



Appendix C

Housing Needs Assessment



Community Profile

This section provides an overview of the City’s housing and population conditions. To create a comprehensive evaluation of the City of Santa Cruz’s housing needs, the community profile analyzes characteristics of the City’s population, households, economy, and housing stock, and presents each of these components in a regional context. This assessment serves as the basis for identifying the appropriate goals, policies, and programs for the City to implement during the 2023-2031 Housing Element Cycle.

The community profile uses the most current data available from the Association of Monterey Bay Area Governments (AMBAG), U.S. Census, American Community Survey (ACS), the California Department of Finance, the California Employment Development Department, the California Department of Education, and other currently available real estate market data.

A. Population Characteristics

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

1. Population Growth

Table C-1 below displays the forecasted population growth for the City in comparison to Santa Cruz County and surrounding communities. According to the U.S. Census and AMBAG Projections, the Santa Cruz County population is forecasted to increase by 8.1% through 2040. From 2015 to 2020, the County experienced a 0.9% drop in population. In comparison to neighboring communities, the City of Santa Cruz’s population increased between 2015 and 2020 and is forecasted to continue increasing by 22.4% between 2020 and 2040.

Table C-1: Population Growth (2015-2040)								
Jurisdictions	Population						Percent Change	
	2015 Actual	2020 Actual	2025 Projected	2030 Projected	2035 Projected	2040 Projected	2015-2020	2020-2040
Santa Cruz County	273,793	271,233	278,641	284,146	288,523	293,156	-0.9%	8.1%
Capitola	10,224	10,108	10,485	10,794	10,957	11,049	-1.1%	9.3%
City of Santa Cruz	64,223	64,424	68,845	72,218	75,257	78,828	0.3%	22.4%
Scotts Valley	11,946	11,693	11,718	11,837	11,867	11,868	-2.1%	1.5%
Watsonville	52,410	51,515	52,918	54,270	55,138	55,786	-1.7%	8.3%

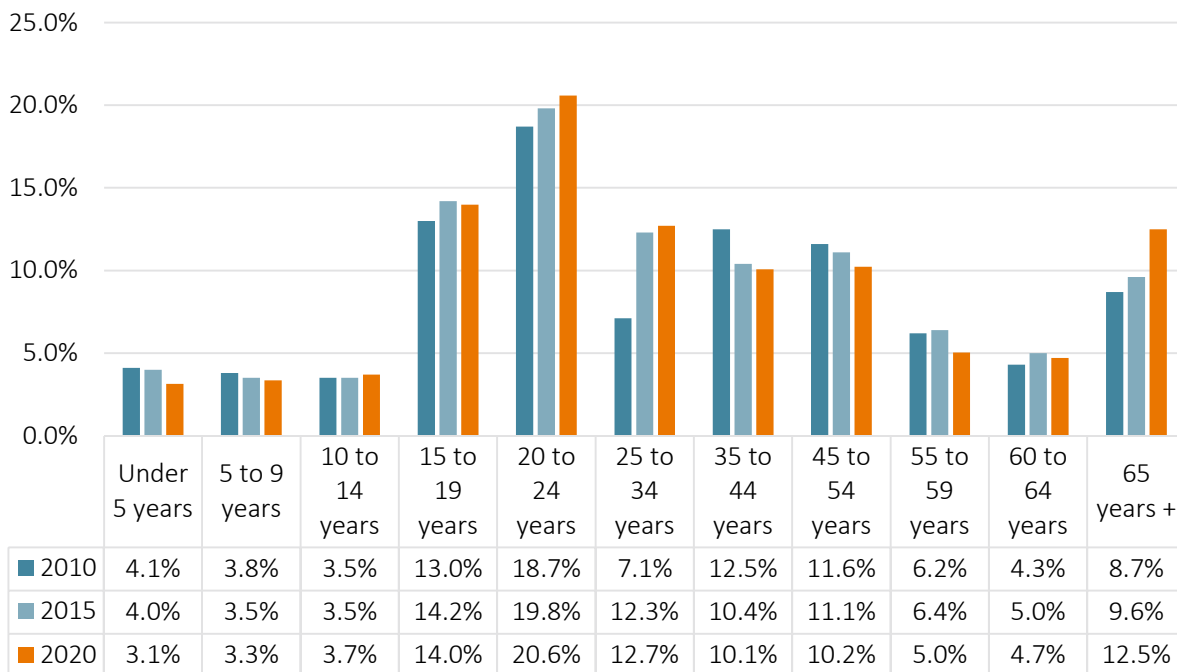
Source: 2022 Regional Growth Forecast AMBAG, Table 8

2. Age Characteristics

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

Figure C-1 below displays ACS data for age distribution in the City of Santa Cruz. Young adults between 20 and 24 years of age make up the largest age group at 20.6 percent, followed by 15- to 19-year-olds (14 percent) – likely due to the university's presence in the City. While the young adult population has continued to experience growth since 2010, the adult population between the ages of 35 and 59 has been on the decline. The senior population over the age of 65 experienced the largest increased of all age groups between 2015 and 2020 – pointing towards a potential need for senior-related housing and services. The number of young children continues to shrink within the City.

Figure C-1: Age Distribution in the City of Santa Cruz (2010-2020)



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

Table C-2 below shows the age distribution of the City of Santa Cruz residents in comparison to surrounding communities. The City's adult population between 50 to 64 and seniors over 65 both represent the smallest percentages in comparison to neighboring communities after Watsonville. The City has the lowest population percentage of children under 5, but larger population percentages for young adults between 20 and 34 than nearby jurisdictions, likely due to the University.

Jurisdiction	Under 5	5 to 19	20 to 34	35 to 49	50 to 64	65 years +
Santa Cruz County	5.30%	19.2%	22.1%	23.9%	13.4%	16.4%
Capitola	3.7%	15.1%	17.3%	28.2%	14.5%	21.2%
City of Santa Cruz	3.1%	21.0%	33.3%	20.3%	9.7%	12.5%
Scotts Valley	5.1%	15.2%	17.8%	24.1%	17.3%	20.4%
Watsonville	8.1%	25.6%	21.6%	24.5%	9.5%	10.8%

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

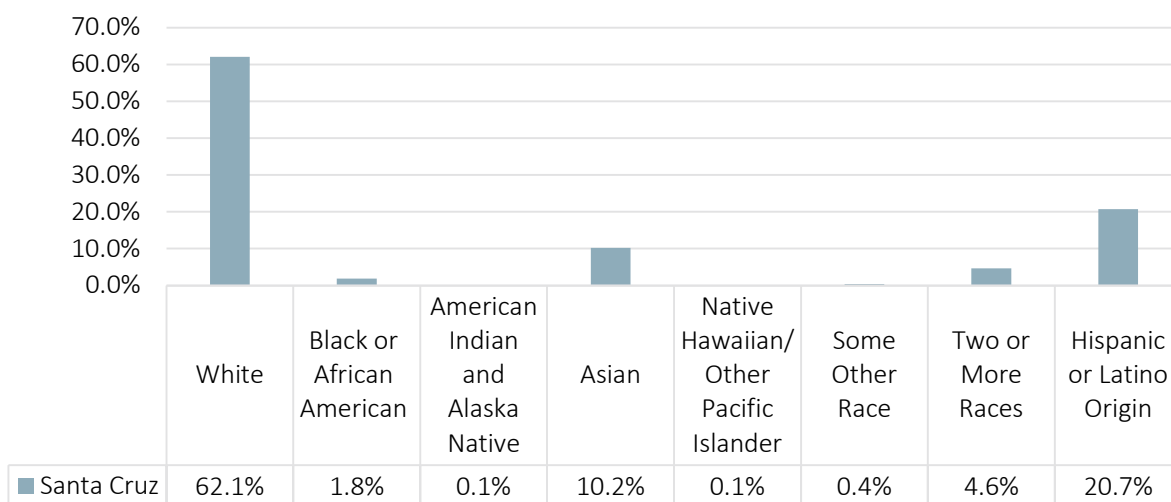
3. Race/Ethnicity Characteristics

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

It is important to note that while race and ethnicity are used to identify different sections of a community's population, they are not the same and are not mutually exclusive. The data identified below shows the racial and ethnic composition of the City of Santa Cruz and nearby jurisdictions using ACS, which allows Census respondents to identify their race and ethnicity. Therefore, overlap may occur.

As shown in [Figure C-2](#), persons who identify as White made up the largest racial group in the City (62.1 percent); larger than that of the County (56.9 percent). In contrast, the Asian population made up the second largest racial group at a much smaller rate of about 10 percent. Additionally, those who identify as Hispanic or Latino origin (of any race) represent about 20 percent of the City's population.

Figure C-2: Racial Ethnic Composition



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

Table C-3 shows generally greater diversity within the City compared to neighboring jurisdictions for those who identify as Black, Asian, and Some Other Race. After Scotts Valley, the City of Santa Cruz has the second largest percentage of White population, with Capitola virtually tied at 62.1% and 62% respectively, and the second lowest percentage of Hispanic or Latino population.

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

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

Table C-4 shows mostly moderate changes in racial and ethnic demographics between 2010 and 2020. The Asian population experienced the largest increase from 5.7 percent to 10.2 percent. In contrast, the White population decreased from 69.5 percent to 62.1 percent. Those who identify as American Indian and Alaska Native and Native Hawaiian/Other Pacific Islander also experienced similar decreases from 0.3 percent to 0.1 percent, respectively. The population that identifies as Black or African American increased by 0.5 percent from 2015 to 2020. Overall, the City of Santa Cruz became modestly more diverse between 2010 and 2020.

Race/Ethnicity	2010	2015	2020	Change from 2010 to 2020
White	69.5%	64.2%	62.1%	-7.4%
Black or African American	1.3%	1.8%	1.8%	0.5%
American Indian and Alaska Native	0.3%	0.3%	0.1%	-0.2%
Asian	5.7%	8.3%	10.2%	4.5%
Native Hawaiian/Other Pacific Islander	0.3%	0.1%	0.1%	-0.2%
Some other Race	0.3%	0.1%	0.4%	0.1%
Two or more races	3.6%	4.6%	4.6%	1.1%
Hispanic or Latino Origin	19.0%	20.6%	20.7%	1.7%

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

B. Economic Characteristics

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

1. Employment and Wage Scale

Employment and income directly affect housing needs as they provide the ability to purchase and rent housing, as well as influence the types of housing residents can afford. Job growth refers to the number of jobs created in the jurisdiction whereas employment growth refers to the number of residents in a jurisdiction who are employed. [Table C-5](#) shows projected job growth from 2015 through 2045 for the City and nearby jurisdictions. By 2045, the City is forecasted to experience a 21.5 percent job growth from 2015 to 2045 (approximately new 8,796 jobs). Compared to the nearby jurisdictions, the City of Santa Cruz is expected to experience the greatest percent of overall job growth during the period. The figures in [Table C-5](#) provide a deeper understanding of economic growth as compared to forecasted population growth, shown in [Table C-1](#).

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

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

[Table C-6](#) shows the number of people employed in various sectors and the change in sector employment between 2010 and 2020. The education services, health care, and social assistance sector is by far the largest employment sector in the City, reflecting the University's influence on employment. The arts, entertainment, recreation, accommodation, and food services sector is the next largest at almost 15 percent, reflecting the City's emphasis on the arts as well as the prominence of the tourist industry, followed closely by the professional, scientific, management, and administrative services sector, reflecting the local government facilities in the City of Santa Cruz as well as other professional and research industries.

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

Industry Sector	2010		2020		Change 2010-2020
	People Employed	City Employment Percent	People Employed	City Employment Percent	
Agriculture, forestry, fishing and hunting, and mining	247	0.8%	483	1.4%	0.6%
Construction	1,839	6.2%	1,399	4.1%	-2.0%
Manufacturing	2,231	7.5%	2,431	7.2%	-0.3%
Wholesale trade	670	2.2%	345	1.0%	-1.2%
Retail trade	2,797	9.4%	3,409	10.0%	0.7%
Transportation and warehousing, and utilities	536	1.8%	865	2.5%	0.8%
Information	814	2.7%	1,013	3.0%	0.3%
Finance and insurance, real estate, and rental leasing	969	3.2%	1,273	3.7%	0.5%
Professional, scientific, management, and administrative services	3,225	10.8%	4,420	13.0%	2.2%
Education services, health care, and social assistance	9,368	31.4%	11,014	32.4%	1.0%
Arts, entertainment, recreation, accommodation, and food services	3,930	13.2%	5,057	14.9%	1.7%
Other services (except public administration)	1,852	6.2%	1,364	4.0%	-2.2%
Public Administration	1,340	4.5%	875	2.6%	-1.9%
Total	29,818	100.0%	33,948	100.0%	13.9%
<i>Source: American Community Survey, 5- Year Estimates, 2010 and 2020</i>					

Economists estimate a 3.5 percent to 4.5 percent unemployment rate as natural as it reflects the real voluntary economic forces within a city or county¹. [Table C-7](#) shows the City of Santa Cruz had an unemployment rate of 8.3 percent in 2010 and 6.9 percent in 2020. While the rate of unemployment went down by 1.4 percent from 2010 to 2020, the rate is still high. There are a number of reasons why the unemployment rate is high in the City. Potential reasons include the large college student population from UC Santa Cruz and the 2020 COVID-19 pandemic.

Table C-7: Unemployment Rate			
Jurisdiction	Unemployment Rate*		Percent Change
	2010	2020	
Santa Cruz County	8.3%	6.1%	-2.2%
Capitola	8.6%	1.6%	-7.0%
City of Santa Cruz city	8.3%	6.9%	-1.4%
Scotts Valley	6.9%	4.3%	-2.6%
Watsonville	11.0%	8.0%	-3.0%
<i>*Population 16 years and over</i>			
<i>Source: American Community Survey, Table DP03, 5-Year Estimates, 2010 and 2020.</i>			

For those employed, income level can further identify housing types that may need to be provided within the City. According to the AMBAG Final Regional Housing Needs Allocation (RHNA), housing needs by income are broken down into four income categories:

- Very Low-Income (Less than 50% median family income)
- Low Income (50 to 80% median family income)
- Moderate Income (80 to 120% median family income)
- Above Moderate-Income (Above 120% median family income)

The Santa Cruz county median income for a household of four is \$119,300, according to the 2022 State Income Limits. Occupations with salaries that fall under \$54,450 for a single person would have an income in the very low-income category. As [Table C-8](#) shows, the majority of the occupational salaries in Santa Cruz County fall below 50 percent of the area median income (AMI). Based on these salaries, housing stock in the City would need to be affordable to accommodate lower-income households. This would be true for single income households; however, for dual income households, depending on the size of the household and the specific occupations, the households are more likely to meet the median income. For example, a household made up of two teachers would likely have an income slightly above the median household income for a household with two people.

¹ Natural Rate of Unemployment, Its Components, and Recent Trends, Kimberly Amadeo, ed. Eric Estevez, August 30, 2020.

Table C-8: Median Salary by Occupation in Santa Cruz County	
Occupation	Salary
Management	\$96,222
Legal	\$87,551
Healthcare Practitioners and Technical	\$86,641
Architecture and Engineering	\$79,419
Computer and Mathematical	\$70,746
Life, Physical and Social Sciences	\$70,708
Business and Financial Operations	\$66,811
Construction and Extraction	\$56,649
Installation, Maintenance and Repair	\$54,640
Education, Training and Library	\$52,376
Community and Social Service	\$50,166
Arts, Design, Entertainment, Sports, and Media	\$48,070
Protective Services	\$47,973
Office and Administration Support	\$45,645
Production	\$43,993
Building, Grounds Cleaning, and Maintenance	\$40,481
Transportation and Material Moving	\$40,014
Sales	\$31,611
Farming, Fishing and Forestry	\$30,567
Personal Care and Service	\$30,270
Healthcare Support	\$29,735
Food Preparation and Serving Related	\$28,513

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

C. Household Characteristics

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

1. Household Type

Table C-9 shows different household characteristics in the City. The City of Santa Cruz contains 22,644 total households. This represents about 23.5 percent of total Santa Cruz County households. About 52.8 percent of total households in the City of Santa Cruz are non-family households. This may include unrelated persons living together or persons living alone. Non-family households tend to occupy multi-family units or seek out more affordable housing options such as students and other young adults living together in a house. In contrast, married-couple family households make up 35.4 percent of total households. This population tends to seek occupancy in a single-family residence with multiple bedrooms.

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

Note: HH = Households
Source: American Community Survey, Table B11001, 5-Year Estimates, 2020.

Table C-10 illustrates the changes in household types from 2010 through 2020. The City experienced a growth of approximately 926 new households from 2010 to 2020. During this time, householders ages 65 or above grew by 3.6 percent. Female households with no spouse present experienced a decline by 1.2 percent.

Household Types	2010	Percent	2015	Percent	2020	Percent
Married-Couple Family Households	7,698	35.4%	7,327	34.1%	8,006	35.4%
Female Households, No Spouse	1,867	8.6%	1,842	8.6%	1,680	7.4%
Male Households, No Spouse	876	4.0%	931	4.3%	1,008	4.5%
Non-Family Households	11,277	51.9%	11,416	53.1%	11,950	52.8%
Householder Age 65 or Above	1,803	8.3%	2,345	10.9%	2,695	11.9%
Total Households	21,718	100.0%	21,516	100.0%	22,644	100.0%

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

2. Household Size

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

Table C-11 illustrates the household size for the City and nearby communities. The City of Santa Cruz has approximately 2.4 persons per household, fewer than the County, Scotts Valley, and Watsonville but more than Capitola. Larger households may require additional bedrooms and may result in overcrowding. Given the City of Santa Cruz's student population, it is likely that household size adjusts based on available housing.

Table C-11: Average Household Size	
Jurisdiction	Average Persons per Household
Santa Cruz County	2.7
Capitola	2.1
City of Santa Cruz	2.4
Scotts Valley	2.5
Watsonville	3.6
<i>Source: American Community Service, 5-Year Estimates 2020</i>	

3. Household Income

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

HCD has identified the following income categories based on the Area median Income (AMI):

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

Together, the extremely low-, very low-, and low-income categories are referred to as lower income². Comprehensive Housing Affordability Strategy (CHAS) estimates based on 2015-2019 ACS 5-year average data are used below. The CHAS, developed by the Census Bureau for the U.S. Department of Housing and Urban Development (HUD), provides detailed information on housing needs by income level for different types of households in the City of Santa Cruz. The most recent available CHAS data for the City was published in May 2022.

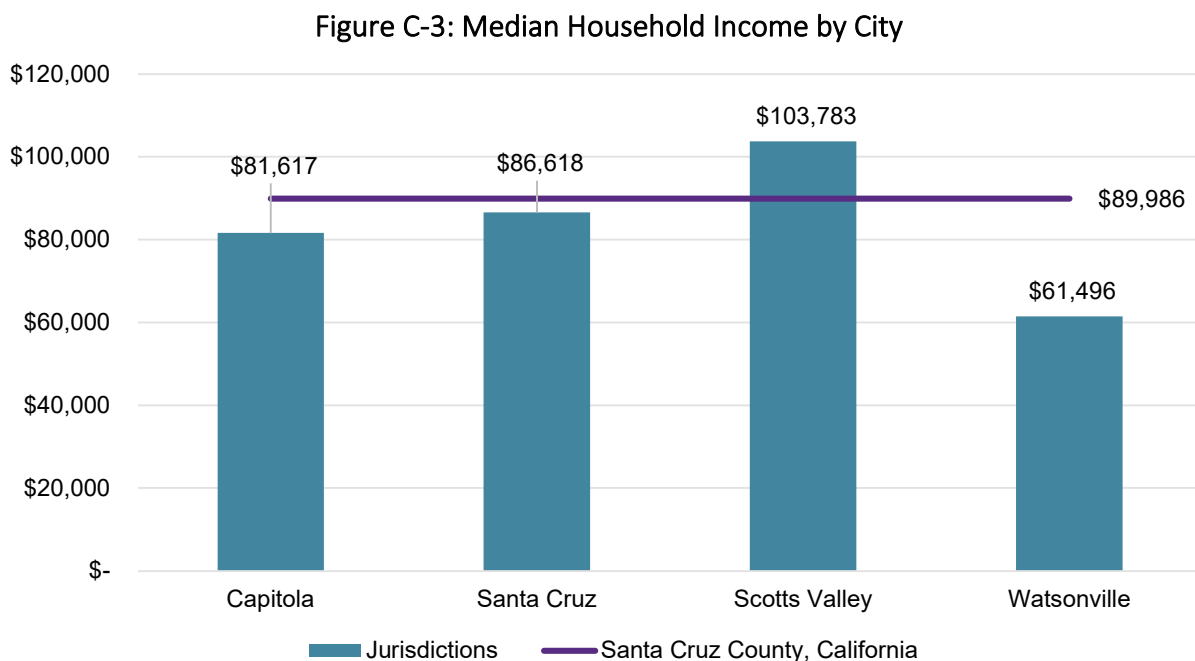
Table C-12 shows that majority of owners and households as a whole had a moderate or above incomes, 67.5 percent of owners and 50.5 percent of total households, while 36.2 percent of renters had extremely low incomes and 35.3 percent of renters had moderate or above incomes, showing a split in the incomes of the renter population. Approximately 49.5 percent of the City's households are estimated to have a lower income – with 25 percent earning an extremely low income.

² Federal housing and community development programs typically assist households with incomes up to 80 percent of the AMI and use different terminology. For example, the Federal Community Development Block Grant (CDBG) program refers households with incomes between 51 and 80 percent AMI as moderate-income (compared to low-income based on State definition).

Income Category (% of County AMI)	Owner		Renter		Households	
	Total	Percent	Total	Percent	Total	Percent
Extremely Low (30% AMI or less)	1,305	12.3%	4,335	36.2%	5,640	25.0%
Very Low (31 to 50% AMI)	795	7.5%	1,650	13.8%	2,445	10.8%
Low (51 to 80% AMI)	1,345	12.7%	1,755	14.7%	3,100	13.7%
Moderate or Above (over 80% to 100% AMI)	7,170	67.5%	4,225	35.3%	11,395	50.5%
Total	10,615	100.0%	11,965	100.0%	22,580	100.0%

Source: HUD Comprehensive Housing Affordability Strategy (CHAS), 2015-2019.

The ACS 2020 data shown in [Figure C-3](#) below depicts median household income for the City of Santa Cruz, the surrounding jurisdictions, and Santa Cruz County. In 2020, the median household income in the City of Santa Cruz was \$86,618, which is \$3,368 lower than for the County as a whole, and \$17,165 lower than Scotts Valley. Of the incorporated cities in the County, the City of Santa Cruz has the second highest household income in the area behind the City of Scotts Valley. Larger household income allows for more flexibility and opportunity of housing choice. Households with lower median incomes are more susceptible to housing cost burdens and may have fewer choices. Additionally, lower-income households may not be able to afford adequate housing. Low-income households may have a challenging time finding housing that can fit the needs of a larger household because larger housing tends to be owned, rather than rented, and is more expensive than smaller rental units. As a result, cost burden, displacement, and overcrowding may occur.



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

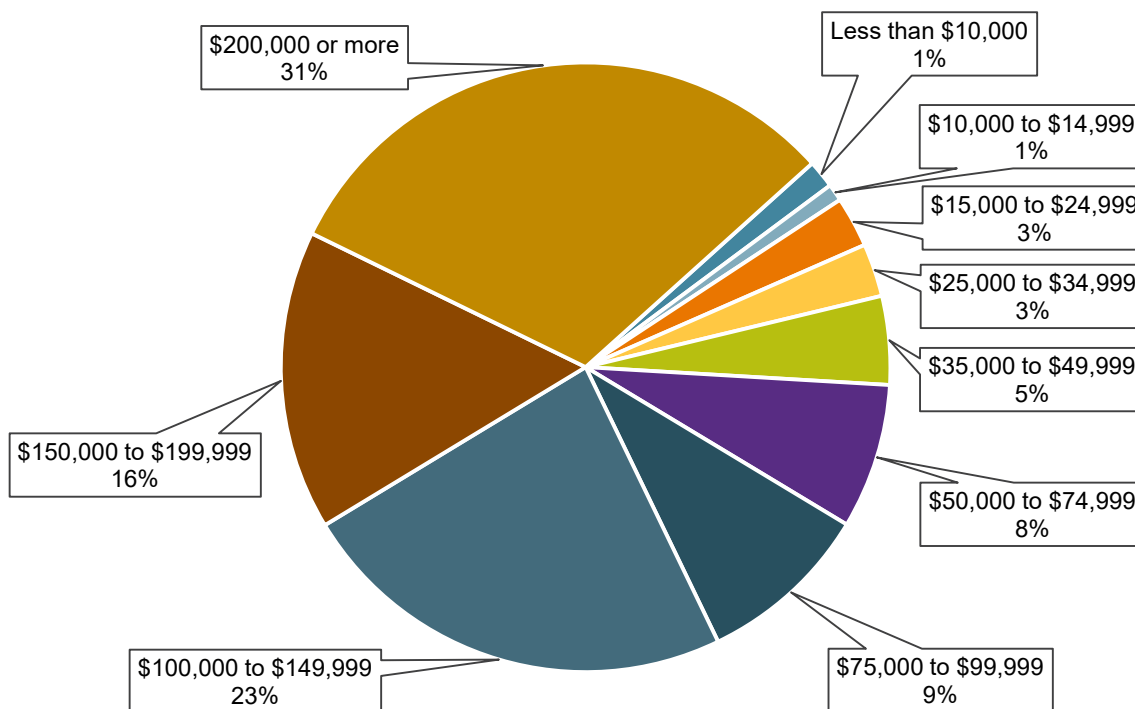
Table C-13 shows the median household income of nearby jurisdictions and compares the percentage difference with the Santa Cruz County median income. The City of Santa Cruz's median household income is 3.7 percent below that of Santa Cruz County. Given the median incomes of other jurisdictions, the City of Santa Cruz falls roughly in the middle, with the median income of Scotts Valley above and the median income of Capitola and Watsonville below.

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

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

Figure C-4 below outlines income levels in the City of Santa Cruz. According to this data, 53 percent of the City's households earn an income below \$150,000, with 13 percent earning less than \$50,000, and 1 percent earning less than \$10,000. Approximately 31 percent of the City's households earn \$200,000 or more annually. This data supports the need for a variety of housing types and a range of prices to meet the needs of the residents of the City.

Figure C-4: The City of Santa Cruz Household Income Breakdown by Category



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

D. Housing Problems

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

Housing Problems:

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

Severe Housing Problems:

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

Types of housing challenges in the City vary according to household income, type, and tenure. [Table C-14](#) shows the housing assistance needs of lower-income households. In general, there are more renter households (53 percent) than owner-occupied households (47 percent) in the City of Santa Cruz. Approximately 14.9 percent of owner-occupied households experience at least one housing problem. For renters, 31.4 percent of households experience at least one housing problem. An estimated 29.8 percent of the City's residents experience at least one severe housing challenge. More renters (21.7 percent) than owners (8.1 percent) experience a severe housing challenge. These findings may reflect the level of control over maintenance and repairs. Renters typically rely on property owners and management companies to provide repair services and maintenance, which can result in higher levels of housing problems. In addition, homeowners have a vested interest in keeping their properties in good condition while rental property owners and/or managers are looking at the return to investment and may choose to delay repairs.

Table C-14: Housing Assistance Needs of Lower-Income Households						
Housing Challenge	Owner	Total HH Percent	Renter	Total HH Percent	Total	Total HH Percent
Housing Challenge Overview*						
Household has at least one of four Housing Challenge	3,360	14.9%	7,090	31.4%	10,450	46.3%
Household has no Housing Challenges or cost burden not available, no other challenges	7,255	32.1%	4,870	21.6%	12,125	53.7%
Total	10,615	47%	11,960	53%	22,575	100.0%
Severe Housing Challenge Overview**						
Household has at least one of four Severe Housing Challenges	1,830	8.1%	4,895	21.7%	6,725	29.8%
Household has no Severe Housing Challenges or cost burden not available, no other challenges	8,790	38.9%	7,070	31.3%	15,860	70.2%
Total	10,620	47.0%	11,965	53.0%	22,585	100%
<p><i>Note: "% of total HH" equals Percent of total Households in the City of Santa Cruz</i></p> <p><i>* The four housing challenges are: incomplete kitchen facilities, incomplete plumbing facilities, more than one person living per room, and cost burden greater than 30 percent.</i></p> <p><i>** The four severe housing challenges are: incomplete kitchen facilities, incomplete plumbing facilities, more than 1.5 persons per room, and cost burden greater than 50 percent.</i></p> <p><i>Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) 2015-2019</i></p>						

Table C-15 includes data characterizing affordability and cost burden for various income groups. More renters than homeowners are subject to at least one housing challenge in the City. The extremely low-income household need is generally estimated as 50 percent of the very low-income RHNA. The City's very-low-income RHNA is 857 units; therefore, the projected housing need for extremely low-income households is 429 units.

Table C-15: Housing Challenges for All Households by Income Category

Income Category	Owner			
	Household has at least one of four Housing Challenges	% of Owner HH	Household has no Housing Challenges OR cost burden not available	% of Owner HH
Extremely Low (< 30%)	1,125	10.6%	180	1.7%
Very Low (31% to 50% HAMFI)	435	4.1%	365	3.4%
Low (51% to 80% HAMFI)	620	5.8%	730	6.9%
Moderate (81% to 100% HAMFI)	315	3.0%	735	6.9%
Above Moderate (>100% HAMFI)	865	8.1%	5,250	49.5%
Total	3,360	31.7%	7,260	68.4%
Income Category	Renter			
	Household has at least one of four Housing Challenges	% of Renter HH	Household has no Housing Challenges OR cost burden not available	% of Renter HH
Extremely Low (< 30%)	3,460	28.9%	875	7.3%
Very Low (31% to 50% HAMFI)	1,470	12.3%	180	1.5%
Low (51% to 80% HAMFI)	1,290	10.8%	470	3.9%
Moderate (81% to 100% HAMFI)	565	4.7%	695	5.8%
Above Moderate (>100% HAMFI)	315	2.6%	2,655	22.2%
Total	7,100	59.4%	4,875	40.8%
Total Households (Owner and Renter)	10,460	46.3%	12,135	53.8%

**The four housing challenges are: incomplete kitchen facilities, incomplete plumbing facilities, more than one person per room, and cost burden greater than 30%*

*** The four severe housing challenges are: incomplete kitchen facilities, incomplete plumbing facilities, more than 1.5 persons per room, and cost burden greater than 50%*

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

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

1. Overcrowding

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

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

Table C-16 below illustrates the severity of overcrowding in the City of Santa Cruz by household tenure. About 0.8 percent of owner-occupied units experience overcrowding, while 1.3 percent of renter-occupied units experience overcrowding. Additionally, 0.2 percent of owner-occupied units experience severe overcrowding, while 2.4 percent of renter-occupied experience severe overcrowding. Overall, 1,069 units (4.7 percent) experience some form of overcrowding in the City. Increasing the opportunities for housing of all types and appropriate sizes for different households can help mitigate overcrowded units.

Table C-16: Overcrowding by Tenure						
Tenure	Overcrowded Units (1.0 to 1.50 persons/room)		Severely Overcrowded Units (>1.51 persons/room)		Total Overcrowded Occupied Units	
	Count	Percent of Total Occupied Units	Count	Percent of Total Occupied Units	Count	Percent of Total Occupied Units
Owner Occupied	178	0.8%	37	0.2%	215	0.9%
Renter Occupied	300	1.3%	554	2.4%	854	3.8%
Total	478	2.1%	591	2.6%	1069	4.7%

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

Table C-17 below shows that owner-occupied housing units make up 20.1 percent of the overcrowded units in the City. In comparison, renter-occupied units make up 79.9 percent of overcrowded units. The City of Santa Cruz has the second highest percentage of renter-occupied and owner-occupied overcrowded units compared to nearby jurisdictions.

Table C-17: Overcrowded Housing Units by Tenure								
Jurisdiction	Owner-Occupied Overcrowded Units			Renter-Occupied Overcrowded Units			Total Overcrowded Units	
	Count	Percent of Overcrowded Units	Total Units	Count	Percent of Overcrowded Units	Total Units	Total	Percent of Total Units
Santa Cruz County	2028	3.5%	58,094	4563	12.0%	38,181	6591	6.8%
Capitola	24	14.0%	2,222	147	86.0%	2,436	171	3.7%
City of Santa Cruz	215	20.1%	10,486	854	79.9%	12,158	1069	4.7%
Scotts Valley	24	43.6%	3,488	31	56.4%	1,291	55	1.2%
Watsonville	648	24.1%	6,437	2044	75.9%	7,880	2692	6.8%

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

2. Overpayment (Cost Burden)

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

Table C-18 below summarizes The City of Santa Cruz's cost burdened households. About 55.4 percent of renters are cost burdened, with an additional 36 percent who are severely cost burdened. In comparison, 29.7 percent of homeowners are cost burdened, with an additional 14.5

percent being severely cost burdened. As shown below, renters in the lower income levels are more likely to experience a severe cost burden but are less likely to experience a cost burden as their incomes increase. This may reflect a willingness of households with larger incomes to invest in home ownership even if it will cost them a higher percentage of their incomes.

Table C-18: Summary of Housing Overpayment								
Income by Cost Burden*	Owner				Renter			
	Cost Burden > 30%	% of Owner HH	Cost Burden > 50%	% of Owner HH	Cost Burden > 30%	% of Renter HH	Cost Burden > 50%	% of Renter HH
Household Income is < 30% HAMFI	1,120	10.6%	800	7.5%	3,360	28.1%	3,155	26.4%
Household Income is 31% to 50% HAMFI	435	4.1%	265	2.5%	1,405	11.7%	925	7.7%
Household Income is 51% to 80% HAMFI	570	5.4%	250	2.4%	1,165	9.7%	200	1.7%
Household Income is 81% to 100% HAMFI	315	3.0%	125	1.2%	475	4.0%	30	0.3%
Household Income is >100% HAMFI	710	6.7%	100	0.9%	220	1.8%	0	0.0%
Total	3,150	29.7%	1,540	14.5%	6,625	55.4%	4,310	36.0%
<p><i>Note: HAMFI equals HUD area median family income, this is the median-family income calculated by HUD for each jurisdiction, to determine Fair Market Rents (FMRs) and income limits for HUD programs. HAMFI will not necessarily be the same as other calculations of median incomes (such as a simple Census number), due to a series of adjustments that are made.</i></p> <p><i>* Cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is "select monthly owner costs", which includes mortgage payment, utilities, association fees, insurance, and real estate taxes.</i></p> <p><i>Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) 2015-2019</i></p>								

E. Special Needs Groups

Special needs populations as defined by the California Housing and Community Development Department (HCD) include seniors, persons with disabilities, female-headed households, large households, farmworkers, persons experiencing homelessness, and students. Special needs groups may have lower-incomes because of their conditions. Special circumstances may be related to one's employment and income, family characteristics, disability and household characteristics, or other factors. Consequently, certain residents in the City of Santa Cruz may experience higher incidences of housing overpayment (cost burden), overcrowding, or other housing problems.

1. Seniors

The senior population is generally defined as those 65 years or older. They may have several concerns such as limited and fixed incomes, high health care costs, higher incidence of mobility and self-care limitations, and transit dependency. As a result, the senior population has specific housing needs which include affordable housing, care facilities, and other housing that includes planned service components. [Table C-19](#) shows that the City has the second to lowest percentage of persons aged 65 and over, compared to nearby jurisdictions.

Table C-19: Persons Aged 65 and Over		
Jurisdiction	Population Count	Percent
Santa Cruz County	44,913	16.4%
Capitola	2,143	21.2%
City of Santa Cruz	8,117	12.5%
Scotts Valley	2,463	20.4%
Watsonville	5,635	10.8%
<i>Source: American Community Survey, Table S0101, 5-Year Estimates, 2020.</i>		

[Table C-20](#) summarizes the incomes of senior householders in the City. Of all senior householders, 25.3 percent earn less than 30 percent of the Median Household Income (MHI), and 42.5 percent earn less than 50 percent of the MHI. In total, 53.7 percent of senior households are considered low-income and earn less than 80 percent of the MHI.

Table C-20: Elderly Householders by Income		
Income Category	Total	Percent of Total Senior Householders
Extremely Low (<30% MHI)	1,406	25.3%
Very Low (31% to 50% MHI)	957	17.2%
Low (51% to 80% MHI)	621	11.2%
Moderate (81% to 100% MHI)	619	11.1%
Above Moderate (>100% MHI)	1,960	35.2%
Total	5,563	--
<i>Note: Median Household Income (MHI) - \$86,618</i>		
<i>Source: American Community Survey, Table B19037, 5-Year Estimates, 2020.</i>		

2. *Persons with Physical and Developmental Disabilities*

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

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

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

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

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

According to the 2020 ACS data, about 9.7 percent of the City's population has a disability ([Table C-21](#)).

Table C-21: Disability Status						
Disability Type	Population with a Disability			Total	Percent of Population with Disability	Percent of Total Population
	Under 18	18 to 64	65 and Over			
Population with a Hearing Difficulty	65	448	987	1,500	13.7%	2.3%
Population with a Vision Difficulty	47	556	545	1,148	10.5%	1.8%
Population with a Cognitive Difficulty	227	2,075	595	2,897	26.4%	4.5%
Population with an Ambulatory Difficulty	0	933	1,270	2,203	20.1%	3.4%
Population with a Self-care Difficulty	54	461	588	1,103	10.1%	1.7%
Population with an Independent Living Difficulty	-	1,019	1,091	2,110	19.3%	3.3%
Total	393	5,492	5,076	10,961		

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

The California Department of Developmental Services (CDDS) provides estimates of persons with developmental disabilities in the City of Santa Cruz, as shown in [Table C-22a](#) below. As of January 2022, CDDS identified 64 juvenile persons and 125 adults of having developmental disability in the ZIP code 95060. This ZIP code is contained within the City, but doesn't include all areas of the City, so this is not a complete tally of all people with developmental disabilities within the City.

Table C-22a: Developmental Disability Status for ZIP Code 95060	
Disability Type	Number of Residents
Living Arrangement	
Home of Parent/Guardian	135
Independent/Supported Living	46
Community Care Facility	<11
Intermediate Care Facility	0
Foster/Family Home	<11
Other	<11
Total	>181
Age Range	
0-17 Years Old	64
18+ Years Old	125

Source: CA DDS data by ZIP Code, January 2022.

Housing Choices is a housing service provider funded by the San Andreas Regional Center (SARC) to support people with developmental disabilities to be fully integrated in the affordable housing supply within the Counties of Santa Cruz, San Benito, and Monterey. They provide housing navigation services for individuals and families, and they also partner with affordable housing developers to make inclusive housing commitments for people with developmental and other

disabilities in their housing projects. Housing Choices reported the City-specific data on population with developmental disabilities, as shown in [Table C-22b](#).

Table C-22b: City and County Population with Development Disabilities				
Age	City of Santa Cruz		Santa Cruz County	
	Count	Percent	Count	Percent
Under Age 18	88	24%	407	29%
18 Years and Older	275	76%	1,009	71%
Total	363	100%	1,416	100%

Source: Housing Choices – SARC (November 2021).

[Table C-22c](#) also reports living arrangements of adults in the City and County. Housing Choices reports – SARC recognizes the family home as the most prevalent living arrangements for adults in the City and the County. The home is considered to be a community-based living arrangement; however, there is an increased risk of displacement or homelessness when aging parents are no longer able to provide housing. For adults with developmental disabilities, the most integrated and least restrictive living arrangement is living independently in their own apartment with living supportive services. Only 35 percent of adults with developmental disabilities in the City have transitioned into their own apartment due to a lack of deeply affordable housing available. Eight percent of City adults with developmental disabilities live in licensed care facilities, which heavily limits interactions with people without disabilities. According to Housing Choices, not planning for more inclusive housing for people with developmental disabilities to transition into when aging parents are no longer able to provide housing, the City will see more adults falling into homelessness, being displaced, or being forced to live in segregated settings.

Table C-22c: Living Arrangements of Adults with Development Disabilities				
Adult Living Arrangement	City of Santa Cruz		Santa Cruz County	
	Count	Percent	Count	Percent
In the family home	151	55%	630	62%
Own apartment with supportive services	97	35%	248	25%
Licensed Facilities	23	8%	125	12%
Other (including homeless)	4	2%	6	1%
Total	275	100%	1,009	100%

Source: Housing Choices – SARC (November 2021).

As provided by Housing Choices during the Housing Element update process – the Department of Developmental Services reports a decrease of seven percent in the number of people with developmental disabilities able to be housing in licensed care facilities in Santa Cruz County between September 2015 and June 2021. The trend is the result of 1) increased housing prices making it unfeasible for new facilities to open when old ones close and 2) decrease in demand as more adults choose to live in less restrictive settings and therefore increasing the need for affordable housing options coordinated with supportive services funded by SARC. The County’s reduced supply of licensed care facilities increases the likelihood that Santa Cruz adults with

developmental disabilities will be forced out of the County when their parents are no longer able to house them – unless there is a significant improvement in access to affordable housing.

A letter submitted by Housing Choices in April 2023 (and included in [Appendix A](#)) provides additional data and notes on Santa Cruz County trends for persons with developmental disabilities, including:

- Increase of autism diagnosis in adults in their 20s and 30s – 19 percent total increase between 2015 and 2021.
- Longer life span – the number of residents with developmental disabilities age 62 and older grew by 79 percent between 2015 and 2021.
- Residents experience increased displacement from the County because of a lack of residential living options.
- Higher rates of physical disabilities – 26 percent of residents with developmental disabilities have limited mobility.
- Ineligibility to afford rental units due to reliance on a monthly income of about \$1,000 from the Supplemental Security Income (SSI) program.
- Reliance on transit to travel throughout the community.

3. Large Households

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

Securing housing large enough to accommodate all members of a household is more challenging for renters for several reasons. Multifamily rental units are typically physically smaller than single-family units, which are generally fewer and more expensive. While apartment complexes offering two and three bedrooms are common, apartments with four or more bedrooms are rare. It is more likely that large households will experience overcrowding in comparison to smaller households. Additionally, single-family residences with higher bedroom counts, whether rental or ownership units, are rarely affordable to lower-income households. There is also competition for larger units with students living together in a single household, which further limits the availability of larger units.

[Table C-23](#) below provides a breakdown of large households by tenure in the City of Santa Cruz. The data identifies the household size of homeowners and renters living in a large household. Large households are units with five or more occupants. About 8.1 percent of all households in the City are large households. There are more owner-occupied units with five occupants and six occupants than renter-occupied households. However, there are more renter-occupied units with seven occupants than owner-occupied.

Table C-23: Large Households by Tenure						
Household Size	Owner		Renter		Total	
	Count	Percent of Owner HH	Count	Percent of Renter HH	Count	Percent of Total HH
5-Person Household	529	5.0%	537	4.4%	1,066	4.7%
6-Person Household	157	1.5%	164	1.3%	321	1.4%
7-or-More Person Households	135	1.3%	309	2.5%	444	2.0%
Total	821	7.8%	1,010	8.3%	1,831	8.1%

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

4. Single-Parent Households

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

The City of Santa Cruz has 1,658 single-parent households, as shown in Table C-24. Out of the total City of Santa Cruz households, 7.1 percent are single-parent males and 8.4 percent are single-parent females. In comparison, the county has 4.6 percent of households that are single-parent males and 9 percent are single-parent females. In the City, about 2 percent of single-parent households were reported to be living in poverty in 2020.

Table C-24: Single Parent Households								
Jurisdiction	Single-Parent Male, No Spouse Present		Single Parent-Female, No Spouse Present		Single-Parent HH Living in Poverty		Single Parent HH	Percent of Total HH*
	Count	Percent	Count	Percent	Count	Percent		
City of Santa Cruz	761	7.1%	897	8.4%	210	2.0%	1,658	15.5%
Santa Cruz County	2,787	4.6%	5,493	9.0%	1,670	2.7%	8,280	13.6%

Note: HH = Households
 * Percent of total Households
 Source: American Community Survey, Table B17010, 5-Year Estimates, 2020

Table C-25 shows the breakdown of female-headed households in the City. Of the total of the City's household, 15.7 percent are single female households with no spouse present. Of those households, 2.4 percent are single female households living in poverty and 2 percent are single female parent households living in poverty. The percentage of single female households and single parent female household are similar to the percentages for the City and the County. In the City, about 8.4 percent of the total households were estimated to be single parent female households in 2020 while the percent for the County is slightly higher at 9 percent.

Table C-25: Female Headed Households								
Jurisdiction	Single Female HH, No Spouse Present		Single Female HH Living in Poverty		Single Parent Female, No Spouse Present		Single Parent Female HH Living in Poverty	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
City of Santa Cruz	1,680	15.7%	252	2.4%	897	8.4%	210	2.0%
Santa Cruz County	9,718	16.0%	1,676	2.8%	5,493	9.0%	1,200	2.0%
<i>Note: HH = Households</i> <i>1. Percent of total Households</i> <i>Source: American Community Survey, Table B17012, 5-Year Estimates, 2020.</i>								

5. Farmworkers

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

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

According to the American Community Survey, Santa Cruz County has 4,772 and the City has 257 people employed in Farming, Fishing, and Forestry. This occupation earns one of the lowest salaries in comparison to other occupations, with an estimated median income of \$30,567. This is considered an extremely low-income for the City.

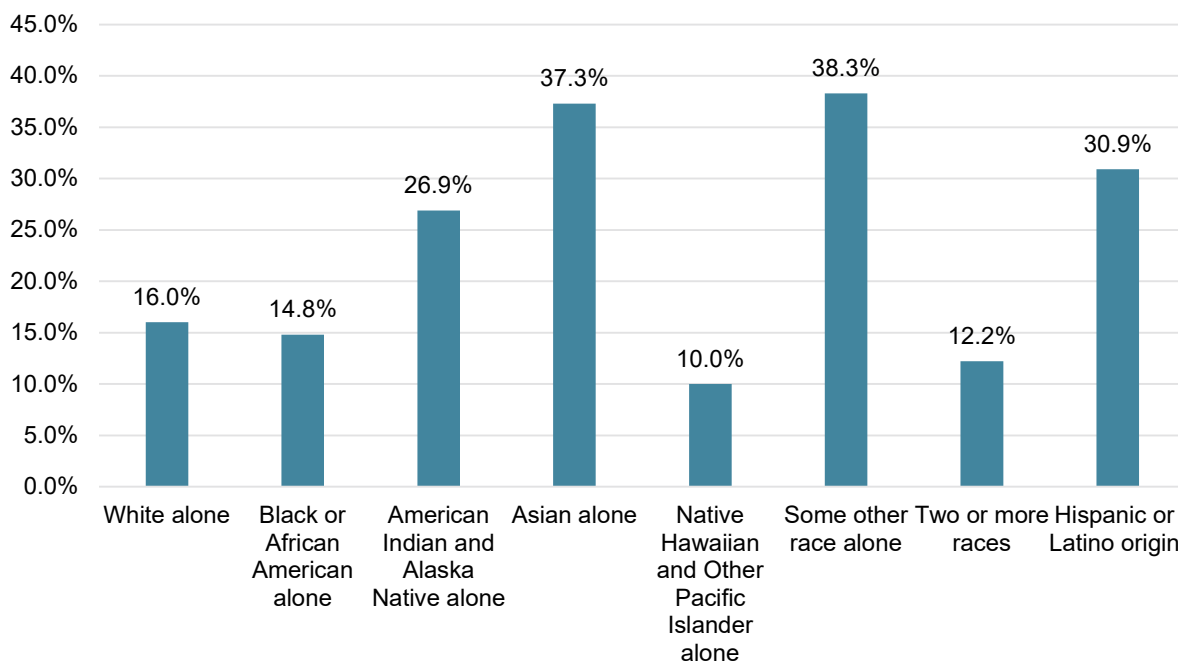
6. Extremely Low-Income (ELI) and Poverty Status

CHAS data indicates there are approximately 3,100 low-income households and 2,445 very low-income households in the City of Santa Cruz. Very low-income households are those households that earn 50 percent or less of the area median income (AMI) for Santa Cruz County. Extremely low-income households are those households that earn less than 30 percent of AMI. Extremely low-income households are generally more likely to experience overpayment, overcrowding, or substandard housing conditions, and are more likely to be housed in transitional and supportive housing.

According to CHAS, there are approximately 5,640 extremely low-income households in the City of Santa Cruz (renters and owners).

According to 2020 ACS data, 20 percent of the City’s population lives in poverty. [Figure C-5](#) illustrates the percentage of people within each racial and ethnic group living below the poverty level. Asians experienced the most poverty at 37.3 percent. Followed by Hispanic or Latino origin at 30.9 percent. A composite group of “some other race alone” makes up 38.3 percent of those living in poverty.

Figure C-5: Percent below Poverty Level, by Race and Hispanic or Latino Origin



Source: American Community Survey, Table S1701, 5-Year Estimates, 2020.

Additional analysis and data on ELI households in Santa Cruz is provided in [Appendix D](#).

7. Persons Experiencing Homelessness

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

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

- People who are living in a place not meant for human habitation, in an emergency shelter, in transitional housing, or exiting an institution where they temporarily resided.
- People who are losing their primary nighttime residence, which may include a motel or hotel or a doubled-up situation, within 14 days and lack resources or support networks to remain in housing.

- Families with children or unaccompanied youth who are unstably housed and likely to continue in that state. This applies to families with children or unaccompanied youth who have not had a lease or ownership interest in a housing unit in the last 60 days or more, have had two or more moves in the last 60 days, and who are likely to continue to be unstably housed because of disability or multiple barriers to employment.
- People who are fleeing or attempting to flee domestic violence, have no other residence, and lack the resources or support networks to obtain other permanent housing.

These definitions do not include persons living in substandard or overcrowded housing units, persons being discharged from mental health facilities (unless the person was homeless when entering and is considered homeless at discharge), or persons who may be at risk of homelessness.

The 2022 Santa Cruz County Homeless Point-in-Time Count and Survey was conducted in Santa Cruz to identify where homeless individuals are living in the County and to provide information about the County's homeless population at a point in time. HUD requires communities to conduct the Point-in-Time Count every two years. The count results are shown in [Table C-26](#). In 2019, the County counted 2,167 individuals experiencing homelessness in Santa Cruz County. Of those counted, 1,700 were unsheltered and 467 were sheltered. In their most recent count in 2022, the County counted 2,299 individuals experiencing homelessness in Santa Cruz County. Of those counted, 1,774 were unsheltered and 525 were sheltered. The number of individuals who experienced homelessness increased by 132 from 2019 to 2022. Across the two survey years listed above, the City of Santa Cruz had the highest rate of homelessness compared to nearby jurisdictions.

Table C-26: Homelessness in the City of Santa Cruz and Surrounding Cities (2019-2022)							
Jurisdictions	Unsheltered		Sheltered		Total		Percent Change
	2019	2022	2019	2022	2019	2022	
Santa Cruz County (total)	1,700	1,774	467	525	2,167	2,299	6%
Capitola	6	35	0	0	6	35	*
City of Santa Cruz	865	1,058	332	381	1,197	1,439	20%
Scotts Valley	4	48	0	0	4	48	*
Watsonville	257	222	113	144	370	366	-1%
Source: Santa Cruz County Homeless Census & Survey Comprehensive Report 2022.							
*: Percentage change is not calculated for jurisdictions with fewer than 20 persons							

The 2023 Point-in-Time Count and Survey was released in August 2023. The results are shown in [Table C-26.a](#). Across the county, the results show a 21.5 percent decline in the number of people experiencing homelessness. In the City of Santa Cruz, the results show a 29 percent decrease in the number of people experiencing homelessness between 2022 and 2023.

Table C-26.a: Homelessness in the City of Santa Cruz and Surrounding Cities (2022-2023)							
Jurisdictions	Unsheltered		Sheltered		Total		
	2022	2023	2022	2023	2022	2023	Percent Change
Santa Cruz County (total)	1,774	1,426	525	378	2,299	1,804	-21%
Capitola	35	23	0	0	35	23	-34%
City of Santa Cruz	1,058	746	381	279	1,439	1,028	-29%
Scotts Valley	48	24	0	0	48	24	-50%
Watsonville	175	322	144	99	366	421	15%

Source: 2023 County of Santa Cruz Homeless Count & Survey Comprehensive Report.

8. Students

The need for student housing is another significant factor affecting housing demand. In the City, student housing demand is strongest during the school year, roughly August through May. The impact upon housing demand is critical in areas that surround universities and colleges. Located in the City of Santa Cruz is University of California, Santa Cruz (UCSC); and colleges/universities near the City include Cabrillo College, West Valley College, San Jose State University, and Santa Clara University. Young adults between the ages of 15 to 24 represent 34.6 percent of the City's total population and has been increasing since 2010. The City has an estimated 20,634 total students enrolled in an undergraduate program or professional graduate school, according to 2020 ACS data.

Typically, students are low-income and are, therefore, affected by a lack of affordable housing, especially within easy commuting distance from campus. Therefore it is important for the City to consider the student population in its housing needs assessment. Students often seek shared housing situations to decrease expenses and can be assisted through roommate referral services offered on and off campus. A lack of affordable housing also influences choices students make after graduating. In recent years, the City has received multiple applications for single-family residences near campus with large numbers of bedrooms, as many as seven or eight, that are obviously designed to house students. ADUs, especially near campus, are also a good source of housing for students.

The University of California has set statewide goals of increasing university enrollment, which have been broken down by campus. UCSC's target is to increase the student population by approximately 8,500 students by 2040 and they have committed to housing 100 percent of that student population growth on campus. Their latest Long Range Development Plan (LRDP) also predicts additional growth in faculty and staff and commits to building up to 558 units of housing to meet the faculty and staff growth.

F. Housing Stock Characteristics

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

1. Housing Growth

Table C-27 below displays housing stock growth data for the City of Santa Cruz and nearby jurisdictions. According to the ACS data, the City added 751 additional housing units between 2015 and 2020, a 3.2 percent increase. This is an improvement from 2010 and 2015 when the number of housing units went down by 0.5 percent.

Table C-27 Housing Unit Growth Trends					
Jurisdiction	2010	2015	2020	Percent Change 2010 to 2015	Percent Change 2015 to 2020
Santa Cruz County	104,444	105,034	105,819	0.6%	0.7%
Capitola	5,616	5,112	5,292	-9.0%	3.5%
City of Santa Cruz	23,614	23,499	24,250	-0.5%	3.2%
Scotts Valley	4,661	4,390	5,252	-5.8%	19.6%
Watsonville	14,498	14,744	14,881	1.7%	0.9%

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

2. Housing Types

Table C-28 provides a breakdown of the number of housing units by type for Santa Cruz County and City. Majority of the housing in the City is detached single-family (56.8 percent). About 33.1 percent of the City's housing units are multi-family residences. Mobile homes, boats, and other types of housing make up the smallest number of housing units by type.

Table C-28: Total Housing Units by Type								
Jurisdiction	Single-Family Detached		Single-Family Attached		Multi-Family		Mobile Homes, Boats, and other Types of Housing	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
City of Santa Cruz	12,854	56.8%	1681	7.4%	7,501	33.1%	626	2.8%
Santa Cruz County	61,698	64.1%	7389	7.7%	20,879	21.7%	6,309	6.6%

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

3. Housing Availability and Tenure

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

Homeowners tend to gravitate towards single-family, detached residences as they are typically better suited for larger households and more affordable to home buyers rather than renters. [Table C-29](#) shows that in 2010, 54.1 percent of renters lived in multi-family residences as opposed to 4.9 percent of homeowners who lived in a multi-family residence. For homeowners, 81.8 percent lived in single-family, detached residences. In total, 45.5 percent of all occupied housing units were made up of homeowners and 54.5 percent renters.

Table C-29: Occupied Housing Units by Type and Tenure (2010)						
Tenure	Single-Family Detached	Single-Family Attached	Multi-Family	Mobile Homes, Boats, and other Types of Housing	Total Number of Occupied Units	Total Percent of Occupied Units
Owner Occupied	81.8%	10.6%	4.9%	2.7%	9,874	45.5%
Renter Occupied	35.1%	10.5%	54.1%	0.3%	11,844	54.5%
<i>Source: American Community Survey Table B25032, 5-Year Estimates, 2010.</i>						

[Table C-30](#) shows that the total percent of owner-occupied housing units went up by 0.8 percent while the renter-occupied housing units went down by 0.8 percent compared to 2010. Multi-family occupancy went up for both owner-occupied and renter-occupied housing units by 1.6 percent and 1.9 percent respectively. Mobile homes, boats, and other types of housing also increased by 1.4 percent for owner occupied housing units and 1.3 percent for renter occupied housing units. The percent of single family detached housing units experienced an insignificant increase between 2010 and 2020.

Table C-30: Occupied Housing Units by Type and Tenure (2020)						
Tenure	Single-Family Detached	Single-Family Attached	Multi-Family	Mobile Homes, Boats, and other Types of Housing	Total Number of Occupied Units	Total Percent of Occupied Units
Owner Occupied	81.9%	7.5%	6.5%	4.1%	10,486	46.3%
Renter Occupied	35.1%	7.4%	55.9%	1.6%	12,158	53.7%
<i>Source: American Community Survey Table B25032, 5-Year Estimates, 2020.</i>						

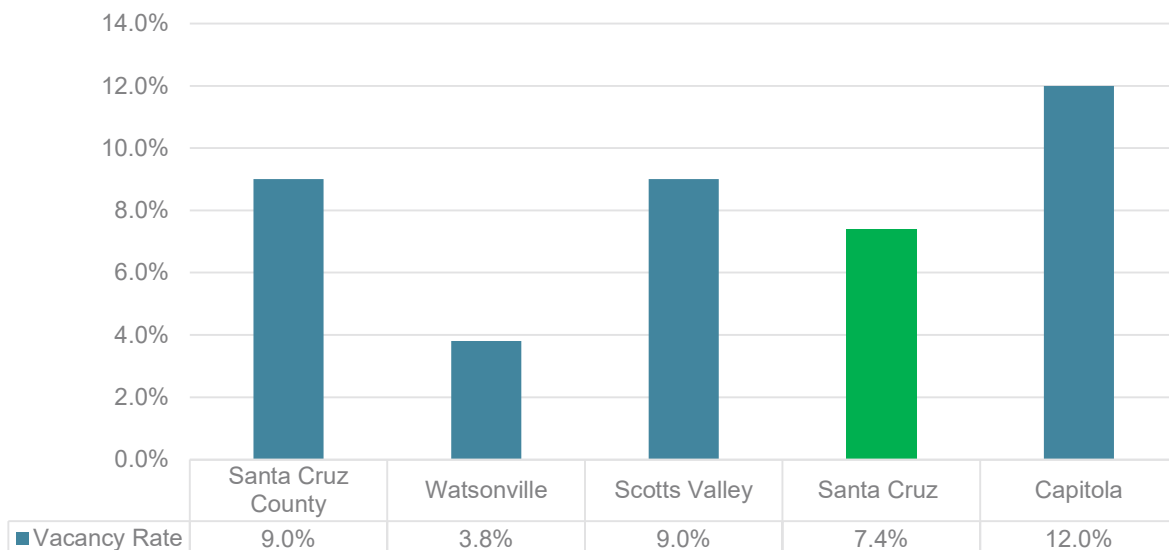
The City has one of the smaller average household sizes compared to the nearby jurisdictions. [Table C-31](#) shows that average household size of both the City's owner-occupied households and renter-occupied households is lower than the average household size in the County. The City has an average of 2.53 persons per owner-occupied household and 2.31 per renter-occupied household.

Jurisdiction	Owner-Occupied Households	Average Owner Household Size	Renter-Occupied Households	Average Renter Household Size
Santa Cruz County	60.3%	2.68	39.7%	2.73
Capitola	47.7%	2.06	52.3%	2.18
City of Santa Cruz	46.3%	2.53	53.7%	2.31
Scotts Valley	73%	2.63	27%	2.08
Watsonville	45%	3.44	55%	3.79

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

Vacancy rates are also an important housing indicator as they indicate the degree of housing choices available. High vacancy rates usually indicate low demand and/or high supply conditions in the housing market. High vacancy rates can be difficult for owners trying to sell or rent. Low vacancy rates usually indicate high demand and/or low supply conditions in the housing market. Low vacancy rates can inflate prices, making it more difficult for lower- and moderate-income households to find housing. Vacancy rates between two to three percent are usually considered healthy for single-family or ownership housing, and vacancy rates of five to six percent are usually considered healthy for multi-family or rental housing. Vacancy rates must be viewed in the context of all local and regional market characteristics. Because Santa Cruz County and the City of Santa Cruz and Capitola in particular are tourist destinations, vacancy rate statistics often include seasonal vacancies, which artificially inflate the vacancy rates of those cities. Countywide, the City of Santa Cruz has the third highest vacancy rate, behind Capitola and Scotts Valley. As shown in [Figure C-6](#), The City of Santa Cruz has a vacancy rate of 7.4 percent.

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



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

[Table C-32](#) below displays ACS data for vacancy rates in the City of Santa Cruz. The “other vacant housing units” category has the largest percent of vacancy (42 percent), followed by seasonal, recreational, or occasional use housing units (32.2 percent). Seasonal, recreational, or occasional

use units may include secondary vacation homes or short-term rental homes; these homes often do not contribute to the housing needs of a community as they are not considered valuable for long-term rental or occupancy purposes.

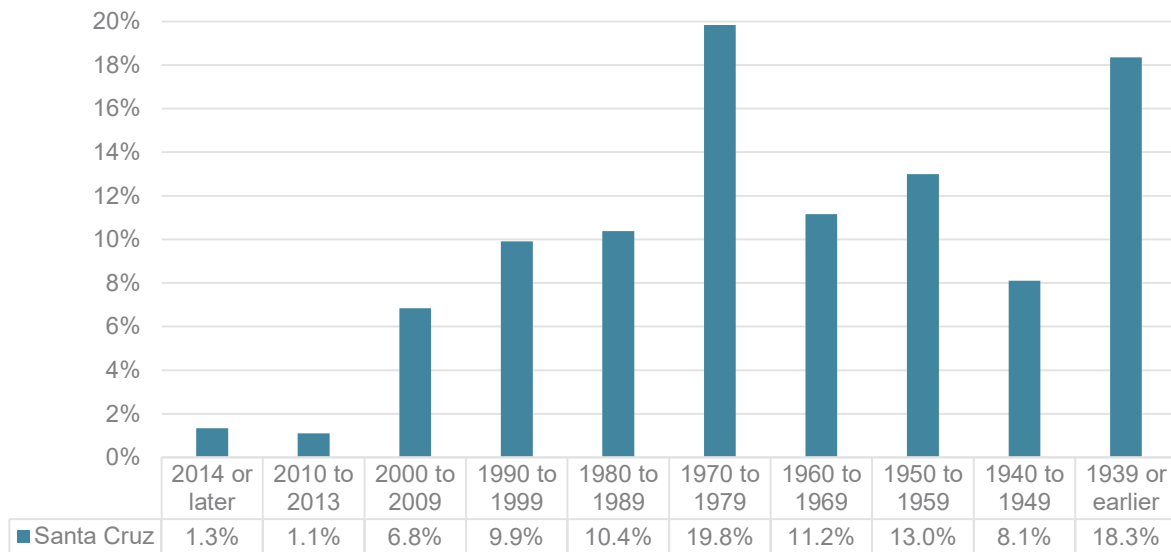
Table C-32: Vacant Housing Units by Type		
Type of Housing	Estimate	Percent of Vacant
For rent	107	5.9%
Rented, not occupied	174	9.6%
For sale only	123	6.8%
Sold, not occupied	61	3.4%
For seasonal, recreational, or occasional use	582	32.2%
Other vacant	759	42%
Total	1,806	100%
<i>Source: American Community Survey, Table B25004, 5-Year Estimates, 2020.</i>		

4. Housing Age and Conditions

Housing age can be an important indicator of housing conditions within a community. Housing that is over 30 years old is typically in need of some major rehabilitation, such as a new roof or repairs to the foundation, plumbing, etc. Many federal and state programs also use the age of housing as one factor in determining housing rehabilitation needs.

Figure C-7 illustrates the age of housing stock in the City of Santa Cruz. The majority of the housing stock in the City was built between 1970 and 1979 (19.8 percent) followed by 1939 or earlier (18.3 percent). This reflects an aging housing stock that may need certain updates. Due the aging housing stock in the City, many houses are in need of substantial rehabilitation. Estimates from the code compliance division show that of approximately 375 code compliance cases opened per year, approximately one percent, or around 5 or fewer dwellings, involve significant rehabilitation or replacement. The City estimates that approximately 100 homes are in need of substantial rehabilitation and has added programs to the Policy Objective to address these needs.

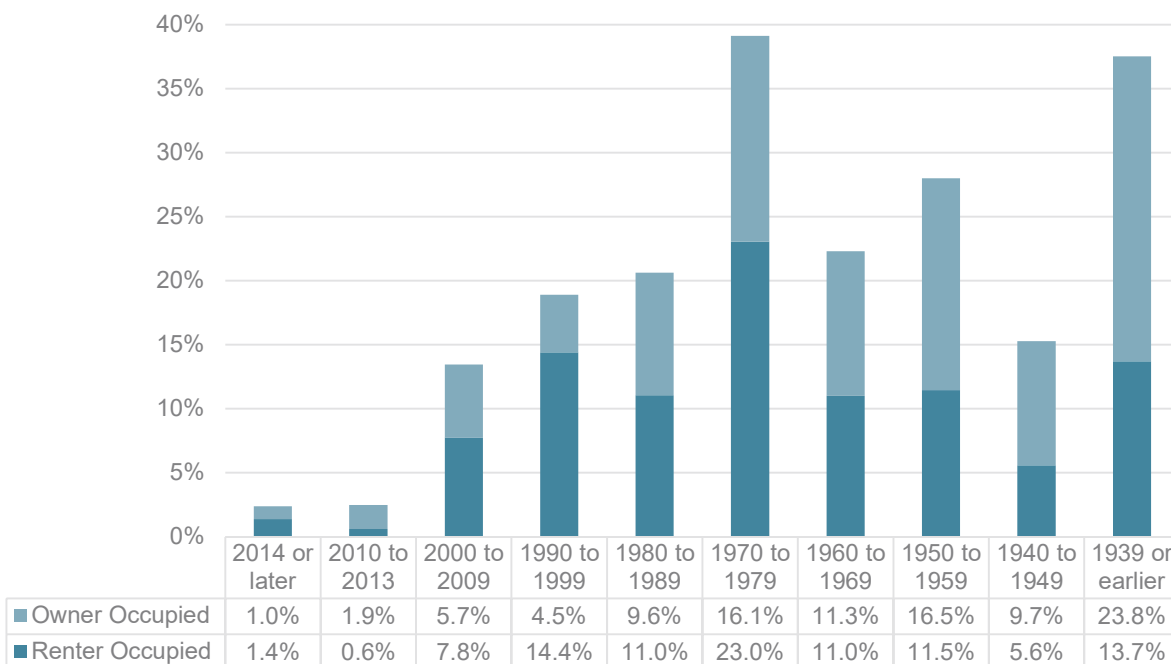
Figure C-7: Housing Stock Age



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

Figure C-8 below displays housing units by the year they were built and sorted by whether they are currently occupied by homeowners or renters. Based on the data below, in general, housing stock built prior to 1970 is more likely to be owner-occupied while in general, a higher percent of the newer housing stock is occupied by renters. This likely reflects the more recent trend of building more multi-family house, while in earlier generations, much of the housing stock being built was single-family.

Figure C-8: Tenure by Year Structure Built



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

5. Housing Costs and Affordability

Housing costs in large part reflect the supply and demand of housing in a community. The following summarizes the cost and affordability of the City's housing stock.

Table C-33 below shows the median home value in the City of Santa Cruz was \$895,800 in 2020. This is significantly above the County median home value at \$787,000 and higher than the median home value of any other jurisdiction within the County.

Table C-34 shows median monthly rental rates for units in the City of Santa Cruz. The monthly rental rates for all unit types increased from 2016 to 2020, with the highest increase in units with five or more bedroom. The true costs of rent may be higher than the ACS estimates but the overall trend and increase in rental costs highlights the dramatic increase in less than a decade. It is possible that the increase in five or more bedroom units may reflect the recent increase in very large units with seven or eight bedrooms, largely rented to students.

Table C-33: Median Home Value by Community	
Jurisdictions	Median Home Value
Santa Cruz County	\$787,000
Capitola	\$712,000
City of Santa Cruz	\$895,800
Scotts Valley	\$811,900
Watsonville	\$500,300
Source: American Community Survey, Table DP04, 5-Year Estimates, 2020.	

Table C-34: Median Gross Rent by Bedroom (2016-2020)						
Unit Type	2016	2017	2018	2019	2020	% Change 2016-2020
Studio	\$934	\$1,014	\$1,092	\$1,210	\$1,185	26.9%
1 bedroom	\$1,341	\$1,382	\$1,529	\$1,685	\$1,750	30.5%
2 bedrooms	\$1,759	\$1,807	\$1,993	\$2,112	\$2,235	27.1%
3 bedrooms	\$2,224	\$2,164	\$2,331	\$2,412	\$2,567	15.4%
4 bedrooms	\$2,471	\$2,308	\$2,368	\$2,467	\$2,624	6.2%
5 or more bedrooms	\$1,873	\$2,180	\$2,618	\$2,794	\$2,738	46.2%
Source: American Community Survey, Table B25031, 5-Year Estimates, 2016, 2017, 2018, 2019, 2020						

Beginning in 2021, City staff has sent out an annual ADU survey to ADU property owners for the specific purpose of providing a more accurate reflection of their affordability, as they are non-deed restricted. Survey results from 2022 showed that for ADU rentals to separate households (as opposed to family members of main dwelling owner), the median rent was \$1,779 for a studio, \$2,107 for a one-bedroom unit, and \$2,075 for a two-bedroom unit. In comparison to the ACS data for 2020, the ADU survey data showed studios to be substantially more expensive, one-bedroom ADUs about the same, and two-bedroom ADUs substantially less expensive. It should be noted that in addition to the two-year difference between the ACS data and ADU data, ACS data looked at all unit types whereas the ADU survey evaluated ADUs only, so a direct comparison between the two data sets cannot easily be made.

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

Table C-35: Median Gross Rent by Bedroom (2023)	
Unit Type	Cost
Studio	\$2199
1 bedroom	\$2734
2 bedrooms	\$3684
3 bedrooms	\$4581
4 bedrooms	\$6100
5 or more bedrooms	\$7537
<i>Source: Zillow.com, Apartments.com, Trulia.com, and Hotpads.com (Accessed August 14, 2023).</i>	

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

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

The U.S. Department of Housing and Urban Development (HUD) conducts annual household income surveys nationwide to determine a household's eligibility for federal housing assistance. Based on this survey, the State of California Department of Housing and Community Development (HCD) develops income limits based on the Household Area Median Income (HAMI), which can be used to determine the maximum price affordable to households in the upper range of their respective income category. Households in the lower end of each category can afford less by comparison to those at the upper end. The maximum affordable home and rental prices for residents in Santa Cruz County are shown in [Table C-36](#) and [Table C-37](#).

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

Extremely Low-Income Households

Extremely low-income households earn less than 30 percent of the County HAMI – up to \$32,700 for a one-person household and up to \$50,400 for a five-person household in 2022. Extremely low-income households cannot afford market-rate rental or ownership housing in the City without assuming a substantial cost burden.

Very Low-Income Housing

Very low-income households earn between 31 percent and 50 percent of the County HAMI – up to \$54,450 for a one-person household and up to \$84,000 for a five-person household in 2022. The maximum affordable purchase price for very low-income households is \$196,000 for a one-person household and \$293,600 for a five-person household. A one-person very low-income household can afford to pay up to \$1,361 in monthly rent and a five-person very low-income household can pay up to \$2,100 in monthly rent. Given housing costs, very low-income households cannot afford market-rate rental or ownership housing in the City without assuming a substantial cost burden.

Low-Income Housing

Low-income households earn between 51 percent and 80 percent of the County's HAMI - up to \$87,350 for a one-person household and up to \$134,750 for a five-person household in 2022. The maximum affordable purchase price for a low-income household is \$345,000 for a one-person household and \$523,250 for a five-person household. A one-person low-income household could afford to pay up to \$2,184 in rent per month and a five-person low-income household could afford to pay as much as \$3,369 per month. Based on the 2020 rents shown in [Table C-34](#), low-income households in the City of Santa Cruz would be able to find adequately sized affordable apartment units ([Table C-37](#)).

Moderate-Income Housing

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

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

Annual Income		Mortgage	Utilities ¹	Tax and Insurance	Total Affordable Monthly Housing Cost	Affordable Purchase Price
Extremely Low-Income (30% of HAMI)						
1-Person	\$32,700	\$458	\$237	\$123	\$818	\$97,500
2-Person	\$37,350	\$540	\$254	\$140	\$934	\$115,000
3-Person	\$42,000	\$593	\$300	\$158	\$1,050	\$126,250
4-Person	\$46,650	\$645	\$346	\$175	\$1,166	\$137,500
5-Person	\$50,400	\$665	\$406	\$189	\$1,260	\$141,700
Very Low-Income (50% of HAMI)						
1-Person	\$54,450	\$920	\$237	\$204	\$1,361	\$196,000
2-Person	\$62,200	\$1,068	\$254	\$233	\$1,555	\$227,500
3-Person	\$70,000	\$1,188	\$300	\$263	\$1,750	\$253,000
4-Person	\$77,750	\$1,306	\$346	\$292	\$1,944	\$278,200
5-Person	\$84,000	\$1,379	\$406	\$315	\$2,100	\$293,600
Low-Income (80% HAMI)						
1-Person	\$87,350	\$1,619	\$237	\$328	\$2,184	\$345,000
2-Person	\$99,800	\$1,867	\$254	\$374	\$2,495	\$397,600
3-Person	\$112,300	\$2,086	\$300	\$421	\$2,808	\$444,320
4-Person	\$124,750	\$2,305	\$346	\$468	\$3,119	\$490,880
5-Person	\$134,750	\$2,457	\$406	\$505	\$3,369	\$523,250
Moderate-Income (120% HAMI)						
1-Person	\$100,200	\$1,892	\$237	\$376	\$2,505	\$402,930
2-Person	\$114,500	\$2,179	\$254	\$429	\$2,863	\$464,050
3-Person	\$128,850	\$2,438	\$300	\$483	\$3,221	\$519,200
4-Person	\$143,150	\$2,696	\$346	\$537	\$3,579	\$574,150
5-Person	\$154,600	\$2,879	\$406	\$580	\$3,865	\$613,120
1. Utilities include garbage, sewer, water, refrigerator, range, water heating, cooking, heating, and general utilities such as lights. Source: Santa Cruz County Housing Authority Utility Allowance Schedule; California Department of Housing and Community Development, 2022 State Income Limits, and Kimley Horn and Associates.						

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

Annual Income		Rent	Utilities ¹	Total Affordable Monthly Housing Cost
Extremely Low-Income (30% of HAMI)				
1-Person	\$32,700	\$581	237	\$818
2-Person	\$37,350	\$680	254	\$934
3-Person	\$42,000	\$750	300	\$1,050
4-Person	\$46,650	\$820	346	\$1,166
5-Person	\$50,400	\$854	406	\$1,260
Very Low-Income (50% of HAMI)				
1-Person	\$54,450	\$1,124	237	\$1,361
2-Person	\$62,200	\$1,301	254	\$1,555
3-Person	\$70,000	\$1,450	300	\$1,750
4-Person	\$77,750	\$1,598	346	\$1,944
5-Person	\$84,000	\$1,694	406	\$2,100
Low-Income (80% HAMI)				
1-Person	\$87,350	\$1,947	237	\$2,184
2-Person	\$99,800	\$2,241	254	\$2,495
3-Person	\$112,300	\$2,508	300	\$2,808
4-Person	\$124,750	\$2,773	346	\$3,119
5-Person	\$134,750	\$2,963	406	\$3,369
Moderate-Income (120% HAMI)				
1-Person	\$100,200	\$2,268	237	\$2,505
2-Person	\$114,500	\$2,609	254	\$2,863
3-Person	\$128,850	\$2,921	300	\$3,221
4-Person	\$143,150	\$3,233	346	\$3,579
5-Person	\$154,600	\$3,459	406	\$3,865
1. Utilities include garbage, sewer, water, refrigerator, range, water heating, cooking, heating, and general utilities such as lights. Source: Santa Cruz County Housing Authority Utility Allowance Schedule; California Department of Housing and Community Development, 2022 State Income Limits, and Kimley Horn and Associates.				