Housing Element* with Planning Commission review and recommendation to City Council. After which, the adopted HE will be sent to HCD for final certification.

PUBLIC NOTICE AND COMMENT

1. **Public Notices and Copies of Draft Housing Element Made Available:** On August 7, 2015, a public notice was posted at City Hall, public library, and Senior Center for the Planning Commission meeting on August 13, 2015, pursuant to State law and the City's Municipal Code. The public notice included advance notice of the City Council meeting to be held on September 16, 2015. Also, a notice of both meetings was also published in the PressBanner newspaper. For scheduling reasons, City Council review was rescheduled to October 7, 2015.

On October 2, 2015, the City Council Meeting Agenda was posted at City Hall, the public library, and the Senior Center, pursuant to State law and the City's Municipal Code. Public outreach letters to housing organizations were also sent.

Copies of the *Draft 2015-2023 Housing Element Update* were made available at City Hall and the Scotts Valley Branch Library.

2. **Written Correspondence Received:** To date, the City has received general emails requesting a copy of the draft and one attached email expressing concerns about the lack of affordable apartments for disabled persons.

FISCAL IMPACT

Referring the *Draft 2015-2023 Housing Element Update* to HCD for a streamlined review will save time and monies.

STAFF RECOMMENDATION

The Planning Commission recommends that the City Council authorize staff to send the *Draft 2015-2023 Housing Element Update* to HCD for the streamlined 60-day review period and to initiate a concurrent public review period.

TABLE OF CONTENTS — PAGE

* *Please note that a hard-copy is available in the lobby at City Hall, Monday-Thursday 8AM-12PM and 1PM-5PM, at One Civic Center Drive, Scotts Valley and at the Scotts Valley Branch Library at 251 Kings Village Road, Scotts Valley.*

An electronic copy of the Draft 2015-2023 Housing Element Update is available on this page of the City's website http://www.scottsvalley.org/planning/plans.html.

PUBLIC HEARING AGENDA:

2. **Address:** 1 Hacienda Drive / APN 022-011-11
Planning Permit Application: U15-003 & DR15-002
Applicant / Property Owner: Peninsula Petroleum LLC
Project Description: Consideration of a Use Permit application for the conversion of three automotive service repair bays into a retail use and a Design Review application to modify the store front for an existing gas station at 1 Hacienda Drive.
Staff Planner: Taylor Bateman, Principal Planner, (831) 440-5630 or tbateman@scottsvalley.org
Action: *Planning Commission approved via Resolution No. 1692 and amended conditions, with a 4/0/1 vote.*

➜ 3. **Project Title:** Draft 2015-2023 Housing Element Update
Applicant: City of Scotts Valley
Project Location: City-wide
Project Description: State law requires cities and counties to update their Housing Elements to plan to accommodate their fair-share of regional housing demand allocated by the State. The Housing Element establishes how the City will address housing needs for all economic segments of the community, with a focus on low- to moderate-income households and special needs populations. Staff requests that the Planning Commission review the Draft Housing Element of the City's General Plan, receive public input, and refer it to the City Council, whom will refer it to the state for a 60-day review period. After which, the document will return to the Planning Commission and City Council for formal action at noticed public hearings.
Staff Planner: Michelle Fodge, Sr. Planner, (831)440-5632
Action: *Planning Commission recommended that the City Council authorize staff to refer the draft document to the state for streamlined review.*

4. **Project Address:** Erba Lane
Applicant / Property Owner: City of Scotts Valley
Project Description: Determination that the proposed sale of lands by the City for consideration as an affordable housing residential is in conformance with the 1994 Scotts Valley General Plan and Zoning Code.
Staff Planner: Corrie Kates, CDD, (831) 440-5630 or ckates@scottsvalley.org
Action: *Planning Commission approved via Resolution No. 1693 with a 4/0/1 vote.*

REGULAR AGENDA: None.

DISCUSSION ITEMS AND FUTURE AGENDA ITEMS: The Community Development Director requested a Special Meeting on Thursday, August 27, 2015 at 6:00PM in the Council Chambers to discuss the City's Beekeeping and Tree Ordinances. The Planning Commission agreed, and a Special Meeting will be held on that date.

WRITTEN COMMUNICATIONS - FOR INFORMATION ONLY: None.

ADJOURNMENT: 6:47PM

City of Scotts Valley
PLANNING COMMISSION
STAFF REPORT

Date:	August 13, 2015
Applicant:	City of Scotts Valley
Application:	Future General Plan Amendment
Location:	City-wide
General Plan:	City-wide
Zoning:	City-wide
Environmental Status:	This informational item does not trigger environmental review. Later in the process, environmental review will be conducted in accordance with the CA Environmental Quality Act (CEQA).
Request:	Authorization to initiate public review of the City's draft Housing Element Update and to refer it to the California Department of Housing and Community Development.
Staff Planner:	Michelle Fodge, Senior Planner at (831) 440-5632 or mfodge@scottsvalley.org

STAFF RECOMMENDATION

Staff requests the Planning Commission review the attached draft Housing Element Update for the planning period of years 2015-2023, provide any appropriate feedback and comments, and recommend that the City Council authorize staff to refer the document to the California Department of Housing and Community Development (HCD) and to initiate public review.

SUMMARY OF ISSUE

The City Council must authorize the release of the draft Housing Element Update to be referred to HCD for a 60-day review period while also be concurrently made available for public review and comment. The due date to submit the Draft 2015-2023 Housing Element Update to HCD is December 31, 2015.

BACKGROUND

The Housing Element is one of seven state-mandated chapters called “Elements” in the City’s General Plan, which is the main land use policy document that the City uses to guide new construction and development in the City.

The Housing Element establishes how the City will address housing needs for all economic segments of the community, with a focus on low- to moderate-income households and special needs populations. The State defines low-moderate income as 50 percent to 120 percent of the area median for Santa Cruz County.

In April 13, 2009, the City adopted the current 2009-2014 Housing Element, which HCD subsequently certified. December 31, 2015, is the due date to ~~adopt~~ send the draft 2015-2023 Housing Element Update ***to HCD***.

PROJECT DESCRIPTION

Pursuant to Government Code 56683, the City is required to update its housing element to plan to accommodate its entire Regional Housing Need Allocation (RHNA) by income category. A definition of RHNA is provided in the discussion below.

In 2012, HCD initiated a new streamlined process for Housing Element updates, which allows eligible jurisdictions to update only those areas of the existing Housing Element where changes have occurred -- instead of conducting a comprehensive update. The City is eligible for the streamlined option and has prepared the draft 2015-2023 Housing Element Update in a strikeout / underline format, as required by HCD.

DISCUSSION

There have been a number of significant changes to State housing laws and policies since the City’s last Housing Element Update. In 2008, Senate Bill 375 was adopted which extended the Housing Element update cycle from four to eight years to better coordinate regional housing and transportation planning efforts. Agencies which fail to adopt a Housing Element update within 120 days of the deadline, however, are now placed on an abbreviated four year update cycle.

In 2011, the State terminated redevelopment agencies, which eliminated the City’s main funding source for affordable housing programs. Between 2009 and 2014, eight low-income units, five moderate units, and 156 above-moderate units were built in the City.

1. Regional Housing Needs Allocation (RHNA)

Every City and County in California must plan for its fair-share of the region’s housing need, as determined through the RHNA process. HCD identifies the total housing need for each region of the State. In the Monterey Bay region, the Association of Monterey Bay Area Governments (AMBAG) distributes this regional need to local governments.

Once a local government has received its RHNA, it must revise its Housing Element to show how it plans to accommodate its portion of the region's housing need.

On June 11, 2014, AMBAG approved the RHNA for the 2015-2023 housing cycle. The City's share of the 2015-2023 RHNA is 140 housing units, which has decreased from the previous RHNA of 188 units.

During the previous 2009-2014 update, the City identified "opportunity sites" to accommodate the RHNA obligation. While some of these sites have since been developed, the remaining opportunity sites could accommodate 84 lower income units and 448 above moderate income units. Consequently, the City has adequate capacity to meets its RHNA obligation and does not need to rezone properties or identify any new opportunity sites for the draft 2015-2023Housing Element Update.

2. **Key Changes in the Housing Element**

The draft 2015-2023 Housing Element Update represents a relatively minor update of the current 2009-2014 Housing Element to reflect current conditions, including:

- Updated demographic information;
- Updated housing information regarding completed and pending projects;
- Updated Housing Constraints analysis to reflect new ordinances adopted by the City, several of which were adopted to comply with State mandates;
- Evaluation of the 2009-2014 Housing Element implementation; and,
- Identification of completed housing programs, new programs, and programs proposed for removal.

3. **Next Steps**

Once the City Council authorizes release of the draft 2015-2023Housing Element Update, the document will be referred to HCD for a 60-day review period and made available for concurrent public review and comment. Staff will then incorporate any necessary revisions from HCD and present the final Housing Element Update to the Planning Commission for a recommendation and City Council adoption after the State determines compliance with state requirements. The adopted 2015-2023 Housing Element would then be transmitted to HCD for final 90-day certification.

ENVIRONMENTAL REVIEW PUBLIC NOTICE AND COMMENT

This informational review does not trigger environmental review or a public hearing and associated public hearing notices. After HCD provides comments on the 60-day review period, the City will prepare the appropriate environmental review document and public hearing notices in accordance with California Environmental Quality Act (CEQA) and the City's Municipal Code. On August 7, 2015, the Planning Commission Meeting Agenda was posted as required, and a public notice ad was placed in the local Pressbanner.

TABLE OF CONTENTS — PAGE NOS.

Michelle Fodge

From: Taylor Bateman
Sent: Tuesday, August 18, 2015 8:35 AM
To: Michelle Fodge
Subject: FW: Housing

-----Original Message-----
From: Marylou Lamb [mailto:fauxlamb@icloud.com]
Sent: Sunday, August 09, 2015 5:12 PM
To: Taylor Bateman
Subject: Housing

Hello,
There is a dearth of affordable 1 bedroom and studio apartments avaliable in this area. My disabled son, who could pay a reasonable rent, is on the list of 4 apartment complexes and there is a 4-5 year waiting list. New developments have 40-50 two, three and four bedroom apartments and only two or four singles included. I beg you to consider this when planning any new development. Adding to the inventory of 1 bedroom affordable apartments would greatly decrease the homeless population and also allow this 86 year old Mother to know her 52year old son won't be homeless when I leave this earth.
Marylou Lamb

Sent from my iPad

Affordable Housing NOW!
P.O. Box 2374, Santa Cruz, California 95063
(831) 465-8272
www.affordablehousingsantacruz.org

RECEIVED
OCT - 1 2015
CITY OF SCOTTS VALLEY

Affordable Housing NOW
Taskforce Members

Tim Willoughby, Chair
Nancy Abbey
Rose Ashford
C.M Berger
Tom Burns
David Foster
Gail Jack
Linda Kerner
Dean Lundholm
Wendy Macias
Coco Raner-Walter
Gretchen Regenhardt
Kathy Ruiz-Goldenkranz
Ken Thomas
Bruce Van Allen

Working to create more affordable housing options for moderate to low income people who live and work in Santa Cruz County.

September 30, 2015

Scotts Valley City Council
1 Civic Center Dr.
Scotts Valley, CA 95066

Subject: Comments on Draft Housing Element- October 7th

Dear Council Members:

Crisis! – the word you hear anywhere when the subject of housing comes up. Low wages combined with a high cost of living – caused primarily by rents – have pushed 22% of people living in Santa Cruz County below the poverty line according to the California Poverty Measure from the Stanford Center on Poverty and Inequality. Given the escalating pressures of market forces it will only get worse if steps are not taken to address the current housing crisis.

Affordable Housing NOW is a coalition recently established by members of the Crosson North County Democratic Club, Habitat for Humanity, Peoples' Democratic Club, and affordable housing advocates to engage community members in working together to find creative solutions to our current housing crisis. The coalition is exploring the complex issues related to affordable housing and advocating for proactive political solutions to those challenges. It is in that capacity that we submit our comments regarding the City's Draft Housing Element (HE).

We recognize the importance of the HE in outlining efforts for the next seven years but we also know there are solutions outside the rigid confines of the HE and the State review process. Since the City's draft HE has not yet been made available to the public, our comments address HE policies in general as well as broader efforts that could be taken to address the challenges of the housing crisis. Our comments, included as Attachment 1, focus primarily on:

- Creating expanded opportunities for building additional affordable housing, accomplished through the entire spectrum from traditional larger development projects to small-scale Secondary Dwelling Units;

- Ensuring the greatest benefit to the community from currently zoned sites for multi-family housing; and
- Creating new funding sources to replace Redevelopment Agency housing funds, including establishing a new AB-2 Community Revitalization and Investment Authority as a revenue source for affordable housing.

Outside of the HE policies and programs, we believe it is critical that key efforts be jump-started as soon as possible. Failure to act swiftly will have far reaching ramifications. The impact of the housing crisis is already widely felt by individuals, but it is also leading to substantial social and economic issues for our community. Lack of affordable workforce housing challenges the viability of businesses. Public service employees, schoolteachers, and firefighters are struggling to obtain affordable housing to enable them to continue to live and work in our community. Former residents forced out by rising housing costs become commuters from far away clogging our roadways.

Rather than putting something in the City's HE to address in future years, *now* is the time to act and take steps to maintain our local workforce and not force families out of our city in search of more affordable housing elsewhere. We urge your Council to give serious consideration to the policies and programs included in Attachment 1.

We understand that there is a long history between Scotts Valley and the State on the HE, and we appreciate the City's reluctance to add anything beyond the minimum needed to get the Element certified. However, housing is a basic need and your Council has a critical role to play to ensure that people who live and work in Scotts Valley have access to housing that is affordable. We therefore encourage you to see this process as more than a response to a State requirement. We hope you will view it as an opportunity to find solutions for the many individuals and families whose lives are severely impacted by the lack of quality affordable housing available to residents of the City of Scotts Valley.

Thank you for considering our comments.

Sincerely,

T. Willoughby

Tim Willoughby, Affordable Housing NOW Chair

Attachment 1: Housing Element Comments

Comments on Scotts Valley Housing Element

We recognize that addressing our local affordable housing crisis will require a myriad of actions that focus on encouraging new construction, preserving our existing affordable housing stock and a dedicated search for additional financial resources. We recommend the following measures to address new housing issues:

Encourage an increased range of housing choices, particularly for multi-family units and smaller-sized units.

- Recognizing the current housing crisis, we are hopeful that the City will use the RHNA numbers as a starting place for unit production and that the City will set higher internal goals, particularly for lower income units. Further, we would encourage the City to establish goals for unit production by income category.
- Secondary Dwelling Units are the main way that existing single-family neighborhoods can contribute to addressing the housing crisis. Therefore, we encourage the City to require the siting of proposed or future Secondary Dwelling Units on all lots as part of new subdivisions.
- Because sites and resources are scarce, we believe the City should encourage the redevelopment of existing single-level commercial buildings to include upper level residential units, where practical.
- We recommend that the City consider a range of policy changes to incentivize affordable housing projects, including allowing for increased densities for some projects containing smaller units and reduced parking standards.
- We strongly encourage the City to not allow the payment of a fee in-lieu of building affordable housing units as part of larger projects. In-lieu payments will increase local funding, but we believe that it is a poor tradeoff in terms of what will be produced by those funds.

Reduce Governmental constraints to housing

- In the event that the City has to restrict water connections in the future, there should be a policy in the Housing Element that requires a set aside of available connections for affordable housing units. This would meet the spirit of State law, which requires water and sewer districts to prioritize access for utility connections for affordable housing projects.
- Identify land use regulations that unintentionally inhibit Secondary Dwelling Unit construction
- Evaluate the impact of utility connection fees charged by the City and other entities and identify cost-savings to make Secondary Dwelling Unit construction more cost-effective
- Create incentives to promote affordable rental rates for Secondary Dwelling Units
- Create incentives, including reduced fee and fee waivers for affordable housing development

Preserve existing housing and expand affordability within existing housing stock:

Because the amount of new housing will always be small in relationship to the existing housing stock, any efforts taken by the City must address existing housing units. We therefore recommend that the City address the following with regard to existing housing issues:

- The Housing Element should include a policy that states that the City will take all reasonable measures to protect existing affordable housing units.
- Because the affordable housing crisis is the result of a growing gap between rents and wages, we encourage the City to support efforts to join the coalition of local cities exploring increasing minimum wages for low wage earners to address a portion of the affordability gap equation.
- In recognition of the rapid rate of rent increases, consider a Security Deposit Assistance Program to include first and last month rents.
- The shortage of quality rental housing at reasonable rent levels has become a major crisis in our community. Not only is it seriously impacting the lives of many renters, it will over time cause serious and social problems for the community. While we recognize the many complexities of the government engaging in the business of residential rent levels, we believe the City should at a minimum include a program in the Housing Element that evaluates the latest approaches to rent stabilization for future consideration.

Expand affordable housing financing:

We can have volumes of policies and programs in place, but if we don't have a solid source of local funding to support affordable housing activities, we aren't going to make much progress. We believe that it should be a very high priority for the City to explore and put in place a variety of sources to support affordable housing programs. In addition to supporting pending State legislation, we recommend the following actions be taken with regard to affordable housing financing:

- We support creating a Real Estate Transfer Tax for home sales over a specified threshold amount with a percentage of total sales price dedicated to an affordable housing fund.
- Dedicate a portion of TOT revenues to support the City's affordable housing program.
- We encourage the City to join other jurisdictions in lobbying the State to identify funds to replace lost RDA funds and to maximize the City's access to such funds, and the Federal government to recommit funding, recognizing that affordable housing is a national concern.

Scotts Valley Housing Element

Administrative Draft - October 2015

TABLE OF CONTENTS

APPENDICES

TABLE OF CHARTS & FIGURES

INTRODUCTION

Chapter 1

The Housing Element addresses how Scotts Valley plans to meet the community's housing needs, particularly the availability, affordability, and adequacy of housing. The Housing Element defines strategies and programs for all economic and social groups. To these ends, the Housing Element:

1) Identifies adequate sites for a range of housing opportunities;
2) Provides guidance for developing adequate and affordable housing;
3) Addresses constraints to meeting the City's housing needs;
4) Defines approaches to conserve and improve housing conditions; and
5) Promotes housing opportunities for all persons.

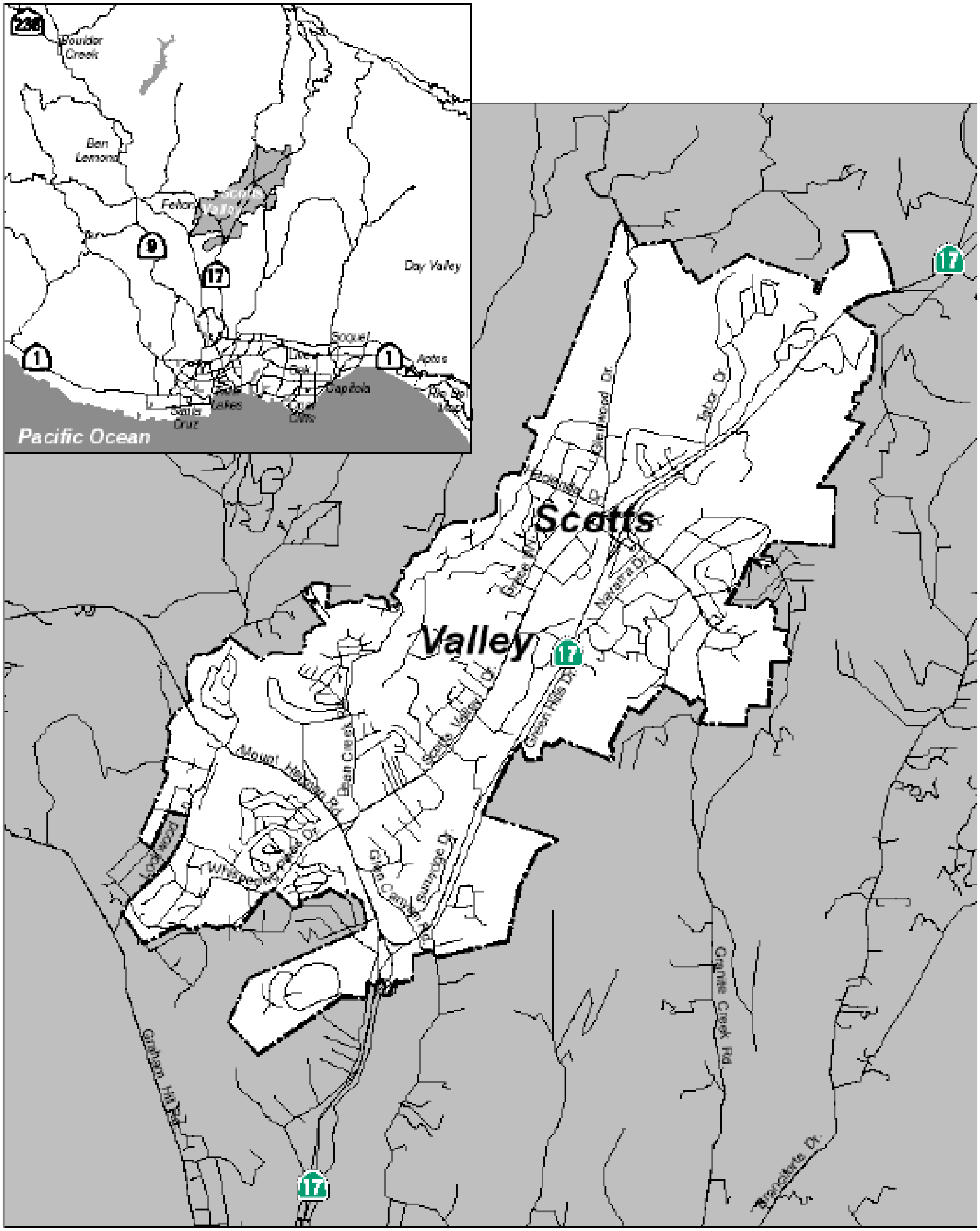
The following discusses the context for housing policy in Scotts Valley, the organization of the Housing Element, relationship to other chapters of the General Plan, and the public participation process involved in the preparation and adoption of the housing element.

A. Community Context

The City of Scotts Valley is located in Northern Santa Cruz County in the redwoods of the Santa Cruz Mountains. Located south of Silicon Valley, Scotts Valley is approximately 6 miles north of Santa Cruz, 30 miles southwest of San Jose, and 68 miles south of San Francisco. Scotts Valley is known throughout the Santa Cruz County for its natural beauty, proximity to the Silicon Valley, and small-town character – making it an excellent place to live.

Since its incorporation in 1966, Scotts Valley has witnessed considerable changes, as local and regional employment opportunities have attracted many new residents to the community. Between 1970 and ~~2000~~2010, Scotts Valley has grown from a small town of 3,621 persons to a community of ~~11,385~~11,580 persons in 2010. The Association of Monterey County Governments (AMBAG) ~~2008~~ 2014 Regional Growth Forecast~~s~~ ~~show~~ estimates Scotts Valley's population ~~has grown to 11,556 in 2005~~ will grow from 11,580 in 2010 to ~~and forecast~~ a population of ~~11,923~~ 11,813 in 2035~~2010~~.

The age distribution of residents has shifted over the past ~~ten years~~decade.~~ Between 1990~~ T~~2000~~he median age in the City increased from ~~35.9~~38.3 years to ~~38.3~~39.5 years, with an increasing proportion of the population comprised of middle- aged adults ages 45 to 64. This is largely attributable to an influx of persons and families who live in the community and commute to other areas, as well as work locally in the technology-dependent firms in Scotts Valley.



Source: Cotton/Bridges/Associates 2005; Census TIGER®, 2000.

City Boundary

0 0.25 0.5 1 1.5 2 Miles

 Figure 1

Regional Location Map

As part of the Silicon Valley boom, many high technology firms located to the City of Scotts Valley during the late 1990s, providing many higher-paying employment opportunities. Scotts Valley's natural setting and excellent schools and new high school have made the community an attractive place to live. The rental vacancy rate in Scotts Valley decreased from 3.4 percent~~%~~ in 2000 to 3.5~~2~~ percent, as estimated by the 2009-2013 American Community Survey. Due to the housing crisis in 2008 and subsequent recovery, along with moderate population growth, ownership vacancy rates have increased from 0.7 percent in 2000 to 1.2 percent, as estimated by the 2009-2013 American Community Survey. ~~Coupled with population growth, Scotts Valley experienced a sharp decline in housing vacancies, with rental vacancies falling from 7.6% to 3.4% and ownership vacancies falling from 3.1% to only 0.7% between 1990 and 2000. The economic down turn in 2008 has not yet created a large number of rental vacancies or for sale units.~~

According to the 2009-2013 American Community Survey the median value for homes in Scotts Valley is $586,100. The Santa Cruz Association of Realtors reports that the median price of single-family homes in Santa Cruz County increased between 2009 and 2010 before falling10 percent in 2011. The median price of single-family homes increased slightly in 2012, and then increased nearly 24 percent in 2013. The 2009-2013 American Community survey estimates that the median rental rate is $1,948~~897~~.

~~According to the Santa Cruz Association of Realtors, the median sales price of a single-family home increased by 40% between 1996 and 1999 and rose another 40% through 2002 at which time the median sales price for a single-family home neared $600,000. By 2007 the median price was $757,603. In 2008 the median price dropped back to $611,000, a reflection of the 2008 economic conditions. Rental rates have also increased, with the median rent of $1,500 in 2008. Rents have not dropped the same as for sale units and the City continues to have a vacancy rate below 4%.~~

Scotts Valley is faced with important issues: balancing employment and housing opportunities; matching the supply of and demand for housing; enhancing the affordability of housing for all segments of the population; preserving the quality of the housing stock; and preserving the environmental amenities that distinguish Scotts Valley. The 20154~~09~~-20232~~14~~ Housing Element sets forth a strategy to address these issues and provide guidance for local government decision-making in all matters relating to housing.

B. Organization of the Housing Element

Scotts Valley's Housing Element was updated in 201014~~07~~ for the ~~2002-2007~~2009-2014 cycle. This Housing Element is an eight~~five~~-year plan for the period 2015~~09~~ to 20232~~14~~. The ~~2009- 2014~~ 2015-20232 Housing Element consists of the following major components:

1) Introduction to the Housing Element, including the planning context and process of updating the Housing Element (Chapter 1);
2) An analysis of the City's demographic and housing characteristics and

trends (Chapter 2);

3) Review of potential market, governmental, and environmental constraints which impact the City's ability to address its housing needs (Chapter 3);
4) An evaluation of land and financial resources available to address Scotts
   Valley's housing goals (Chapter 4); and
5) A Housing Plan to address the City's identified housing needs, including housing goals, policies and programs (Chapter 5).

C. Relationships to General Plan Elements

California Government Code Section 65300.5 requires that a general plan be internally consistent, so that no conflicts exist among the elements of the plan. The most important aspect of consistency among general plan elements is that policies and implementation measures in the general plan elements support one another to achieve the goals and vision of the general plan.

The Scotts Valley's General Plan consists of the following eight elements: 1) Land Use; 2) Circulation; 3) Housing; 4) Open Space, and Conservation; 5) Noise; 6) Safety; 7) Public Services and Utilities; and 8) Parks and Recreation. In preparing the ~~2009-2014~~2015-20232 Housing Element, the City reviewed goals and policies of the eight elements of the Scotts Valley General Plan and concluded that the Housing Element is consistent with other General Plan elements through the adoption of complementary policies shown below.

~~This Housing Element builds upon the other General Plan elements and is~~

Chart 1-1
Housing Element and General Plan Consistency

General Plan Elements	Housing Element Goals				
	Conserve Housing & Neighborhood	Promote a Diversity of Housing	Assist in the Provision of Affordable Housing	Protect and Conserve Environmental Resources	Further Equal Housing Opportunity
Land Use		✔	✔	✔	✔
Circulation		✔	✔		
Open Space	✔	✔		✔	
Noise and Safety		✔	✔		
Public Services/Utilities	✔	✔	✔	✔	
Parks & Recreation			✔		

This Housing Element builds upon the other General Plan elements and is consistent with the goals and policies set forth therein. For example, residential development capacities established in the Land Use Element are incorporated in the Housing Element; environmental constraints in the Housing Element are consistent with the Open Space/Conservation and Public Services/Utilities elements. The City will continue to maintain consistency between General Plan elements by ensuring that proposed changes in one element will be reflected in other elements.

D. Public Participation

Section 65583 (c) (5) of the Government Code requires local governments to "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." To that end, the City has provided opportunities for residents and interested parties to recommend housing strategies and comment on the Scotts Valley Housing Element.

The Draft Housing Element was posted on the City's website and hard copies provided at City Hall and library prior to submittal to the CA Department of Housing and Community Development (HCD) for review. A notice about its availability was advertised in the Scotts Valley Banner-Valley Press and various housing advocacy stakeholder groups were notified and are listed below:

- California Rural Legal Assistance
- South County Housing Corporation
- The United Way of Santa Cruz County
- Scotts Valley Unified School District
- Habitat for Humanity Santa Cruz
- Scotts Valley Senior Center
- Scotts Valley Chamber of Commerce
- Housing Authority of Santa Cruz
- Community Action Board of Santa Cruz County, Inc.
- Mid-Peninsula Housing Coalition
- Mercy Housing
- Scotts Valley Water District
- Housing Choices Coalition
- County of Santa Cruz Health Services Agency
- Affordable Housing Task Force
- Mobile Home Community

After HCD reviewed the Draft Housing Element, public hearings were held before the Planning Commission and City Council prior to its adoption. Notification of these hearings were posted in advance of each public hearing. The Final Housing Element was posted on the City's website and hard copies provided at City Hall and library prior to these public hearings.

~~The first opportunity was at the beginning of the process when the City held a scoping meeting on February 5, 2009 which was an opportunity for the public to provide input into the 2009-2014~~2014-2022 ~~Housing Element. This meeting was widely advertised throughout the community and in the local newspapers.~~

~~1. Public Review~~

~~Prior to adopting the draft Housing Element, the City conducted a meeting with the Planning Commission, to which the public was invited. To solicit input from groups that serve lower-income and special needs populations, the City mailed public hearing notices to the following interested parties:~~

- ~~All Homeowner's Associations~~
- ~~Utility Providers~~
- ~~Local developers~~
- ~~Larger Shopping Centers owners~~
- ~~County Office of Education~~
- ~~Chamber of Commerce~~
- ~~Rural Legal Assistance~~
- ~~Local Churches in the City~~
- ~~SV Senior Center~~
- ~~SV School District and Board~~
- ~~Mobile Home Parks~~
- ~~SV Water District and Board~~
- ~~Habitat for Humanity~~
- ~~State Fish and Game Department~~
- ~~US Fish and Wildlife Service~~
- ~~SCC Transportation Commission~~
- ~~Sierra Club~~
- ~~Caltrans District 5~~
- ~~Affordable housing providers~~
- ~~Community Housing Developers~~

~~Copies of the draft Housing Element were provided to the Scotts Valley Water District (SVWD), the Scotts Valley School District, and Chamber of Commerce. For organizations that did not directly receive a copy of the draft Housing Element, the Element was also available on the City's website. Notification was published in the local newspaper in advance of each hearing and announcements of public hearings were made on the website. Display ads were also published in the local newspaper.~~

~~Scotts Valley also has significant environmental issues that must be addressed as part of the City's overall housing policies. One such issue is the availability and adequacy of future water supplies for residents and businesses. The Housing Element reflects a commitment to work with the SVWD to address water source, transmission needs and guarantee an adequate supply for affordable housing projects.~~

COMMUNITY PROFILE

Chapter 2

This chapter discusses the characteristics of residents, summarizes housing opportunities available to residents, and outlines Scotts Valley's housing needs. Programs to address these needs are set forth in Chapter 5.

A. Population Characteristics

Population characteristics affect the housing need in a community. These include population growth, the age and race/ethnicity of residents, household type, employment and income. This section details trends in population characteristics that affect housing need in Scotts Valley.

1. Population Trends

Incorporated in 1966, Scotts Valley has grown from a small town of 3,621 persons in 1970 to a community of 11,580~~65~~ persons in 2010~~05~~. ~~As shown in **Chart 2-1**, Scotts Valley has had the fastest rate of population growth countywide.~~ Over the next decade, the Association of Monterey Bay Area Governments (AMBAG) forecasts that population in Scotts Valley overall will increase to 11,638~~923~~ by ~~2010~~2020. **Chart 2-1** below shows that overall growth in Santa Cruz County from 2000 to 2010 was minimal. ~~A similar growth is projected for Santa Cruz and Watsonville, while Capitola is projected to experience modest growth.~~

Chart 2-1
Population Growth in Santa Cruz County

~~**Chart 2-1**~~
~~**Population Growth in Santa Cruz County**~~

Jurisdictions	Population Growth					
	1970	1980	1990	2000	2005	2010
Scotts Valley	3,621	6,891	8,615	11,385	11,565	11,580
Capitola	5,080	9,095	10,171	10,033	9,918	9,918
Watsonville	14,719	23,662	31,099	44,265	49,571	51,199
Santa Cruz	32,076	41,483	49,040	54,593	56,421	59,946
Unincorporated	65,386	107,010	130,809	135,326	132,617	129,739
Santa Cruz County	120,882	188,141	229,734	255,602	260,092	262,382

~~Source: U.S. Census, 1970-2000; AMBAG,2008~~

Source: U.S. Census, 1970-2010; AMBAG, 2014

2. Age Characteristics

Scotts Valley's housing needs are determined in part by age characteristics of residents in that each group often has a different lifestyle, family type, income level, and housing preference. As people move through each stage of life, housing needs change. Traditional assumptions are that the young adult population (20 to 34 years old) has a propensity for choosing apartments, low to moderate priced condominiums, and smaller single-family units. In comparison, the adult population (35 to 65 years old) is the primary market for moderate to high-end apartments, condominiums, and larger single-family homes. This age group traditionally has higher incomes and larger household sizes. The senior population (65 years and older) generates demand for low to moderate cost apartments and condominiums, group quarters, and mobile homes. **Chart 2-2** shows the age distribution of the population of the City of Scotts Valley and the change in age distribution over the past decade.

~~**Chart 2-2** and the following text highlight the most significant age changes and influence upon housing needs in Scotts Valley.~~

According to the ~~20002010 Census~~2009-2013 American Community Survey, ~~which represents the latest census information available, young adults ages 25 to 44~~middle-age residents are the largest segment in the community, comprising ~~of~~ nearly 31~~0~~ percent~~%~~ of residents in Scotts Valley. Middle-age residents (45 to 64 years) have increased by 34 percent while young adults (25 to 44 years) have decreased by 26~~7~~ percent. Unlike other age groups, middle-age residents are at the peak of their earning power, seeking larger homes, and are more likely to be homeowners. The median age in Scotts valley also increased by 3 percent.

School age children make up the second largest age group in Scotts Valley with nearly 23 percent of the population falling between the ages of ~~2~~55 to 4419 years old, with young adults, age 25 to 44 years, make up 22 percent of the population.~~.~~ ~~Generally, younger adults occupy rental units, condominiums, or smaller single-family homes that are more affordable in price. However,~~ G~~g~~iven the high home prices in Scotts Valley, housing options for young adults are likely to be limited to the rental market. The ~~increase~~ decrease in young adults ~~and families has also resulted~~is accompanied by ~~in a~~ a 24~~corresponding~~54 percent~~%~~ ~~increase~~ decrease in the number ~~of school~~of preschool-aged children, and a 10 percent increase in school-aged children.

~~The second largest group, middle age adults ages 45 to 64, comprises 23% of the City's population. Since 1990, middle age adults have increased by 66% due in part to the aging of persons in the 35 to 45 age group in Scotts Valley and an influx of persons who commute to Santa Clara County. This trend, evident countywide, is attributable to the baby boom generation. Unlike other age groups, middle-age residents are at the peak of their earning power, seeking larger homes, and are more likely to be homeowners.~~

~~Countywide trends show that the percentage of seniors ages 65 and older declined; however, the senior population in Scotts Valley increased 24% over the 1990s. Typically, seniors live in single-family homes, but may begin to consider trading down their larger homes for smaller dwellings that are more~~

~~easily maintained after children leave home. In Scotts Valley, many seniors also live in the several mobile home parks in the community.~~

Chart 2-2

Age Characteristics and Trends

Age Group	2000		2009-2013~~10~~		% Change in Number
	Population	Percent	Population	Percent	
Preschool, under 5 years	774	6.8%	~~623~~586	5~~5.4~~%	24~~0~~%
School Age, 5-19 years	2,428	21.4%	2,661~~11~~	23~~22.6~~%	10~~8~~%
College Age, 20 to 24 years	537	4.7%	832~~598~~	~~5.2%~~7.2%	55~~11~~%
Young Adults, 25 to 44 years	3,436	30.2%	2,557~~13~~	~~21.7%~~22%	26~~7~~%
Middle Age, 45 to 64 years	2,637	23.2%	3,541~~660~~	30.4~~31.6~~%	34~~9~~%
Senior Citizens, 65 and over	1,573	13.9%	1,441~~575~~	12.5~~3.6~~%	8~~0~~%
Total	**11,385**	**100%**	**11,618~~580~~**	**100%**	**2~~2~~%**
Median Age	**38.3**		**39.5~~41.7~~**		**3~~9~~%**

Source: 2000 U.S. Census and 2009-2013 American Community Survey~~10 Census~~

~~**Chart 2-2**~~

Age Characteristics and Trends

Age Group	1990		2000		% Change in Number
	Persons	Percent	Persons	Percent	
Children (0-18)	2,007	23%	2,939	26%	46%
College Age (18-24)	755	9%	800	7%	6%
Young Adults (25-44)	2,993	35%	3,436	30%	15%
Middle Aged (45-64)	1,592	18%	2,637	23%	66%
Senior Adults (65+)	1,268	15%	1,573	14%	24%
Total	**8,615**	100%	**11,385**	100%	32%
Median Age	35.9 years		38.3 years		

Source: 1990 and 2000 Census

3. Race and Ethnicity

The racial and ethnic composition of a community affects housing needs due to the particular household characteristics of different groups. **Chart 2-3** shows the changes in the racial/ethnic composition of Scotts Valley residents.

In Scotts Valley, White residents are the largest racial group, making up approximately 78 percent of the City's total population, according to the 2009-2013 American Community Survey. Between 2000 and 2013 there was a 6 percent decrease in the white population of Scotts Valley.~~.~~ The second largest population group is Hispanic or Latino residents comprising approximately 10 percent of the population. From 2000 to 2013, this population group experienced growth at over 69~~58~~ percent.

In addition to the increase in Hispanic residents, demographic trends show that the Black (African-American) population increased ~~by percent~~from less than 1 percent of the population to nearly 3 percent of the population, and the Asian population increased by 53 percent. Generally, the racial/ethnic make-up of the City has remained the same over the last decade. Compared to Santa Cruz County, Scotts Valley had a similar racial/ethnic distribution, with a higher percentage of White residents.

~~During the 1990s, the demographic composition of Santa Cruz County gradually changed. Countywide, Hispanics, Asians, and African-Americans increased to approximately one-third (34%) of all residents. Scotts Valley experienced similar race/ethnic change during the 1990s, yet to a lesser degree. Shown in **Chart 2-3**, whites comprised the largest race/ethnic group in Scotts Valley, yet this group's representation declined by six percentage points over the decade due to substantial growth by other groups.~~

~~Change in minority representation, while slight, showed in two aspects. Hispanics and Asians recorded the largest increase in population, increasing by approximately 300 residents each. More noticeable was the increase in the number of residents in the "All Other Category." Unlike prior efforts, the 2000 Census allowed respondents to record themselves with multi-ethnic backgrounds. Still, Scotts Valley had a significantly smaller proportion of minorities than elsewhere in Santa Cruz County.~~

Chart 2-3
Trends in Race and Ethnicity

Race/Ethnicity	**2000**		**~~2010~~2009-2013**	
	Persons	**Percent**	**Persons**	**Percent**
Hispanic or Latino	729~~729~~	~~6.4%~~6.4%	1,233~~158~~	10.6%
White ~~Alone~~	~~9,361~~9,694	~~82.2%~~85.1%	9,071~~8,800~~	~~76%~~78.1%
Black or African-American ~~Alone~~	~~55~~95	~~0.5%~~0.8%	335~~101~~	~~0.9%~~2.9%
American Indian and Alaska Native ~~Alone~~	~~46~~133	~~0.4%~~1.2%	~~57~~196	~~0.5%~~1.7%
Asian ~~Alone~~	~~526~~679	~~4.6%~~6.0%	~~590~~1,036	~~5.1%~~8.9%
Native Hawaiian and Other Pacific Islander	~~21~~56	~~0.2%~~0.5%	~~18~~19	0.2%
Some Other Race ~~Alone~~	~~245~~402	~~2.2%~~3.5%	~~292~~152	~~2.5%~~1.3%
Totals	**11,385**	**100%**	**11,580**	**100%**

Source: 2000 ~~and 2010 Census~~U.S. Census and 2009-2013 American Community Survey

Chart 2-3
Trends in Race and Ethnicity

Race/ Ethnicity	1990 Persons	1990 Percent	2000 Persons	2000 Percent
White	7,881	91.5%	9,694	85.1%
Hispanic	421	4.9%	729	6.4%
Asian/Pacific Islander	238	2.8%	536	4.7%
African-American	40	<1%	48	0.4%
All Others	35	<1%	378	3.3%
Total	8,615	100%	11,385	100%

Source: 1990 and 2000 Census

~~According to the 2004 Comprehensive Housing Affordability Strategy (based upon the 2000 Census), homeownership levels vary by race and ethnicity. Among whites, 76% of households own their own home. Homeownership rates dip slightly for people of other race and ethnic groups. For instance, approximately 71% of African Americans own a home, followed by Asians/Pacific Islanders (70%), and Hispanics (68%). All Native Americans (8 households) own their homes. Differences observed in homeownership rates are due in part to the average income level of residents.~~

What is a household?

The Census Bureau defines three basic types of households: household, family, and nonfamily.

Household: Defined as all members living in the same home regardless of relationship.

Family household: Refers to persons living in the same home related by blood, marriage, or adoption.

Nonfamily households: defined as households consisting of unrelated individuals living together.

4. Household Type

Household composition affects housing needs within Scotts Valley. For instance, younger adults entering the labor market often look for smaller and more affordable housing, which is difficult to find in Scotts Valley. In contrast, families and middle age adults often look for larger housing that can comfortably accommodate children. Although many seniors live in single-family homes, they may consider smaller homes that are easily maintained. **Chart 2-4** summarizes the changes in the number of households in the City and County since 2000. The 2009-2013 American Community Survey estimates that there are 4,229 households in Scotts Valley, a 1 percent increase since 2000. During the same period, total households in Santa Cruz County increased by about 3~~3.5~~ percent.

Chart 2-4
Total Households

Area	2000	2009-2013~~010~~	% Change in Number
Scotts Valley	4,273	4,229	1%
Santa Cruz County	91,139	93,504	2.6%

Source: 2000 U.S. Census and 2009-2013 American Community Survey

~~In 2000, Scotts Valley had 4,273 households~~According to the ~~2010 U.S. Census~~2009-2013 American Community Survey, there were 4,227~~426~~ households in the City of Scotts Valley with an average household size of 2.67 persons. Of these~~at~~ ~~total~~households, 3,009~~,086~~ (approximately 71 percent) were comprised of families. ~~families comprised 69% and non-families the remaining 31%.~~ Nonfamily households made up the remaining 29~~30~~ percent of households in Scotts Valley. Household characteristics are shown in **Chart 2-5.** The fastest growing segment of households was "Family Households with ~~no~~ own children under 18 years."

~~As shown in **Chart 2-4**, married families with children increased the fastest among all households, followed by other families, resulting in a slight increase in the average household size. Still, Scotts Valley had a smaller average household size of only 2.5 persons.~~

~~In addition to conventional housing, Scotts Valley has approximately 4% of its population living in group quarters. A total of 452 residents live in group quarters and are not counted as households per se. This population is comprised of a large senior congregate housing facility and additional residential care facility providing approximately 200 to 250 beds, and Bethany College dorms accommodating approximately 225 students.~~

Chart 2-5~~4~~
Household Characteristics

Household Type	2000		2009-2013~~10~~		% Change in Number
	Number	Percent	Number	Percent	
Family Households	2,968	70%	3,009	71%	1%
With children	1,244	29%	1,620	38%	30%
Without children	1,413	33%	1,389	33%	2%
Non-Family Households	1,305	31%	1,218	29%	7%
Single Person	1,001	23%	977	23%	2%
Total Households	**4,273**	**100%**	**4,227**	**100%**	**1%**
Average Household Size	**2.56**		**2.67**		**4%**
Average Family Size	**3.05**		**3.13**		**3%**

Source: 2000 U.S. Census and 2009-2013 American Community Survey

As indicated in **Chart 2-5**, the average household size in Scotts Valley increased slightly from 2.56 to 2.67 persons per household. As noted in **Chart 2-6**, among neighboring cities, Scotts Valley has a similar household size. The average household size among neighboring cities range from a low of 2.27 persons per household in the City of Capitola to a high of 3.05 persons per household in the City of Watsonville. Santa Cruz County had an average of 2.72 persons per household.

Chart 2-6
Average Household Size

Jurisdiction	Persons Per Household
Scotts Valley	**2.67~~55~~**
Capitola	2.27~~11~~
Watsonville	3.70~~5~~
Santa Cruz	2.55~~39~~
Santa Cruz County	2.72~~66~~

Source: 2009-2013 American Community Survey~~2010 Census~~

In addition to conventional housing, Scotts Valley has approximately 272 residents (2.3 percent) living in group quarters as of January 2013, according to the Department of Finance's City/County Population and Housing Estimates. This population is comprised of a large senior congregate housing facility and additional residential care facilities providing approximately 200 to 250 beds.

~~Household Type~~	~~1990~~ ~~Number~~	~~Percent~~	~~2000~~ ~~Number~~	~~Percent~~	~~% Change in Number~~
~~Total Households~~	~~3,342~~	~~100%~~	~~4,273~~	~~100%~~	~~28%~~
~~Family Households~~					
~~Married With Children~~	~~865~~	~~26%~~	~~1,244~~	~~29%~~	~~44%~~
~~Married No Children~~	~~1,077~~	~~32%~~	~~1,249~~	~~29%~~	~~16%~~
~~Other Families~~	~~333~~	~~10%~~	~~475~~	~~11%~~	~~43%~~
~~Non-Family Households~~					
~~Single Person~~	~~822~~	~~25%~~	~~1,001~~	~~23%~~	~~22%~~
~~Other Non-Families~~	~~245~~	~~7%~~	~~304~~	~~7%~~	~~24%~~
~~Average Household Size~~	~~2.48~~		~~2.56~~		~~3%~~

~~Source: 1990 and 2000 Census~~

B. Economic Characteristics

Located in northern Santa Cruz County, Scotts Valley developed in part as a bedroom community of Silicon Valley.~~,~~ ~~and many~~ Many County ~~major~~ employers have relocated to the ~~community~~ City providing ~~and provided~~ higher paying jobs to the area~~residents~~. Changes~~Transitions~~ in ~~the~~ Silicon Valley and the general technology industry~~ies, however,~~ will continue to affect ~~the~~ the economy of the City~~firms relocating to the city and the income of residents~~.

1. Employment Market

The 2009-2013 American Community Survey estimated that there were 6,314 people, aged 16 years and older, in the Scotts Valley labor force. There were 5,774 Scotts Valley residents employed, indicating an unemployment rate of approximately 5.7 percent. This is lower than the 6.14 percent unemployment rate in Santa Cruz County.

~~According to the 2000 Census, 5,690 Scotts Valley residents were in the labor force (66% of the eligible population), with a 2.6% unemployment rate. This is significantly lower than the 6.0% unemployment rate countywide. According to 1999 Economic Census, Scotts Valley had 512 retail, professional, scientific, technical, and manufacturing firms representing half the entire business base and employing 3,500 people.~~ ~~**Chart 2-5** shows the largest employers in Scotts Valley.~~

Silicon Valley has grown to 1.5 million jobs over the past 50 years. The 1950-1960s saw expansion into the defense-related industries. This was followed by an expansion into integrated circuits from the 1960-1980s. Application of these technologies led to the personal computer industry, which dominated the 1980- to mid-1990s, and the internet industries of the 1990s. Scotts Valley's employment base has followed these patterns since the early 1970s.

~~According to 2002 Projections, O~~Oover 230,000 jobs were created in the Silicon Valley during the late 1990s, mostly in the ~~internet and~~ high technology sector. However, since 2000, as the region lost 92,000 of those jobs due to regional, national and global factors, changes occurred in Scotts Valley. For instance, the previous headquarters for Borland ~~complex~~ Software is now called Enterprise Technology Center and is leased to multiple small businesses. ~~Along with this trend, more than 500,000 square feet of commercial office space is currently vacant.~~ According to the Scotts Valley Chamber of Commerce, major employers in the City include:

- Bay Photo Lab
- Central California Alliance for Health
- Comcast of Ca/MA/Mi/Utah, Inc.
- Digital Dynamics
- Easton-Bell Sports, Inc.
- Embarcadero Technologies, Inc.
- Fox Racing Shox
- Hilton Scotts Valley
- Innerstep, Bse.
- Nob Hill Foods #620
- Oak Tree Villa
- Oxford/X-Ray Technology Group
- Safeway
- Seagate Technologies
- Threshold Enterprises, Ltd.
- Universal Audio
- Zero Technologies

~~Bay Photo Lab~~
~~Threshold Enterprises, Ltd.~~
~~Central California Alliance for Health~~
~~Easton-Bell Sports, Inc.~~
~~Embarcadero Technologies, Inc.~~
~~Comcast of Ca/Ma/Mi/Utah, Inc.~~
~~Fox Racing Shox~~
~~Nob Hill Foods #620~~
~~Safeway~~
~~Digital Dynamics~~
~~Hilton Scotts Valley~~
~~Innerstep, B.s.e.~~
~~Oxford/X-Ray Technology Group~~
~~Oak Tree Villa~~
~~Universal Audio~~
~~Seagate Technologies~~
~~Zero Technologies~~

According to the Association of Monterey Bay Area Governments (AMBAG) 2014 Regional Growth Forecast, ~~The City's objective is to balance the requirements of providing a fair share of affordable housing and mix of different housing types (apartments, condominiums, townhousescondominiums, townhouses) in the region, while not exceeding the capacity of the City's infrastructure.~~ ~~b~~Between 2004 and 2010, the number of jobs in Scotts Valley ~~Between 1998 and 2004, the number of jobs gradually~~ declined from ~~6,355~~5,399 to 5,164~~399~~ jobs, while the number of housing units increased from 4,565~~121~~ to 4,~~,565~~610. The job to housing ratio has thus declined from 1.18 in 2004 to 1.12 in 2010. This means that the number of jobs is declining in relation to the number of housing units in the City. AMBAG considers that 1.50 is an appropriate balance between jobs and housing.

~~declined from 1.54 in 1998 to 1.18 in 2004. This means that the number of jobs is declining in relation to the number of housing units in the City. The Association of Monterey Bay Area Governments (AMBAG) considers that 1.50 is an appropriate balance between jobs and housing.~~

2. Occupational Profile

~~Scotts Valley's higher median household income is reflective of the type of occupations held by residents. As shown in **Chart 2-6**, three of every four residents in the workforce held managerial and professional positions or sales/technical/ administrative occupations. Of particular note, 53% of City"s residents in the workforce held managerial and professional jobs. While the 2000 Census does not estimate household income associated with different jobs, regional estimates can be derived from the National Compensation Survey. More than half of all jobs held by Scotts Valley residents earn salaries ranging from $70,000 to $80,000, on average. However, because many households have multiple wage earners, the income for many householders is likely to be significantly higher.~~

Scotts Valley's higher median household income is reflective of the type of occupations held by residents. Out of the occupational categories listed in **Chart 2-7**, the most prominent industry was educational services, and health care and social assistance occupations with approximately 26~~27~~ percent of all residents employed in this sector. The next highest category (at 13 percent) is manufacturing followed by professional, scientific, and management, and administrative and waste management service at 11 percent. Generally, pay compensation for managerial, professional and related occupations are significantly higher than all of the other occupation categories. However, because the categories listed below are broad, it is difficult to draw more specific conclusions. The education, health and social services industry, however, has been growing and is expected to continue to grow as long as the State population continues to grow and the aging "baby boomer" population continues to grow.

Chart 2-7
Employment by Sector

Industry Sector	Jobs	Percent
Agriculture, forestry, fishing and hunting, and mining	0	0%
Construction	407~~396~~	7.0~~6.8~~%
Manufacturing	772~~777~~	13.4~~3~~%

Wholesale trade	211~~123~~	3.7~~2.1~~%
Retail trade	628~~627~~	10.9~~7~~%
Transportation and warehousing, and utilities	102~~152~~	1.8~~2.6~~%
Information	50~~44~~	0.9~~8~~%
Finance and insurance, and real estate and rental and leasing	377~~386~~	6.5~~6~~%
Professional, scientific, and management, and administrative and waste management services	672~~668~~	11.6%
Educational services, and health care and social assistance	1,514~~1,561~~	26.2~~7~~%
Arts, entertainment, and recreation, and accommodation and food serviced	563~~547~~	9.8~~4~~%
Other services, except public administration	216~~292~~	3.7~~5.5~~%
Public administration	262~~277~~	4.5~~7~~%
Total (civilian employed population)	**5,774~~5,850~~**	**100%**

Source: 2009-2013 American Community Survey

Chart 2-6
Occupations of Scotts Valley Residents

Occupational Category	Jobs: Persons	Jobs: Percent	2000 Mean Salary
Managerial Positions	1,321	24%	$82,000
Professional and related	1,628	29%	$71,100
Sales and office	1,378	25%	$35,700
Service Occupations	554	10%	$22,400-$43,800
Production, transportation, etc	279	5%	
Construction, extraction/maint.	352	6%	
Farming, Forestry, Fishing	29	1%	$18,500
Total	5,541	100%	

Source: 2000 Census.
National Compensation Survey, Bureau of Labor Statistics

3. Household Income

Many City residents work in ~~manufacturing, technology~~education, services, ~~and~~ health care, ~~and~~ social assistance~~,~~ manufacturinge, and other high-paying industries. According to the 2009-2013 American Community Survey, the median household income in Scotts Valley was $101,837. This is higher than the neighboring cities of Capitola, Santa Cruz, and Watsonville. ~~compared to any other community in Santa Cruz County.~~ Furthermore, over the past decade, ~~0,~~ Scotts Valley's median household income also rose faster than all other cities in the county. **Chart 2-8~~7~~** shows the change in median household income for the four cities in Santa Cruz County.~~/all cities.~~

Chart 2-9~~8~~ summarizes~~details~~ the ~~reason for this change~~household income trends in Scotts Valley. While the number of households in income groups below $75,000~~100,000~~ decreased~~declined or remained ,the same,~~ those earning more than $75,000~~100,000~~ increased. Households earning between $100,000 and $150,000 increased nearly ~~261~~12 percent~~%~~, while the number of households earning more than $150,000 increased by ~~570~~938 percent~~%~~. While part of this change is presumably due to inflation, the primary reason is that many of Scotts Valley residents work in increasingly higher paying jobs.

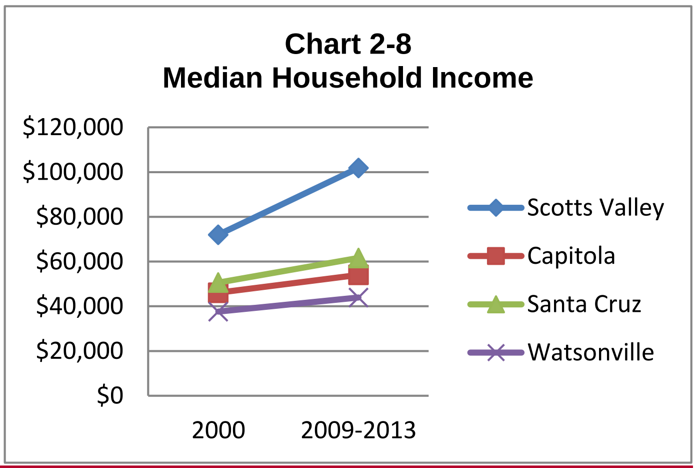


Chart 2-8
Median Household Income

Source: 2000 U.S. Census and 2009-2013 American Community Survey~~2010 Census~~

Chart 2-9
Household Income Trends

Income Category	No. of Households 2000	No. of Households 2009~~8~~ - 2013~~2~~	% Change ~~in Number~~
< $25,000	551	478	-13.2%
$25,000 to $34,999	426	254	-40.4%
$35,000 to $49,999	510	321	-37.1%
$50,000 to $74,999	708	342	-51.7%
$75,000 to $99,999	547	634	15.9%
$100,000 to $149,999	951	1,061	11.6%
More than $150,000	589	1,137	93.0%
Total	4,282	4,227	---

Source: 2000 U.S. Census and 2009~~8~~-2013~~2~~ American Community Survey~~, 5-year~~

~~estimatesCS~~

~~Chart 2-8~~
~~Household Income Trends~~

~~Income Category~~	~~No. of Households~~		~~Change in Number~~	~~% Change in Number~~
	~~1990~~	~~2000~~		
~~< $25,000~~	~~839~~	~~551~~	~~-288~~	~~-34%~~
~~$25,000 to $34,999~~	~~384~~	~~426~~	~~+42~~	~~11%~~
~~$35,000 to $49,999~~	~~641~~	~~510~~	~~-131~~	~~-20%~~
~~$50,000 to $74,999~~	~~705~~	~~708~~	~~+3~~	~~--~~
~~$75,000 to $99,999~~	~~490~~	~~547~~	~~+57~~	~~12%~~
~~$100,000 to $150,000~~	~~263~~	~~951~~	~~+688~~	~~261%~~
~~More than $150,000~~	~~88~~	~~589~~	~~+501~~	~~570%~~
~~Total~~	~~3,410~~	~~4,282~~	~~---~~	~~---~~

~~Source: 1990 and 2000 Census~~

Median household income varies depending upon household characteristics. According to the ~~2000 Census~~2009-2013 American Community Survey, married couple families earned a median income of $124,806~~101,297~~~~116,211~~ – more than double than that earned by nonfamily ~~-~~households~~other families and single-persons~~. ~~Part of the reason is that two-thirds of all married families have two or more workers (2000 Census). Household income is highest during working years, with householders between the ages of 25 and 64 earning a median income ranging from $81,000 to $101,000. In contrast, seniors and single-persons earned a median income in the mid $30,000s.~~

Households are often grouped into different income categories and types to facilitate assessment of needs and prioritizing assistance for housing. For state housing programs and for the Regional Housing Needs Assessment ~~Plan~~ discussed later, households are grouped into four income categories.~~,~~ ~~expressed relative to the Area Median Income (AMI). The following income thresholds issued by HCD in 1999 2014 for the Santa Cruz-Watsonville metropolitan area were used to calculate the income distribution of households living in Scotts Valley for the 2000 Census2008-2012 American Community Survey.~~

Assessing income groups is a major component of evaluating housing affordability. According to the 2009~~8~~-2013~~2~~ American Community Survey, the annual median household income in Scotts Valley is $101,837~~103,769 per year~~. The State Department of Housing and Community Development developed the following income categories based on the Median Family Income (MFI) of a Metropolitan Statistical (MSA) established by the U.S. Department of Housing and Urban Development:

Very Low income: 0-50% of MFI ~~or up to $38,950AMI or up to $30,500~~
Low income: 51-80% of MFI ~~or up to $62,320AMI or up to $47,800~~
Moderate income: 81-120% of MFI ~~or up to $93,480AMI or up to $61,000~~
Upper income: Above 120% of MFI ~~or over $93,480 or over $73,200~~

The 2014 MFI for the Santa Cruz-Watsonville metropolitan area ($77,900) was used to interpolate the City's income distribution from the census according to the above categories. The income distribution of the City of Scotts Valley, based on the 2009-2013 American Community Survey, is presented in **Chart 2-10.** It is estimated that~~:~~ approximately 17 percent of the households earned less than $34,999 annually; approximately 16 percent earned between $35,000 and $74,999 annually; 15 percent earned between $75,000 and $99,999 annually; and the remaining 52 percent earned over $100,000 annually.

Chart 2-10
Household Income

Income Level	Number of Households	Percent of Total
< $10,000	173	4.1%
$10,000 to $14,999	85	2.0%
$15,000 to $24,999	220	5.2%
$25,000 to $34,999	254	6.0%
$35,000 to $49,999	321	7.6%

$50,000 to $74,999	342	8.1%
$75,000 to $99,999	634	15.0%
$100,000 to $149,999	1,061	25.1%
$150,000 to $199,999	604	14.3%
$200,000 or more	533	12.6%
Total	4,227	

Source: 2009-2013 American Community Survey~~, 5-year estimates~~

~~As shown below in **Chart 2-9**, 52% of all renters earn low incomes compared to 29% of all homeowners. This finding is expected given the high cost of housing in Scotts Valley. Approximately 23% of renters earn moderate incomes versus 18% of homeowners. As expected for those owning homes, 53% of homeowners versus 25% of renters earn above-moderate incomes.~~

~~Chart 2-9~~

~~Household Income Distribution~~

~~Income Category~~	~~Household Characteristics~~		
	~~Total~~	~~Renters~~	~~Homeowners~~
~~Median Income~~	~~$72,500~~	~~$43,000~~	~~$90,500~~
~~Very Low~~	~~702 (14%)~~	~~330 (25%)~~	~~372 (10%)~~
~~Low~~	~~1,059 (21%)~~	~~356 (27%)~~	~~703 (19%)~~
~~Moderate~~	~~973 (19%)~~	~~302 (23%)~~	~~671 (18%)~~
~~Above-Mod~~	~~2,304 (46%)~~	~~323 (25%)~~	~~1,980 (53%)~~
~~Total~~	~~5,038 (100%)~~	~~1,312 (100%)~~	~~3,726 (100%)~~

~~Source: 2000 Census~~

~~Notation:~~

~~HCD income limits for the same timeframe in which household income was~~
~~r the 2000 Census was used to interpolate income categories.~~

C. Special Needs Groups

Scotts Valley, like many communities is home to a range of residents with special needs that affect their ability to afford or find suitable housing. State law defines special needs households to include seniors, ~~people~~ persons with disabilities, persons with developmental disabilities, female headed households, large households, homeless people, and farmworkers. ~~Though state law does not mention them, the City also has a number of college students and forestry workers who may have additional difficulties securing housing in Scotts Valley.~~

> **What are special housing needs?**
>
> California housing law considers certain households as having special needs due to income, household size, disability, or employment status that affect their ability to find suitable housing.

~~This section provides a discussion of the special needs facing each group, as well as the major programs and services available to address their housing and supportive service needs. **Chart 2-10** summarizes changes in the number and relative proportion of special needs groups residing in the community. The City has set up a special commission to deal with ADA issues related not only to public improvements and facilities but regarding the construction of units which will provide accessibility.~~

~~Chart 2-10~~

~~Special Needs Groups~~

~~Special Needs Group~~	~~1990~~		~~2000~~	
	~~Number~~	~~Percent~~	~~Numbe~~	~~Percent~~
~~Senior Households (65+)~~	~~89~~	~~27%~~	~~9~~	~~23%~~
~~Disabled Persons (16-64)~~	~~N.A.~~	~~N.A.~~	~~1,251~~	~~11%~~
~~Female Headed~~	~~85~~	~~26%~~	~~1,434~~	~~34%~~
~~Single Parent w/children~~	~~22~~	~~7%~~	~~3~~	~~7%~~
~~Large Households (5+ persons)~~	~~26 9~~	~~8%~~	~~3 7~~	~~9%~~
~~College Students~~	~~90~~	~~11%~~	~~1,095~~	~~10%~~
~~Homeless Persons~~	~~N.A.~~	~~N.A.~~	~~2~~	~~<1%~~
~~Farm Workers~~	~~59~~	~~<1%~~	~~3~~	~~<1%~~

~~Source: 1990 and 2000 Census~~

1. Senior Households

The special housing needs of the elderly are an important concern in Scotts Valley. Many of the elderly residents in the City are retired and living on a fixed income, which puts them at greater risk for housing overpayment. In addition, the elderly may have special needs related to housing construction and location. The elderly often require ramps, handrails, lower cupboards and counters to allow greater access and mobility. In terms of location, because of limited mobility, the elderly typically need access to public facilities (i.e., medical and shopping) and public transit facilities.

For Housing Element purposes~~d~~, a senior householder is defined as one who is 65 years or older. As estimated in the 2009-2013 American Community Survey, 12 percent of the total population were 65 years or older in Scotts Valley. In terms of housing tenure, 26 percent of owner-occupied and 18 percent of renter-occupied units were headed by occupants 65 years old or older. ~~Senior households are considered a special needs group because their limited income, health costs, and higher prevalence of disabilities make it more difficult to afford suitable housing. For Housing Element purposes, a senior householder is defined as one who is 65 years and older. According to the 2000 Census, the number of seniors increased 24% in the last ten years. Of the 965 households headed by a senior, 742 were owners.~~

~~Seniors have special needs related to their disabilities, limited income, and resulting housing cost burden. For instance, a high proportion of seniors have a self-care or mobility limitation, which makes it difficult to go outside the home alone or take care of one"s personal needs. Seniors typically earn very low income; the mean social security income was $10,600 while the mean retirement income was $19,200 in 2000. This restricts the ability of seniors to afford other necessities of life, in particular medical care and suitable housing.~~

While many seniors live in conventional single-family housing, mobile homes also provide lower cost rental and ownership housing options. According to the Department of Finance, there were 763 mobile homes in Scotts Valley as of January 2013~~.~~.~~more than 750 mobile homes provide lower-cost rental and ownership housing.~~ Apartments also provide rental housing for seniors and, for those earning very low incomes, the Housing Authority provides rental subsidies.~~ to seniors.~~ For more specialized care, the City also is home to a large congregate care facility, Oak Tree Villa, which provides~~providing~~ a more supportive living environment for senior adults. Of the 204~~0~~ units in this complex, 10 percent~~%~~ have been reserved~~restricted~~ ~~to~~ for low-income ~~households~~families.

2. Persons with Disabilities ~~Disabled Persons~~

Physical and mental disabilities can hinder access to traditionally designed housing units as well as potentially limit the ability to earn adequate income. As shown in **Chart 2-11**, the 2009-2013 American Community Survey estimates that 5 percent of Scotts Valley's population age 18 years and older has some form of disability. In comparison, 33 percent of the City's population age 65 years and over has one or more disabilities.

Although no current comparisons of disability with income or household size are available, it is reasonable to assume that a substantial portion of persons with disabilities would have annual incomes within Federal Section 8 income limits, especially those households not in the labor force. Furthermore, many lower-income persons with disabilities are likely to require housing assistance. Their housing needs are further compounded by design issues and location requirements, which can often be costly. For example, special needs of households with wheelchair-bound or semi-ambulatory individuals may require ramps, holding bars, special bathroom designs, wider doorways, lower cabinets, elevators, and other interior and exterior design features.

Chart 2-11
Disability Status

Age and Disability Status	Persons 18-64 Years Old	Persons 65 Years and Older
Hearing Disability	140	255
Vision Difficulty	83	83
Cognitive Difficulty	71	173
Ambulatory Difficulty	104	318
Self-Care Difficulty	16	119
Independent Living Difficulty	37	233
Total with Disability	**358**	**477**
Total Population in City	7,414	1,439

Source: 2009-2013 American Community Survey~~, 5-year estimates~~

~~Disabled persons have special housing needs because of their fixed income, the limited numbers of accessible and affordable housing, and the medical costs of their disability. According to ADA, a disabled person has a physical or mental impairment that substantially limits one or more major life activities. However, few accurate statistics are available on disabilities. According to the Census, Scotts Valley has approximately 1,250 residents with a disability, not counting those living in convalescent homes.~~

Many persons with disabilities live in an independent fashion in conventional housing or with other family members in their homes. To maintain independent living, ~~disabled persons~~persons with disabilities may need special assistance. Central Coast Center for Independent Living in Capitola provides advocacy, workshops, disability awareness training, peer support, housing assistance, and independent living training. ~~Disabled persons~~Persons with disabilities can also benefit from special housing design features, income support for those unable to work, and in-home supportive services for persons with medical conditions.

For ~~disabled persons~~persons with disabilities requiring a supportive environment, residential care facilities provide another option. Scotts Valley allows State-authorized, certified or licensed family day care homes, foster homes, or group homes serving six or fewer disabled persons in the community. Scotts Valley currently has two such facilities providing approximately 250 beds for the elderly and ~~disabled community~~persons with disabilities. As noted earlier~~above~~, the Oak Tree Apartments reserves 10 percent~~%~~ of their units as affordable to lower-income households.

3. Persons with Developmental Disabilities

According to Section 4512 of the Welfare and Institutions Code a "Developmental disability" means a disability that originates before an individual attains age 18 years, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual which includes mental retardation, cerebral palsy, epilepsy, and autism. This term ~~shall~~ also includes disabling conditions found to be closely related to mental retardation or to require treatment similar to that required for individuals with mental retardation, but does~~shall~~ not include other handicapping conditions that are solely physical in nature.

Many persons with developmental disabilities can live and work independently within a conventional housing environment. Individuals with more severe developmental disabilities 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 disability exists 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.

The State Department of Developmental Services (DDS) currently provides community based services to approximately 243,000 persons with developmental disabilities and their families through a statewide system of 21 regional centers, four developmental centers, and two community-based facilities. The San Andreas Regional Center is one of 21 regional centers throughout California serving individuals and their families who reside within Monterey, San Benito, Santa Clara, and Santa Cruz Counties. The San Andreas Regional Center is a community-based, private nonprofit corporation that is funded by the State of California to serve people with developmental disabilities. According to information provided by the San Andreas Regional Center in Watsonville, the Regional Center serves 133 individuals, age 3 to 80 years, diagnosed with a cognitive or developmental disability in the City of Scotts Valley.

There are a number of housing types appropriate for people living with a development disability: rent subsidized homes, licensed and unlicensed single-family homes, inclusionary housing, Section 8 vouchers, special programs for home purchase, HUD housing, and SB 962 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 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. Special consideration should also be given to the affordability of housing, as people with disabilities may be living on a fixed income. There are no current City programs or funding available that assists persons with disabilities.

~~3.~~4. ~~Families with Children~~Large Households and Female-Headed Households

~~Given the escalation of prices and rents for housing in Scotts Valley in recent years, families have a greater difficulty in affording suitable housing. Two groups of families are defined as special needs groups by the State of California.~~ Large households with five or more members comprise a special need group because of their need for larger units, which are often in limited supply. Female-headed households, comprised largely of female, single-parents with children, also have a greater need of child care and affordable housing.

Large families have difficulty finding housing, particularly rental housing. Difficulties in securing housing are more challenging for renters because multi-family rental units are typically smaller than single-family ownership units. While apartment complexes offering two and three bedrooms are common, apartments with four or more bedroom units are rare. Additionally, throughout the region, larger single-family homes, whether to rent or own, are~~or~~ generally not affordable to the majority of lower income households. To save on living expenses, lower-income large households often reside in small or too-expensive units, resulting in overcrowding and overpayment. According to the 2009-2013 American Community Survey, approximately 26~~5.8~~ percent of total households in the City are large households of four or more persons. Of renter-occupied households, 15~~.2~~ percent are large households. ~~of which 72 (20%) are rentersThe City of~~ Scotts Valley has a significant stock of large homes for families and affordable projects (e.g., Emerald Hill), but fewer market rate larger apartments that are affordable.

Single-parent households often require special consideration and assistance due to their greater need for affordable and accessible day care, healthier care, and other supportive services. In particular, many female-headed households with children are susceptible to having lower incomes than similar two-parent households. Single, female mothers also face social marginalization pressures that often limit their occupational choices, housing options and access to supportive services. The 2009-2013 American Community Survey, estimates that 11 percent of households in Scotts Valley are female-headed households, with children under 18 years of age.

~~According to the 2000 Census, Scotts Valley has 1,434 female headed family households or 33% of all households and 311 single-parent families. In 1999, female headed households earned a median income of $40,100 and single-parents females with children earned a median income of $33,500 – approximately half the median income of all families in Scotts Valley. Given that single-parents spend 12% to 25% of income on childcare, many also have less disposable income for housing and other basic necessities.~~

~~4.~~5. College Students

College students have special housing needs due to limited income. Many students who attend community college on a part time basis have full-time jobs, while full-time students often work less. In the latter case, students often earn low incomes, and pay more than half their income for housing.~~, and/or may to afford rents. According to the 1990 Census, about 900 persons or 27% of Scotts Valley residents attended college.~~

Scotts Valley is located near several colleges; University of California-~~ at~~ Santa Cruz (UCSC) has ~~14,000~~16,000 students and Cabrillo College has ~~15,000~~17,000 students. Although UCSC provides a substantial number of student units, UCSC has had to contract with several motels to address the high demand for housing. With the closure of Bethany College (enrollment of approximately 500 students) in Scotts Valley in 2011, the demand for college student housing has decreased.~~Locally, The City of Scotts Valley is home to Bethany College, a liberal arts college of 500 students. The College provides 300 students with on-campus housing. The demand for student housing is anticipated to increase – the "Bethany 2012" vision calls for increasing enrollment by 1,700 students by 2012.~~

~~5.~~6. Farming, Forestry, and Fishing Jobs

Scotts Valley's location in the Santa Cruz Mountains and nearby agricultural setting means that some residents may~~will~~ work in the farming, forestry, and mining industries. While the 2009-2013 American Community Survey does not include an estimate of the number of individuals working in the agriculture, forestry, fishing and hunting, and mining industry, there is a +/- 20 margin of error indicated, which means that some residents in the City may work in the industry.~~According to the 2000 Census, 32 Scotts Valley residents were employed in farming, forestry, fishing, and mining industry~~. In Scotts Valley, these jobs are primarily attributable to mining and forestry work. Forestry workers are employed by the Department of Forestry/Fire Protection.

Contrary to popular opinion, forestry jobs pay some of the lowest incomes. This is because the forestry industry hires part-time workers. The federal government sets wages that are not adequately adjusted for regional and local differences in the cost-of-living. According to the Employment Development Department, the mean wage for farming and forestry industry ranges from $19~~6,000~~,000 for farm workers to approximately $21,000~~00~~ for forestry workers. Thus, forestry workers are often in need of subsidized or affordable housing.

~~6.~~7. Homeless Persons

According to the 2015 Santa Cruz County Homeless Point-in-Time Census & Survey, 1,964 homeless individuals were counted in Santa Cruz County. Sixty-nine (69) percent of the homeless population was unsheltered, living on the streets, in parks, encampments, vehicles, or other places not meant for human habitation. The remaining 31 percent were sheltered, which includes emergency shelters and transitional housing. Of the 1,964 homeless individuals counted, 14 were located in the City of Scotts Valley and were unsheltered.

~~Santa Cruz County estimates that 3,293 people are homeless countywide of which 174 live in Scotts Valley. Upon closer review of this survey, however, this survey overestimated homelessness in Scotts Valley, because it was based in part on vehicle counts as well as the homeless count included in census tracts that extended well outside the City's boundaries and near Santa Cruz's homeless shelter. In contrast, the Police Department has estimated the actual number of homeless people to range from 10 to 25 at any one time and this was verified in February 2009 when the City participated in a county wide homeless count.~~

To meet the estimated homeless needs in the community, the City permits by-right homeless shelters in the C-S, C-SC, and I-L zoning districts. Transitional and supportive housing are permitted by-right in all residential zones. ~~Given~~

~~the few homeless in Scotts Valley and the extensive service center in Santa Cruz, there has been no demand for duplicate sites in Scotts Valley. Should demand for shelters and transitional housing arise, the City permits emergency shelters in the C-S and C-SC zones. The City has amended the Zoning Code to permit transitional housing in the I-~~L~~ zoning district.~~ The City ~~does not have either type of facility but does have~~ has one residential treatment facility for persons recovering from substance abuse. The sober living environment (SLE), the Evolving Door, provides a clean and sober home for alcoholics, addicts, and others in recovery.

In North County, Valley Churches United Mission provides emergency food services. The Homeless Garden Project provides job-training. The Homeless Community Resource Center offers free meals, bathing, laundry, mail, phone facilities, referrals, and job counseling. The Shelter Project (TSP) provides motel vouchers to homeless persons and provides emergency short-term rent assistance for persons at risk of eviction. St. Phillip the Apostle Episcopal Church and ReGeneration Church/Calvary Chapel also offer services that focus on the community's lower income populations. ~~New Horizons School also provides elementary education and supportive services for homeless children.~~

8. Extremely Low-Income Households

According to 2007-2011 CHAS data generated for the City there were approximately 840 very low-income households living in Scotts Valley. Very low-income households are those households that earn 50 percent or less of the median family income (MFI) for the statistical region in which they are located. Extremely low-income households are those households which earn less than 30 percent of the MFI. There are approximately 500 extremely low-income households in Scotts Valley (renters and owners).

There are opportunities to address the housing needs of extremely low-income households in Scotts Valley through the City's overall programs for housing affordability and through development regulations. The City has taken into account the number of extremely low-income households reported by the CHAS data available and assumes that their project need will be approximately 50 percent of their very low income RHNA allocation.

D. Housing Characteristics

Housing characteristics also determine how the housing stock fits the needs of residents. This section analyzes housing characteristics, including the type of housing units available, the ownership and vacancy rates, age and condition, and the price and affordability of housing.

1. Housing Types

According to the ~~2000 Census~~2009-2013 American Community Survey, Scotts Valley had ~~4,477~~4,341 housing units~~, representing a growth of 92 units annually since 1990~~. As shown below, the majority of units in Scotts Valley are single-family detached homes, which increased in number and proportion from ~~59~~55 percent~~%~~ in ~~1990~~ 2000 to ~~64~~59 percent~~%~~ of the housing stock by 2013~~2000~~.~~ Multi-family units also increased in number and remained at approximatelyproportion and supply approximately 2618 percent% of the City's housing stock.~~ Mobile homes continue to provide a relatively larger proportion of the City's housing at nearly 15 percent~~%~~. **Chart 2-12~~11~~** provides a summary of key housing characteristics in Scotts Valley.

Chart 2-12
Housing Unit Characteristics

Housing Type	2000	2009~~8~~-2013~~2~~
Single-Family-Detached	55%	58.7~~59~~%
Single-Family-Attached	9%	12.8~~13~~%
Multi-Family (2-4 units)	9%	5.2~~4~~%
Multi-Family (5 or more)	9%	8.7~~9~~%
Mobile homes/other	17%	14.6~~15~~%
Total	**100%**	**100%**
Rental Vacancy Rate	3.4%	3.5~~3.2~~%
Ownership Vacancy Rate	0.7%	1.2~~2.4~~%

Source: ~~Census~~ 2000 U.S. Census and ~~2008-2012 ACS~~2009-2013 American Community Survey~~, 5-year estimates~~

Chart 2-11
Housing Unit Characteristics

Housing Type	1990 Number	1990 Percent	2000 Number	2000 Percent
Single-Family-Detached	1,764	50%	2,457	55%
Single-Family-Attached	327	9%	408	9%
Multi-Family (2 – 4 units)	363	10%	376	9%
Multi-family (5 or more)	279	8%	422	9%
Mobilehomes/other	823	22%	814	17%
Total	3,556	100%	4,477	100%
Rental Vacancy Rate		7.6%		3.4%
For-Sale Vacancy Rate		3.1%		0.7%

Source: 1990 and 2000 Census

2. Housing Tenure and Vacancies

During the ~~Over the~~ ~~1990s~~2000s, the tenure distribution of housing in the City remained stable with 4,307 total occupied housing units. According to the American Community Survey in the period 2009-2013, Scotts Valley had~~s~~ an estimated~~d~~ ~~4,307~~4,227 occupied units, comprised of ~~3,229~~3,2298 owner-occupied and 998~~1,078~~ renter-occupied households. Including vacant units, Scotts Valley has a total of 4,341 housing units. For the years 2009-2013, Scotts Valley ~~also~~ has a high homeownership rate of over 76~~.4%~~ ~~75~~75%, percent~~-~~, which is well above the county average of ~~47~~59 percent~~%~~. ~~Perhaps another important indicator is that housing vacancy rates, which declined over the decade as well.~~ Vacancy rates in the city are low, at ~~3.4~~3.5 percent~~%~~ for rentals and 1.2~~0.7~~ percent~~%~~ for ~~homeowners~~ownership housing. ~~– well below industry standards for an optimal housing market.~~ **Chart 2-13~~2~~** provides a summary of ~~key housing characteristics in Scotts Valley~~housing tenure in Scotts Valley.~~.~~

Chart 2-13
Housing Tenure and Vacancy

Housing Type	2000		20098-20132	
	Number	Percent	Number	Percent
Homeowners	3,229	75%	3,2298	76.475%
Renters	1,078	25%	9981,090	23.625%
Total Occupied Units	4,307	100%	4,2274,318	100%
Total Vacant Units	170		114	
Total Number of Units	4,477		4,341	
Rental Vacancy Rate	-	3.4%	-	3.52%
Homeowner Vacancy Rate	-	0.7%	-	1.22.4%

Source: 2000 U.S. Census and 2009-2013 American Community Survey~~, 5-year estimates~~

Chart 2-12
Housing Tenure and Vacancy

Housing Type	1990		2000	
	Number	Percent	Number	Percent
Homeowners	2,461	74%	3,229	75%
Renters	881	26%	1,078	25%
Total Units	2,342	100%	4,307	100%
Rental Vacancy Rate		7.6%		3.4%
For-Sale Vacancy Rate		3.1%		0.7%

Source: 1990 and 2000 Census

3. Housing Conditions

Housing age often indicates when homes require repairs. After 30 years, most homes require greater maintenance, such as a new roof, wall plaster, or stucco. Homes older than 50 years require more substantial repairs including plumbing, electrical, or other components. As shown in **Chart 2-14**, ~~based on the age of the homes in the City, housing is in excellent condition in Scotts Valley~~the majority of housing units in Scotts Valley were built after 1970.

~~require~~

~~Greater main-tenance, such as a new roof, wall plaster, and stucco. Homes older than 50 years require more substantial repairs to plumbing, electrical, or other components. As shown in **Chart 2-13,** housing is in excellent condition in Scotts Valley, except for a small area near City Hall, encircled by Bean Creek Road, Erba,~~

Chart 2-14
Age of Housing Stock

Decade Built	Number of Homes	Percent
1939 or earlier	10~~35~~	0.3~~0.8~~%
1940 to 1949	59~~84~~	1.4~~1.9~~%
1950 to 1959	339~~360~~	7.8~~8~~%
1960 to 1969	648~~772~~	14.9~~17.1~~%
1970 to 1979	917~~1,035~~	21.1~~22.9~~%
1980 to 1989	973~~855~~	22.4~~18.9~~%
1990 to 1999	981~~896~~	22.6~~19.8~~%
2000 to 2009	414~~482~~	9.5~~10.7~~%
2010 of later	0	0%
Total Housing Units	**4,341~~4,519~~**	**100%**

Source: 2009-2013 American Community Survey

4. Housing Prices

The 2009-2013 American Community Survey estimates~~documents~~ a median housing unit value of $586,100 in Scotts Valley. The Santa Cruz County Association of Realtors (SCAOR) reports that the median price of a single-family home increased slightly between 2009 and 2010 before falling 10 percent in 2011 in Santa Cruz County. The median price of single-family homes increased slightly in 2012, and then increased nearly 24 percent in 2013. ~~46% countywide from 1996- 99 and an additional 40% in Santa Cruz and Scotts Valley from 1999-2002.~~ Shown in **Chart 2-15~~4~~** the median sales price for a single-family home in ~~Scotts Valley~~Santa Cruz County was about $~~570,000~~617,500 in 2013~~02~~. The ~~median price of homes~~fluctuations of the median price of homes are due to the housing crisis and subsequent recovery. ~~escalated to $757,603 in 2007 but dropped to $611,000 in 2008 as a result of the global economic downturn.~~

Chart 2-15

Home Prices in Santa Cruz County, 2009-2015 ~~2012~~

Housing Sales Price Distribution	Sales Price	
	Single-Family	Condominiums
Median Price 2015 (through June)	$705,000	$448,500
Median Price 2014	$679,500	$419,000
Median Price 2013	$617,500	$373,000
Median Price 2012	$499,850	$305,000
Median Price 2011	$465,500	$281,725
Median Price 2010	$517,500	$308,750
Median Price 2009	$506,375	$317,000

Source: Santa Cruz Association of Realtors website.

According to a survey of Zillow.com conducted on~~in July 2014~~August 2015, there were approximately ~~71~~56 properties for sale in the City. Of the ~~71~~56 homes (single-family residences and condominiums/townhouses for sale, Zillow indicated that the ~~nearly~~over half (~~39~~31 listings) had 3 or more bedrooms. The second most for sale type (~~32~~15 units) had 1 or 2 bedrooms. Four-bedroom and five-bedroom homes made up approximately 23 percent of the total units for sale and homes. There were a total of 6 four-bedroom homes for sale and 7 five-bedroom homes~~ with five or more bedrooms made up approximately 4 percent of all units for sale~~. For comparison, **Chart 2-16** indicates that three-bedroom housing units~~homes~~ make up 35 percent of the

City's housing stock. Two-bedroom housing units are 29 percent of the total housing stock and four- or more-bedroom units are approximately 29 percent of the total housing stock in the City.

Chart 2-16
Number of Bedrooms

Bedrooms	Number	Percent
No Bedroom	11	0.2%
1-bedroom	383	8.8%
2-bedroom	1,168	26.9%
3-bedroom	1,518	35.0%
4-bedroom	972	22.4%
5 or more bedrooms	289	6.7%
Occupied Housing Units	**4,341**	**100%**

Source: 2009-2013 American Community Survey~~, 5-year estimates~~

~~**Chart 2-14**~~
~~**Home Prices in Scotts Valley, 2008**~~

~~Housing Sales Price Distribution~~	~~Sales Price~~	
	~~Single-Family~~	~~Condominiums~~
~~Median Price 2008~~	~~$611,000~~	~~$397,141~~
~~Median Price 2007~~	~~$757,603~~	~~$502,760~~
~~Median Price 2006~~	~~$744,409~~	~~$517,794~~
~~Median Price 2005~~	~~$754,055~~	~~$516,910~~

~~Source: Santa Cruz Association of Realtors website.~~

According to the 2009-2013 American Community Survey, the median gross rent for Scotts Valley is $1,948. Rental information for Scott's Valley was obtained from Rentometer.com based on a search in July 2014. As shown in **Chart 2-17~~5~~**, rents vary significantly. ~~For higher-end complexes (Bay Tree and Acorn Court), rents range from $1,550 for a one-bedroom unit to $1,850 for a two-bedroom unit, to $2,450 for a three-bedroom unit. For older complexes, rents range from $900 to $1,200. Single-family homes provide a large proportion of rental housing. Duplexes and triplexes with two bedrooms generally rent for $1,000 to $1,500 per month. Three-bedroom homes rent for $1,500 to $2,200 and four bedroom homes rent for $2,500. In Scotts Valley, mobile home owners are not allowed to rent their units.~~

~~**Chart 2-15**~~
~~**Average Rents in Scotts Valley, 2002**~~

~~Size of Units~~	~~Average Rent~~	
	~~Apartment~~	~~House~~
~~One-Bedroom~~	~~$900-$1,400~~	~~N.A.~~
~~Two-Bedroom~~	~~$1,200-1,800~~	~~$1,000 to $1,500~~
~~Three-Bedroom~~	~~$1,500 to $2,200~~	~~$1,500 - $2,200~~
~~Four-Bedroom~~	~~N.A.~~	~~$2,500+~~

~~Source: Internet Search and Interviews with Realtors~~

Chart 2-17
Average Rents in Scotts Valley, 2014

Number of Bedrooms	Average Rent
One-Bedroom	$840 - $1,351
Two-Bedroom	$1,251 - $2,010
Three-Bedroom	$1,662 - $2,842
Four-Bedroom	$1,785 - $3,562

Source: Rentometer.com

5. Housing Affordability

Affordability is determined by comparing the cost of housing to the income of local households. HUD defines affordable housing costs as contract rents or mortgage payments, including taxes and insurance, but not utilities, that are equal to or less than 30 percent of the gross income of very low-, low-, and moderate-income households.

Households spending more than 30 percent of gross annual income on housing experience a housing cost burden, which occurs when housing costs increase faster than household income. When a household spends more than 30 percent of its income on housing costs, it has less disposable income for other necessities such as health care. Lower income households with a burdensome housing cost are more likely to become homeless or experience overcrowding. Homeowners with a housing costs burden have the option of selling the homes and becoming renters. Renters, however, are vulnerable and subject to constant changes in the housing market.

According to the National Association of Home Builders (NAHB), only ~~7~~21 percent~~%~~ of the homes sold in the ~~County~~ Santa Cruz-Watsonville metropolitan area are affordable to the households with the 2014 median family income ~~MFI~~ for the Santa Cruz-Watsonville metropolitan area ~~median family income~~($77,900), the County is one of the least affordable housing markets in the nation. The U.S. Department of Housing and Urban Development periodically receives custom tabulations of data from the U.S. Census Bureau that are largely not available through standard Census products. These data, known as the Comprehensive Housing Affordability Strategy (CHAS) data, demonstrate the extent of housing problems and housing needs, particularly for low-income households.

According to the 2007-2011 CHAS data generated for the City, there were approximately 340 very low-income households living in Scotts Valley. Very low-income households are those households that earn 50 percent or less of the median family income for the statistical region in which they are located. Extremely low-income households are those households which earn less than 30 percent of the median family income. There are approximately 500 extremely low income households in Scotts Valley (renters and owners). **Chart 2-18** summarize data characterizing affordability and other housing problems for Scotts Valley for various income groups.

Chart 2-18

Housing Problems for all Households

Household by Type, Income & Household Problem	**Total Renters**	**Total Owners**	**Total Households**
Extremely Low-Income (0-30% MFI)	**195**	**305**	**500**
# with any housing problems	105	220	225
# with cost burden > 30%	105	220	225
# with cost burden > 50%	105	170	215
Very Low-Income (31-50% MFI)	**135**	**205**	**340**
# with any housing problems	110	50	160
# with cost burden > 30%	110	50	160
# with cost burden > 50%	70	25	95
Low-Income (51-80% MFI)	**170**	**355**	**525**
# with any housing problems	155	120	275
# with cost burden > 30%	125	115	240
# with cost burden > 50%	50	90	140
Moderate Income (81% + MFI)	**115**	**285**	**400**
# with any housing problems	60	160	220
# with cost burden > 30%	60	160	220
# with cost burden > 50%	15	40	55
Total Households	**3,280**	**1,095**	**4,375**
# with any housing problems	485	665	1,150
# with cost burden > 30%	460	1,210	1,850
# with cost burden > 50%	240	415	655

Source: CHAS Data Book, 2007-2011.

~~To calculate housing affordability, households are divided into four income categories based on definitions discussed earlier in this chapter. Second, the calculation assumes that housing is affordable only if a household does not exceed state and federal income to housing cost thresholds. Finally, a standard and readily available mortgage and loan package is assumed.~~

The costs of renting or owning a home can be compared to a household's ability to pay for housing. Housing affordability is defined as paying no more than 30 percent of ~~the~~ household income towards housing costs.

Chart 2-19~~16~~ provides a summary of the ability of households to afford a home. Based on the housing prices mentioned earlier, except for mobile homes, single-family homes are affordable to above-moderate income households and condominiums are affordable to ~~above-~~moderate income households unless the project is highly subsidized. ~~In recent years, Scotts Valley has been requiring developers to set aside ownership units as affordable to moderate income households in the community.~~

Moderate-income residents typically live in multiple-family dwellings, in particular apartments, and can afford up to $2,337~~1,945~~ in rent. Moderate income households may also be able to afford older mobile home units. Lower income households have fewer housing choices. Low-income households can afford to pay up to~~less than~~ $1,558~~1,245~~ per month and very low-income households could only afford up to $974~~738~~. In practical terms, lower-income households cannot afford an adequately-sized apartment without doubling up.

Chart 2-19
Affordable Rent and Purchase Price by Income Category

Income Category	% of MFI[1]	Affordable Monthly Rent Payment[2]	Estimated Affordable Purchase Price
Extremely-Low Income	< 30% MFI	< $585	$107,250
Very-Low Income	31-50% MFI	$974	$178,695
Low Income	51-80% MFI	$1,558	$286,000
Moderate Income	81-120% MFI	$2,337	$428,670

Notes:
[1] Based on family of four.
[2] 30% of Gross Rent or PITI
[3] Assumes 6.0% interest rate, 30 year mortgage with 10% down payment. Mortgage payments equal to 30% of monthly income.
Source: HUD CA State Income Levels.

~~**Chart 2-16**~~
~~**Housing Affordability in Scotts Valley, 2008**~~

~~Maximum Income for Family of Four~~	~~Max. Affordable Payment~~		~~Max. Affordable Price~~	
	~~Annual Income~~	~~Monthly Payment~~	~~Home Purchase~~	~~Rent~~
~~**Very Low**~~	~~$43,500~~	~~$1,087~~	~~$122,419~~	~~$905~~
~~**Low**~~	~~$69,600~~	~~$1,740~~	~~$213,624~~	~~$1,624~~
~~**Moderate**~~	~~$97,600~~	~~$2,440~~	~~$296,304~~	~~$2,276~~

~~Notations:~~
~~Based on a family of four individuals; families of three can afford less and larger families can afford slightly more.~~
~~Maximum affordable payment based on payments of 30% of household income~~
~~Property taxes and insurance based on averages for the region~~
~~Utilities are estimated at approximately $125 per month.~~
~~Calculation of affordable home sales prices based on a down payment of 10%, annual interest rate of 6.25%, 30-year mortgage, and 30% affordability standard.~~

6. Housing Problems

The federal government defines “housing problems” as households that pay too much for housing, live in overcrowded housing conditions, or live in homes with physical problems.

A continuing priority of all communities in the Santa Cruz area is maintaining, preserving, and enhancing the quality of life. A key measure of quality of life used in Scotts Valley is the prevalence and extent of documented “housing problems,” or housing overcrowding and overpayment. The following text and **Chart 2-~~-~~20~~17~~** describe housing problems in Scotts Valley.

The federal government defines an overcrowded household as one with more than one occupant per room, excluding bathrooms, kitchens, hallways, and porches. A severely overcrowded household is defined as a household with more than 1.5 occupants per room. 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.

Chart 2-20
Overcrowding by Tenure

Tenure	Total Housing Units	Overcrowded Households	Percentage	Severely Overcrowded Households	Percentage
Renters	998	15	1.5%	19	1.9%
Owners	3,229	0	0%	0	0%
Occupied Housing Units	4,227	15	0.4%	19	0.4%

Source: 2009-2013 ACS

According to the 2009-2013 American Community Survey, 34 households, or 0.8 percent of all households in Scotts Valley were overcrowded. Of this total approximately 100 percent were renter households, representing 3.5 percent of all renter households. In comparison, 6 percent of all households in Santa Cruz County lived in overcrowded homes, with 11 percent of rental properties having overcrowded conditions.

~~Overcrowding occurs when housing costs are high relative to income so that families have to reside in small units or „double-up" to devote more income to other basic needs. According to the 1990 and 2000 Censuses, overcrowding increased from 2.9% (96 households) to 3.4% (146 households) due to an increase in overcrowding among renters. In 2000, 95 renter households and 51 owner households lived in overcrowded conditions. In comparison, 10.9% of households in Santa Cruz County lived in overcrowded homes.~~

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. According to the 2009-2013 American Community Survey there were 4,227 occupied housing units, of those households approximately 37 percent were overpaying for housing. Of these overpaying households, 1,116 were households with a mortgage, while the remaining 461 households ~~9~~were renter-occupied units. **Chart 2-21** summarizes housing overpayment statistics by tenure for the City of Scotts Valley.

Chart 2-21
Summary of Housing Overpayment

Overpayment	Households	Percent
Owners with mortgage	2,227	--
Overpayment (>30% incoming on housing)	1,116	50.7%
Occupied units paying rent	985	--
Overpayment (>30% income on housing)	461	48.7%

Source: 2009-2013 American Community Survey

~~Residents may choose to pay more for housing rather than live in a small home.~~

~~Overpayment refers to households who spend more than 30% of income toward rental costs or mortgage payments. According to the 2000 Census, housing overpayment affects 44% of renters and 35% of owners. However, it is important to note that overpayment is not particularly problematic for households earning higher than average incomes, particularly since they have more disposable income available for housing.~~

Housing overpayment continues to be an important issue for Scotts Valley. According to CHAS data summarized in **Chart 2-22**, housing overpayment affects approximately 70 percent of extremely-low, very-low and low income renters and nearly 50 percent of extremely-low, very-low, low and moderate-income homeowners. ~~Housing overpayment affects approximately two thirds of very low and low income renters and the majority of very low, low, *as well as* moderate income homeowners.~~ Housing overpayment adversely affects the ability of lower income seniors and families to afford housing. Diminished housing affordability also precludes public employees serving the community (e.g., police and fire personnel, nurses, and teachers) from living in Scotts Valley.

Chart 2-22
Housing Overpayment in Scotts Valley

Income Category	**Renter**			**Homeowners**		
	Households	**# of Overpay**	**% Overpay**	**Households**	**# of Overpay**	**% Overpay**
Extremely-Low Income	195	105	54%	305	220	72%
Very-Low Income	135	110	81%	205	50	24%
Low Income	170	125	74%	355	115	32%
Moderate Income	115	60	52%	285	160	56%

Source: CHAS Data 2007-2011

Chart 2-17
Housing Overpayment in Scotts Valley

Households by Tenure	Renters			Owners		
	Renter Hhlds.	Number Overpay	Pcnt.	Owner Hhlds.	Number Overpay	Pcnt.
Very Low	287	251	88%	131	110	84%
Low	211	136	64%	189	140	74%
Moderate	207	42	20%	253	161	63%
Above-Moderate	314	25	8%	1,664	294	18%
Total	1,019	453	44%	2,238	705	32%

Source: U.S. Census, 2000.

7. Affordable Housing Opportunities

Existing housing that receives governmental assistance is often a significant source of affordable housing in many communities. Because of its significance, State law requires the Housing Element to identify any publicly assisted rental housing that receives government subsidies, evaluate the potential of these units to lose their affordability between ~~20~~14~~02~~2015 and 2024~~2012~~2025, and analyze the cost of preserving or replacing these units. **Chart 2-~~18~~ 23** summarizes affordable projects in Scotts Valley.

~~Because of the significant increase in housing costs in recent years, the City's Redevelopment Agency (RDA) has played a key role in facilitating and encouraging the production of affordable housing. Dependence on RDA funds and the leverage of those funds has become critical given that the City is not eligible for many other funding sources.~~ None of the affordable projects in Scotts Valley is at-risk of converting to market rate during the 10-year period of 2015--2025~~2014-2024~~.~~s by~~ 2024~~2012.~~

Chart 2-23~~18~~
Summary of Publicly-Subsidized Affordable Rental/For Sale Housing i~~I~~n Scotts Valley

Project Name	Affordable Units	Funding Source	Earliest Expiration Date of Affordability
Acorn Court Apartments 100 Acorn Court Private Ownership	26 total units; 4 low-income units	City subsidy; RDA Recognized Obligation Payments Schedule (ROPS)	30-year agreement; Executed on 10/20/1999; Expires 2029
Bay Tree Apartments 800 Flora Lane Private Ownership	41 apartments and 20 townhomes; 9 low and moderate income units	City subsidy; RDA Recognized Obligation Payments Schedule (ROPS)	30-year agreement; Executed on 6/7/2000; Expires 2030
Emerald Hill Apartments 101-102 Civic Center Drive	46 total units; 22 very-low income units; 46 units held at affordable rates for low income families	Federal HOME grant; Tax allocation credits	Length of affordability control is 55 years; Completed in 1999; Expires 2054
Markell Mixed Use Apartments 4404 Scotts Valley Drive Private Ownership	11 detached single-family lots and commercial/residential building; 1 moderate single-family residence (sold); 3 low-income one-bedroom apartments	City subsidy~~; RDA Recognized Obligation Payments Schedule (ROPS)~~	55-year agreement; Executed on 7/20/2005 Expires 2060
Oak Tree Villa Renaissance Senior Living	204 total units; 20 low-income units	Private; Density bonus	Length of affordability control is perpetuity

Project Name	Affordable Units	Funding Source	Earliest Expiration Date of Affordability
Community 100 Lockewood Lane		applied	
Oak Lane Apartments 134 Oak Lane	4 total units; 1 moderate-income unit	Private	Ongoing
San Augustine Way Apartments 104 San Augustine Way	6 total units; 1 very-low income unit	Private	30-year agreement; Completed in 1997; Expires 2027
Blue Bonnet Lane Condos 268 Blue Bonnet Lane	31 total condo units; 2 low-income units; 3 moderate-income units	Private	Ongoing
Cathy Lane Condos 14-30 Cathy Lane	1 low-income unit; 7 moderate-income units	Private	Ongoing
Kelly Court 101 Kelly Court Private Ownership	11 total detached single-family lots; 1 moderate-income house	Private	Ongoing
4861 Scotts Valley Drive	4 total detached single-family lots; 1 moderate-income house	Private	Ongoing; Joint Maintenance Agreement
Torrey Oaks Condos 138-140 La Cuesta Drive	11 total units; 1 low-income unit 1 moderate-income unit	Private	Ongoing
Town Center Collection 237 Blue Bonnet Lane	46~~26~~ total townhouse units; 1 moderate-income unit; 4 low-income units	Private	Ongoing
Windward Place Subdivision 11 and 13 Windward Place	9 total detached single-family houses; 2 moderate-income houses	Private	Ongoing
Woodside 5007-5015 Scotts Valley Drive	49 total detached single-family houses; 1 low-income unit 6 moderate-income units	Private	Ongoing
The Manor 10 Siri Lane	8 total detached single-family units; 1 low-income unit	Private	Ongoing

Source: City of Scotts Valley, *Affordable Housing Action Plan Brochure*, ~~March 2013~~April 2015.

~~Project Name~~	~~Affordable Units~~	~~Funding Source~~	~~Earliest Expiration Date of Affordability~~
~~Acorn Apartments~~ ~~100 Acorn Court~~ ~~Private Ownership~~	~~4 of 26~~ ~~4 low income~~	~~Private. RDA rent subsidy of approx. $14,183 per year.~~	~~Completed -- 2000~~ ~~Length of affordability control is 30 years.~~
~~San Augustine Apts.~~ ~~5720 Scotts Valley Dr.~~ ~~Private Ownership~~	~~1 of 6 units~~ ~~1 very low~~	~~Private~~	~~Completed -- 1997~~ ~~Length of affordability control is 30 years.~~
~~Kelly Court~~ ~~Single Family Detached~~ ~~Private Ownership~~	~~1 moderate~~	~~Private~~	~~On going~~
~~Windward Place~~ ~~Single Family Detached~~ ~~Private Ownership~~	~~1 moderate 1 low income~~	~~Private~~	~~On going~~
~~Scotts Valley Drive Single Family Detached~~	~~1 moderate~~	~~Private~~	~~On going~~
~~Cathy Lane~~ ~~Singe Family Condo~~	~~7 moderate~~ ~~1 low income~~	~~Private~~	~~On going~~
~~Blue Bonnet Lane~~ ~~Single Family~~	~~3 moderate~~ ~~2 low income~~	~~Private~~	~~On going~~
~~Oak Lane Multifamily Attached Apartment~~	~~1 moderate~~	~~Private~~	~~On going~~
~~Project Name~~	~~Affordable~~	~~Funding~~	~~Earliest Expiration~~

	~~Units~~	~~Source~~	~~Date of Affordability~~
~~Emerald Hill Apts. 101-102 Civic Center Mid-Peninsula Housing~~	~~46 of 46 low units~~	~~$420,000 HOME LIHTC; RDA~~	~~Completed – 1999 Length of affordability control is 55 years.~~
~~Bay Tree Apts. 100 – 800 Flora Lane Private Ownership~~	~~5 low, 4 mod of 61 total.~~	~~Private. RDA rent subsidy of $48,000 per year~~	~~Completed -- 2002 Length of affordability control is 30 years.~~
~~Oak Tree Villa (Senior) 100 Lockewood Lane SHP Oak Tree Villa~~	~~20 of 204 units are low~~	~~Private and Density Bonus applied~~	~~Completed -- 1987 Length of affordability control is perpetuity.~~
~~Marked 4410 Scotts Valley Dr.~~	~~3 low income~~	~~Private~~	~~Completed -2007 Length of affordability control is 30 years.~~
~~La Cuesta Drive Detached Single Family~~	~~1 low income 1 moderate~~	~~Private~~	~~On going~~

~~Source: City of Scotts Valley, 2008~~

HOUSING CONSTRAINTS

Chapter
3

State law requires the housing element to analyze potential and actual governmental and non-governmental constraints to housing. ~~To that end, this~~ This section analyzes market factors that increase housing costs, governmental factors that regulate development, and environmental factors that limit the type and amount of development as well as mitigating actions.

A. Market Constraints

1. Development Costs

Development costs for housing can vary significantly, depending on the type of housing and amenities. ~~According to the International Conference of Building Officials (ICBO),~~ According to local developers, the average cost of construction in Scotts Valley is $150 per square foot for single-family development and $135 per square foot for multi-family development. ~~value of good quality construction is $117 per square foot for single family homes and $135 for apartments.~~ Construction costs are not anticipated to be higher in Scotts Valley than in other jurisdictions within Santa Cruz County. The City adopted the latest ~~1997~~ 2013 version of the California Building Codes~~, which was based in large part on model codes produced by various trade organizations~~. Scotts Valley also participated in the Silicon Valley Uniform Building Code Program to standardize building codes, streamline unnecessary technical or time processes, and eliminate wide variations in local modifications.

Market constraints to the development of residential buildings have become more prominent as the economy and residential construction industry has slowed down toward the end of the last decade. Cost of materials, lands costs, lending policies, and local government fees have all been credited as factors influencing the cost of construction and the ability of households to purchase new housing.

Land and construction costs, in conjunction with projected rents and sale prices of housing, affect the feasibility of building market rate and affordable housing. In previous years, the escalation of housing prices has made it feasible to convert even otherwise valuable commercial or lower value industrial land to residential uses. However, the slowdown in the housing market and lower than expected sale prices have caused land prices to stabilize, making it more affordable to purchase land for housing.

2. Labor Costs

Similar to the cost of construction materials, labor costs are relatively stable throughout a metropolitan area and beyond the control of local governments. Thus, labor costs become a fixed cost in comparison to other more site- specific costs, such as the cost of land. In 2002, ~~recent~~ legislation changed this context. SB 975 requires payment of prevailing wages for most private projects built under an agreement with a public agency providing assistance to the project. Senate Bill 972 provided some relief by exempting a self-help housing project, transitional housing, and an affordable housing project funded by below-market interest rate. Scotts Valley's labor costs are lower than other communities (e.g., Watsonville and Santa Cruz), which have a local hire or living wage ordinance that raises wage rates.

Recent data indicate that construction costs can constitute 43 to 48 percent of the cost of a single-family detached home. Labor costs are usually two to three times the cost of materials, representing 17 to 20 percent of the total cost of a new home. Labor costs are based on a number of factors, including housing demand, the number of contractors in the area, and union status of workers. ~~State law requires the payment of prevailing wages for most private projects built under an agreement with a public agency providing assistance to the project, except for certain types of affordable housing~~

3. Fees and Exactions

To help finance the high costs associated with providing needed public services and facilities, Scotts Valley charges various development and impact fees. Infrastructure fees currently required by Scotts Valley include: general facilities and equipment, law enforcement, library, parks and recreation, storm drainage, streets and thoroughfares, and wastewater treatment. Scotts Valley's water and transportation fees are higher than other communities due exclusively to the need to provide water infrastructure. ~~Currently, fees total $XX56,391 per single-family unit and $XX42,064 per multi-family unit.~~

4. Land Costs

Another key component is the price of raw land and any necessary improvements. Limited supply combined with a high demand keeps land costs relatively high throughout the Monterey Bay Area. According to prices on Zillow.com and LandWatch.com in July 2015, ~~s of 2008~~ land prices in Scotts Valley are $2~~2~~ to $29~~5~~ per square foot for vacant lots zoned for single-family homes. Available land in commercial districts sells for $23 to $29 per square foot. ~~Vacant multi-family sites have sold for $3-$4 per square foot in residential zones but available land in commercial districts sells for $11-$15 per square foot.~~ However, land costs in Scotts Valley are generally lower than in Santa Cruz and Watsonville and ~~have~~ did not change significantly with the 2008 economic downturn in housing prices. There is so little land available for development it appears to be holding its value. **Chart 3-1** summarizes land costs, construction costs and fees charged for new development in Scotts Valley.

Chart 3-1
Typical Housing Development Costs

Development Costs per Housing Unit	Housing Costs	
	Single-Family	Townhome or Condominium
Land Costs	$2-$29 psf	varies
Planning/ Building Permit	$7,685	$5,732
Impact Fees*	$23,380	$14,520
School Fees	$7,835	$7,774
Water Impact Fees	$20,333	$12,141
Total Fees per Unit	**$59,233**	**$40,164**

Source: City of Scotts Valley, 2015.
psf = per square foot
*Impact fees include parks and recreation, streets/thoroughfares, wastewater and connection, water recharge, and school fees.

~~**Chart 3-1**~~
~~**Typical Housing Development Costs**~~

~~Source: City of Scotts Valley 20092014.~~ ~~psf = per square foot~~

~~Impact fees include parks and recreation, streets/thoroughfares, wastewater and connection, water recharge, and school fees.~~

5. Financing

Mortgage interest rates have a large influence over the affordability of housing. Increases in interest rates decrease the number of persons able to afford a home purchase. Decreases in interest rates result in more potential homebuyers introduced into the market.

National policies and economic conditions determine interest rates, and there is little that local governments can do to affect these rates. Jurisdictions can, however, "leverage" funds by offering interest rate write-downs to extend home purchase opportunities to lower income households. In addition, government insured loan programs may be available to reduce mortgage down payment requirements.

First time homebuyers are the most impacted by financing requirements. Mortgage interest rates for new home purchases ranged from 3.5 percent~~%~~ to 5 percent~~%~~ for a fixed rate 30 year loan in 2013. Lower initial rates may be available with Graduated Payment Mortgages (GPMs), Adjustable Rate Mortgages (ARMs), and Buy-Down Mortgages. However, variable interest rate mortgages on affordable homes may increase to the point that interest rates exceed the cost of living adjustments, which is a constraint on affordability. Although interest rates are currently considered low, they can change significantly and substantially impact the affordability of the housing stock.

Stricter lending standards can pose a constraint to affordable housing. An increase in one percentage point can make a monthly payment out of reach for many lower income households.

A more critical impediment to homeownership involves both the affordability of the housing stock and the ability of potential buyers to fulfill down payment requirements. Typically, conventional home loans will require 80 percent~~%~~ loan-to-value and represents the largest constraint to homebuyers. Other programs, such as those for first-time homebuyers, can find down payment requirements between 5 and 20 percent~~%~~. However, more recent events in the housing market have made it more difficult for prospective home buyers to secure a home loan.

One of the greatest impediments to homeownership, however, is credit worthiness. According to the Federal Housing Authority, lenders consider a person's debt-to-income ratio, cash available for down payment, and credit history, when determining a maximum loan amount. Many financial institutions are willing to significantly decrease down payment requirements and increase loan amounts to persons with good credit rating. Persons with poor credit ratings may be forced to accept a higher interest rate or a loan amount insufficient to purchase a house. Poor credit rating can be especially damaging to lower-income residents, who have fewer financial resources with which to qualify for a loan. The FHA is generally more flexible than conventional lenders in its qualifying guidelines and allows many residents to re-establish a good credit history.

Under the Home Mortgage Disclosure Act (HMDA), lending institutions are required to report lending activity by census tract. Chart 3-2~~Table xxx~~ below presents the disposition of home purchase loan applications in 2013 by income of the applicants.

Chart 3-2
Disposition of Home Loan Applications

Applicant Income	*Total Applications*	*Percent Originated**	*Percent Denied*	*Percent Other***
Low Income	6 (0.2%)	83%	17%	0%
Moderate Income	497 (21%)	65%	17%	16%
Middle Income	927 (38%)	69%	13%	18%
Upper Income	991 (41%)	69%	10%	21%
Total	2,421	68%	13%	19%

Source: Home Mortgage Disclosure Act (HMDA), Accessed August 2014.
Notes:
* "Originated" refers to loans approved by the lender and accepted by the applicant.
** "Other" includes applications approved but not accepted, files for incompleteness, and applications withdrawn.

The data shown in Chart 3-2 is for the Santa Cruz – Watsonville MSA, which includes the City of Scotts Valley. The data includes purchases of one to four unit homes and~~as~~ manufactured homes. Over 80 percent~~%~~ of the loan applications were received from middle to upper income households based on median family income (MFI) standards.

B. Governmental Constraints

Local policies and regulations can affect the price and availability of housing and in particular, the provision of affordable housing. Land use controls, development regulations, permit processing procedures, building codes, and various other issues may affect the maintenance, development and improvement of housing in Scotts Valley. This section discusses potential governmental constraints in Scotts Valley and efforts to address them.

1. Land Use Controls

Scotts Valley's General Plan sets forth policies for guiding local development. These policies, together with zoning regulations, designate the amount of land for different uses in the City. The City's land use plan is intended to protect the environmental features that distinguish the character of Scotts Valley and develop the urban core near major transportation corridors. **Chart 3-3~~2~~** describes General Land Use designations that allow housing.

Chart 3-3~~2~~
Land Use Categories Allowing Residential Uses

Generalized Land Use Category	Zoning District(s)	Residential Type(s)
Estate/Rural Mountain	RR 2.5, RMT-5	Intended for larger estate homes and preservation of the topography on the perimeter of the valley walls and areas with limited access.
Low Density Residential	R-1-20	Intended for single-family detached homes on larger lots located in the hillsides.
Medium –Medium High Density Residential	R-1-10, RM-6, RM-8	Intended for single family and mobile home parks. The R-M-6 and R-M-8 zones are designed for lower density attached products on the valley floor.
High Density Residential	R-H	Intended for apartments, townhouses, condominiums, and small lot detached housing subdivisions close to shopping, services, and transportation facilities.
Very High Density Residential	R-VH	Intended for apartments, townhomes, condominiums and small lot detached housing subdivisions that provide more moderate or lower income housing.
Commercial and Industrial	C-S, C-SC	Intended primarily for commercial and service uses with allowance for R-H multi-family housing as vertical or horizontal.

Sources: Scotts Valley Zoning Code, ~~2007~~2012.

2. Provisions for a Variety of Housing

Housing element law specifies that jurisdictions must identify adequate sites that will be made available, through appropriate zoning and development standards, to encourage the development of various types of housing for all economic and social segments. **Chart 3-4~~3~~** summarizes housing permitted in Scotts Valley's residential, commercial, and institutional zones. Residential uses are designated as permitted by right (P) or conditionally permitted (C).

Chart 3-4~~3~~
Housing Types Permitted by Zone

Housing Types	Zones that Allow Housing									
	R-VH	R-H	R-M-6 R-M-8	R-1-10 R-1-20 R-1-40	R-R-2.5	R-MT-5	C-S	C-SC	P/Q-P	I-L
Single-family Dwellings		P	P	P	P	P			P	
Multi-family Dwellings	P	P	P	C[1]			P[2]	C		C
Secondary Dwelling Units				P	P	P				
Mobile Homes/ Manufactured Housing		P		P						
Small Family Child Care Homes	P	P	P	P	P	P				
Large Family Child Care Homes	C	C	C	C	C	C				
Day Care Centers	C	C	C	C	C	C	P	C	C	C
Small Community Care Facilities	P	P	P	P	P	P				
Foster Care Homes (6 or < children[3])				P	P	P				
Foster Care Homes (7 or > children[4])				C	C	C				
Residential Care Facilities									C	
Transitional Housing	P	P	P	P	P	P	C			C
Supportive Housing	P	P	P	P	P	P				
Emergency Shelters							P/C[5]	P/C[5]	P/C[5]	C

Source: Scotts Valley Municipal Code (SVMC), Chapter 17, Zoning

Legend:
P - Permitted
C - Conditional use permit approved by Planning Commission review only

1 - Townhouses and condominiums conforming to density of SVMC Chapter 17.14
2 - Only for sites previously designated in the Housing Element; located either above ground-level commercial use or at ground level at the rear of a commercial space
3 - Total number of children, including those of the proprietary family, is six or less
4 - Total number of children, including those of the proprietary family, exceeds six
5 - Permitted for 25 or less occupants; conditional use for more than 25 occupants

Chart 3-3
Housing Types Permitted by Zone

Housing Types Permitted	Zone Districts Allowing Housing						
	R-M, R-H,& R-VH	All R-1	Rural	C-S C-SC	PD	Public/ Quasi	I
Single-family dwellings	P	P	P		P	P	
Townhouses/Condos.	P	C			P		
Mixed Use				P*			
Guest/Second Units	P	P	P	P	P	P	
~~Multi-family dwellings~~	~~P~~			~~P*~~	~~P~~		
Mobile/Manufactured	P	P			P		
Family day- care homes	P		P		P	C	
Residential Care Facility	P	P	P		P	C	
Transitional housing							C
Emergency shelters				P		P	
Congregate Housing	C	C					
Faculty/Student Housing					P	C	

Source: Zoning Code, City of Scotts Valley; 2007. *Site designated in the 2002-2007 Housing Element.

C: Conditional use permit approved by Planning Commission review only

Conventional Residential

~~The City allows single and multiple-family homes at a variety of densities. The Housing Plan is expanding the range of multiple-family housing types by creating a very high density residential land use designation that can facilitate apartments, town homes, or condominiums. Second units are permitted by right provided that development is consistent with standards in State law. The City's Zoning Code was amended in 2003 to comply with State law. Guesthouses on the same lot as a primary home and which are not rented, let or leased, are permitted by right in residential zones.~~ The City allows single- and multi-family residential units at a variety of densities, including apartments, townhomes, and condominiums. In ~~2013~~2003, the City's Zoning Code was amended to comply with State law, and included revisions to permit secondary dwelling units in all residential zones provided that development is consistent with standards per State law.

Mixed Residential-Commercial Use

The General Plan and Zoning Code ~~was~~ were revised~~changed~~ in 2007 to allow mixed residential and commercial uses in the C-S and C-SC zone as a permitted use on sites listed in the 2002-2007 Housing Element with a density of 15 – 20 units per acre. The multi-family dwelling units should be located either above the ground-level commercial use or at ground level at the rear of the commercial space. Although the Zoning Code specifies minimum development standards, in particular lot size, coverage, and height for all uses, it does not indicate desired design aspects or specific standards tailored to mixed-use projects. The Housing Plan will provide ~~greater~~ guidance for mixed~~-~~use projects ~~and reduce potential constraints~~.

Housing for People with Disabilities

The Community Care Facilities Act requires that community care facilities serving six or fewer persons be permitted by right in all residential zones and that facilities cannot be subject to requirements that are more stringent than those imposed on single-family residences in the same district. The City's Zoning Code was changed to be consistent with S~~s~~tate law in 2007.

Housing for People who are Homeless

Housing element law requires that jurisdictions designate a zone in which emergency shelters are permitted as a matter of right. Additionally Senate Bill 2 (SB 2) also requires local jurisdictions to consider transitional and supportive housing as a residential use, only subject to those restrictions that apply to other residential uses of the same type in the same zoning district. ~~and transitional housing is permitted, at least conditionally.~~ The City's Zoning Code allows emergency shelters in the C-S and C- SC zones (both of which are along major service and transit corridors) as well as the P~~QP~~ and I-L zones. The Zoning Code allows transitional and supportive housing ~~as a conditional use in the C-S and the I-L zoning districts~~as a matter of right in all residential zoning districts. ~~However, the Zoning Code does not currently have a provision for transitional housing. Chapter 5 includes a program to change the City's zoning regulations to allow transitional housing and emergency shelters as a permitted use in the C-S zoning district and the I zoning district.~~

Housing for Students

Student housing, such as dormitories or college apartments, is considered an institutional facility and is conditionally permitted in the P zoning/~~QP~~ district. Formerly, ~~The~~ the City ~~is~~ was home to Bethany College, which ~~enrolls~~ enrolled approximately 500 full-time students. However, Bethany College closed in 2011 and there are no other similar institutional facilities located in the City which have a demand for student housing. ~~Given the high cost of housing in North Santa Cruz County, Bethany College provides conventional and dormitory units for 300 students. Bethany's Master Plan calls for the construction of 14 duplexes for married students, 200 dormitory style units, and faculty housing as well. This will help meet the need for an estimated 1,700 new students anticipated by 2012.~~

3. Development Standards

The City regulates the type, location, density, and scale of residential development primarily through the Zoning Code. Zoning regulations are designed to protect and promote the health, safety, and general welfare of residents as well as implement the policies of the General Plan. The Zoning Code also helps preserve the character and integrity of neighborhoods. **Charts 3-54, 3-6~~5~~, and 3-7~~6~~** details the City's development standards in residential zones.

Chart 3-5
Single-Family Development Standards

Development Standard	Zone				
	R-1-10	**R-1-20**	**R-1-40**	**R-R-2.5**	**R-MT**
Density Range (dwelling units/acre)	4 du/ac	2 du/ac	1 du/ac	2.5 acres/unit	5 acres/unit
Building height – maximum (feet)	35 ft.	35 ft.	35 ft.	35 ft.	35 ft.
Lot area – minimum (square feet)	10,000 sq. ft.	20,000 sq. ft.	40,000 sq. ft.	108,900 sq. ft.	217,800 sq. ft.
Lot width – minimum (feet)	60 ft.	90 ft.	100 ft.	100 ft.	100 ft.
Lot depth – minimum (feet)	100 ft.	125 ft.	150 ft.	150 ft.	150 ft.
Lot frontage – minimum (feet)	60 ft.	60 ft.	60 ft.	100 ft.	100 ft.
Site coverage - maximum	50%	50%	50%	35%	35%
Yard setbacks – minimum (feet)					
Front	20 ft.	30 ft.	30 ft.	40 ft.	40 ft.
Side	10% of lot width with a max. of 10 ft.~~eet~~	10% of lot width with a max. of 10 ft.~~eet~~	10% of lot width with a max. of 10 ft.~~eet~~	15 ft.	20 ft.
Rear	15 ft.	15 ft.	20 ft.	20 ft.	25 ft.

Source: Scott's Valley Municipal Code, Chapter 17, Zoning

Chart 3-6
Multi-Family Development Standards

Development Standard	Zone			
	R-VH	**R-H**	**R-M-6**	**R-M-8**
Density Range (units/acre)	20 du/ac	14 du/ac	8 du/ac	5 du/ac
Building height – maximum (feet)	35 ft.	35 ft.	35 ft.	35 ft.
Lot area – minimum (square feet)	6,000 sq. ft.	6,000 sq. ft.	6,000 sq. ft.	8,000 sq. ft.
Lot width – minimum (feet)	60 ft.	60 ft.	50 ft.	60 ft.
Lot depth – minimum (feet)	60 ft.	60 ft.	100 ft.	100 ft.
Lot frontage – minimum (feet)	60 ft.	60 ft.	60 ft.	60 ft.
Site coverage - maximum	55%	55%	55%	55%
Yard setbacks – minimum (feet)				
Front	10 ft.	20 ft.	20 ft.	20 ft.
Side	10 ft.	5 ft.	10% lot width with max. of 6 ft.~~feet~~	10% of lot width with max. of 8 ft.~~feet~~
Rear	15 ft.	15 ft.	0.15 ft.	0.15 ft.

Source: Scott's Valley Municipal Code, Chapter 17, Zoning

Chart 3-7
Other Development Standards

Development Standard	Zone C-S	Zone C-SC	Zone P
Density Range (units/acre)	15 — 20 du/ac	-	-
Building height – maximum (feet)	35 ft.	35 ft.	35 ft.
Lot area – minimum (square feet)	10,000 sq. ft.	10,000 sq. ft.	10,000 sq. ft.
Lot width – minimum (feet)	100 ft.	100 ft.	60 ft.
Lot depth – minimum (feet)	100 ft.	100 ft.	100 ft.
Lot frontage – minimum (feet)	100 ft.	100 ft.	100 ft.
Site coverage - maximum	45%	35%	30%
Yard setbacks – minimum (feet)			
Front	10 ft. from street; 20 ft. from garage	20 ft.	20 ft.
Side	10 ft.	0 ft.	10 ft.
Rear	15 ft.	0 ft.	10 ft.
Corner	10 ft. from street; 20 ft. from garage	The exterior side of a corner lot is a min. 15 ft.	--

Source: Scott's Valley Municipal Code, Chapter 17, Zoning

~~**Chart 3-4**~~
~~**Residential Development Standards**~~

Development Standard	R-VH	R-H*	R-M	R-1	R-R-2.5	R-MT	C-S
	Districts Allowing Housing						
Density Range (du/ac)	15-20	9-15	5-9	1-4	<1	1/5	N.S.
Max. building height	35'	35'	35'	35'	35'	35'	35'
Min. lot area (sq.ft.)	3,000'	3,000'	6,000-8,000'	10,000-40,000'	2.5 acres	5 acres	10,000'
Minimum lot width/depth (ft.)	60' x 60'	60' x 60'	60' x100'	60' x 100'	100' x 150'	100' x 150'	100' x 100'
Minimum lot frontage (ft.)	60'	60'	60'	60'	100'	100'	100'
Front yard (ft.)	20'	20'	20'	20'	40'	40'	20'
Side yard (ft.)	min. 5'	min. 5'	6-8'	10'	15'	20'	0'
Rear yard (ft.)	min. 15'	min. 15'	15'	15'	20'	25'	0'
Max. Site Coverage	55%	55%	55%	50%	35%	35%	45%
Parking Requirements		Multi-family= 2 spaces per unit +0.2 guest spaces per unit Single-family= 2 car garage + one uncovered per unit					

Sources: Scotts Valley Zoning Code, 2007.
Land Use Element, Scotts Valley General Plan, 1994.

~~The City of Scotts Valley has allowed and facilitated single-family units, condominiums, apartments, and low-cost apartments. In today's housing market, the most difficult market segment to address continues to be lower-~~

~~income housing. A local affordable housing developer was asked about what conditions were necessary to build an affordable housing project. First Community Housing stated that a 100 percent~~~~%~~ ~~affordable senior project was feasible under four assumptions: 1) two story structure with surface parking; 2) preferred site of 2 to 3 acres to allow for desired amenities; 3) density of 19-20 units per acre; and 4) land costs averaging $35,000-40,000 per unit.~~

Development Standards

The City's lot coverage standards in higher density zones (C-SC, C-S, and R-H) ranges from 45 percent~~%~~ to 55 percent~~%~~, which is higher than in Watsonville (50 percent~~%~~) but less than in Santa Cruz (70 percent~~%~~). The City's maximum building height of 35 feet is comparable to other cities, except that it is lower than in the City of Santa Cruz. The City's parking standard of two spaces per dwelling unit is equivalent to Watsonville but slightly higher than in Santa Cruz. However, in commercial zones, the City's lot coverage and density requirements are generally lower when compared to nearby cities.

Density Standards

Density is often equated with housing affordability in that lower land costs can result in lower development costs and housing prices. ~~Recent a~~~~Apartments in Scotts Valley have been built at low gross densities, including Emerald Hill (10 units/acre), Baytree (12 units/acre), and Acorn Apartments (12 units/acre). To facilitate these projects, the City's General Plan permits the transfer and clustering of units; thus, projects have achieved higher net densities around 20 to 25 units per acre.~~ The City has created a very high density residential zone that allows 15.1 to 20 units per gross acre by right, which will satisfy the prerequisite density necessary to facilitate quality affordable housing.

~~Land Costs~~

~~Comparison of land costs showed significant differences among the three north county cities. High density residential land ranges from $25 to $40 per square feet in Santa Cruz and $11 to $15 per square foot in Watsonville. Based on a dozen appraisals conducted for the City's Redevelopment Agency, land costs range from $11 to $15 per square foot in Scotts Valley for either high density residential land (R-H & R-VH zone) or commercial land (C-S zone). Because Scotts Valley's land costs are significantly lower than in comparison with north Santa Cruz County cities, land costs are not deemed to be a constraint to the production of affordable housing.~~

Minimum Lot Sizes

Minimum lot sizes are important because they allow for a certain threshold of units to meet economies of scale, grant funding requirements, and provide on-site management. Scotts Valley's minimum lot sizes do not constrain the production of affordable housing. The minimum lot size for lots that could accommodate affordable housing ranges from 3,000 to 10,000 square feet in size. Sites chosen for potential affordable housing, as discussed in Chapter 4, exceed these standards and are actually one to three acres in size, which are sufficient to facilitate affordable housing.

4. Development Review Process

The City requires different levels of review for housing projects depending on the type of project and size. These reviews are designed to ensure that the proposed project meets applicable City and State regulations. The development review process is described below and shown in **Chart 3-8**.

City Staff Review

For conventional single-family homes on existing lots of record, City staff will approve the project over-the-counter unless the development requires an exception or modification. The scope of review is primarily to ensure that applicable local, state and federal regulations are met. No design review is required unless the development proposes grading on slopes exceeding 30 percent~~%~~ grade. Depending on the location, size, and type of new development, additional reviews may be required as described below.

Design Review

Residential neighborhoods situated among hillsides and in steeply sloped areas and multi-family projects require a noticed public hearing and design review. ~~Smaller p~~Projects are reviewed by the Planning Commission. To facilitate quality projects and timely approval, the City provides design review guidelines that illustrate preferred construction techniques with objective guidelines. These guidelines reduce the uncertainty, time, and costs and thus facilitate timely review and approval of projects.

Conditional Use

Conditional use permits are required for residential care facilities which have more than 6 residents, large family day care homes, congregate senior housing, condominiums and mixed-use projects in specific zoning districts. The Planning Commission may grant the permit when the proposed use is in accordance with the General Plan and the Zoning Code and appropriate conditions are met. ~~However, given the few homeless people in Scotts Valley and larger regional center just three miles south in Santa Cruz, no applications for such facilities have been sought in Scotts Valley, although the City permits a drug and alcohol rehabilitation facility, known as the Camp Recovery Center.~~

Cultural Resource Review

Scotts Valley's location adjacent to perennial streams and on an ancient seabed contributes to a wealth of historical, archaeological and paleontological resources. The General Plan designates areas as moderate or high cultural resource sensitivity zones. In these areas, development proposals must have appropriate environmental clearance, which is reviewed by the City's Cultural Resource Commission. The Commission's procedures and scope of authority is set by Municipal Code, Section 17.44.

Historically, reviews were conducted by the Design Review Board, the Planning Commission, and Cultural Resource Commission – each staffed by different members. In 1996, the City consolidated and streamlined development review. The Planning Commission replaced the Design Review Board and staff developed design guidelines to help developers and policy- makers address design issues. The Planning Commission also appointed two ad-hoc members with expertise in archaeology and historical resources to assist in reviewing projects for potential impacts on cultural resources. These steps allow project review in their entirety on one evening.

Chart 3-8
Development Review Process

Type of Project	Type of Approval	Approving Authority	Time Frame for Review
Single-Family Residences	By right. No Design Review, unless grading on slopes with 30% grade.	Staff unless project requires exceptions	4-6 weeks
Condominiums	Design Review and Conditional Use Permit	Planning Commission	6 months to one year
Apartments	Approved by right in residential zones with Design Review. Noticing required if parcel exceeds 20,000 square feet. CUP if in commercial zones	Planning Commission	1 month; 3 to 6 mos. with Design Review.
Transitional Housing	Conditional Use Permit	Planning Commission	1 to 3 months
Emergency Shelters	Permitted Use	Planning Commission	4 – 6 weeks
Secondary Dwelling Units	Approved by right when project conforms with Zoning Code and State law	Planning Commission	4 – 6 weeks

5. Building Codes and Site Improvements

Building codes and site improvements affect the cost of housing. Every three years, the State adopts new codes that contain the latest advances in construction practices and engineering concepts. The California Building Standards Commission adopted the California Building Codes in ~~2002~~2013, largely based upon "model" codes produced by professional organizations. Local agencies are required to adopt these codes, but may amend them to address local geological, climatic, or topographical conditions provided the modifications are no less restrictive than the state standards.

Scotts Valley participated in the Silicon Valley Uniform Code Program, a historical effort spearheaded by the Joint Venture, Silicon Valley Network. Through an unprecedented cooperative effort, 27 cities and two~~2~~ counties agreed on a standardized building code, reducing over 400 different local amendments to the state building code to only 11 amendments needed to address particular local conditions. Most of the amendments address seismic design or construction issues not addressed in the adopted State codes, because the City is located in one of the most active seismic zones.

The City of Scotts Valley's on-site and off-site improvements for residential development are modest compared to standards in other Santa Cruz jurisdictions. For instance, local streets are required to have at least a 24-foot right-of-way. If parking is desired on any one street side, the City requires an additional six~~6~~ feet of right of way plus an additional four~~4~~ feet for sidewalks. The City does not require street trees, parkways, or landscaped medians, but does require the developer to install street lights, but only at intersections. Lastly, the Fire District requires developers to install fire hydrants.

6. Analysis of Housing for ~~Disabled Persons~~Persons with Disabilities

California law requires localities to analyze potential and actual constraints upon housing for persons with disabilities, demonstrate efforts to remove government constraints, and include programs to accommodate housing designed for persons with disabilities~~disabled persons~~. As part of the Housing Element process, the Zoning Code, Municipal Code, permitting procedures, development standards, and building codes were analyzed to identify potential impediments. The following summarizes findings from this analysis.

With respect to land uses, State and federal housing laws encourage an inclusive environment, where persons of all walks of life have the opportunity to find housing suited to their needs. As such, State law has pre-empted local governments from regulating the siting of group homes, child care facilities, secondary dwelling units, emergency shelters, and transitional housing. Although the City conditionally allows large residential care facilities in all zones (with hearing only by the Planning Commission), a thorough review of City practices revealed the need to update the Zoning Code to comply with State law affecting special needs housing. The City's Zoning Ordinance currently permits small residential care facilities serving six or fewer persons by-right in all residential zones. The City also updated family day care home provisions to reflect State law with respect to number of occupants, fencing requirements, and other factors. ~~The 2002-2007 Housing Element resulted in the City's Zoning~~

~~Ordinance be amended to allow the following:~~

- ~~Permit small residential care facilities serving six or fewer persons by right in residential zones.~~
- ~~Update family day care home provisions to reflect state law with respect to number of occupants, fencing requirements, and other factors~~
- ~~Conditionally permit transitional housing and ensure that conditional use permit process encourages and facilitates such facilities~~

~~The 2009-2014 Housing Element includes~~ included ~~a work plan to amend the City's zoning regulations to allow transitional housing and emergency shelters as a permitted use in the C-S and I-~~L ~~zoning districts.~~To meet the requirements of State law, the City has amended the Zoning Ordinance to permit transitional and supportive housing as a matter of right in all residential zoning districts.

For new construction, the City enforces Title 24 of the California Code of Regulations, which regulates the access and adaptability of buildings to accommodate persons with disabilities. The City's building code requires compliance with the 1988 amendments to the Fair Housing Act, which requires a minimum percentage of dwelling units in new developments to be fully accessible to residents with disabilities~~the physically disabled~~. The City does not require accessibility or v~~V~~isibility standards beyond state and federal law but established ~~has~~ ~~just started~~ an ADA Advisory Committee to work on making new residential development accessible. ~~Parking standards and development standards do not differentiate between uses.~~

~~Given that most housing was built prior to modern accessibility standards, the issue facing the majority of people with disabilities is retrofitting existing homes. To facilitate rehabilitation of these structures, requests for modifications to ensure housing access, such as ramps up to 30 inches in height, do not require a building permit and are processed over the counter. In Scotts Valley, a homeowner can also build, by right, a ramp that protrudes up to three feet into side setback or up to six feet into the front or rear yard, provided the ramp is not an enclosed structure.~~

~~Regarding permitting processes, housing occupied by people with disabilities is treated like any other residential use in the community. No unique restrictions are in place for disabled housing, such as minimum distances, special conditions for disabled housing, noticing procedures, special use permits, or other regulations that could constrain the development, maintenance, improvement, or alteration of housing for disabled persons.~~

Per state law, cities must develop reasonable accommodation procedures to provide relief to Code regulations and permitting procedures that have a discriminatory effect on housing for individuals with disabilities. The City has amended the Zoning Code to incorporate a Reasonable Accommodation Ordinance that conforms to State requirements. The process for reasonable accommodation includes submittal of an application form to the City's Planning Department, an administrative review by City staff, and a decision within 30 days after the application is submitted. An application for a reasonable accommodation is granted if all of the following findings are made:

1. The housing, which is the subject of the request, will be used by an individual with a disability as defined under the Fair Housing Acts.
2. The requested reasonable accommodation is necessary to make

specific housing available to an individual with a disability under the Fair Housing Acts.

3. The requested reasonable accommodation would not impose an undue financial or administrative burden on the City.
4. The requested reasonable accommodation would not require a fundamental alteration in the nature of a City program or law, including but not limited to land use and zoning.
5. The requested reasonable accommodation would not adversely impact surrounding properties or uses.
6. ~~1.~~ There are no reasonable alternatives that would provide an equivalent level of benefit without requiring a modification or exception to the City's applicable rules, standards and practices.

C. Environmental/Infrastructure Constraints

Scotts Valley has environmental issues that affect the development of housing. These include geology, topography, sensitive habitats, plants and animals, and cultural resources. These factors affect the location and scale of new development. Adequacy of water, sewer, and roads must also be considered. This section discusses potential environmental~~housing~~ constraints in Scotts Valley, summarized in **Chart ~~3-6~~3-9**.

1. Environmental Concerns

The majority of undeveloped land in Scotts Valley is inside the City's urbanized areas and must accommodate a variety of natural hazards and environmental constraints that impact housing project costs. The following describes the most pertinent hazards and how they are addressed. The General Plan EIR and environmental clearance for the Housing Element provides greater detail on each of these issues.

Seismic Hazards

Scotts Valley is next to four major active or potentially active fault zones: San Andreas, Zayante, Butano, and Ben Lomond. The Zayante Fault Zone is located approximately 1.5 miles north of the City of Scotts Valley, and is the closest major fault to the City. The Zayante Fault is tied to into the San Andreas Fault system and capable of producing earthquakes of magnitude 7.4 on the Richter scale. The Butano Fault Zone is located approximately four miles to the north and is capable of producing major earthquakes of magnitude 6.4 on the Richter Scale.

Earthquakes and accompanying ground shaking are considerable hazards for housing, because much of the present development has taken place on alluvium soils. Alluvium is highly responsive to ground shaking. The alluvial deposits of the planning area have a moderately low potential for liquefaction except for the younger alluvium found predominately along creeks and other water courses; these have moderate potential for liquefaction.

G~~Moreover, g~~round shaking is likely to cause landslides on slopes of 15 percent~~%~~ or greater as well as liquefaction in areas with shallow ground water. In 1989, the 7.1 Richter Loma Prieta Earthquake damaged more than 500 structures. The City now requires detailed engineering and geologic studies when new development is proposed in areas subject to earthquake hazards. Development is prohibited on slopes in excess of 40~~%~~ percent grade.

Flood Hazards

Scotts Valley is principally drained by Carbonera Creek, which runs through the community parallel to State Highway 17. The creek has two major tributaries in Scotts Valley. Camp Evers Creek runs south of Mt. Hermon Road; the West Branch of Carbonera Creek runs east of Glenwood Drive. The Scotts Valley area is subject to flooding, with the most recent flooding occurring in January

1982, particularly along Carbonera Creek and its tributaries. To reduce potential 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 ordinance.

Fire Hazards

Scotts Valley is surrounded by forests; much of it is heavily wooded and contains steep slopes. Residential development is centered around Scotts Valley Drive, but a significant amount is situated in heavily forested areas. Fire hazards have a greater potential in hillside developments, where roads have minimal widths and many have dead ends. Despite this unique setting, structural fires have been more common than forest fires. To minimize potential fire dangers, the City's Safety Element sets forth policies to ensure adequate water flow and road width requirements to meet fire-fighting needs. The Safety Element also sets forth an approach to reduce fire hazards in the design and location of development in the hillsides.

Slopes and Topography

Scotts Valley is a hillside community; most uplands have slopes exceeding 40 percent~~%~~ grade that are unsuitable for development. Limited areas of moderately steep slopes (25 percent~~%~~ to 40 percent~~%~~) exist within the City~~Planning Area~~ and could be developed under certain circumstances. Hillside development is regulated as part of the "HR Hillside Residential Combining District." For instance, developers must typically submit soils and geology reports for lots in excess of 25 percent~~%~~ grade, topographic and grading information, and site plans. Developments must also conform to hillside regulations and no new lots with an average slope exceeding 40 percent~~%~~ are permitted. Lastly, the City has policies in place to protect scenic corridors and view sheds.

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.

Cultural Resources

Scotts Valley's location adjacent to perennial streams and on an ancient seabed has contributed to a wealth of archaeological and paleontological resources in the community today. Additional sites, some of which are included in the land inventory, are known to have contained tools and other implements from Native Americans. Finally, fossils are also known to exist in the community. In Scotts Valley, the General Plan designates areas that have or are known to have cultural resources as moderate or high cultural sensitivity zones. In these areas, development proposals must have appropriate environmental clearance pursuant to state and federal laws.

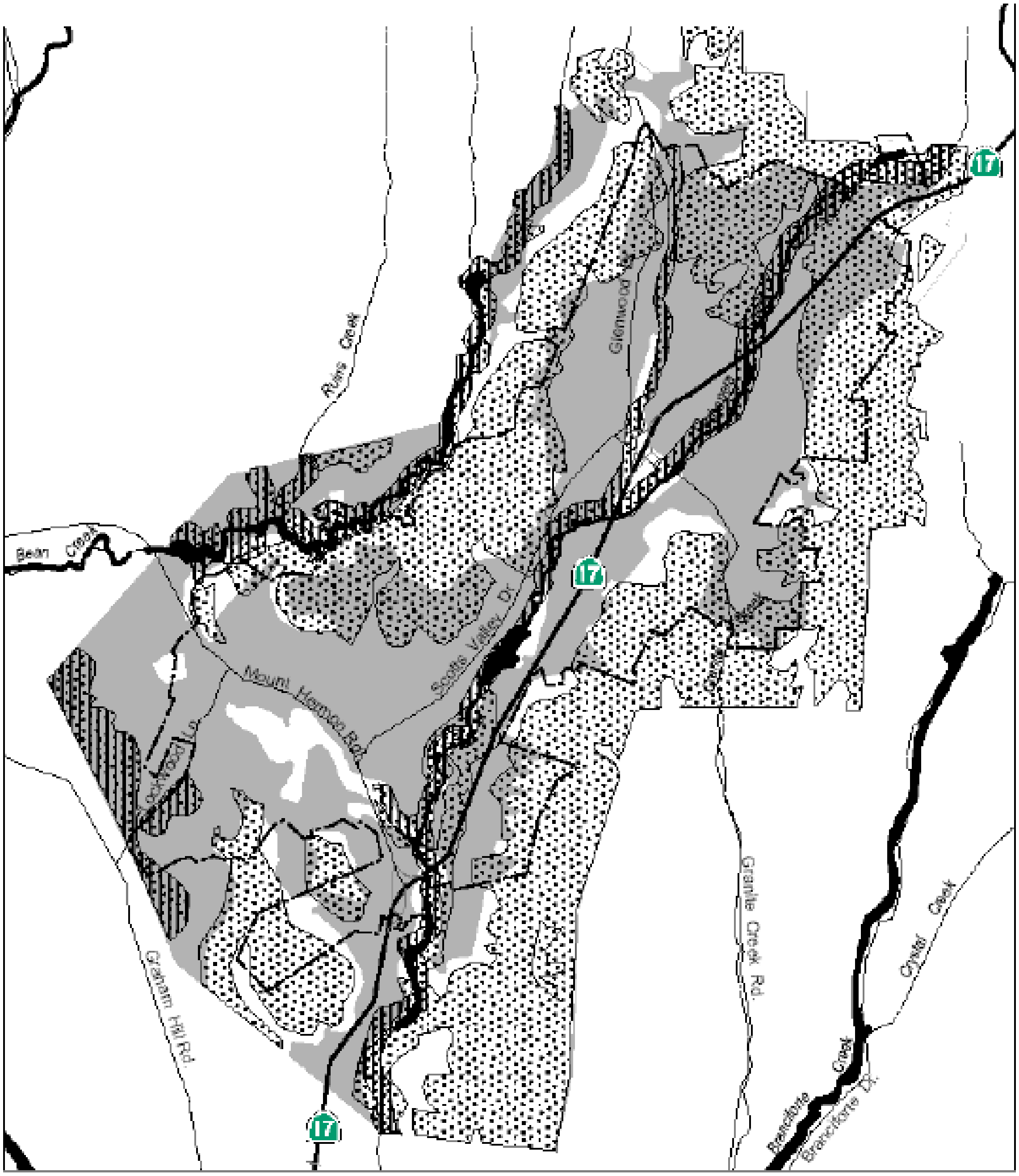
Groundwater Recharge

Scotts Valley derives water entirely from aquifers so groundwater recharge is critical. Scotts Valley lies wholly within the San Lorenzo River watershed. Scotts Valley depends solely on groundwater, so development activity over the past several decades has raised significant concerns over groundwater recharge. To ensure that groundwater can be replenished with rainfall, the General Plan designates most of the city in a High Protection Recharge or High Management Recharge Zone. In these areas, the Municipal Code requires all new housing projects to incorporate storm water detention to mitigate concerns over groundwater recharge.

Chart ~~3-6~~3-9
Potential Environmental Constraints on Major Housing Opportunity Sites in Scotts Valley

Environmental Issues	Residential Development Areas			
	Town Center	Gateway South	Woodside* (formally Quarry Site)	Major Corridor
Critical Habitat Zone	x			X
Cultural Resource Zone		x	x	x
Fire Hazard			x	
Slope and Topography		x	x	
Viewshed			x	
Hydrology Recharge	x	x	x	x
Water Constraint	x	x		x
Floodplain 100or500 yr		x		x
Seismic Hazards	x			x
Special Treatment Area	x	x		

*Part of Woodside was completed in 2014 and 2015.



Source: Scotts Valley General Plan, January 2001; FEMA, May 1996; Census TIGER®, 2000

Sensitivity Zones

City Boundary
River/Creeks

Critical Habitat Zone
Cultural Sensitivity Zone
100 Year Floodplain

0 0.25 0.5 1 1.5 2 Miles

Environmental Constraints

2. Water Services

The Scotts Valley Water District (SVWD) relies on Groundwater sources from the regional Santa Margarita Basin. The SVWD provides the majority of water to the city through six production wells. Wells 3A and 7B serve the SVWD's Orchard Run Treatment Plant (located north of the Polo Ranch site) and pump water primarily from the Butano Formation. Wells 11A and 11B serve the El Pueblo Water Treatment Plant (located in the central area of town) and pump water solely from the Lompico Formation. Wells 9 and 10A (located in the Camp Evers area the south end of town) pump water from the Santa Margarita, Monterey, and Lompico Formations. Potable water is distributed through 55 miles of mains, seven storage tanks, and nine booster pump stations.

In ~~2005~~2010, the SVWD prepared a~~n~~ Revised Urban Water Management ~~and Water Shortage Contingency~~ Plan (UWMP) to govern its ~~the District's~~ long-range water plans. This plan concluded that water could meet growth in the ~~District~~ SVWD projected by AMBAG; increase of ~~155~~ 632 customers from ~~3,773~~ 3,898 in ~~2005~~ 2010 to ~~3,928~~ 4,530 customers in ~~2010~~2015; further increase to ~~4,001~~4,619 customers by ~~2015~~2020; and further increase to ~~4070~~ 4,684 customers by ~~2020~~2025; and further increase to ~~4100~~ 4,800 customers by ~~2025~~2030; and increase to 4,896 by 2035. ~~The Plan also noted that some limited growth beyond the rate projected by AMBAG could be accommodated by expansion of the Water Recycling Project, artificial recharge, or other water supply development programs.~~ The ~~Districts~~ SVWD's UWMP will be updated in ~~2010~~2020.

Like many areas in Santa Cruz County, Scotts Valley is faced with water supply challenges. To assure a reliable water supply, the ~~District~~ SVWD has implemented many water management measures over the past decade. These measures include the construction of a Water Recycling Facility Project (a million gallon storage facility), and collection of water impact fees for funding additional water development projects. The ~~District~~ SVWD joined the California Urban Water Conservation Council in 2005, formalizing its commitment to implementing water conservation best management practices.

In 2006, the ~~District~~ SVWD completed a Groundwater Modeling Study, which documented the long-term loss of groundwater in storage due to well pumping by the ~~District~~ SVWD and others in excess of natural recharge. This s~~S~~tudy also documented that the current level of groundwater in storage can be maintained or increased by expanding the Water Recycling Project, constructing one or more new municipal supply wells to better distribute the location of well pumping across aquifer systems, enhancing water conservation programs, and implementing water management measures.

Scotts Valley was the first recycled water system in Santa Cruz County. The recycled water is produced in a tertiary treatment plant operated by the City's Wastewater Treatment staff. The treated water is then distributed by the SVWD through a dedicated system consisting of 5.5 miles of mains, one 625,000 gallon storage tank, and two booster stations. The project affords a mechanism to accommodate finite growth without further impact on groundwater storage levels. The tertiary water-filter system has the capacity to treat up to 1 ~~MGD~~ mgd of effluent at a level that allows for the direct irrigation at City parks, schools, and commercial and residential landscaping increased from 19 acre feet in 2003 to 161 acre feet in 2008. Further project expansion ~~is anticipated~~occurred in 2009 - 2010 as the ~~District~~ SVWD ~~will~~ constructed three new recycled main extensions with $705,000 in state grant funding as part of the Northern Santa Cruz County Integrated Regional Water Management Plan (IRWMP). SVWD anticipates submitting future grant proposals to fund additional extensions of recycled water pipelines into other key area within the SVWD service area. Funding for this construction will be sought through Supplemental Proposition 50 and Proposition 84 solicitations under the IRWMP. Through the continuous efforts to expand the district's Recycled Water Program, SWVD anticipates to increase recycled water delivery from 149 AFY in 2010 to 330 AFY by 2030.

The SVWD is planning to construct two new deep municipal supply wells to shift a portion of its pumping from the Lompico to the Butano aquifer. The 2006 Groundwater Modeling Study shows this management measure would help offset current impacts on groundwater storage. In 2008 the District was awarded a $250,000 grant from the Department of Water Resources for a Butano test well project. In 2010, efforts were focused on planning for the installation of the deep monitoring wells in the Butano, which provided important data for evaluating the potential for siting a production well in the Butano. However, no specific production well location has been identified. Additional possible well site locations have been investigated at the Green Valley Site and the Well 9 Site.

Rehabilitation of old wells and construction of new wells are needed to replace lost capacity and are part of SVWD's capital improvement program and maintenance budgeting. Although the need for an additional well has been reduced as a result of decreasing water demand which has resulted in lower groundwater production, ongoing evaluations are occurring to identify the most viable location for the installation of a new groundwater production well. One method to help mitigate potential future service disruptions is to have additional redundancy in the system so that SVWD can continue to meet water demand, even in high-demand periods, with at least one high-capacity well offline. Therefore, the installation of a new groundwater production well is considered a prudent step to maintain system reliability. The construction of a new well will most likely increase supply capacity and accommodate anticipated growth, although the main purpose is to redistribute pumping and increase the reliability of supply.

~~This project will help determine whether the proposed new deep wells are feasible and affordable. as part of the Northern Santa Cruz County Integrated Regional Water Management Plan. This difference of 239 acre-feet is more than enough to accommodate the units associated with the six sites identified for the Housing Element. At an estimated 0.33 acre-feet per year per unit, the new demand would be 173 acre feet. The District's 2009 Water Recycling Facilities Planning Report projects that the system will ultimately provide up to 0.75 MGD or 400 acre feet of recycled water~~

~~annually. Thus the future expansion capacity of the system is 239 acre feet per year over the 2008 delivery amount of 161 acre feet.~~

~~The District's emphasis on water conservation has resulted in substantially lower customer water usage. During the five year period ending 2004, customer use averaged 2,006 acre-feet per year. Since then, it has averaged 1,726 acre feet per year. The District's 2009 Water Recycling Facilities Planning Report estimates that tertiary plan influent available for recycling will decrease as a direct result of customer water conservation.~~

According to the SVWD's 2010 UWMP, although there have been significant years of drought, the overall storage in the basin is apparently sufficient to provide adequate resources for the SVWD given the past, current, and anticipated future demand. The long-term adequacy of the supply will rely on improving direct and in-lieu recharge, and reduction in groundwater pumping through improved water use efficiency, and recycled water production. Additionally, the SVWD will not deny or condition approval of water services, or reduce the amount of services applied for by a proposed development that includes housing units affordable to lower income households.

~~Should water supply and delivery become an issue, the District~~ SVWD ~~adopted Resolution No. 07-06, which established policy regarding water service for affordable housing. The policy states that, "Scotts Valley Water District shall not deny or limit water supplies to a proposed development that includes affordable housing units unless the District makes a written finding that it lacks a sufficient water supply, that it is subject to a State Department of Health Services compliance order that prevents new water connections, or that the applicant has failed to agree to reasonable, generally applicable terms and conditions of water service. Procedures for implementing this policy shall be consistent with Government Code Section 65589.7 and the District's Urban Water Management and Water Shortage Contingency Plan."~~

3. Wastewater Capacity and Treatment

Scotts Valley owns and operates a municipal wastewater treatment plant, seven lift stations, and approximately 40 miles of pipeline. The Scott's Valley Wastewater Recycling Facility (WRF) is owned and operated by the City of Scotts Valley to provide residents with efficient, reliable wastewater treatment services and high-quality recycled water for landscape irrigation and other potential beneficial uses. The WRF has the capacity to treat 1.5 million gallons per day (mgd), enough to see the City through planned build-out. ~~The City's wastewater plant currently handles flows of 0.872 million gallons per day (mgd.) for dry weather flow and 0.933 mgd. for wet weather flow. Despite increased residential and commercial development in Scotts Valley, the wastewater treatment plant's average daily dry weather discharge flow has declined to 0.701 mgd in 2005 as a direct result of increased recycled water usage. There are no conveyance issues that would limit wastewater flow.~~

~~In 1994, the City received a federal EDA grant of $2.5 million to complete expansion of the wastewater treatment plant to accommodate projected~~

~~buildout of all commercial, industrial, and residential areas. With these improvements in place, the expanded facility can accommodate a dry flow 1.5 mgd and peak wet weather flow of 5.0 mgd. Taken together, the~~ Thus, the City's wastewater treatment plant has adequate capacity to accommodate future development anticipated by the Housing Element in Scotts Valley.

~~The City is undertaking capital projects to improve the performance and increase capacity of the sewer system. In 2005, the City installed a new gravity sewer line to eliminate the El Pueblo Lift Station, allowing wastewater to bypass the old station and flow directly into an existing sewer main. The City is completing a design to totally reconstruct the Carbonero Lift Station, which pumps half of the total daily flow received at the treatment plant. The City plans to bid the project this spring with construction by summers end. The new station includes a 3-pump system and larger wet well.~~

4. Energy Conservation

Recent events underscore the importance of energy conservation to reduce the overall life cycle costs of housing and also housing affordability. Despite recent stabilization of the energy crisis, the state's electrical system continues to be vulnerable to increasing electricity demand, generation supply shortages, transmission constraints, and high wholesale electricity costs caused by an unstable market.

The Warren-Alquist Act requires that all new buildings in California must meet energy efficiency standards codified in Title 24, Part 6 of the California Code of Regulations. All new residential construction must comply with the standards in effect on the date a building permit application is made. The California Energy Commission adopted new standards as mandated by the California Energy and Reliability Act of 2000, which were incorporated into model building codes adopted by each local agency.

Scotts Valley enforces Title 24 to ensure that new residential construction incorporates the latest in energy efficient technologies. Under Title 24, developers can comply with such regulations by either: 1) adopting a prescriptive package whereby each component of the proposed building must meet a prescribed minimum energy requirement; or 2) adopting a performance method which evaluates the building as a whole to determine whether energy conservation targets are achievable. In addition, both approaches require certain mandatory energy conservation technologies.

In 2007 the City adopted a Green Building ordinance to encourage the development of energy efficient residential units. In 2008 the City adopted the Town Center Specific Plan which will guide the development of ~~over 300~~254 remaining new residential units in the City (46 units have been constructed in Town Center Collection). This plan requires that the units be designed to reduce their energy demand by at least 10 percent~~%~~.

HOUSING RESOURCES

Chapter 4

This section analyzes resources available for the development, rehabilitation, and preservation of housing in Scotts Valley. This includes an evaluation of the City's regional housing need, availability of land for new housing, the availability of financial resources to support housing activities, and the availability of administrative resources to assist the City in implementing housing programs.

A. Regional Housing Needs

1. Regional Housing Needs

State law requires each jurisdiction when preparing its State-mandated Housing Element, to develop housing programs to meet its "fair share" of housing needs for all income groups. This "fair share" concept seeks to ensure that each jurisdiction, to the extent feasible and appropriate, provides housing for its resident population, and those households who might reasonably be expected to reside within the jurisdiction, with a variety of housing accommodations appropriate to their needs.

Senate Bill (SB) 375, passed into law in 2008, requires the coordination of housing planning with regional transportation planning through the MTP/SCS. This is effect entails consistency in growth forecasts for land use, housing, and transportation purposes. SB 375 requires that the RHNA and MTP/SCS process be undertaken together in order to integrate housing, land use, and transportation planning to ensure that the state's housing goals are met. Prior to SB 375, RHNA was updated every five years and the MTP was updated every four years. Because SB 375 requires better coordination between transportation planning with land use and housing planning, the RHNA process is now tied to the adoption of every two cycles of the regional MTP/SCS. As a result, each local jurisdiction is required to update its housing element every eight years instead of every five years.

The regional fair share determination process begins ~~every five years~~ with the State Department of Finance's population projections for the State of California and the many regions throughout the state. The State Department of Housing and Community Development (HCD) use these projections to determine the amount and composition of housing need in different regions of California. The region's housing need projections are determined in consultation with the Council of Governments, which are designated public agencies which address regional planning in each region of the State.

Once the regional housing need for Santa Cruz County and Monterey County is determined, the Council of Governments allocates a share of the region's housing need to each jurisdiction. In the Monterey County and Santa Cruz

County area, the agency responsible for assigning “fair share” housing targets to each community is the Association of Monterey Bay Area Governments (AMBAG). Local jurisdictions are then required, as part of the Housing Element process, to develop local programs to accommodate their share of housing need.

Based upon Statewide population projections, HCD determined that ~~15,130~~10,430 housing units would address the region’s housing needs ~~arising~~ for the ~~from~~ ~~2009~~ 2014- ~~through 2014~~ 2023 planning period due to population and employment growth.

Once basic housing need is calculated for the region, AMBAG is required to allocate the region's total to each community within the AMBAG region. In doing so, AMBAG must take into account various planning factors. These factors were used as justification for reductions or increases to the baseline distribution based on AMBAG's adopted methodology. According to Section 65584 of the Government Code, these considerations are:

- Existing and projected jobs and housing relationship;
- Opportunities and constraints to development of additional housing;
- Distribution of household growth assumed for a comparable period in the regional transportation plan and opportunities to maximize the use of public transportation and existing transportation infrastructure;
- Market demand for housing;
- Agreements between counties and cities to direct growth toward incorporated areas;
- Loss of units contained in assisted housing developments;
- High housing cost burdens;
- Housing needs of farmworkers;
- Housing needs generated by the presence of a private university or a campus of the of the California State University or the University of California; and
- Any other factors, as determined by AMBAG. ~~Market demand for housing~~
- ~~Employment opportunities~~
- ~~Availability of suitable sites and public facilities~~
- ~~Commuting patterns~~
- ~~Type and tenure of housing~~
- ~~Loss of units in assisted housing developments~~
- ~~Over-concentration of lower income households~~
- ~~Geological and topographical constraints~~

~~A Technical Advisory Committee was formed to disaggregate the regional housing needs allocation into Monterey County and Santa Cruz County. In making its determination, the Technical Advisory Committee relied on AMBAG's Population and Employment forecasts for the region, which is used for transportation planning purposes.~~ The RHNA methodology was approved by the Board of Directors and reviewed by the Planning Directors Forum. The adopted RHNA methodology distributes the regional figure on a jurisdiction's proportional share of housing and jobs.

2. Scotts Valley's Housing Need

Once the region's housing need was allocated to Santa Cruz and Monterey counties, each jurisdiction was allocated a share of the County's need. To make this allocation, AMBAG determined the amount of household growth projected for each jurisdiction. The ratio of a jurisdiction's household growth versus the County's projected household growth was then applied to the County's total housing need.

State law requires that AMBAG allocate housing unit goals in such a manner as to avoid and reduce the disproportionate concentration of lower income households in any one jurisdiction. To that end, AMBAG compared the existing household income distribution of each jurisdiction to the County, based on the assumption that all cities should eventually provide the same affordability levels of housing.

Chart 4-1 below summarizes the City's allocation of the region's housing needs by affordability level. ~~Should the County's lawsuit change the final allocation, the City's Housing Element should be amended accordingly.~~

Chart 4-1
Scotts Valley's Regional Housing Needs Projection Goals

Income Group	Definition	Number of Units	Percent of Total
Very Low	<50% of County MFI	34	24.1%
Low	51-80% of County MFI	22	15.7%
Moderate	81-120% of County MFI	26	18.2%
Above Moderate	120%+ of County MFI	58	42.0%
Total		**140**	**100%**

Source: Regional Housing Needs Allocation Plan: 2014-2023, AMBAG, 2014.

~~**Chart 4-1**~~
~~**Scotts Valley's Regional Housing Needs Production Goals**~~

~~Household Income Group~~	~~Affordability Level~~		~~Production Goals~~
	~~Definition~~	~~Income Range for a 4-person family~~	
~~Very Low~~	~~< 50% of County MFI~~	~~Less than $43,500~~	~~42~~
~~Low~~	~~51%-80% of County MFI~~	~~$43,5001 to $69,600~~	~~32~~
~~Moderate~~	~~81-120% of County MFI~~	~~$69,6001 to $97,600~~	~~36~~
~~Above Moderate~~	~~1201% + of County MFI~~	~~Above $97,600~~	~~78~~
~~**Total**~~			~~188~~

The City is required to facilitate and encourage the production of new housing affordable to ~~these~~ various household income levels. ~~For purposes of assignments, single-family homes and condominiums are only affordable to above-moderate-income households.~~ A survey of online rental listings conducted in July 2015 indicate that in Scotts Valley~~A~~ apartments rent between~~at $900-$1,400~~$850 to $1,350 for a one-bedroom unit, $1,200 to $~~1,800~~2,010 for a two-bedroom unit, and $~~1,500~~1,660 to~~-~~ $~~2,450~~2,850 for a three-bedroom unit.~~ Moderate-income households can afford most apartments~~. According to Zillow's Rental Index through ~~September 2014~~July 2015, the average rent list price in the County of Santa Cruz is $2.08~~1.92~~ per square feet. A 400-square foot secondary dwelling unit can therefore rent for approximately $832~~770~~ per month, which may be affordable to lower income households.~~However, second units and guest houses rent for approximately $1,000 and are affordable to lower income households.~~

3. Housing Production

During the time frame of 2009 to ~~October~~ 2014, a total of 182 new housing units have been built in Scotts Valley shown on **Chart 4-2**. ~~**Chart 4-4** on the next page summarizes the units counted toward the City's Regional Housing Needs. **Chart 4-2** shows the number of units built in Scotts Valley from 2009 through October 2014.~~

Chart 4-2
Number of Units Built~~d~~, 2009-2014

Calendar Year	Very Low	Low	Moderate	Above Moderate	Total
2009	0	0	0	2	2
2010	0	2	0	8	10
2011	0	2	0	1	3
2012	0	0	0	30	30
2013	0	4	1	41	46
2014	0	0	4	87	91
Total	**0**	**8**	**5**	**169**	**182**

~~During the time frame of January 1, 2000 to December 31, 2008 a total of 379 new housing units have been built in Scotts Valley. There are currently 159 market rate units approved and 20 affordable units approved which have not been constructed because to the economic down turn. The following describes affordable housing built since 2000. **Chart 4-3** on the next page summarizes the units counted toward the City's Regional Housing Needs.~~

~~Duplex Housing-College Housing~~

~~According to the 2000 Census, group quarters include university owned, on-campus and off-campus housing for unmarried students, provided the dorm is restricted to students who do not have their families living with them. Six duplex units have been built at Bethany College as part of their Master Plan to produce a total of 22 duplex units. These duplexes, reserved for married families, qualify within this category and are therefore eligible for counting as independent housing units. College officials indicate that these family units rent below $1,000/month and are affordable to low income households.Bethany College closed in 2011. Previously, six of the duplex units built at the College qualified within this category and were eligible for counting as independent housing units. With the closure of the college, these units are no longer available for low income households.~~

~~Triplex Units~~

~~The City and Polo Ranch developers are working with Habitat for Humanitytogether to build affordable units. The developers of the 4041-unit Polo Ranch project are, pursuant to a development agreement, proposing two2 triplexes consisting of 4 low income units and 2 very low income unitssix low income condominiums. The six low income units are a condition of approval for the planned development. A development agreement between the developer and the City was recently amended in February 2014. The City has approved the affordable housing project, the Affordable Housing Subcommittee has~~

~~negotiated with the applicant to provide a build-ready site to Habitat for Humanity, and the City staff are currently reviewing the draft EIR. The project is anticipated to begin later in 2009 and be completed in 2010.~~

~~Apartments~~

~~During the last planning period, tThe Bay Tree Apartments, Acorn Apartments, Kelly Court, and anotherone small other project provided 70 new apartments, with some affordable to low and moderate income households. Acorn provideds four 4 low income income units and Bay Tree provideds five5 low income and four4 moderate income units restricted for 30 years as a condition for receiving RDA assistance. Kelly Court is buildingdeveloped an 11-unit project in athe Redevelopment Project Area and provided, has built through a developer agreement, to deed restrict 3three deed-restricted low-income apartments as part of a vertical mixed-use project onsite.~~

~~Second Units~~

~~The City has facilitated the development of second units over the planning period by the following: 1) reducing development standards; 2) permitting them by right; and 3) reducing the impact fee from $14,321 to $9,394. Since 20090, the City has approved the construction of six four second units in the community. Based on interviews with applicants and a review of current rents cited in the Sentinel, second units are generally charging rents comparable with apartments, which are affordable to moderate income households.~~

~~Single-Family Attached~~

~~Several single-family projects were built within the boundaries of Redevelopment Project Areas and were therefore required to fulfill a 15 percent% inclusionary requirement as part of State law. The Bluebonnet Lane project includes 31 condos (near the Scotts Valley Senior Center) and provides two2 low-income and three3 moderate-income units restricted until 2048. The Torrey Oak project (11-unit condominium project on Mt. Hermon Road and La Cuesta Drive) set aside one1 low-income unit and one1 moderate income unit as restricted until 2036. One additional affordable condominium unit has also been built. Forty-eight48 new units were approved on Bluebonnet in 2008 and will provide six6 new affordable units.~~

~~**Chart 4-3** summarizes the City's regional housing needs requirement, housing projects built and approved, and the remaining requirement that would need to be fulfilled through the designation of adequate sites.~~

~~Chart 4-32~~
~~Housing Production in Scotts Valley~~
~~January 2000 - December 2008~~

	~~Affordability of Units~~			
	~~Lower Incom~~	~~Moderate~~	~~Above Moderate~~	~~Total~~
~~Housing Built/Approved~~				
~~- Single-Family Detached~~	~~0~~	~~3~~	~~188~~	~~191~~
~~- Duplexes/Triplexes~~	~~15~~	~~0~~	~~34~~	~~49~~
~~- Apartments (5+ units)~~	~~10~~	~~7~~	~~56~~	~~73~~

~~- Second Units~~	~~6~~	~~0~~	~~0~~	~~6~~
~~- Condos/Townhomes~~	~~4~~	~~3~~	~~53~~	~~60~~
~~Total~~	~~35~~	~~13~~	~~331~~	~~379~~

B. Housing Opportunity Sites

This section analyzes the remaining housing need and where the City will designate sites that will have zoning and development standards, infrastructure and public facilities in place to accommodate the construction of new housing during the planning period.

1. Housing Sites Planned for Residential Uses

Based on the City's land inventory, the City Council has proposed the following sites to meet the remainder of the ~~2015~~2014-2023 RHNA~~RHNP~~. **Chart 4-4** lists each site, the Assessor's parcel number, acreage, density assumption, and affordability level.

Each site has specific lot sizes, general plan land use and zoning designations, allowable density, and other attributes. The site criteria and ability to facilitate and encourage the construction of affordable housing are outlined below:

- **Above-Moderate income**. Residential sites which allow for single-family homes (e.g., such as R-R, R-1, etc.) are considered affordable to above-moderate income housing based on earlier sales prices.
- **Moderate income**. Sites smaller than 1.5~~ 1/2~~ acres, zoned for high density (9-~~ to 1~~5 units/acre), ~~and ~~typically could have apartments that would facilitate moderate-income housing or sites with confirmed affordability restrictions.
- **Lower income**. Sites 1.5 acres and larger, either individually or through consolidation, with a land use designation allowing up to 20 units per acre, or sites with confirmed affordability restrictions.

Town Center Specific Plan

The City of Scotts Valley approved a specific plan and programmatic Environmental Impact Report for the development of a town center on approximately 15 acres along Mt. Hermon Road which was previously the old Skypark Airport. The Programmatic Environmental Impact Report and Specific Plan anticipate a total of 300 new housing units within the Specific Plan area. ~~100 of the units would be a stand-alone housing project and 200 units would be part of the mixed use development in the town center core area.~~Forty-six (46) of the units of the Town Center have been constructed, including 5 affordable units, with an additional 254 units new housing units planned. When completed, the Town Center will have 100 stand-alone housing units and 200 units will be part of the mixed-use development in the town center core area. This project falls within the City's Inclusionary Housing Program, in which each new housing project over six units must generate affordable housing units. Under the program, e~~E~~ach new housing development must include 15 percent of the units as affordable housing units. ~~Build-out of the~~The Town Center ~~Specific Plan ~~will accommodate 45 lower income units, 5 of which have been constructed. ~~is within the City's Redevelopment Agency which requires that 15% of the units be affordable resulting in 45 new affordable units.~~

In addition to the 15 percent~~%~~ required affordable units, the nature of the housing in the mixed use core of the Town Center should result in additional affordable housing opportunities being provided.

~~College Housing~~

~~Bethany College comprises 80 acres of land set in riparian and slope areas. Bethany's Master Plan proposes 28 units of married student housing, 36 multi-family units along Bethany Loop, and 30 dorm units. College officials indicate that all units will be rented to lower income households. Development of duplexes has already begun with six units built to date. Bethany apartments and dorm units cannot proceed until several issues are addressed: 1) proper environmental review has occurred; 2) the sites receive a water allocation; and 3) a secondary access road is built from Scotts Valley Drive to Bethany Drive to Canham Road to address fire safety concerns.~~

Secondary Dwelling Units

The City has facilitated the development of secondary dwelling units over the planning period by the following: 1) reducing development standards; and 2) permitting them by right.~~; and 3) reducing the impact fee from $14,321 to $9,394.~~ Since 2009~~0~~, the City has approved ~~six~~ four secondary dwelling units in the community. The City also updated its ~~accessory~~ secondary dwelling unit ordinance for consistency with California Government Code Section 65852.2, which requires local governments with a local second-unit ordinance to ministerially consider second-unit application.~~new state law . Since 2000, six accessory units have been built. Based on the market for second units in Santa Cruz, Scotts Valley estimates that a total of 25 second units may be built from the 2000 to 2008 planning period.~~According to rental index published by Zillow.com, the average rental price per square foot in Santa Cruz County is $2.08. Assuming a 400-square foot secondary dwelling unit, the average rental price for a second unit in Scotts Valley would be $832 per month. ~~–~~Secondary dwelling units are anticipated to be affordable to lower income households.

Woodside (formally the Old Quarry Site)

In January 2011, the City approved a mixed-~~—~~use development with approximately ~~about~~ 16,500 square feet of commercial space along the street frontage and 49 small lots for detached single-family houses. Since 2014, 34 housing units have been built on the project site. ~~The project will provide seven affordable units. Construction has begun on the development.~~

~~Scotts Valley is home to an abandoned 16-acre quarry site and an adjacent vacant site used for outdoor trailer sales. The sites are vacant and substantially underutilized, designated as commercial (C-S) and rural residential (R-R), but could accommodate substantial new housing on both sites. However, full site development is contingent upon addressing potential environmental constraints, such as riparian habitat, sensitive species (e.g., the Mt. Hermon June Beetle and silver leaf manzanita), slope and topography, and view sheds, as well as the potential for fossils and paleontological resources. In March 2004, the City Council approved a quarry remediation plan and allowance of commercial and residential uses on 6.26 acres of the site. The 2.26-acre portion fronting Scotts Valley Drive is intended as vertical mixed use; the 4 acres in back of the frontage is intended as very high density residential only. The six acres of developable land have~~

~~been approved for 94 multiple-family units of which 14 will be affordable in an overall mixed residential-commercial use setting.~~

Gateway South Specific Plan

The Gateway South Specific Plan is an adopted plan for the area located at the southern main entrance to the City at Highway 17 and Mt. Hermon Road. ~~Some of the Plan area is located in the Redevelopment Project Area.~~ Specific Plan policies encourage a range of housing types and development configurations. This Specific Plan area is occupied by a new 180-room hotel, 41 apartments (including nine~~9~~ affordable units), and 20 townhomes. The Plan anticipates 133 total units with a minimum of 21 ~~units being~~ affordable units. ~~The Specific Plan area has seven vacant residential sites zoned RV-H, and one site zoned C-S which allows high density mixed use by right.~~

Scotts Valley Drive, North of Dunslee

Two other sites along Scotts Valley Drive were selected for new housing. North of Dunslee, this 9.5-acre vacant site slopes up to the west, and is a candidate for a density transfer. Of the 9.5 acres, two~~2~~ acres are considered developable –one ~~-~~acre is zoned C-S and one acre is zoned R-R. The site has been rezoned C-S and allows up to 20 units per acre, yielding 40 units for this site. ~~Greater densities and total units may be possible pursuant to a density transfer.~~

Scotts Valley Drive, North of Shell Station

Additional sites for housing are available along Scotts Valley Drive. North of the Shell station on the east side of Scotts Valley Drive are three vacant parcels totaling 3.8 acres, of which 2.0 acres are developable. These three sites are all contiguous to one another and the City is actively encouraging their consolidation to provide the preconditions for a quality residential product. The sites were rezoned to R-M in 2007. Together, this site could yield 30 housing units.

~~Bluebonnet Lane~~

~~The Bluebonnet Lane site is a 2.5-acre site adjacent to the Cavarallo Transit Center. The site is vacant, relatively flat, and has no environmental constraints. The site is located in the City's Redevelopment Project Area and requires that 15% of the units be affordable. Along the western half of the site, there is an opportunity for higher density residential uses which would be within walking distance of public and commercial uses, such as the Community Center, Transit Center, Senior Center, and Kings Village Shopping Center. The City rezoned this site as R-VH in 2007 and approved a 48 unit project with 6 affordable units in 2008. It is hoped construction will start within the next year.~~

Oak Creek Park (formerly Glen Canyon)

The City has identified 3.6 acres at the corner of Glen Canyon/Mt. Hermo~~a~~n Road and rezoned the property to C-S with high density residential permitted as part of a mixed use project. This~~The~~ particular site was previously approved for office buildings, which are no longer desired. The site is ~~a~~ vacant located~~lot is~~ between Oak Creek Boulevard and the Shell Gas Station and backs up to residential uses. There are no environmental or topographical constraints.

Chart 4-3 on ~~the next page~~ summarizes these sites and their credit toward the 2015-2023~~2009-2014~~ Regional Housing Needs Allocation~~Plan~~. Taken together, these sites ~~will yield up to 106~~accommodate ~~84~~79 lower income units ~~potentially affordable to lower income households~~ and ~~448~~407 above moderate-income units~~77 units affordable to moderate-income households~~, ~~exceeding the remaining RHNP~~ meeting the City's entire RHNA need for the planning period.

Chart 4-3
Accommodation of 2015-2023 RHNA~~P~~
~~CHART 4-4~~3
~~Regional Housing Needs Plan~~

	Very Low (0-35% of area median income)	**Low** (35-50% of area median income)	**Moderate** (80-120% of area median income)	**Above Moderate** (over 120% of area median income)	**TOTAL**
~~Remaining~~ 2015-2023 RHNA	**34**	**22**	**26**	**58**	**140**
Units Built Since January 2014	0	2	6	98	106
Remaining 2015-2023 RHNA	**34**	**20**	**20**	**0**	**74**
Sites to Accommodate RHNA					
Secondary Dwelling Units	5		0	0	5
Town Center	~~45~~40		0	~~255~~214	~~300~~254
Gateway South Specific Plan	21		0	115	136
Erba Lane	0		0	11	11
Scotts Valley Dr/No. of Dunslee	6		0	34	40
Scotts Valley Dr/No. Mt. Hermon	5		0	25	30
Oak Creek Park	2		0	8	10
Unaccommodated RHNA	**0**		**0**[1]	**0**	**0**

Notes:
[1] Remaining Moderate-Income RHNA units accommodated by surplus of Very Low and Low-Income sites
* Surplus of lower income sites will cover the deficit in moderate income units
Source: City of Scotts Valley, 2015~~09~~

Chart 4-4 provides a complete description of each parcel, its attributes, and assumed suitability to facilitate housing affordable to households of different income levels, including lower income. Parcels in the Gateway area and Scotts Valley Drive provide opportunities for lot consolidation to encourage future development. ~~It is anticipated that lots in the Gateway area and Scotts Valley Drive will be consolidated to provide for better design.~~

Chart 4-4~~54~~
Housing Sites for the Regional Housing Needs

Location	APN	Acres	Zoning	Density	Affordable Units	Market Units	Current Use
~~Bethany~~	~~23-022-08~~	~~333.0~~	~~P/QP~~	~~Open~~	~~22~~	~~--~~	~~Various~~
Secondary Dwelling Units	Various	Various	--	--	5	--	Various
Town Center	See specific plan	17.0	Various	Various	45	255	Vacant
~~Quarry~~	~~22-451-04,10~~	~~6.26~~	~~C-S~~	~~15-20~~	~~14~~	~~80~~	~~Vacant~~
Gateway	22-151-05	1.72	R-VH	15-20	5	29	Under
Gateway	21-321~~151~~-04~~3~~	2.03	R-VH	15-20	6	34	Vacant
Gateway	22-151-03	1.1	R-VH	15-20	3	17	Under
Gateway	22-151-04	0.57	R-M	8	1	3	Vacant
Gateway	22-151-11	1.10	R-VH	20	3	17	Under
Gateway	22-151-07	0.86~~5~~	R-VH	15-20	2	8	Under
Gateway	22-151-08	0.54	R-VH	15-20	1	7	Under
Erba Lane	22-481-18~~5~~	0.75	R-H	15	0	11	Vacant
~~Greenhills~~	~~24-211-01 & 02~~	~~43.0~~	~~R-R-2.5~~	~~2.5~~	~~0~~	~~17~~	~~Vacant~~
~~Pinnacle View~~	~~21-281-01, 02, 05 & 06~~	~~2.0~~	~~R-VH~~	~~15-20~~	~~0~~	~~20~~	~~Vacant~~
~~Bluebonnet~~	~~22-211-92~~	~~2.48~~	~~R-VH~~	~~15-20~~	~~6~~	~~42~~	~~Vacant~~
Dunslee	22-451-01	2.0	C-S	15-20	6	34	Vacant
Scotts Valley Drive, north~~.~~ of Mt. Hermo~~a~~n	22-162-69	2.3	R-M	8	5	25	Vacant
	22-162-74	0.36	R-M	8	0	0	Vacant
	22-731~~132~~-48	0.94	R-M	8	0	0	Vacant
	22-731-01	0.59	R-M-8	8	0~~3~~	3	Vacant
Oak Creek Park~~Glen Canyon~~	22-162-76	3.6	C-S	15-20	2	8	Vacant
Total	**--**	**--**	**--**	**--**	**~~126~~84**	**~~607~~448**	**--**

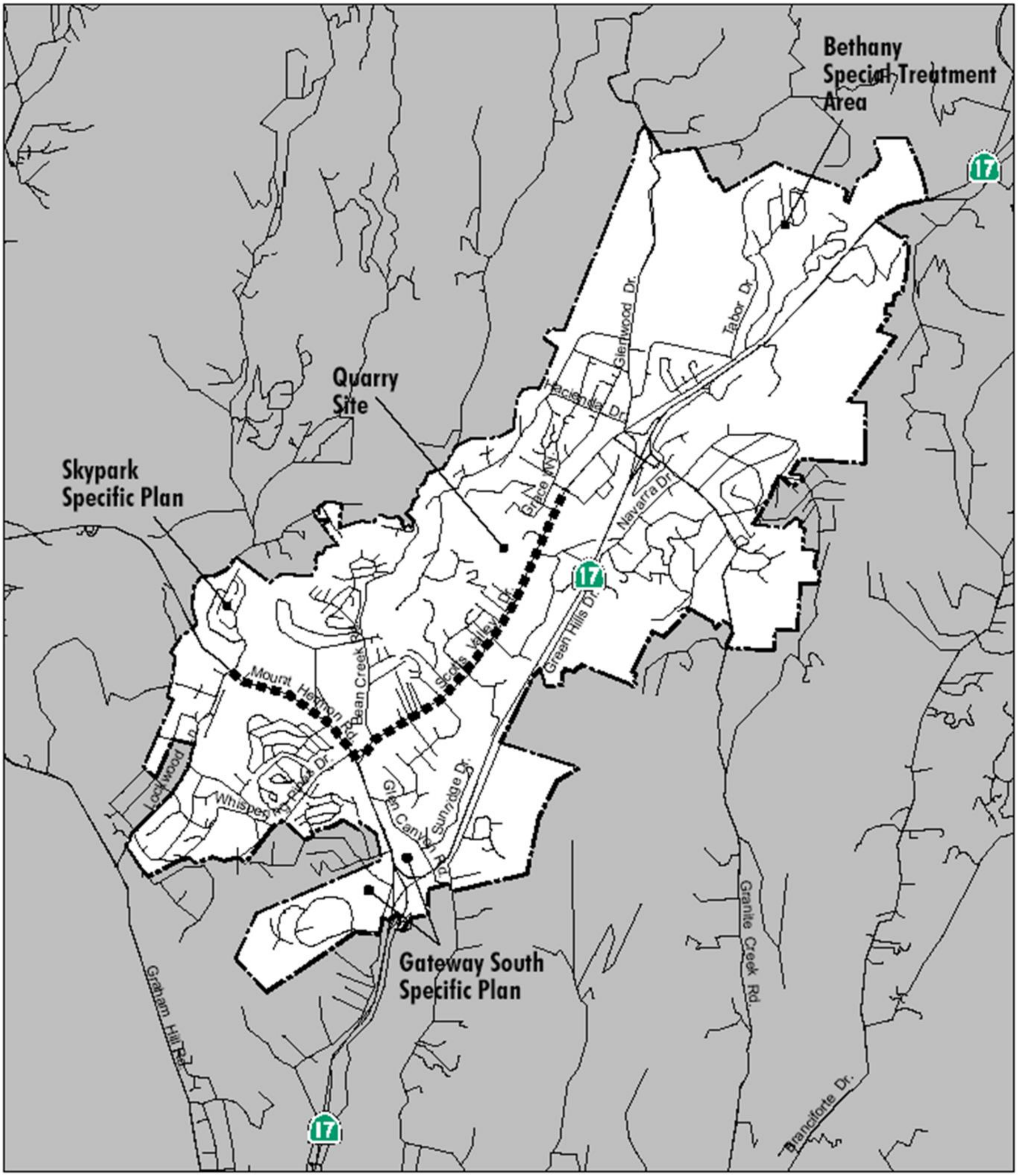


Figure 3

Housing Opportunity Areas

C. Resources for Addressing Housing Needs

The City of Scotts Valley has access to a variety of existing and potential funding sources available for affordable housing activities. They include programs from local, state, federal and private resources. In addition, various public and nonprofit agencies are available to assist the City in implementing its housing policies and programs. ~~The following describes the financial and administrative resources available to the City of Scotts Valley.~~

In previous years, the primary source of funds for affordable housing activities in Scotts Valley was the Redevelopment Agency housing set-aside fund. On~~e~~ December 29, 2011, the California Supreme Court ruled to uphold ABx1 26, which dissolved all redevelopment agencies (RDAs) in the State. A companion bill, ABx1 27, which would have allowed the RDAs to continue to exist, was declared invalid by the court. The court's decision required that all RDAs within California be eliminated no later than February 1, 2012. The City of Scotts Valley Redevelopment Agency was dissolved as of February 1, 2012 and the City of Scotts Valley was selected to be the Successor Agency responsible for all enforceable obligations owed.

1. Financing Resources

Chart~~Table~~ 4-5~~XX~~ lists the potential funding sources that are available for housing activities. They are divided into five categories: federal, State, county, local, and private resources.

Chart 4-5
Financing Resources

Program Name	Description	Eligible Activities
1. Federal Programs and Funding Sources		
Community Development Block Grant (CDBG)	The Community Development Block Grant (CDBG) program is a flexible program that provides communities with resources to address a wide range of unique community development needs.	Acquisition Rehabilitation Homebuyer Assistance Economic Development Homeless Assistance Public Services
Home Investment Partnership (HOME)	Local jurisdictions can receive HOME funds directly from the Federal government. HOME funds are used to assist low income (80% AMI) households.	New Construction Acquisition Rehabilitation Homebuyer Assistance Rental Assistance
Emergency Shelter Grant (ESG) Program	Funds emergency shelters, services and transitional housing for homeless individuals and families.	Homeless Assistance Public Services

Chart 4-5 Financing Resources		
Program Name	**Description**	**Eligible Activities**
Neighborhood Stabilization Program (NSP) Funds	Provides funds to purchase abandoned and foreclosed homes and residential property.	Acquisition Homebuyer Assistance
Choice Neighborhoods Grants	Funds to address distressed neighborhoods and public and assisted projects to transform them into viable and sustainable mixed-income neighborhoods by linking housing improvements with appropriate services, schools, public assets, transportation, and access to jobs. Planning grants and implementation grants are available.	New Construction Acquisition Rehabilitation Economic Development Public Services
Section 202 Housing for Seniors	HUD provides capital advances to finance the construction, rehabilitation or acquisition with or without rehabilitation of structures that will serve as supportive housing for very low-income elderly persons, including the frail elderly, and provides rent subsidies for the projects to help make them affordable.	Acquisition Rehabilitation New Construction
Section 811 Housing for Persons with Disabilities	Grants to non-profit developers of supportive housing for persons with disabilities, including group homes, independent living facilities and intermediate care facilities.	Acquisition Rehabilitation New Construction Rental Assistance
Housing Opportunities for Persons with AIDS (HOPWA)	HOPWA is an entitlement grant distributed to the largest jurisdiction in each county. HOPWA funds may be used for a wide range of housing, social services, program planning, and development costs. These include, but are not limited to, the acquisition, rehabilitation, or new construction of housing units; costs for facility operations; rental assistance; and short-term payments to prevent homelessness. HOPWA funds also may be used for health care and mental health services, chemical dependency treatment, nutritional services, case management, assistance with daily living, and other supportive services.	Acquisition Rehabilitation Homebuyer Assistance Homeless Assistance Public Services Rental Assistance
Supportive Housing Program	Provides funding to develop supportive housing and services that will allow homeless persons to live as independently as possible. Grants under the Supportive Housing Program are awarded through a national competition held annually.	Homeless Assistance Public Services

Chart 4-5 Financing Resources		
Program Name	**Description**	**Eligible Activities**
Shelter Plus Care	Provides rental assistance for hard-to-serve homeless persons with disabilities in connection with supportive services funded from sources outside the program.	
2. State Programs		
Low-income Housing Tax Credit (LIHTC)	Tax credits are available to persons and corporations that invest in low-income rental housing. Proceeds from the sale are typically used to create housing. Tax credits are available between 4% and 9%.	New Construction
Building Equity and Growth in Neighborhoods (BEGIN)	Grants to cities to provide down payment assistance (up to $30,000) to low and moderate income first-time homebuyers of new homes in projects with affordability enhanced by local regulatory incentives or barrier reductions.	Homebuyer Assistance
CalHome	Grants to cities and non-profit developers to offer homebuyer assistance, including down payment assistance, rehabilitation, acquisition/rehabilitation, and homebuyer counseling. Loans to developers for property acquisition, site development, predevelopment and construction period expenses for homeownership projects.	Predevelopment Site development Site acquisition Rehabilitation Acquisition/Rehab Down payment assistance Mortgage financing Homebuyer counseling
Transit-Oriented Development Housing Program	Under the program, low-interest loans are available as gap financing for rental housing developments that include affordable units, and as mortgage assistance for homeownership developments. In addition, grants are available to cities, counties, and transit agencies for infrastructure improvements necessary for the development of specified housing developments, or to facilitate connections between these developments and the transit station.	Homebuyer Assistance Predevelopment Site development Infrastructure
Infill Incentive Grant Program	Funding of public infrastructure (water, sewer, traffic, parks, site clean-up, etc) to facilitate infill housing development. One funding round annually.	Regulations pending
CalHFA FHA Loan Program	Provides fixed rate FHA mortgages in Federally Designated Targeted Areas.	Homebuyer Assistance

Chart 4-5 Financing Resources		
Program Name	**Description**	**Eligible Activities**
CalHFA Homebuyer's Down payment Assistance Program	CalHFA makes below market loans to first-time homebuyers of up to 3% of sales price. Program operates through participating lenders who originate loans for CalHFA. Funds available upon request to qualified borrowers.	Homebuyer Assistance
CalHFA Mental Health Services Act Funds	Jointly administered by the California Department of Mental Health and the California Housing Finance Agency on behalf of counties, the Program offers permanent financing and capitalized operating subsidies for the development of permanent supportive housing, including both rental and shared housing, to serve persons with serious mental illness and their families who are homeless or at risk of homelessness. MHSA Housing Program funds will be allocated for the development, acquisition, construction, and/or rehabilitation of permanent supportive housing.	New Construction Acquisition Rehabilitation Homeless Assistance Public Services Rental Assistance New
CalHFA New Issue Bond Program (NIBP)	Provides affordable housing bond funding to CalHFA and other housing finance agencies. This funding allows developers to secure a source of affordable financing in the marketplace which otherwise could not be obtained.	New Construction Acquisition Rehabilitation Preservation
Golden State Acquisition Fund (GSAF)	Affordable Housing Innovation Program (AHIP): provides loans for developers through a nonprofit fund manager to provide quick acquisition financing for the development or preservation of affordable housing.	New Construction Acquisition Rehabilitation Preservation
Emergency Housing and Assistance Program Operating Facility Grants (EHAP)	Provides operating facility grants for emergency shelters, transitional housing projects, and supportive services for homeless individuals and families.	Homeless Assistance Public Services
Emergency Housing and Assistance Program Capital Development (EHAPCD)	Funds capital development activities for emergency shelters, transitional housing, and safe havens that provide shelter and supportive services for homeless individuals and families.	Homeless Assistance Public Services

Chart 4-5 Financing Resources		
Program Name	**Description**	**Eligible Activities**
Emergency Solutions Grant (ESG) Program	Funds projects that serve homeless individuals and families with supportive services, emergency shelter/transitional housing, assisting persons at risk of becoming homeless with homelessness prevention assistance, and providing permanent housing to the homeless population. The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 places new emphasis on assisting people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness.	Homeless Assistance Public Services
Infill Infrastructure Grant Program (IIG)	Provides grants for infrastructure construction and rehabilitation to support higher-density affordable and mixed-income housing in infill locations.	Predevelopment Site development Infrastructure
Multifamily Housing Program:	Provides funding for new construction, rehabilitation, or acquisition and rehabilitation of permanent or transitional rental housing. Projects are not eligible if construction has commenced as of the application date, or if they are receiving 9% federal low income housing tax credits. Eligible costs include the cost of child care, after-school care and social service facilities integrally linked to the assisted housing units; real property acquisition; refinancing to retain affordable rents; necessary onsite and offsite improvements; reasonable fees and consulting costs; and capitalized reserves.	Acquisition Rental Assistance Public Services Site development Infrastructure Development Fees
Predevelopment Loan Program (PDLP)	Provides predevelopment capital to finance the start of low income housing projects.	Predevelopment
3. County Programs		
Housing Choice Vouchers (formerly Section 8)	Rental assistance payments to owners of private market rate units on behalf of low-income (50% MFI) tenants.	Rental Assistance

Chart 4-5 Financing Resources		
Program Name	**Description**	**Eligible Activities**
Low Income Public Housing Program (LIPH)	The LIPH is a national rental assistance program funded and monitored by the Department of Housing and Urban Development (HUD) to provide decent and safe rental housing for eligible low income families. Participants in LIPH rent a townhouse style apartment owned and managed by the Housing Authority of the County of Santa Cruz. Tenants pay rent directly to the Housing Authority, and may choose to pay either an income based rent (which is equal to approximately 30% of their household income) or a fixed flat rent which is similar to market rent.	Rental Assistance
Mortgage Credit Certificate (MCC)	Federal tax credit for low- and moderate-income homebuyers who have not owned a home in the past three years. Allocation for MCC is provided by the State and administered by the County.	Homebuyer Assistance Income Tax Credit
USDA Farmworker Housing Program	The Housing Authority of the County of Santa Cruz owns and manages 70 two and three bedroom units of U.S. Department of Agriculture-Rural Housing Service (USDA-RHS) in Santa Cruz County at two different sites in and near Watsonville. This program is designed to provide affordable housing to households where at least one household member earns a substantial portion of their income as farm laborers and is either a United States citizen or legal resident.	Rental Assistance
4. Local Programs		
Tax Exempt Housing Revenue Bond	The City can support low-income housing by holding the required TEFRA hearing prior enabling the issuance of housing mortgage revenue bonds. The bonds require the developer to lease a fixed percentage of the units to low-income families at specified rental rates.	New Construction Rehabilitation Acquisition
5. Private Resources/Financing Programs		
Federal National Mortgage Association (Fannie Mae)	Fixed rate mortgages issued by private mortgage insurers; mortgages which fund the purchase and rehabilitation of a home; low down-payment mortgages for homes in underserved areas.	Homebuyer Assistance

Chart 4-5 Financing Resources		
Program Name	**Description**	**Eligible Activities**
National Housing Trust	The Green Affordable Housing Preservation Loan fund through the National Housing Trust Provides below market predevelopment and interim development loans to affordable housing developers who seek to incorporate green building techniques when rehabilitating existing affordable housing. Under the program, a portion of the loan will be forgiven when the developer demonstrates that they have incorporated practical, environmentally friendly design elements in the property's rehabilitation plan.	Predevelopment Development Loans
California Community Foundation	Provides support for general operating of existing nonprofit affordable housing developers, with the focus on supporting the development and preservation of permanent affordable housing.	New Construction Rehabilitation Acquisition
MacArthur Foundation:	Preserving Affordable Rental Housing Program is a $150 million initiative that seeks to preserve and improve affordable rental housing.	Preservation Rehabilitation Acquisition
Local banks:	As a requirement of the Community Reinvestment Act of 1977, commercial banks are required to "meet the credit needs" of all the areas from which they draw deposits. They usually do this through below-market loans to both developers and qualified low-income homebuyers, and grants to community development nonprofits. Many banks have set up a separate community development division, and partner with local organizations that provide services like homeownership counseling to their borrowers. Larger banks often have a separate foundation to handle the grants.	Homebuyer Assistance

~~Redevelopment Housing Set-Aside~~

~~State law requires all redevelopment agencies, including Scotts Valley Redevelopment Agency (RDA) to set aside a minimum of 20~~ percent~~% of all tax increment revenue generated from redevelopment projects for affordable housing. The Agency's set-aside funds must be used for activities that increase, improve, or preserve the supply of affordable housing. Housing developed under this program must remain affordable to the targeted income group for at least 55 years for rentals and 45 years for ownership housing.~~

~~Approximately $1,000,000 annually in housing set-aside funds is expected to be~~

~~generated for housing-related purposes. Using set-aside funds, the RDA presently funds the First Month's Rent/Security Deposit Program ($78,000 annually), $500,000 for subsidies for completed affordable housing projects, $500,000 for loans and advances for affordable housing (e.g., Bluebonnet and Windward Place), $45,000 for monies to support the Santa Cruz Housing Authority, as well as other programs. The RDA has purchased an affordable housing parcel in the Town Center Specific Plan area for the development of affordable units and expects to joint venture the development of the mixed use housing in the Town Center core using RDA Housing Funds.~~

~~Proposition 46 Funds~~

~~In 2002, California voters approved a record $2.1 billion bond to address the State's affordable housing crisis. The bond is the State's first in twelve years. According to HCD, the housing bond will create up to 22,000 permanently affordable homes for rent; enable more than 65,000 families to purchase their own homes; provide housing assistance for 12,000 to 24,000 farmworker families; and underwrite 20 million shelter bed days for homeless people. These bond funds will be available on a competitive basis and represent a major opportunity to leverage local monies for affordable housing.~~

2. Administrative Resources

Described below is a sample of public and non-profit agencies that have been involved in housing activities in north Santa Cruz County. ~~These and other agencies~~These ~~–~~play important roles in meeting the housing needs of the community. In particular, these agencies are~~they are or can be~~ involved in the improvement of housing stock, expansion of affordable housing opportunities, preservation of affordable housing, and/or provision of housing assistance to those in need.

~~Scotts Valley Redevelopment Agency~~

~~The Scotts Valley Redevelopment Agency has played an active role in meeting the housing needs of the community. Since 1995, the Agency contributed housing set-side funds to support the development of 71 affordable housing units including the recently constructed Baytree and Acorn apartment projects. The Agency has also provided funds to increase home purchase opportunities through the Silent Second Mortgage Program.~~

Housing Authority of the County of Santa Cruz

The Housing Authority of the County of Santa Cruz was created to provide housing assistance for the County's lower- and moderate- income residents. The Housing Authority administers the Section 8 rental assistance program and manages public housing developments. The Housing Authority also administers various programs available to Scotts Valley residents, including the Mortgage Credit Certificate Program and the Security Deposit Guarantee Program. ~~Currently 45 Scotts Valley households receive Section 8 rental assistance through the County, and 15 low and moderate income households have received financial assistance through the MCC program.~~

Community Action Board of Santa Cruz County, Inc. (CAB)

CAB conducts, administers and coordinates community programs to combat poverty in Santa Cruz and Monterey Counties. CAB offers ~~several~~ programs focusing on four service areas:~~-~~ j~~J~~ob training and employment services, housing and homeless services, immigration assistance, and community building~~energy/utility payment assistance; the Shelter Project (housing and homeless services); job training and employment services; immigration assistance; and community building~~. Under the Shelter Project, CAB operates ~~five~~ four services for homeless people or those at risk of homelessness, including: ~~Housing for Medical Emergencies Program,~~ Motel Vouchers for homeless persons facing emergency medical situations, Emergency Rent Assistance to prevent eviction, a Shelter Hotline, and a Message Center~~ (voice mail), Shelter Hotline, and Resource Guide~~.

Front Street, Inc.

Front Street, Inc. (FSI) is the primary provider of social rehabilitation facilities throughout Santa Cruz County. FSI has been in operation since 1990, when it took over the 47-bed Front Street board and care facility in Santa Cruz. FSI operates eight facilities, with locations in Santa Cruz, Ben Lomond, Watsonville, and Monterey. Their services include residential programs, mental health support services and supported housing. ~~FSI also operates the 15-bed Darwin House for persons with mental illness and/or chemical dependency.~~ FSI is committed to supporting its clients at the highest level of independence possible and provides person-centered and evidence-based treatment services that promote mental and physical wellness. ~~both board and care and independent housing with wrap-around services.~~

Habitat for Humanity

Habitat for Humanity is a non-profit, Christian organization dedicated to building and rehabilitating affordable housing for lower income families. Habitat builds and repairs homes with the help of volunteers and partner families. Habitat homes are sold to partner families at no profit with affordable, no-interest loans. Volunteers, churches, businesses, and other groups provide most of the labor for the homes. Government agencies or individuals typically donate land for new homes. Habitat Santa Cruz has built approximately 40 homes in Santa Cruz County, including three affordable homes on Black Lane in Scotts Valley, which were completed in 2013. ~~Habitat Santa Cruz has built 24 homes since 2000 and is developing 6 single-family homes in Scotts Valley.~~

Mid-Peninsula Housing Coalition (MPHC)

Mid-Peninsula Housing Coalition is an established regional non-profit organization involved in the development, management, acquisition and rehabilitation of affordable rental housing. MPHC primarily develops affordable family and senior rental apartments. Since it was founded in 1971, MPHC has developed over 100 communities and 7,450 homes for low income families, seniors and special needs individuals throughout Northern California.~~ 3,700 affordable housing units in six northern California counties~~. ~~MPHC has also rehabilitated over 300 units in blighted neighborhoods.~~ MPHC works in 11 counties in Northern California and provides homes for more than 15,500 Northern California residents, manages 89 properties (a total of 6,442 units) and has an additional 1,367 new affordable homes in construction, entitlement or predevelopment. MPHC has been involved in the preservation of affordable housing units that are at risk of converting to market rate uses. MPHC built the Emerald Hill project, a 46-unit apartment project in Scotts Valley that provides housing for very-low-income households.

First Community Housing

First Community Housing (FCH) is a 501 [c] [3] non-profit, public benefit developer committed to building high quality, sustainable, affordable housing and passing energy savings along to ~~our~~ tenants. FCH locates developments adjacent to transit corridors and provides free "eco-passes" to all ~~our~~ tenants, allowing free bus and light rail use throughout Santa Clara and Santa Cruz Counties~~y~~. Since 1986, FCH has created housing for more than 3,200 low-income residents in 17 affordable housing developments (over 1,300 units) throughout the San Francisco Bay region. The low-income populations they serve include families, senior citizens, and individuals as well as special needs populations such as the chronically ill, persons with developmental disabilities, and consumers of mental health services. ~~FCH develops the following housing types: family housing, senior housing, SROs, live/work lofts, and mixed use developments. Since its founding in 1986, FCH has developed 800 units with another 200 units in development.~~ FCH's incorporation of green building materials has been featured in numerous green building journals, the AIA Memo and Global Green USA Case Study.

Chapter 5

HOUSING PLAN

Providing housing that fulfills the diverse needs of Scotts Valley is a fundamental priority. This section is the City's Housing Plan to achieve that goal. 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. This section provides the goals and policies for addressing the City's housing needs as well as specific actions to implement the housing goals and policies.

A. Housing Production

Situated in north Santa Cruz County, Scotts Valley is located between major employment markets in the Silicon Valley and northern Monterey County. As a desirable community, Scotts Valley is sought for its high quality of life. At the same time, the City must balance a number of concerns to provide sufficient housing opportunities for present and future residents. These include the preservation of the City's unique environment, the provision of community services and public facilities, the balance of housing with employment opportunities, and the mitigation of traffic impacts along arterials.

Providing housing along major corridors presents the most optimal opportunity to meet the City's diverse housing needs given the topography of the city. The major opportunity will be as part of the development of a Town Center Project along Mt. Hermon Road. Housing located along major arterials will be near transit, employment opportunities, and water and sewer services. Areas outside the urban core require a different housing strategy, because the City has determined that the preservation of its unique hillside character and sensitive habitats is of utmost importance. In these more rural areas of Scotts Valley, residential development must be sensitively integrated and clustered into the natural environment.

Ensuring an appropriate quantity, diversity, and price of new housing in Scotts Valley presents a challenge in today's housing market. ~~Thus, Scotts Valley's Redevelopment Agency will continue to provide financial incentives and regulatory concessions to make feasible the development of housing affordable to all income levels. Such incentives, along with appropriate design review standards, must be carefully tailored and~~

~~implemented to further citywide objectives with respect to the production of quality and well-designed housing.~~

The following housing goal and guiding policies are designed to facilitate and encourage a balanced mix and variety of housing types and prices in Scotts Valley to meet existing and future housing needs of the community.

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.

Policies

1.1 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.

1.2 Ensure that new residential sites have appropriate community services and public facilities, including streets and roadways, water, sewer, and other needed infrastructure.

1.3 Facilitate and encourage the development of mixed-use residential and commercial projects at appropriate locations along major corridors, within established design guidelines.

1.4 Offer regulatory incentives and concessions for affordable housing, such as modified development standards, density bonuses, or fee waivers where deemed to be appropriate.

1.5 Encourage establishment of child care facilities as an amenity at major transportation hubs and multi-modal stations, and in major housing and employment developments (including mixed-use projects).

1.6 Continue to s~~S~~upport the development of a new Town Center that will provide a range of housing types, retail, commercial uses, public facilities and open space that will serve as the future focal point for the community.

1.7 Encourage density levels and incentives, for affordable housing, sufficient to facilitate the production of quality affordable housing.

Housing Programs

1. Sites Inventory Monitoring Program~~Housing Sites~~

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~~. 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 2014-2023 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. ~~. The vast majority of such sites along Scotts Valley Drive and Mt. Hermon Road are in the Redevelopment Project Area and developers must provide affordable units to satisfy RDA inclusionary requirements. These sites if developed can accommodate the remaining unmet affordable housing needs required.~~

Eight~~Five~~-year Action(s):

- ~~Aggressively pursue the development of the Town Center project which has the potential to provide 300 new residential units.~~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.
- Monitor development approvals on identified sites and ensure that no net loss occurs.
- Continue to implement the City's 15% inclusionary housing requirement and Title 14 Affordable Housing Production requirements.

~~2. Development Code Revision~~

~~Five-year Actions:~~

- ~~Amend the City's~~Monitor ~~zoning regulations to~~ that ~~allow transitional housing and emergency shelters as a right in the City's I-L zone and R-VH zone.~~
- ~~Adopt~~ Implement and monitor ~~development standards, provide and clarify design guidelines, and adopt~~continue to monitor ~~incentives (e.g., density bonus and shared parking,~~

~~etc.) for the C-SC, C-S, and R-VHD zones.~~

~~8. Redevelopment Assistance~~

~~The Redevelopment Agency (RDA) plays an important role in facilitating and encouraging the production of affordable housing. The majority of commercial and residential sites along Scotts Valley Drive are within RDA Project Area and are subject to inclusionary requirements. Since 1994, the RDA has provided regulatory and financial assistance to assist many residential projects. RDA set-aside funds were used to improve infrastructure for Emerald Hill Apartments and make sewer improvements for the Borland facility, Polo Ranch, and the Skypark Specific Plan. Given that much of the City is in redevelopment project areas and that public sector involvement is needed to stimulate projects that benefit the community, the City's the City's affordable housing goals.~~

~~Five-year Actions:~~

~~Implement the 15 percent% inclusionary requirement in Redevelopment Project Areas and investigate the feasibility of requiring additional affordable units when sites are proposed for re-designation or intensification.~~

~~Continue to allocate set-aside funds to support infrastructure improvements needed to facilitate new higher density housing. Continue to consolidate irregular and underutilized lots within the Redevelopment Area.~~

2. ~~Regulatory Incentives~~Planned Unit Development

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 in order 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~~. Examples include~~ Baytree Apartments, Bluebonnet Condominiums, and Windward single-family homes.

Eight~~Five~~-year Action(s):

- Continue providing flexible design through the PD zoning district.~~ and work with college institutions (e.g., such as Bethany) to provide housing~~

3. Secondary Dwelling Unit Program

The City of Scotts Valley could also accommodate a significant number of ~~accessory~~ 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 conversions. ~~the following: 1) Reducing development standards; 2) permitting them by right; 3) reducing the impact fee from $14,321 to $9,394; and 4) providing a means to address illegal conversions. Finally, in 2003,~~In 2003 the City amended the Zoning Code to allow ~~accessory~~ secondary dwelling units by right in single-family residential zones to bring the City's regulations up to date with state law. ~~Although providing a small component of the City's overall housing strategy, they will continue to be facilitated.~~

Eight~~Five~~-year Action(s)

- The City will continue to publicize its ~~accessory~~ secondary dwelling unit program by developing brochures, updating its web site, and making available brochures available at the public counter.
- Periodically review program and make adjustments as feasible to facilitate the development of secondary dwelling units.

4. Emergency Shelters

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.

Eight-year Action(s)

- Continue to monitor the inventory of sites appropriate to accommodate emergency shelters and will work with the appropriate organizations to ensure the needs of homeless and 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.

5. Transitional and Supportive Housing

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 for the City's homeless and extremely low-income households.

Eight-year Action(s)

- 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 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.

6. Density Bonus Program

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 very 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.

Eight-year Action(s)

- Provide information on the Density Bonus Program at City Hall and the City's website

B. Housing and Neighborhood Quality

The City of Scotts Valley is known for its well-defined residential neighborhoods, each distinguished by topography, housing types/ products, and natural conditions. Residential neighborhoods are well maintained, distinguished by high quality architecture and pleasing beautiful amenities, making them highly desired places to live.

Scotts Valley is surrounded by forests, heavily wooded, and contains steep slopes that exceed 40 percent~~%~~ grade and are unsuitable for development. Limited areas of moderately steep slopes (25 percent~~%~~ to 40 percent~~%~~) also exist within the Planning Area. These areas contain single-family homes and development is regulated by the "Hillside Residential Combining District." In these areas, sensitively integrating development into the natural environment is of utmost concern.

Higher density projects are located on the valley floor, and along major roads, such as Scotts Valley, Mt. Hermon, Lockwood, Glenwood, Green Hills, and others. Neighborhood quality in these areas is ensured when housing is compatible with the character, scale, and design of surrounding land uses, when the proposed developments do not create environmental impacts (e.g., such as traffic) that cannot be appropriately mitigated, and appropriate recreational opportunities are provided on site or within close proximity to neighborhoods. Areas with higher concentrations of multiple-family housing also require attention to infrastructure, housing conditions, and services.

GOAL #2:

It is the goal of the City of Scotts Valley to foster a high quality, safety, and livability of housing and residential neighborhoods through the improvement and preservation of housing and community services.

Policies

2.1 Maintain the quality of ownership and rental housing through the adoption, periodic revision, and enforcement of housing and property maintenance standards.

2.2 Continue to support the repair and upgrade of infrastructure, services, and public facilities in existing neighborhoods.

2.3 Ensure that residential projects are of high quality and thoughtful design through the implementation of architectural and design standards and design review.

2.4 Preserve the supply of affordable rental housing, including mobile home parks, subsidized rental housing, and special needs housing.

2.5 Protect established residential neighborhoods from the transition and intensification that detract from the character of the neighborhood.

Housing Programs

~~5.~~7. Code Enforcement

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. Code Enforcement staff inform property owners of code violations and refer them to available financial resources and programs offered by the City, including the Redevelopment Agency. Code Enforcement staff seek to work cooperatively with residents and businesses to achieve compliance with City building and property maintenance codes. In certain cases, the City may red-tag, fine and prosecute owners of substandard housing. Although the City's housing is in good condition, proactive code enforcement is a key to maintaining the quality of life in neighborhoods.

Eight~~Five~~-year Action(s):

- The City will continue to implement a proactive code enforcement program through the Building Department and inform residents of rehabilitation assistance when available at City Hall and the City's website. ~~The City will continue to implement code enforcement activities and inform residents of rehabilitation assistance~~.

~~6. Homeowner Unit Repair Program~~

~~A recent study completed for the City RDA by the Housing Authority indicated that about 10% of the mobile home units in the Redevelopment Area required some level of repair. In addition, the Agency believes that a number of other owner occupied units in the Redevelopment Area require moderate levels of rehabilitation and repair. The current cost of funds often forces owners to delay repairs and can lead to disinvestment in the Redevelopment Area. In response, the Agency proposes establishing an affordable owner occupied unit repair program. The program would be open to very low, low and moderate income households and would provide up to $7,500 in low interest loans to qualified households. The Agency would need to approve requested repairs.~~

~~Five-year Action(s):~~

- ~~Assist in the repair of up to 30 affordable owner-occupied units. The City will provide information about the rehabilitation program in conjunction with code enforcement activities and to interested parties at the public counter.~~
- ~~Investigate other funding sources to help improve mobile home parks in the community that have housing repair and infrastructure needs.~~

~~9.~~8. Design Review

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 ~~where the parcel is larger than 20,000 square feet,~~ and for projects in hillside-combining districts and other sensitive areas. ~~As mentioned earlier, the~~The City has streamlined the design review process in recent years. Design review is presently conducted by 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.

Eight~~Five~~-year Action(s):

- Continue to review projects to ensure consistency with the General Plan, Zoning Ordinance and area D~~d~~esign G~~g~~uidelines. The City will give processing priority to affordable housing projects.

~~10.~~9. ~~Preservation of Affordable Housing~~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. This will include an annual review of the conversion status of all 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.

Eight~~Five~~-year Action(s):

- ~~The City will continue to monitor the status of affordable units and, should any become at-risk of conversion, provide technical and financial assistance, as feasible, to encourage the units to remain affordable.~~Develop and maintain an AB 987 database to include detailed information on all subsidized units, including those that have affordability covenants.

- 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.

~~11. Work with the City's ADA Committee~~

~~In order to facilitate the development of more housing designed to accommodate persons with disabilities the City in January 2009 appointed an ADA Committee to work with the building official to develop programs to encourage new construction to be designed in a manner to accommodate disabilities.~~

~~Five-year Action(s):~~

- ~~The City will develop an educational program to work with developers and individual home owners to encourage design and construction of projects that include features to make the units usable for persons with disabilities.~~

~~12. Housing for Persons with Development Disabilities~~

C. Housing Assistance

As a desirable community, Scotts Valley will continue to experience a relatively high demand and price for housing. These market conditions have long-term implications for providing suitable housing opportunities in Scotts Valley. Presently, many lower income seniors reside in subsidized units or mobile homes and have limited choices to move elsewhere. Moderate-income families with children and young professionals can only afford apartments and may need to move to other communities to buy a home. Providing adequate homeownership and rental opportunities thus remains a priority. In addition, certain residents in Scotts Valley have greater difficulty in finding decent and affordable housing due to special needs. These circumstances include employment and income, household size and type, and the need for health/child care. Special needs groups may include lower income households, the elderly, college students, people with a disability, people with developmental disabilities, large or single parent families, forestry workers, and people who are homeless. Facilitating and encouraging housing opportunities for these and other special needs groups can help allow all residents to find a home in Scotts Valley.

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.

Policies

~~3.1 Expand the availability of homeownership opportunities to low and moderate-income buyers through homebuyer assistance.~~

~~Support the provision of rental assistance to eligible renter households and provide opportunities for transition to homeownership~~.

~~3.2~~3.1 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, homeless people and others.

~~3.3~~3.2 Work with ~~and provide financial assistance, as feasible, to~~ nonprofit housing and service providers to ensure that ~~housing and~~housing and supportive service needs of residents are met.

~~3.4~~3.3 Promote equal housing opportunities and discourage discrimination in the sale, rental, or occupancy of housing.

~~13.~~10. Housing Voucher Program

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. ~~Currently, 45 Scotts Valley households receive Section 8 assistance.~~

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 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.

Eight~~Five~~-year Action(s):

- Continue to participate with the Housing Authority of Santa Cruz County ~~to provide rental and homeownership assistance.~~Section 8 Certificate/Voucher Rental Assistance Program.
- Continue to refer residents to the County program and provide information at City Hall and the City's website.

~~14. First Month Security Deposit~~

~~In recent years, the rising cost of apartments, coupled with the lower income of many renters, means that some households have insufficient income to pay a security deposit to secure an apartment. Paying a security deposit presents a potential fair housing concern for persons leaving shelters and transitional housing. Adopted in 1999, Scotts Valley developed a first month's rent security deposit program that is administered by the County Housing Authority. The program leverages RDA set-aside funds to assist low and moderate income families with rental assistance in the form of a grant for the first month's rent, and security for the last month's rent.~~

~~Five-year Action(s):~~

- ~~The RDA will continue to set-aside funds over the next five years for this program.~~

~~15.~~11. Mortgage Credit Certificate Program

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. ~~Fifteen Scotts Valley lower and moderate households have been assisted through the County's MCC program.~~ 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. ~~Since the inception of this program, 23~~ 22 ~~MCC's have been issued.~~ As the City has little control over how the County's programs are administered, the City will be responsible for providing information to residents.

Eight~~Five~~-year Action(s):

- ~~The City will continue to market the MCC program by providing brochures at City Hall and community centers, and on the City's website. Over the next 5 years, the City anticipates that 20 households will be assisted.~~Continue to refer residents to the County program and provide information at City Hall and the City website.

~~16. City Homeownership Program~~

~~Scotts Valley is concerned about the inability to meet families' needs for low and moderately priced housing. The RDA indicates that moderate income households should still be able to secure sufficient financing to afford housing if the sales price was equal to the housing's development costs. The City administers a deferred second mortgage program for persons buying a home (including mobile homes) within city limits. The Redevelopment Area contains three mobile home parks, many occupied by low income households. However, the units do not carry any affordability covenants. The Agency proposes to build on the experience of Mountain Brook to assist local residents to convert their mobile home parks into owner occupied and controlled parks.~~

~~Five-year Action(s):~~

- ~~Assist up to 10 households over the next 5 years. Advertise program in the City's Affordable Housing Programs brochure and on the City's website.~~

- ~~Consider working with mobile home owners and parks as opportunities to arise to convert their parks into owner occupied and controlled parks.~~

~~17.~~12. Fair Housing

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~~State~~ Department of Fair Employment and Housing (DFEH). The mission of the DFEH it to protect Californians from employment, housing, and public accommodation discrimination. ~~The City also funds a variety of nonprofit organizations, which provide referrals and assistance for housing. Pursuant to SB520, the City identified the need to remove several potential constraints to housing opportunities. As noted in Chapter 3, t~~T~~he City will need to~~has ~~designate~~d ~~a zone to conditionally permit transitional housing in compliance with State law, allow for the by-right permitting of all licensed community care facilities serving six or fewer clients in all residential zones, and update~~d ~~its day care ordinance to be in compliance with recent changes to State law.~~

~~Five~~Eight-year Action(s):

- ~~Continue to promote fair housing practices, provide the public with educational information on fair housing, and refer fair housing complaints to Department of Fair Employment and Housing~~Continue to provide informational and educational materials on fair housing services for property owners, apartment managers, and tenants at City Hall and the City's website.
- Continue to monitor and respond, as appropriate, to complaints of discrimination, and will continue to refer tenants to the California Department of Fair Employment and Housing for proper intake, investigation, and resolution of fair housing complaints.
- ~~Amend~~ ~~Monitor~~ ~~the Zoning Code~~ ~~amendments that allow~~ ~~to: 1)~~ ~~the~~ ~~permit the siting of transitional housing in the I-L and C-S zones; and 2) to makes the City's residential care facility policy consistent with State law.~~
- ~~Periodically evaluate the Zoning Code to find whether any regulations constrain the development of housing for disabled persons and, if such constraints are found, initiate changes to remove or mitigate constraints.~~

~~18.~~13. Child Care and Day Care Facilities

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 quality 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.

Eight~~Five~~-year Action(s):

- Continue to work with child care providers and the C~~c~~ounty to promote adequate child care facilities within the community. ~~These will include family child care facilities.~~

- Provide information at City Hall and on the City's website on current zoning regulations that apply to child care and day care facilities. ~~The City's zoning regulations were amended in 2007 to conform to state law.~~
- Continue to encourage ~~new development such as the Town Center project to provide child care facilities on site.~~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.

14. Reasonable Accommodation

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 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. 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.

Eight-year Action(s):

- Provide informational handouts and information at City Hall and on the City's website about reasonable accommodation procedures.
- Continue to work with developers and individual home owners to encourage design and construction of projects that include features to make the units usable for persons with disabilities.

15. Housing for Persons with Development Disabilities

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 to 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 residential with disabilities.

Eight-year Action(s):

- Seek State and Federal monies, as funding becomes available, in support of housing construction and rehabilitation targeted for persons with developmental disabilities.
- Provide regulatory incentives, such as expedited permit processing, and fee waivers and deferrals, to projects targeted for persons with developmental disabilities.
- The City will work with the San Andreas Regional Center to implement an outreach program informing households within the City of housing and services available for persons with developmental disabilities.
- The City will provide information on housing and services available for persons with developmental disabilities at City Hall and on the City's website.

~~19.~~16. Housing for Extremely Low-Income Households

Extremely low-income households and households with special needs have limited housing options in Scotts Valley. Housing types appropriate for these groups include: emergency shelters, 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.

Eight-year Action(s):

- Encourage the development of housing for extremely low-income households 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.

D. Environmental Preservation

Scotts Valley is a mountain/ alluvial environment; the alluvian valleys of Cabonera Creek and Camp Evers Creek form the historic and modern core of the urban area and mountains that border the city. As a hillside community, most uplands have steep slopes exceeding 40% grade and have forestland, providing for stunning views and vistas.

Streams crossing the Valley provide riparian habitat for sensitive and protected plant and animal species. Riparian woodland along rivers and Ponderosa Pines provides habitat for ~~20 to 50~~ locally rare plant species, including state and federally endangered species, are concentrated in sand deposits, marshy habitats, grassland areas, and other areas. Scotts Valley was also once an ancient seabed, and is home to archaeological and paleontological resources. Housing in these areas is sensitively integrated into the natural environment.

As the case with communities in Santa Cruz County, the local water supply is derived entirely from surface waters and underground aquifers. Ensuring groundwater resources, aquifer replenishment, and water quality remains an important issue for the community. Thus, Scotts Valley remains committed to fostering environmental preservation in the city.

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.

Policies

4.1 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.

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

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

4.4 Investigate feasibility of offering regulatory and financial incentives to developers proposing green building technologies in housing projects.

Housing Programs

~~20.~~17. Hillside Development and Design

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.

Eight~~Five~~-year Action(s):

- Continue to enforce the setback, height, and density standards identified in the Hillside Residential Combining District.

~~21.~~18. Resource Conservation

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 wherever 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.

Eight~~Five~~-year Action(s):

- 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.

19. ~~Water Conservation and Ground Water Recharge~~Water and Sewer Service Providers

~~Scotts Valley is provided water from the Scotts Valley Water District, the San Lorenzo Valley Water District, and private wells. Groundwater is the sole source. The City and SVWD built the County's first Water Reclamation Facility and a 1.0-million-gallon storage facility, and related infrastructure. Despite these improvements, the District has only a limited number of water meters available until new wells are drilled. Section 65589.7 of the Government Code requires each public agency or private entity providing water or sewer services to give priority for the provision of these available and future resources or services to the proposed housing developments which help meet the City's share of the regional housing need for lower-income households.~~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 and water and sewer providers when considering approval of new residential projects, 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.

Eight~~Five~~-year Action(s):

- ~~Work with SVWD and other San Lorenzo Water District to ensure that a water conservation and priority system is implemented.~~Submit the adopted Housing Element, and any subsequent amendments, to local water and sewer providers for their review and input.
- ~~Work with the SVWD and San Lorenzo Water District to ensure that adequate water resources are available for affordable housing projects.~~
- ~~Provide RDA assistance to ensure that all affordable housing projects within the RDA are plumbed to use recycled water for landscaping.~~

20. 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, 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.

Eight~~Five~~-year Action(s):

- Continue to review proposals for new housing to ensure that the City's cultural resources are adequately protected.

Chart 5-1
Housing Program Implementation Summary

Housing Program	Eight-~~Five~~ Year Objective	Responsible Agency	Funding	Time-frame
1. Sites Inventory Monitoring Program	▪ 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.~~Continue to monitor site which have been designated as desirable affordable housing sites to assure they are not used for other development.~~ ▪ Monitor development approvals on identified sites and ensure that no net loss occurs.	~~City Planning and Building~~Planning Department	General Fund~~s~~	On~~-~~going
~~2. Zoning Code Revision~~	~~▪ Adopt Continue implementation of development standards, provide and clarify design guidelines, and adopt continue to monitor incentives (e.g., density bonus and shared parking, etc.) for the C-SC, C-S, and R-VHD zones.~~	~~City Planning and Building~~	~~General Funds~~	~~Ongoing~~
~~3. Redevelop-ment Assistance~~	~~▪ Implement the 15% inclusionary requirement in the Project Area and investigate the feasibility of requiring additional affordable units when sites are proposed for re-designation or intensification~~ ~~▪ Continue to allocate setaside funds to support various infrastructure improvements needed to facilitate new high density housing. Continue to consolidate irregular and underutilized lots.~~	~~City Redevelop. Agency~~ ~~City Redevelop. Agency~~	~~RDA Set-aside~~ ~~RDA Set-aside~~	~~Ongoing~~
2~~4~~. ~~Regulatory Incentives~~Planned Unit Development	▪ ~~Continue to provide flexibility of design through the PD district and work with institutional uses to provide a range of housing~~Continue providing flexible design through the PD zoning district.	~~City~~ Planning Department~~and Building~~	General Fund~~s~~	Ongoing
3~~5~~. Secondary Dwelling Unit Program~~s~~	▪ Continue to p~~P~~ublicize secondary dwelling unit program by developing brochures, updating the City's~~its~~ web~~-~~site, and making available brochures available at the public counter. ▪ Periodically review program and make adjustments as feasible to facilitate the development of secondary dwelling units.	~~City~~ Planning ~~and Building~~Department; Building Department	General Fund~~s~~	Ongoing
4. Emergency Shelters	▪ Continue to monitor the inventory of sites appropriate to accommodate emergency shelters and will work with the appropriate organizations to ensure the needs of homeless and 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.	Planning Department	General Fund	Ongoing

Chart 5-1
Housing Program Implementation Summary

Housing Program	Eight-~~Five~~ Year Objective	Responsible Agency	Funding	Time-frame
5. Transitional and Supportive Housing	▪ 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 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.	Planning Department	General Fund	Ongoing
6. Density Bonus Program	▪ Provide information on the Density Bonus Program at City Hall and the City's website	Planning Department	General Fund	Ongoing
7~~6~~.Code Enforcement	▪ Continue to implement a proactive code enforcement program through the Building Department and inform residents of rehabilitation assistance when available at City Hall and the City's website. ~~Continue to implement code enforcement activities and inform residents of rehabilitation assistance.~~	~~City Planning and Building~~Planning Department; Building Department	General Fund~~s~~	Ongoing
~~7. Owner Occupied Unit Repair Program~~	~~▪ Assist in the repair of up to 27 owner-occupied units and provide information about the program to interested parties at the public counter.~~ ~~▪ Investigate other funding sources to help improve mobile home parks~~	~~City Redevelop-mint Agency~~	~~RDA Setaside~~	~~Ongoing~~
8. Design Review	▪ 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.	~~City~~ Planning Department; ~~and~~ Building Department	General Fund~~s~~	Ongoing
9. ~~Preservation of Affordable Housing~~Monitor and Preserve Affordable Housing	▪ ~~Monitor affordable units and, should any become at-risk of conversion, provide technical and financial assistance, as feasible, to the units to remain affordable for the long-term.~~Develop and maintain an AB 987 database to include detailed information on all subsidized units, including those that have affordability covenants. ▪ 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.	~~City~~ Planning Department~~and Building~~	General Fund~~s~~	Ongoing

Chart 5-1
Housing Program Implementation Summary

Housing Program	Eight-~~Five~~ Year Objective	Responsible Agency	Funding	Time-frame
~~10. ADA Committee~~	▪ ~~Continue to provide information on ways to make more housing assessable to persons with disabilities~~	~~City Building~~	~~General Funds~~	~~On going~~
10~~1~~. Housing Voucher Program~~Section 8 Assistance~~	▪ 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 the City's website. ~~Participate with Housing Authority to provide rental and homeownership assistance~~.	Planning Department; Housing Authority of Santa Cruz County; Planning Department~~Housing Authority~~	~~Federal funds~~HUD Section 8 Fund	Ongoing
~~12. First Month's Rent/Security Deposit~~	▪ ~~Continue to set-aside funds over the next five years for this program that will serve up to 7 households annually.~~	~~County Housing Authority~~	~~RDA Setaside~~	~~Ongoing~~
11~~3~~. Mortgage Credit Certificate Program	▪ ~~Continue to market the Mortgage Credit Certificate program by providing brochures at City Hall and community centers, and City's website.~~Continue to refer residents to the County program and provide information and City Hall and the City website.	~~County Housing Authority~~Housing Authority of Santa Cruz County; Planning Department	Santa Cruz County Funds~~funds~~	Ongoing
~~14. City Homeownershi p Program~~	▪ ~~Assist up to 10 households over the next five years. Advertise program in City Affordable Housing Plan brochure and on the City's website.~~ ▪ ~~Consider working with mobile home owners and parks as opportunities to arise to convert their parks into owner occupied and controlled parks.~~	~~City Redevelop. Agency~~	~~RDA Setaside~~	~~Ongoing~~
12~~5~~. Fair Housing ~~Program~~	▪ Continue to provide informational and educational materials on fair housing services for property owners, apartment managers, and tenants at City Hall and the City's website. ~~Promote fair housing practices, provide educational information to the public, and refer fair housing complaints to the State DFEH.~~ ▪ 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, investigation, and resolution of fair housing complaints. ▪ ~~Permit Monitor zoning code amendment to allow transitional housing in the I-L zone.~~ ▪ ~~Further analyze potential constraints in the Zoning Code and, if found, develop programs to remove or mitigate the potential constraints.~~ ▪ ~~Work the Town Center Mixed Use Developer to provide some smaller single room type units.~~	CA Department of Fair Employment and Housing; Planning Department	State Funds; General Fund~~s~~	Ongoing~~July 2010~~

Chart 5-1
Housing Program Implementation Summary

Housing Program	Eight-~~Five~~ Year Objective	Responsible Agency	Funding	Time-frame
13~~6~~. ~~Day Care for Children~~Child Care and Day Care Facilities	▪ ~~Continue to work with various agencies to encourage the development of additional child care options.~~Continue to work with child care providers and the County to promote child care facilities within the community. ▪ Provide information at City Hall and on 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.	~~City Planning and Building~~Planning Department	General Fund~~s~~	Ongoing
14. Reasonable Accommodation	▪ Provide informational handouts and information at City Hall and on the City's website about reasonable accommodation procedures. ▪ Continue to work with developers and individual home owners to encourage design and construction of projects that include features to make the units usable for persons with disabilities.	Planning Department	General Fund	Ongoing
15~~7~~. Housing for Persons with Developmental Disabilities	▪ Seek State and Federal monies, as funding becomes available, in support of housing construction and rehabilitation targeted for persons with developmental disabilities. ▪ Provide regulatory incentives, such as expedited permit processing, and fee waivers and deferrals, to projects targeted for persons with developmental disabilities. ▪ The City will work with the San Andreas Regional Center to implement an outreach program informing households within the City of housing and services available for persons with developmental disabilities. ▪ The City will provide information on housing and services available for persons with developmental disabilities at City Hall and on the City's website.	~~City Planning and Building~~Planning Department	General Fund~~s~~	Ongoing

Chart 5-1
Housing Program Implementation Summary

Housing Program	Eight-~~Five~~ Year Objective	Responsible Agency	Funding	Time-frame
16. Housing for Extremely Low-Income Households	▪ Encourage the development of housing for extremely low-income households 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.	Planning Department	General Fund	Ongoing
17~~87~~. Hillside Development and Design	▪ Continue to enforce the setback, height, and density standards identified in the Hillside Residential Combining District.	~~City Planning and Building~~Planning Department; Building Department	General Fund~~s~~	Ongoing
18. 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.	~~City Planning and Building~~Planning Department; Building Department	General Fund~~s~~	Ongoing
~~20~~19. Water and Sewer Service Providers~~Conservation~~	▪ Submit the adopted Housing Element, and any subsequent amendments, to local water and sewer providers for their review and input.~~Work with SVWD and other San Lorenzo Water District to ensure that a water conservation and priority~~	~~City Planning and Building~~Planning Department	General Fund~~s~~	Ongoing
~~19~~20. Cultural Resources	▪ Continue to review proposals for new housing to ensure that the City's cultural resources are adequately protected.	~~City Planning and Building~~Planning Department	General Fund~~s~~	Ongoing

	Quantified Objectives by Income Group			
	Very Low	Low Income	Moderate	Above-Moderate
1. Housing Production[1]	~~50~~ 34	~~66~~ 20	~~77~~ 20	~~37~~10
2. Housing Rehabilitation[3]	~~15~~ 0	~~15~~ 0	~~0~~ 0	~~0~~ 0
~~3. Housing Assistance~~	~~12~~	~~12~~	~~12~~	~~0~~
3~~4~~. Preservation of Units[2]	0~~4~~ ~~7~~	0~~2~~ ~~7~~	0~~6~~	0~~0~~

Notes:

[1]Production objective represents the City's remaining RHNA need for the 2015-2023 planning period

[2]No affordable units identified that are at-risk of converting to market rate

[3]The City currently has no available funding to administer a housing rehabilitation program

APPENDIX A

Housing Accomplishments

As part of the Housing Element, cities must periodically review the progress, effectiveness, and continued appropriateness of the housing goals, policies, and programs in addressing the housing needs of the community. These results should be quantified wherever possible and qualitative where necessary. This section and **Chart A-1** evaluates past accomplishments of the City's housing programs in meeting objectives for the prior Housing Element.

Housing Element Program	Evaluation of Effectiveness
Housing Production	
1. Housing Sites 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. An additional 12 acres was rezoned for mixed residential and commercial uses along major corridors. 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. The vast majority of such sites along Scotts Valley Drive and Mt. Hermon Road are in the Redevelopment Project Area and developers must provide affordable units to satisfy RDA inclusionary requirements. These sites if developed can accommodate the remaining unmet affordable housing needs required. **Five-Year Action(s):** • Aggressively pursue the development of the Town Center project which has the potential to provide 300 new residential units.	**Effectiveness**: The majority of housing opportunity sites identified in the 2009-2014 Housing Element to accommodate the City's RHNA are still available for the 5th cycle Housing Element update. These sites include both vacant and underutilized sites, secondary dwelling units, and commercial zones that allow residential development. All housing sites have zoning in place that will allow residential development at the appropriate densities required by state Housing Element law. The City will continue to maintain an inventory of these housing opportunity sites throughout the 2015-2023 planning period. **Appropriateness**: The City will effectively implement this program within the planning period. This program will be modified for the 2015-2023 Housing Element to monitor the inventory of sites appropriate to accommodate the City's RHNA and to publicize the housing opportunity sites inventory on the City website and at City Hall.
2. Development Code Revision **Five-Year Action(s):** • Amend the City's zoning regulations to allow transitional housing and emergency shelters as a right in the City's I-L zone and R-VH zone.	**Effectiveness**: The City prepared and adopted an amendment to the Zoning Code to permit emergency shelters by-right in the C-S (Service Commercial), C-SC (Shopping Center Commercial), and P (Public) zoning districts along with development and operational standards. The City also

• Adopt development standards, provide and clarify design guidelines, and adopt incentives (e.g., density bonus and shared parking, etc.) for the C-SC, C-S, and R-VHD zones.	amended the Zoning Code to identify transitional and supportive housing as a residential use and permitted in all residential zones, subject only to those standards/regulations that apply to other residential uses of the same type in the same zone. Additionally, the City also amended the Zoning Code to allow residential uses above ground-level commercial uses and ground-level residential uses at the rear of commercial uses in the C-S zoning district. **Appropriateness**: The City will modify this program and combine it with corresponding programs for emergency shelters, transitional and supportive housing, and development standards in the 2015-2023 Housing Element.
3. Redevelopment Assistance The Redevelopment Agency (RDA) plays an important role in facilitating and encouraging the production of affordable housing. The majority of commercial and residential sites along Scotts Valley Drive are within RDA Project Area and are subject to inclusionary requirements. Since 1994, the RDA has provided regulatory and financial assistance to assist many residential projects. RDA set-aside funds were used to improve infrastructure for Emerald Hill Apartments and make sewer improvements for the Borland facility, Polo Ranch, and the Skypark Specific Plan. Given that much of the City is in redevelopment project areas and that public sector involvement is needed to stimulate projects that benefit the community, the City's RDA will continue to play an active role in facilitating projects that meet the City's affordable housing goals. **Five-Year Action(s):** • Implement the 15% inclusionary requirement in Redevelopment Project Areas and investigate the feasibility of requiring additional affordable units when sites are proposed for redesignation or intensification.	**Effectiveness**: Due to the passage of AB1X26 and AB1X27 by the State of California, City funding for new affordable housing programs has been suspended. The City still requires 15 percent inclusionary housing units on sites previously designated within previous redevelopment project areas, including sites identified to meet the City's RHNA. From 2009-2014, 182 housing units have been constructed, including eight low-income units and five moderate-income units. **Appropriateness**: The City will combine this program with the corresponding programs for adequate sites.

• Continue to allocate set-aside funds to support infrastructure improvements needed to facilitate new higher density housing. Continue to consolidate irregular and underutilized lots within the Redevelopment Area.	
4. Regulatory Incentives 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 in order 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. Examples include Baytree Apartments, Bluebonnet Condominiums, and Windward single-family homes. **Five-Year Action(s):** • Continue providing flexible design through the PD district and work with college institutions (e.g., such as Bethany) to provide housing	**Effectiveness**: The City continues to provide flexibility through the Planned Development District. The City has successfully used PD districts in recent years to facilitate affordable projects. Examples include Baytree Apartments, Bluebonnet Condominiums, Woodside single-family homes, The Manor single-family homes, the Town Center Collection townhomes, and Windward single-family homes. **Appropriateness**: The City will modify this program and continue it in the 2015-2023 Housing Element.
5. Second Unit Program The City of Scotts Valley could also accommodate a significant number of accessory dwelling units and guest houses. Since 2000, the City has facilitated the development of second units by the following: 1) reducing development standards; 2) permitting them by right; 3) reducing the impact fee from $14,321 to	**Effectiveness**: During the planning period, the City processed four development applications for second units. The City continues to facilitate the development of second units and make adjustments to the program as needed as well as publicize its accessory dwelling unit program at City Hall and the City's website.

$9,394; and 4) providing a means to address illegal conversions. Finally, in 2003, the City amended the Zoning Code to allow accessory dwelling units by right in single-family residential zones to bring the City's regulations up to date with state law. Although providing a small component of the City's overall housing strategy, they will continue to be facilitated. **Five-Year Action(s):** • The City will publicize its accessory dwelling unit program by developing brochures, updating its web site, and making available brochures available at the public counter. • Periodically review program and make adjustments as feasible to facilitate the development of second units.	**Appropriateness**: The City will include this program in the 2015-2023 Housing Element.
Housing and Neighborhood Quality	
6. Code Enforcement 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. Code Enforcement staff inform property owners of code violations and refer them to available financial resources and programs offered by the City, including the Redevelopment Agency. Code Enforcement staff seek to work cooperatively with residents and businesses to achieve compliance with City building and property maintenance codes. In certain cases, the City may red-tag, fine and prosecute owners of substandard housing. Although the City's housing is in good condition, proactive code enforcement is a key to maintaining the quality of life in neighborhoods. **Five-Year Action(s):** • The City will continue to implement code enforcement activities and inform residents of rehabilitation assistance.	**Effectiveness**: The City continues to implement code enforcement activities and inform residents of rehabilitation assistance. From 2009-2014, the City's Code Enforcement staff responded to 105 residential-related complaints. **Appropriateness**: The City will include this program in the 2015-2023 Housing Element.

7. Homeowner Unit Repair Program A recent study completed for the City RDA by the Housing Authority indicated that about 10% of the mobile home units in the Redevelopment Area required some level of repair. In addition, the Agency believes that a number of other owner occupied units in the Redevelopment Area require moderate levels of rehabilitation and repair. The current cost of funds often forces owners to delay repairs and can lead to disinvestment in the Redevelopment Area. In response, the Agency proposes establishing an affordable owner occupied unit repair program. The program would be open to very low, low and moderate income households and would provide up to $7,500 in low interest loans to qualified households. The Agency would need to approve requested repairs. **Five-Year Action(s):** • Assist in the repair of up to 30 affordable owner-occupied units. The City will provide information about the rehabilitation program in conjunction with code enforcement activities and to interested parties at the public counter. • Investigate other funding sources to help improve mobile home parks in the community that have housing repair and infrastructure needs.	**Effectiveness**: Due to the passage of AB1X26 and AB1X27 by the State of California, City funding for new affordable housing programs has been suspended. The City has not been able to find alternative funding sources to continue the program. **Appropriateness**: This program will not be included in the 2015-2023 Housing Element.
8. Design Review 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 where the parcel is larger than 20,000 square feet, and for projects in hillside-combining districts and other sensitive areas. As mentioned earlier, the City has streamlined the design review process in recent years. Design	**Effectiveness**: The City continues to review projects to ensure consistency with the General Plan Zoning Ordinance and area design guidelines. The City provides all design review guidelines on the City's website, including commercial and industrial design review guidelines, residential design handbook, and Mount Hermon Road Downtown Design Guidelines. **Appropriateness**: This program will be included in the 2015-2023 Housing Element.

review is presently conducted by 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. **Five-Year Action(s):** • 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.	
9. Preservation of Affordable Housing With active participation by the RDA, five publicly assisted rental housing projects are located in Scotts Valley. The City has also required town homes and condominiums to contain affordable units as part of RDA agreements. Moreover, the RDA has also provided staff support for the tenant purchase of 58 mobile home spaces in the Mountain Brook Mobile Home Park and provides rent subsidies to residents of the Bay Tree and Acorn Apartments. Although no affordable project is at-risk of conversion, 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. **Five-Year Action(s):** • The City will continue to monitor the status of affordable units and, should any become at-risk of conversion, provide technical and financial assistance, as feasible, to encourage the units to remain affordable.	**Effectiveness**: The City continues to monitor the status of affordable units and, should any become at-risk of conversion, provide technical and financial assistance, as feasible, to encourage the units remain feasible. **Appropriateness**: This program will be modified in the 2015-2023 Housing Element. The new program will both monitor and assist in the preservation of affordable housing at-risk of conversion to market-rate.
10. Work with the City's ADA Committee In order to facilitate the development of more housing designed to accommodate persons with disabilities the City in January 2009 appointed an ADA Committee to work with the building official to develop programs to encourage new construction to be designed in a manner to accommodate disabilities.	**Effectiveness**: 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.

Five-Year Action(s): • The City will develop an educational program to work with developers and individual home owners to encourage design and construction of projects that include features to make the units usable for persons with disabilities.	**Appropriateness**: This program will be combined with the City program to continue and support formal reasonable accommodation procedures.
Housing Assistance	
11. Housing Voucher Program 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% 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. Currently, 45 Scotts Valley households receive Section 8 assistance. 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 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 downpayment is required to be paid by the prospective homebuyer. **Five-Year Action(s):** • Continue to participate with the Housing Authority of Santa Cruz County to provide rental and homeownership assistance.	**Effectiveness**: The Section 8 Waiting List for Santa Cruz County is currently closed and full applications are being taken for families who were on the list before September 2008. According to the Housing Authority of Santa Cruz, 76 households renting units in the City of Scotts Valley utilize the County's Section 8 Program. **Appropriateness**: This program will be included in the 2015-2023 Housing Element. As the City has little control over how the County's programs are administered, the City will be responsible for providing information to residents.
12. First Month Security Deposit In recent years, the rising cost of apartments, coupled with the lower income	**Effectiveness**: Due to the passage of AB1X26 and AB1X27 by the State of California, City funding for new affordable

of many renters, means that some households have insufficient income to pay a security deposit to secure an apartment. Paying a security deposit presents a potential fair housing concern for persons leaving shelters and transitional housing. Adopted in 1999, Scotts Valley developed a first month's rent security deposit program that is administered by the County Housing Authority. The program leverages RDA set-aside funds to assist low and moderate income families with rental assistance in the form of a grant for the first month's rent, and security for the last month's rent. **Five-Year Action(s):** • The RDA will continue to set-aside funds over the next five years for this program.	housing programs has been suspended. According to the County of Santa Cruz Housing Authority's website, the City of Scotts Valley no longer has a security deposit program. **Appropriateness**: This program will not be included in the 2015-2023 Housing Element.
13. Mortgage Credit Certificate Program 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% 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. Fifteen Scotts Valley lower and moderate households have been assisted through the County's MCC program. 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. Since the inception of this program, 23 MCC's have been issued. **Five-Year Action(s):** • The City will continue to market the MCC program by providing brochures at City Hall and community centers, and on the City's website. Over the next 5 years, the City anticipates that 20 households will be assisted.	**Effectiveness**: The City continues to participate in the MCC program through the Housing Authority of the County of Santa Cruz. Since the inception of this program, the City has issued 22 MCC's (as of March 2013). **Appropriateness**: This program will be included in the 2015-2023 Housing Element. As the City has little control over how the County's programs are administered, the City will be responsible for providing information to residents.

14. City Ownership Program Scotts Valley is concerned about the inability to meet families' needs for low and moderately priced housing. The RDA indicates that moderate income households should still be able to secure sufficient financing to afford housing if the sales price was equal to the housing's development costs. The City administers a deferred second mortgage program for persons buying a home (including mobile homes) within city limits. The Redevelopment Area contains three mobile home parks, many occupied by low income households. However, the units do not carry any affordability covenants. The Agency proposes to build on the experience of Mountain Brook to assist local residents to convert their mobile home parks into owner occupied and controlled parks. **Five-Year Action(s):** • Assist up to 10 households over the next 5 years. Advertise program in the City's Affordable Housing Programs brochure and on the City's website. • Consider working with mobile home owners and parks as opportunities to arise to convert their parks into owner occupied and controlled parks.	**Effectiveness**: Due to the passage of AB1X26 and AB1X27 by the State of California, City funding for new affordable housing programs has been suspended. The City has been unable to find alternative funding sources to continue this program. **Appropriateness**: This program will not be included in the 2015-2023 Housing Element.
15. Fair Housing 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 State Department of Fair Employment and Housing. The City also funds a variety of nonprofit organizations, which provide referrals and assistance for housing. Pursuant to SB520, the City identified the need to remove several potential constraints to housing opportunities. As noted in Chapter 3, the City will need to designate a zone to conditionally permit transitional housing in compliance with State law, allow for the by-	**Effectiveness**: The City continues to promote fair housing practices, provide the public with educational information on fair housing, and refer fair housing complaints to 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 disabled persons. Fair housing counseling and assistance is currently administered by the California Department of Fair

right permitting of all licensed community care facilities serving six or fewer clients in all residential zones, and update its day care ordinance to be in compliance with recent changes to State law. **Five-Year Action(s):** • Continue to promote fair housing practices, provide the public with educational information on fair housing, and refer fair housing complaints to Department of Fair Employment and Housing. • Amend the Zoning Code to: 1) permit the siting of transitional housing in the I-L and C-S zones; and 2) to make the City's residential care facility policy consistent with State law. • Periodically evaluate the Zoning Code to find whether any regulations constrain the development of housing for disabled persons and, if such constraints are found, initiate changes to remove or mitigate constraints.	Employment (DFEH) and Housing. **Appropriateness**: This program will be included in the 2015-2023 Housing Element. As the City has little control over how the DFEH administers its fair housing services, the modified program will focus on providing information, referring tenants, and monitoring complains of housing discrimination.
16. Child and Day Care Facilities 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 quality 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. **Five-Year Action(s):** • Continue to with child care providers and the county to promote adequate child care facilities within the community. These will include family child care facilities. The City's zoning regulations were amended in 2007 to	**Effectiveness**: The City continues to encourage new developments such as the Town Center project to provide child care facilities on-site. The City revised the Zoning Ordinance to provide Density Bonus incentives for developers who provide child care facilities within their proposed developments. **Appropriateness**: This program will be included in the 2015-2023 Housing Element.

conform with state law. • Continue to encourage new development such as the Town Center project to provide child care facilities on site.	
Environmental Preservation	
17. Hillside Development and Design 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%. 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%, 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. **Five-Year Action(s):** • Continue to enforce the setback, height, and density standards identified in the Hillside Residential Combining District.	**Effectiveness**: The City continues to enforce the setback, height, and density standards identified in the Hillside Residential Combining District. The City has received development applications for residential development in hillside areas and appropriately utilized the Hillside Residential Combining District Regulations in order to ensure protection of environmental resources. **Appropriateness**: This program will be included in the 2015-2023 Housing Element.
18. Resource Conservation 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 wherever 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,	**Effectiveness**: The City continues to encourage energy conservation measures and devices to be incorporated in the development and improvement of housing. Review of such requirements through the Design Review and Building Permit process. **Appropriateness**: This program will be included in the 2015-2023 Housing Element.

shade trees, window and door orientation and the positioning of buildings on the site shall all be coordinated to maximize energy conservation. **Five-Year Action(s):** • 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.	
19. Water Conservation and Groundwater Recharge Scotts Valley is provided water from the Scotts Valley Water District, the San Lorenzo Valley Water District, and private wells. Groundwater is the sole source. The City and SVWD built the County's first Water Reclamation Facility and a 1.0-million-gallon storage facility, and related infrastructure. Despite these improvements, the District has only a limited number of water meters available until new wells are drilled. Section 65589.7 of the Government Code requires each public agency or private entity providing water or sewer services to give priority for the provision of these available and future resources or services to the proposed housing developments which help meet the City's share of the regional housing need for lower-income households. **Five-Year Action(s):** • Work with SVWD and other San Lorenzo Water District to ensure that a water conservation and priority system is implemented. • Work with the SVWD and San Lorenzo Water District to ensure that adequate water resources are available for affordable housing projects. • Provide RDA assistance to ensure that all affordable housing projects within the RDA are plumbed to use recycled water for landscaping.	**Effectiveness**: The City continues to work with SVWD and San Lorenzo Water District to ensure the water conservation programs and priority systems are implemented and to ensure that adequate water resources are available for affordable housing projects. The 2010 SVWD Urban Water Management Plan (UWMP) predicts the Low Income Water Demand through 2035 based on the planning period for the RNA. The 2010 SVWD UWMP also details the water conservation programs for residential uses. **Appropriateness**: This program will be modified in the 2015-2023 Housing Element to focus on coordination with water and sewer service providers when considering approval of new residential projects per SB 1087.
20. Cultural Resources	**Effectiveness**: The City continues to review

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, 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. **Five-Year Action(s):** • Continue to review proposals for new housing to ensure that the City's cultural resources are adequately protected.	proposals for new housing to ensure that the City's cultural resources are adequately protected. Proposed development located within moderate or high cultural resource areas are required to have the appropriate environmental clearance and is reviewed by the City's Cultural Resource Commission. **Appropriateness**: This program will be included in the 2015-2023 Housing Element.

~~Chart A-1~~
~~Housing Accomplishments since 1994~~

~~Program Action/Objective~~	~~Accomplishments~~
~~Remove Governmental Constraints~~	
~~-Increase densities along major arterials~~	~~R-VH (very high density) district in place, and designated commercial property rezoned to allow mixed use as a right.~~
~~-Modify Second Unit Standards~~	~~In 1998, the City reduced minimum development standards and impact fees for second units from those charged single-family homes to those charged mobile home units.~~
~~-Establish PD Zones~~	~~Ongoing. City has established PD zones for various affordable housing projects.~~
~~-Adopt density bonus program~~	~~Density bonus for senior projects in place. Otherwise, City follows state law regulations.~~
~~-Develop incentives for lot consolidation~~	~~Scotts Valley Drive reconstruction project and the Skypark project enabled the RDA to reassemble lots for new development and modern uses.~~
~~Address Employment Generated Housing Demand~~	

~~Adopt housing programs to match job growth with housing growth~~ ~~- Survey employers to determine type and amount of job growth anticipated~~ ~~- Develop incentives to construct housing needed to meet employment needs~~ ~~-- Cooperate with employers to create mutually beneficial housing programs~~ ~~- Keep abreast of changes in jobs, demographics, and impact on housing.~~	~~City helped complete AMBAG employment forecast in 2008. Redevelopment Plan provides for affordable housing incentives. Economic Development Plan was updated in 2007. Town Center Specific Plan adopted to facilitate development on Mt. Hermon Rd. Also, a business survey was completed in 2000 in conjunction with the Workforce Investment Board.~~

~~Provide housing sites for 42 very low income, 32 low income, and 36~~

~~Program Action/Objective~~	~~Accomplishments~~
~~**moderate income units**~~	
~~The City has done the following to ensure that adequate sites for housing are made available:~~ ~~-- Annually evaluate land inventory~~ ~~-- Redesignate three areas from commercial uses to high-density residential~~ ~~-- Consider incentives for cluster development, and density bonuses~~ ~~-- Participate in the regional fair share allocation process and report on City's progress in meeting objectives~~ ~~-- Designated up to 25 acres to allow for very high density residential.~~	~~The City conducts a vacant land inventory on a regular basis. City Council completed re-zonings in 1996. Redevelopment Plan has funded new affordable housing projects in 1996, 1999, 2000, and 2001. These projects are listed in Chapter 2.~~ ~~The City participated in the AMBAG's RHNP 2000 process and continues to report progress to HCD in its implementation plan. From 1994-1999, developers built 369 single-family homes, 10 attached products, and 63 apartment units in Scotts Valley. The majority were affordable to upper income households, except for those built in the RDA area or subsidized by the RDA (see Chapter 2).~~
~~**Provision of Housing Assistance**~~	
~~Encourage the production of affordable rental and ownership housing as follows:~~ ~~-- Dedicate 20% of RDA set-aside funds for affordable housing~~ ~~-- Use RDA powers to reduce the costs of construction by funding off-site infrastructure improvements~~ ~~-- Designate a housing specialist to monitor affordable housing programs~~ ~~-- Monitor progress in providing affordable units and enact incentives as needed~~	~~City provides RDA 20% set-aside funds for affordable housing and funds off-site improvements to infrastructure, including financial assistance for the Town Center Specific Plan, Santa's Village, and Scotts Valley Drive.~~ ~~Additional staff funded through a contract with the Housing Authority. Two positions in Planning Department support Housing Programs on a part-time basis.~~ ~~On-going..~~
~~**Ensure Quality of Housing and Neighborhoods**~~	
~~Promote housing rehabilitation programs to conserve existing affordable housing~~ ~~- Solicit and encourage maximum utilization of federal and state funds for low interest loans and grants for the rehabilitation of housing units and mobile home parks~~	~~Participated with Mid-Peninsula Housing in tax credit program for a 46-unit project. Implemented MCC Program, to date 15 MCC's have been issued in Scotts Valley helped residents of Mountain Brook Mobile Park purchase the land under the park~~

--

~~Program Action/Objective~~	~~Accomplishments~~
-- ~~RDA will make available low-interest loans to rehabilitate homes~~	~~In 1998, a silent second mortgage program was created. To date, ten (10) silent second loans have been issued.~~
-- ~~Cooperate with other nonprofit developers to develop new or substantially rehabilitate Section 8 housing units and leverage federal and state aid as needed.~~	~~Ongoing. Over 50 units generated since 1996.~~ ~~1995 CDBG grant secured for conditions survey~~ ~~HOME grant of $420,000 secured in 1999~~
-- ~~Prohibit the conversion of rental housing to owner-occupied unless the rental vacancy rate is greater than 4%.~~	~~Still in effect.~~
-- ~~Retain the mobilehome park conversion ordinance and mobile home park rent review commission~~	~~Administrated by the Mobile Home Rent Review Commission.~~
-- ~~Place Article 34 referenda on the ballot to authorize the development of affordable housing~~ -- ~~Pursue CDBG entitlement stature~~	~~Article 34 referenda was previously unsuccessful, and currently is not necessary since most affordable units do not require such authority. Cannot apply for entitlement status since the City's population is under 50,000 persons.~~
~~Ensure Fair and Equal Housing~~	
-- ~~Encourage development of services for the elderly and disabled in remaining in their homes~~	~~City contributes to Lift Lines Volunteer Center for seniors and Grey Bears for medical services.~~
-- ~~Amend the Zoning Ordinance by October 1993 to allow emergency shelters in the commercial and public quasi-public zones~~	~~Amendment completed.~~
-- ~~Encourage new housing to be adaptable for physically disabled persons by requiring a portion of all new projects larger than 4 units to be accessible~~	~~City implements policy consistent with State law.~~
-- ~~Encourage new or rehabilitated developments to provide residential care and assisted living for the elderly and disabled by allowing residential care facilities in all high density zones~~	~~Residential care facilities in R-H zone are allowed.~~
~~Cooperate with government agencies to promote housing~~ ~~agencies to promote housing choice and equal opportunity~~	~~The City solicits educational and Housing of any complaints.~~
~~Encourage Resource Conservation~~	
~~Disseminate information~~	~~Housing Authority disseminates tax~~

~~Program Action/Objective~~	~~Accomplishments~~
~~pertaining to available federal and state energy conservation tax credit and other available private financial incentives~~	~~credit information to developers.~~
~~-- Promote the use of water conserving appliances in buildings and the use of drought tolerant/low water consuming landscaping. Require such measures through the Design Review process~~	~~City adopted resolutions to establish policy. Evaluated during the plan check process.~~
~~-- Continue to promote the recycling of solid wastes~~	~~City has programs to promote recycling and participates in regional efforts to improve the diversion of waste from the landfills.~~
~~-- Encourage projects to locate dwellings in such a way to get maximum use of solar energy through the development review process and retention of the hillside development zoning regulations~~	~~Energy conservation is evaluated in the plan review process and by the Planning Commission.~~

APPENDIX B

Glossary

Acre: a unit of land measure equal to 43,560~~650~~ square feet. Net acreage refers to the portion of a site exclusive of existing or planned public or private road rights-of-way.

Affordability Covenant: A property title agreement which places resale or rental restrictions on a housing unit.

Affordable Housing: Under State and federal statutes, housing which costs no more than 30 percent of gross household income. Housing costs include rent or mortgage payments, utilities, taxes, insurance, homeowner association fees, and other related costs. Under local statutes, housing units that are required to be occupied by very-low-income, low-income or by moderate-income households.

Affordable Rent: A monthly rent charged to Low and Very Low Income Households for housing units as calculated in accordance with Section 50053 of the Health and Safety Code.

Annexation: The incorporation of land area into the jurisdiction of an existing city with a resulting change in the boundaries of that city.

Assisted Housing: Housing that has been subsidized by federal, state, or local housing programs.

At-Risk Housing: Multi-family rental housing that is at risk of losing its status as housing affordable for low and moderate income tenants due to the expiration of federal, state or local agreements.

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.

Census: The official United States decennial enumeration of the population conducted by the federal government.

Code Enforcement: Enforcement of the municipal code through regulations that are applied to administrate enforcement hearings and judicial proceedings by a code enforcement officer.

Community Care Facility: Any building which is maintained and operated to provide nonmedical residential care, or care services for children, adults, or adults and children, including, but not limited to, the physically handicapped, mentally impaired, or incompetent person. All community care facilities shall be appropriately licensed or registered pursuant to state law, unless exempted therefrom by state law. This definition and all other definitions relating to community care facilities shall be interpreted so as to be consistent with definitions found in state law or state administrative regulations. This could include foster homes, sober living environments, assisted living for elderly or disabled people. A small community care facility is allowed six or fewer residents. When determining the number of residents, that number does not include persons operating the facility, their family members or staff. A large community care facility has seven or more residents.

Community Development Block Grant (CDBG): A grant program administered by the U.S. Department of ~~Housing and~~Housing and Urban Development (HUD). This grant allots money to cities and counties for housing rehabilitation and community development activities, including public facilities and economic development.

Condominium: ~~A building or group of buildings in which units are owned individually, but the structure, common areas and facilities are owned by all owners on a proportional, undivided basis.~~An estate in real property consisting of an undivided interest in common in a portion of a parcel of real property together with a separate interest in space in a residential, industrial or commercial building on such real property, such as an apartment, office or store.

Day Care Center: A facility (including nonresidential structures) that provides supervision and care of more than six children for periods of less than twenty-four hours per day. The term includes nursery school, preschool and similar facilities.

Density: The number of dwelling units per unit of land. Density usually is expressed “per acre,” e.g., a development with 100 units located on 20 acres has density of 5.0 units per acre.

Density Bonus: A density increase for residential units over the otherwise allowed residential density under the applicable zoning and land use designation on the date an application is deemed complete. ~~An increase the number of residential units authorized for a particular parcel beyond which is permitted under the existing general plan, area plan, master plan, coastal land use plan, and/or zoning.The allowance of additional residential units beyond the maximum for which the parcel is otherwise permitted under the existing general plan, area plan, master plan, coastal land use plan and/or zoning, usually in exchange for the provision or preservation of affordable housing units at the same site or at another location.~~

Development: Subdivision of land, use permits, special permits, and building permits for residential purposes.

Development Impact Fees: A fee or charge imposed on developers ~~to pay for a jurisdiction's costs of providing services to new development.~~to ensure that the development bears a proportionate share of the cost of public facilities and service improvements necessary to accommodate such development.

Development Right: The right granted to a land owner or other authorized party to improve a property. Such right is usually expressed in terms of a use and intensity allowed under existing zoning regulation. For example, a development right may specify the maximum number of residential dwelling units permitted per acre of land.

Dwelling, Multi-family: A building, or portion thereof, designed or used for residence purposes by two or more ~~families~~households or housekeeping units. ~~A building containing two or more dwelling units for the use of individual households; an apartment or condominium building is an example of this dwelling unit type~~.

Dwelling, Single-family Attached: A one-family dwelling ~~attached to one or more other one-family dwellings by a common vertical wall. Row houses and town homes are examples of this dwelling unit type.~~in a row of at least two such units in which each unit has its own front and rear access to the outside, no unit is located over another unit, and each unit is separate from any other unit by one or more common, fire-resistant walls.

Dwelling, Single-family Detached: A detached building designed or used for residence purposes by one ~~family~~household or housekeeping unit. ~~welling, not attached to any other dwelling, which is designed for and occupied by not more than one family and surrounded by open space or yards.~~

Dwelling Unit: Any building, or portion thereof, designed or used as the residence or sleeping place of one or more persons. ~~One or more rooms, designed, occupied or intended for occupancy as separate living quarters, with cooking, sleeping and sanitary facilities provided within the unit for the exclusive use of a household.~~

Dwelling Unit, Secondary: An additional dwelling unit which contains no greater than eight hundred square feet of living space, not including the garage, which shares a lot with a primary residence. The second unit is served by the same driveway access to the street as the existing main dwelling.

Elderly Household: As defined by HUD, elderly households are one- or two- member (family or non-family) households in which the head or spouse is age 62 or older.

Emergency Shelter: ~~An emergency shelter is a facility that provides shelter to homeless families and/or homeless individuals on a limited short-term basis.an immediate short-term solution to homelessness and limited supplemental health, nutrition and sanitary services.~~Housing with minimal supportive services that is limited to occupancy of six months or less. No individual or household may be denied emergency shelter because of an inability to pay; as defined and used in Section 50801(e) of the California Health and Safety Code. However, emergency shelter providers are not obligated to accept individuals if the shelter is at it approved capacity.-

Fair Market Rent (FMR): Fair Market Rents (FMRs) are freely set rental rates defined by HUD as the median gross rents charged for available standard units in a county or Standard Metropolitan Statistical Area (SMSA). Fair Market Rents are used for the Section 8 Rental Program and many other HUD programs and are published annually by HUD.

Family Child Care Homes: A home that regularly provides care, protection and supervision for fourteen or fewer children, in the providers own home, for periods of less than twenty-four hours per day, while parents or guardians are away, and is either a large family child care home or a small family child care home. Family child care home is the same as described in state law as a family day care home. (See Section 1596.78 of the California Health and Safety Code.)

> **Large Family Child Care Home:** A home that provides family child care for up to twelve children, or for up to fourteen children if certain criteria are met, as set forth in California Health and Safety Code Section 1597.465 and as defined in state regulations (see California Administrative Code Sections 102352(f)(1)(B) and 102316.5(b). These capacities include children under age ten who live in the licensee's home and the assistant provider's children under age ten**.**
>
> **Small Family Child Care Home:** A home that provides family child care for up to six children, or for up to eight children if certain criteria are met, as set forth in California Health and Safety Code Section 1597.44 and as defined in regulations (see California Administrative Code Sections 102352(f)(1)(B) and 102316.5(b). These capacities include children under age ten who live in the licensee's home

First-Time Home Buyer: Defined by HUD as an individual or family who has not owned a home during the three-year period preceding the HUD-assisted purchase of a home. Jurisdictions may adopt local definitions for first-time home buyer programs which differ from non-federally funded programs.

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.

Group Quarters: A facility which houses groups of unrelated persons not living in households (U.S. Census definition). Examples of group quarters include institutions, dormitories, shelters, military quarters, assisted living facilities and other quarters, including single-room occupancy (SRO) housing, where 10 or more unrelated individuals are housed.

Guesthouse: Accessory living quarters, without kitchen or cooking facilities, of a permanent type of construction, clearly subordinate and incidental to the main building on the same lot, and not separately rented, let or leased, whether compensation be direct or indirect.

HCD: The State Department of Housing and Community Development.

Home Mortgage Disclosure Act (HMDA): The Home Mortgage Disclosure Act requires larger lending institutions making home mortgage loans to publicly disclose the location and disposition of home purchase, refinance and improvement loans. Institutions subject to HMDA must also disclose the gender, race, and income of loan applicants.

HOME Program: The HOME Investment Partnership Act, Title II of the National Affordable Housing Act of 1990. HOME is a Federal program administered by HUD which provides formula grants to States and localities to fund ~~activities that~~activities that build, buy, and/or rehabilitate affordable housing for rent or home ownership or provide direct rental assistance to low-income people.

Homeless: Unsheltered homeless are families and individuals whose primary nighttime residence is a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings (e.g., the street, sidewalks, cars, vacant and abandoned buildings). Sheltered homeless are families and persons whose primary nighttime residence is a supervised publicly or privately operated shelter (e.g., emergency, transitional, battered women, and homeless youth shelters; and commercial hotels used to house the homeless).

Household: The US Census Bureau defines a household as all persons living in a housing unit whether or not they are related. A single person living in an apartment as well as a family living in a house is considered a household. Household does not include individuals living in dormitories, prisons, convalescent homes, or other group quarters.

Household Income: The total income of all the persons living in a household. A household is usually described as very low income, low income, moderate income, and upper income based upon household size, and income, relative to the regional median income.

Housing Problems: Defined by HUD as a household which: (1) occupies a unit with physical defects (lacks complete kitchen or bathroom); (2) meets the definition of overcrowded; or (3) spends more than 30% of income on housing cost.

Housing Authority of Santa Cruz County: Provides housing assistance for Santa Cruz County's low and moderate-income residents.

Housing Subsidy: Housing subsidies refer to government assistance aimed at reducing housing sales or rent prices to more affordable levels. Two general types of housing subsidy exist. Where a housing subsidy is linked to a particular house or apartment, housing subsidy is "project" or "unit" based. In Section 8 rental assistance programs the subsidy is linked to the family and assistance provided to any number of families accepted by willing private landlords. This type of subsidy is said to be "tenant based."

Housing Unit: A room or group of rooms used by one or more individuals living separately from others in the structure, with direct access to the outside or to a public hall and containing separate toilet and kitchen facilities.

HUD: See U. S. Department of Housing and Urban Development.

Income Category: Four categories are used to classify a household according to income based on the median income for the county. Under S~~s~~tate housing statutes, these categories are defined as follows: Very Low (0-50% of County median); Low (50-80% of County median); Moderate (80-120% of County median); and ~~Upper~~ Above Moderate (over 120% of County median).

Large Household: A household with 5 or more members.

Manufactured Housing: Housing that is constructed of manufactured components, assembled partly at the site rather than totally at the site. Also referred to as modular housing.

Market Rate Housing: Housing which is available on the open market without any subsidy. The price ~~for housing~~for housing is determined by the market forces of supply and demand and varies by location.

Median Income: The annual income for each household size within a region which is defined annually by HUD. Half of the households in the region have incomes above the median and half have incomes below the median.

Mixed Use: A development that contains both commercial (retail or office) uses and residential uses.

Mobile Home: A structure, transportable in one or more sections, which is at least 8 feet in width and 32 feet in length, is built on a permanent chassis and designed to be used as a dwelling unit when connected to the required utilities, either with or without a permanent foundation.

Mortgage Revenue Bond (MRB): A state, county or city program providing financing for the development of housing through the sale of tax-exempt bonds.

Overcrowding: As defined by the U.S. Census, a household with greater than 1.01 persons per room, excluding bathrooms, kitchens, hallways, and porches. Severe overcrowding is defined as housing with more than 1.5 persons per room.

Overpayment: The extent to which gross housing costs, including utility costs, exceed 30 percent of gross household income, based on data published by the U.S. Census Bureau. Severe overpayment, or cost burden, exists if gross housing costs exceed 50 percent of gross income.

Parcel: The basic unit of land entitlement. A designated area of land established by plat, subdivision, or otherwise legally defined and permitted to be used, or built upon.

Physical Defects: A housing unit lacking complete kitchen or bathroom facilities (U.S. Census definition). Jurisdictions may expand the Census definition in defining units with physical defects.

Project-Based Rental Assistance: Rental assistance provided for a project, not for a specific tenant. A tenant receiving project-based rental assistance gives up the right to that assistance upon moving from the project.

Public Housing: A project-based low-rent housing program operated by independent local public housing authorities. A low-income family applies to the local public housing authority in the area in which they want to live.

Planned Unit Development (PUD): A 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.

Redevelopment Agency: Previously the primary source for affordable housing funding, Redevelopment Agencies were eliminated in 2012 in the State of California. The City of Scotts Valley was selected to be the Successor Agency responsible for all enforcement obligations owed. ~~California Community Redevelopment Law provides authority to establish a Redevelopment Agency with the scope and financing mechanisms necessary to remedy blight and provide stimulus to eliminate deteriorated conditions. The law provides for the planning, development, redesign, clearance, reconstruction, or rehabilitation, or any combination of these, and the provision of public and private improvements as may be appropriate or necessary in the interest of the general welfare by the Agency. Redevelopment law requires an Agency to set aside 20 percent of all tax increment dollars generated from each redevelopment project area for increasing and improving the community's supply of affordable housing.~~

Regional Housing Needs Plan (RHNP): The Regional Housing Needs Plan (RHNP) is based on State of California projections of population growth and housing unit demand and assigns a share of the region's future housing need to each jurisdiction within the AMBAG (Association of Monterey Bay Area Governments). These housing need numbers serve as the basis for the update of the Housing Element in each California city and county.

Rehabilitation: The upgrading of a building previously in a dilapidated or substandard condition for human habitation or use.

~~**Second Dwelling Unit:** An additional dwelling unit which contains no greater than eight hundred square feet of living space, not including the garage, which shares a lot with a primary residence. The second unit is served by the same driveway access to the street as the existing main dwelling.~~

Section 8 Rental Voucher/Certificate Program: A tenant-based rental assistance program that subsidizes a family's rent in a privately owned house or apartment. The program is administered by local public housing authorities. Assistance payments are based on 30 percent of household annual income. Households with incomes of 50 percent or below the area median income are eligible to participate in the program.

Service Needs: The particular services required by special populations, typically including needs such as transportation, personal care, housekeeping, counseling, meals, case management, personal emergency response, and other services preventing premature institutionalization and assisting individuals to continue living independently.

Small Household: Pursuant to HUD definition, a small household consists of two to four non-elderly persons.

Special Needs Groups: Those segments of the population which have a more difficult time finding decent affordable housing due to special circumstances. Under California Housing Element statutes, these special needs groups consist of the ~~elderly, handicapped, large families, female-headed households, farmworkers and the homeless.~~persons with disabilities, including person with developmental disabilities, elderly, large families, female headed households, farmworkers, and families and persons in need of emergency shelters. A jurisdiction may also choose to consider additional special needs groups in the Housing Element, such as students, military households, other groups present in their community.

Subdivision: The division of a lot, tract or parcel of land in accordance with the Subdivision Map Act (California Government Code Section 66410 et seq.).

Substandard Housing: Housing which does not meet the minimum standards contained in the State Housing Code (i.e. does not provide shelter, endangers the health, safety or well-being of occupants). Jurisdictions may adopt more stringent local definitions of substandard housing.

Substandard, Suitable for Rehabilitation: Substandard units which are structurally sound and where the cost of rehabilitation is economically warranted.

Substandard, Needs Replacement: Substandard units which are structurally unsound and for which the cost of rehabilitation is considered infeasible, such as instances where the majority of a unit has been damaged by fire.

Supportive Housing: ~~Housing with a supporting environment, such as group homes or Single Room Occupancy (SRO) housing and other housing that includes a supportive service component such as those~~

~~defined below.~~ 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.

Supportive Services: Services provided to residents of supportive housing for the purpose of facilitating the independence of residents. Some examples are case management, medical or psychological counseling and supervision, child care, transportation, and job training.

Target Population: Adults with low-income having one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health conditions, or individuals eligible for services provided under the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code) and may, among other populations, include families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, or homeless people; as defined in Section 50675.14of the California Health and Safety Code.

Tenant-Based Rental Assistance: A form of rental assistance in which the assisted tenant may move from a dwelling unit with a right to continued assistance. The assistance is provided for the tenant, not for the project.

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.~~Transitional housing is temporary (often six months to two yearsup to two years) housing with supportive services for a homeless individual or family who is transitioning to permanent housing. Transitional housing often includes a supportive services component (e.g. job skills training, rehabilitation counseling, etc.) to allow individuals to gain necessary life skills in support of independent living.~~
~~Designed for the recently homeless with the ultimate goal of moving them to permanent housing as quickly as possible.~~

U.S. Department of Housing and Urban Development (HUD): The cabinet level department of the federal government responsible for housing, housing assistance, and urban development at the national level. Housing programs administered through HUD include

Community Development Block Grant (CDBG), HOME and Section 8, among others.

Zone or zoning district: A portion of territory of the City within certain uniform regulations and requirements or various combinations thereof, apply.

Zoning: A land use regulatory measure enacted by local government. Zoning district regulations governing lot size, building bulk, placement, and other development standards vary from district to district, but must be uniform within the same district. Each city and county adopts a zoning ordinance specifying these regulations.

Zoning Code: Regulations governing the use of land, including the construction, alteration, movement, replacement, or maintenance of buildings, the conduct and density of residential, commercial, industrial, and public service activities; the areas and dimensions of sites; the appearance, design, height, bulk and placement of structures on each site; the provision of open space, amenities, off-street parking and loading; the relationships between buildings and uses on adjoining sites or within adjoining classes of districts; and such further aspects of land use and development as are appropriate to attain the purposes of the Zoning Code.

Agenda Item 2
Date: October 7, 2015

City of Scotts Valley
INTEROFFICE MEMORANDUM

DATE: October 7, 2015

TO: Honorable Mayor and City Council

FROM: Steve Ando, City Manager

SUBJECT: **Approval to Participate in the Prescription Discount Card Program with the League of California Cities**

SUMMARY OF ISSUE

The League of California Cities (LOCC) has partnered with the National League of Cities (NLC) to be able to provide the NLC Prescription Discount Card Program to all LOCC members. The Prescription Discount Card Program helps residents cope with the high cost of prescription medications at no cost to the City. Now residents who are without health insurance, a traditional pharmacy benefit plan, or have prescriptions not covered by insurance can receive savings on their prescriptions.

The Prescription Discount Card program, administered by CVS Caremark, can save residents an average of 23% (and in some cases up to 75%) off the full retail cost of prescription medication. For the residents, there is no enrollment form, no membership fee, no age or income requirements and no restrictions or limits on the frequency of use. All family members are covered. The pharmacies in the network agree to absorb the cost of the discount, and, in return, they earn customer loyalty and increased store traffic. The discount card is accepted at more than 65,000 pharmacies nationwide, including all major pharmacy chains and most local independent pharmacies.

There is no cost to the City to offer the program to our residents. Participating cities are provided with customized discount cards with the City name and logo as well as sample press releases and a sample web page to promote the program. Scotts Valley will receive a monthly report from NLC with data on the savings to residents.

The program is administered by CVS Caremark, which has had experience managing prescription discount cards since 1992. With 65,000 pharmacies nationwide including all major pharmacy chains, there is no incentive or encouragement to use CVS over any other pharmacy. Neither the LOCC nor the City of Scotts Valley receive any compensation through this program.

FISCAL IMPACT

None to the City. City residents receive discounts on their prescription drugs at no cost.

STAFF RECOMMENDATION

That Council authorize the City Manager to enroll the City of Scotts Valley in the NLC Prescription Discount Card Program.