



Appendix D

Fair Housing Assessment



Affirmatively Furthering Fair Housing

Beginning January 1, 2019, AB 686 established new requirements for all California jurisdictions to ensure that local laws, programs, and activities affirmatively further fair housing. All Housing Elements due on or after January 1, 2021 must contain an Assessment of Fair Housing (AFH) consistent with the core elements of the analysis required by the federal Affirmatively Further Fair Housing Final Rule of July 16, 2015.

Fair housing is a condition in which individuals of similar income levels in the same housing market have like ranges of choice available to them regardless of race, color, ancestry, national origin, age, religion, sex, disability, marital status, familial status, source of income, sexual orientation, or any other arbitrary factor. Under State law, affirmatively furthering fair housing means “taking meaningful actions, in addition to combatting discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.” These characteristics can include, but are not limited to race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability.

A. Assessment of Fair Housing

As part of California Government Code Section 65583 (10)(A)(ii), the City is required to complete an assessment of fair housing, including a summary of housing issues. This includes analysis of racially concentrated areas of poverty and affluence, disparities in access to opportunities, disproportionate housing needs, and displacement risk.

1. TCAC/HCD Opportunity Maps

The California Tax Credit Allocation Committee (TCAC) and the California Department of Housing and Community Development (HCD) developed the TCAC Opportunity Maps to provide research and evidence-based policy recommendations to further HCD’s fair housing goals. These goals include: (1) avoiding further segregation and concentration of poverty and (2) encouraging access to opportunity through land use policy and affordable housing, program design, and implementation. Overall, opportunity maps are intended to display which areas, according to research, offer low-income children and adults the best chance at economic advancement, high educational attainment, and good physical and mental health. The opportunity maps also help inform the TCAC to distribute funding more equitably to affordable housing in areas with the highest opportunity through the Low-Income Housing Tax Credit (LIHTC) Program.

Figure D-1 shows the TCAC/HCD Opportunity Scores for the City and surrounding neighborhoods. The map uses a regional index score to determine categorization of resource levels, as detailed below:

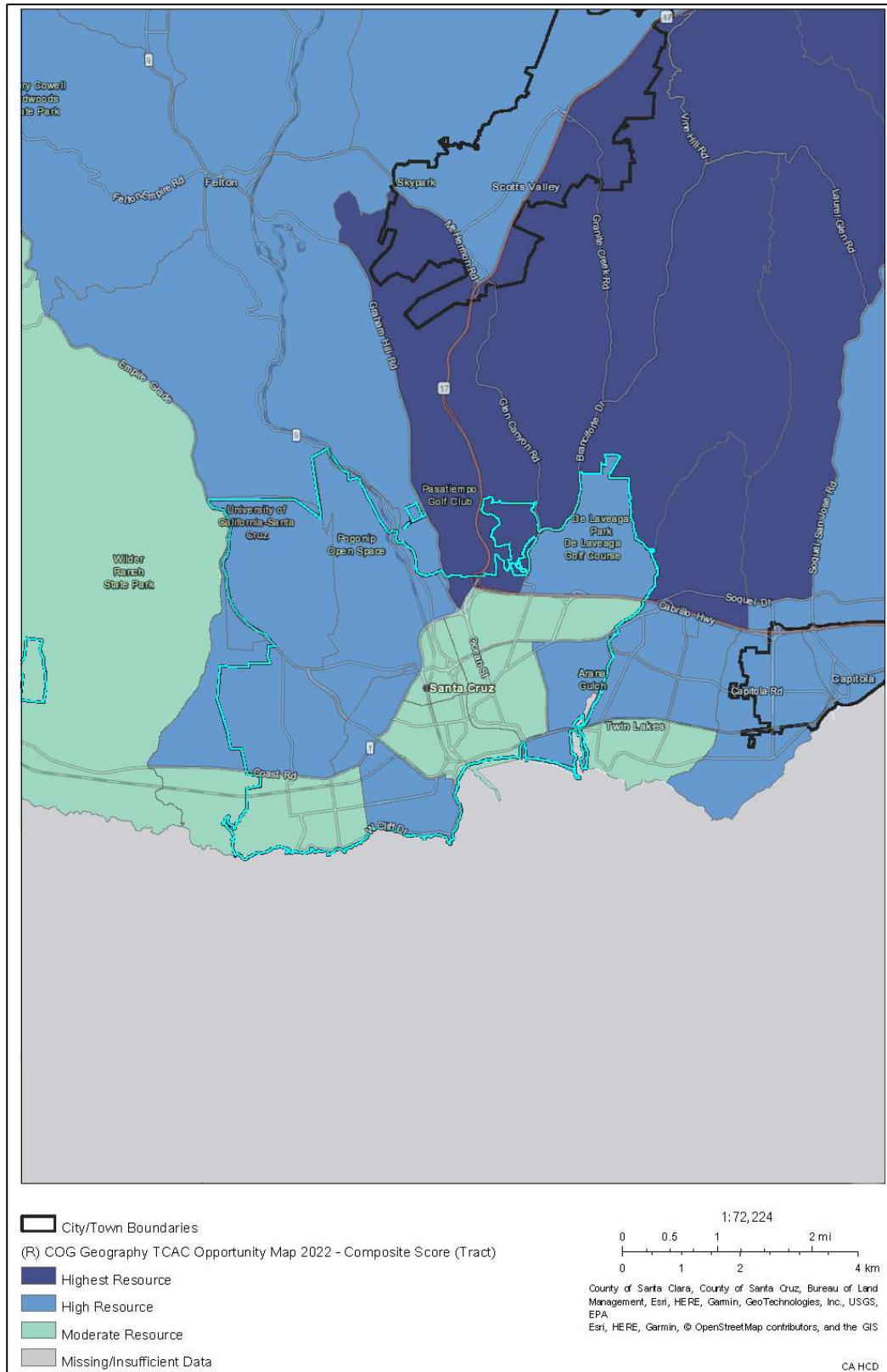
- **Highest Resource** – Top 20 percent highest-scoring census tracts in the region. Residents have the best outcomes in terms of health, economic attainment, and educational attainment.

- **High Resource** – Top 40 percent highest-scoring census tracts in the region. Residents have access to highly positive outcomes in terms of health, economic attainment, and educational attainment.
- **Moderate Resource** – Top 30 percent of remaining census tracts in the region. Residents have access to somewhat positive outcomes in terms of health, economic attainment, and educational attainment, or a mix of high and low outcomes in certain areas.
- **Moderate Resource (Rapidly Changing)** – Moderate resource-scoring census tracts that are nearing High Resource status and are experiencing rapid increase in certain areas such as housing prices, median income, proximity, etc.
- **Low Resource** – Bottom 30 percent of remaining census tracts in the region. Residents may have a lack of access to positive environmental, economic, and educational opportunities that results in negative outcomes or perpetuated outcomes.

Figure D-1 shows the City is categorized as Moderate to High Resource. As shown, the moderate scores correspond with areas that have greater occurrences of non-residential uses; the high scores are generally located over areas of the City that are predominantly single-family neighborhoods. Table D-1 provides a breakdown of candidate housing units by income category for the TCAC scores. A greater percentage of units are located in areas reporting a moderate score, but this is due to a greater number of units being located along corridors. Over 60 percent of moderate-income units are located in high resource areas and over 80 percent of above moderate-income units are located in high resource areas. About 35 percent of lower income units are located in high resource areas. Overall, future housing developments within the City will benefit from access to moderate to high levels of resources, bringing additional opportunities for existing and future residents.

Table D-1: Candidate Housing Sites by Income Category by TCAC Score				
TCAC Scores	Percent of Units by Income Category			
	Lower	Moderate	Above Moderate	Total
High Resource	35.3%	62.6%	16.2%	26.9%
Moderate Resource	64.7%	37.4%	83.7%	73.1%

Figure D-1: TCAC/HCD Opportunity Map



Source: California Department of Housing and Community Development – AFFH Data Viewer

2. *Patterns of Integration and Segregation*

To inform priorities, policies, and actions, this section contains an analysis of integration and segregation, including patterns and trends, relating to people with protected characteristics¹. Segregation is defined as the separation or isolation of a race/ethnic group, national origin group, individuals with disabilities, or other social group by enforced or voluntary residence in a restricted area, by barriers to social connection or dealings between persons or groups, by separate educational facilities, or by other discriminatory means.

It is important to note that segregation is a complex topic, difficult to generalize, and is influenced by many factors. Individual choices can be a cause of segregation, with some residents choosing to live among people of their own race or ethnic group. For instance, recent immigrants may depend on nearby relatives, friends, and ethnic institutions to help them adjust to a new country. Alternatively, when White residents leave neighborhoods that become more diverse, those neighborhoods can become segregated. Other factors, including housing market dynamics, availability of lending to different ethnic groups, availability of affordable housing, and discrimination can also cause residential segregation.

Historic use of racially restrictive covenants and redlining by both public and private entities nationwide directly contributed to today's racial disparities in homeownership rates and wealth attainment. This discrimination is often reflected geographically in racial segregation and land use patterns that still exist today at the local level. For instance, Santa Cruz' areas of higher opportunity (discussed in the section above) and areas of concentrated affluence (discussed further below) are located in areas of the city that have a predominance of detached single-family housing. Conversely, areas of the City that have a predominance of multifamily housing are more likely to have lower resource and opportunity scores.

The City's AFFH policies and programs seek to address equity, prevent displacement, and provide for ongoing affordability to help address this historic pattern of racial disparity. Programs in [Chapter 2](#) such as 6.2c and 6.2d will create opportunities for more types of housing development in areas of higher resources and opportunity to promote inclusion. A host of other policies and programs seek to increase affordable housing, improve mobility, preserve existing affordable housing, provide renter protections, support anti-displacement, and provide culturally sensitive outreach to historically underrepresented groups. [Chapter 2](#) programs also note which of the AFFH goals the policy is seeking to achieve:

1. Enhancing housing mobility strategies
2. Encouraging development of new affordable housing in high-resource areas
3. Improving place-based strategies to encourage community conservation and revitalization, including preservation of existing affordable housing
4. Protecting existing residents from displacement

¹ Government Code Section 65583 (c)(10), 8899.5 (a)(b)(c).

Race and Ethnicity

Neighborhood Segregation and Diversity

Figures D-2 and D-3 map concentrations of predominant racial and ethnic groups. Figure D-2 shows the City has two census tracts, tracts 12.12 and 12.08, that report “Mostly White” populations and all but three of the remaining census tracts report “Latinx-White.” There are three “3 Group Mixed” census tracts in the north-western region of the City. The UC Santa Cruz campus is located in one of the census tracts and has a very diverse student population, in comparison to the City’s demographics. According to campus admissions, in 2022 the racial and ethnic composition of undergraduates were: European American (31.3 percent), Asian (28.6 percent), Chicanx/Latinx (26.7 percent), International (5.7 percent), African American (4.7 percent), American Indian (0.6 percent), Pacific Islander (0.3 percent), and 1.9 percent not stated. The second census tract just south of UC Santa Cruz encompasses the Moore Creek Preserve and some residential neighborhoods, as well as some commercial uses to the north of Cabrillo Highway (Highway 1). The third census tract located just east of the second is entirely made up of residential neighborhoods.

Table D-2a provides a breakdown of candidate housing units by income category for the percentages of White population and Table D-2b provides a unit breakdown for the percentage of Non-White populations. Over 60 percent of lower income units are located in areas with 20 to 40 percent White population; 48 percent of all units are located within this category. Lower income units represent the highest percentage of units located in areas with 40 to 60 percent White population. Units have been spread out to the extent possible to provide for a mix of incomes and integration throughout the community. While less than two percent of units are in areas with 60 to 80 percent White population, these tend to include built-out single-family neighborhoods where future affordable ADUs are anticipated to provide housing opportunities to a greater variety of households.

Table D-2a: Candidate Housing Sites by Income Category by Percent White Population				
Percent White Population	Units by Income Category			
	Lower	Moderate	Above Moderate	Total
< 20%	10.3%	67.7%	31.7%	30.3%
20% - 40%	63.9%	27.4%	45.1%	48.0%
40% - 60%	24.7%	3.3%	21.3%	20.0%
60% - 80%	1.1%	1.5%	1.8%	1.6%

Table D-2b: Candidate Housing Sites by Income Category by Non-White Population				
Percent Non-White Population	Units by Income Category			
	Lower	Moderate	Above Moderate	Total
20% - 40%	1.1%	1.5%	1.8%	1.6%
40% - 60%	31.9%	65.8%	46.3%	44.8%
60% - 80%	64.4%	28.8%	46.9%	49.4%
> 80%	2.6%	4.0%	4.9%	4.2%

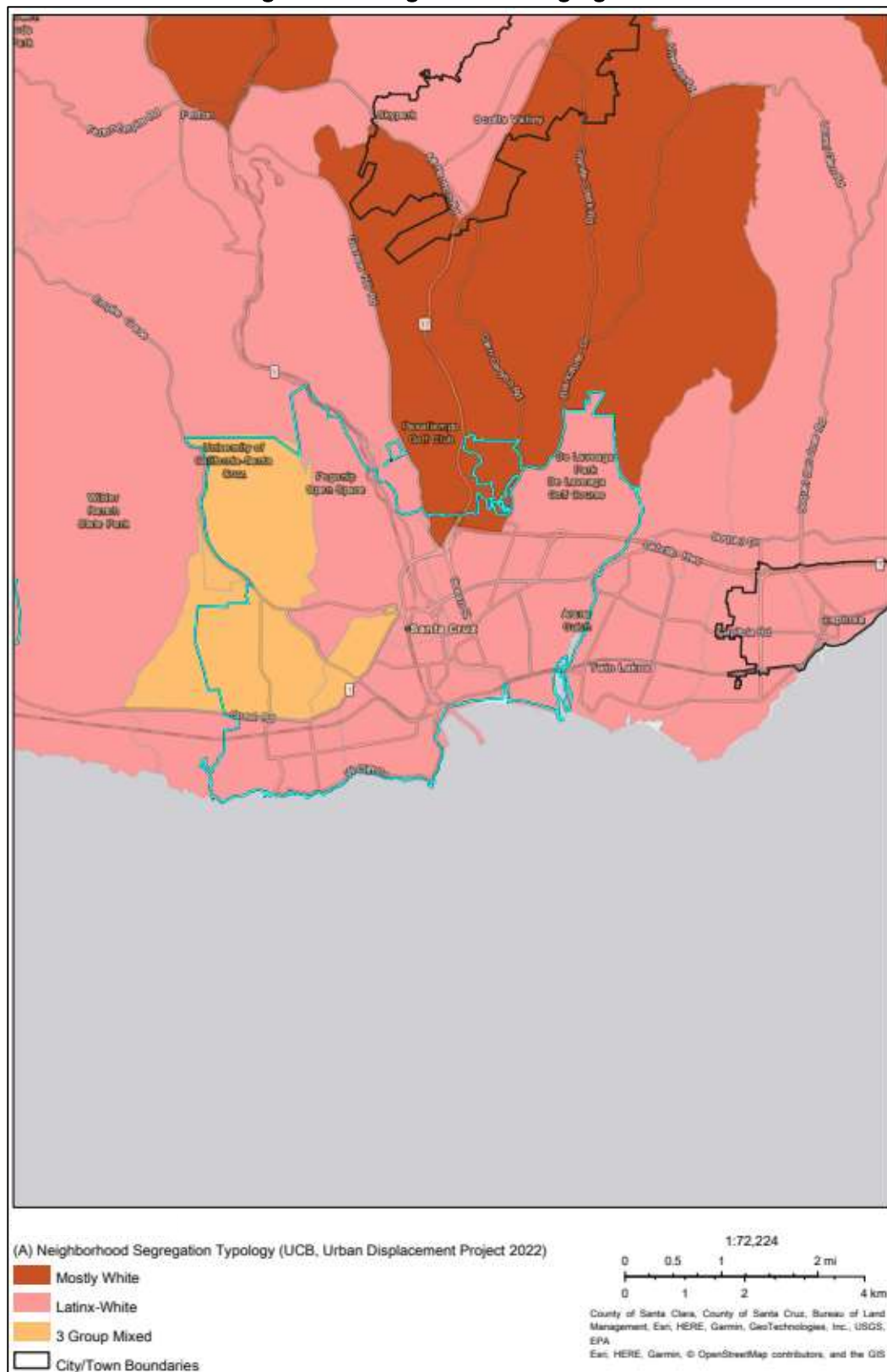
Figure D-3 illustrates the diversification of the City between 2010 and 2018. Over this eight-year period, the City experienced an increase in diversity in the western region and particularly around

the Downtown area. In addition, there were increases in diversity seen within the City of Santa Cruz east of the San Lorenzo River. This is further supported by the Longitudinal Tract Data Base (LTDB), from the Diversity and Disparities Project, which found that from 1980 to 2020 the City became increasingly diverse. In 1980, the Non-Hispanic White population totaled 85.3 percent of the overall population and decreased to about 57.8 percent in 2020. During the same timeframe, the Hispanic population increased from 8.7 percent to 24 percent. Similarly, the total Asian population increased from 2.4 percent in 1980 to 11.3 percent in 2020, as well as the Non-Hispanic Black population which increased from 1.8 percent to 3.6 percent. All other races also increased from 1.8 percent to 3.3 percent. Between 2010 and 2018, the county and neighboring communities also experienced gains in diversity, largely within the communities to the east of the City, and in the eastern portion of the County. The regional trends on racial composition are explored in more detail in [Appendix C](#).

[Table D-3](#) shows that candidate housing units have been spread out across areas of the City with varying percentages of Hispanic population. The majority of units are in areas with the lowest percent of Hispanic population (65.7 percent). Lower income units are evenly distributed in areas with the lowest and highest percent of Hispanic population, and the majority of moderate- and above moderate-income units are in areas with the lowest percent of Hispanic population.

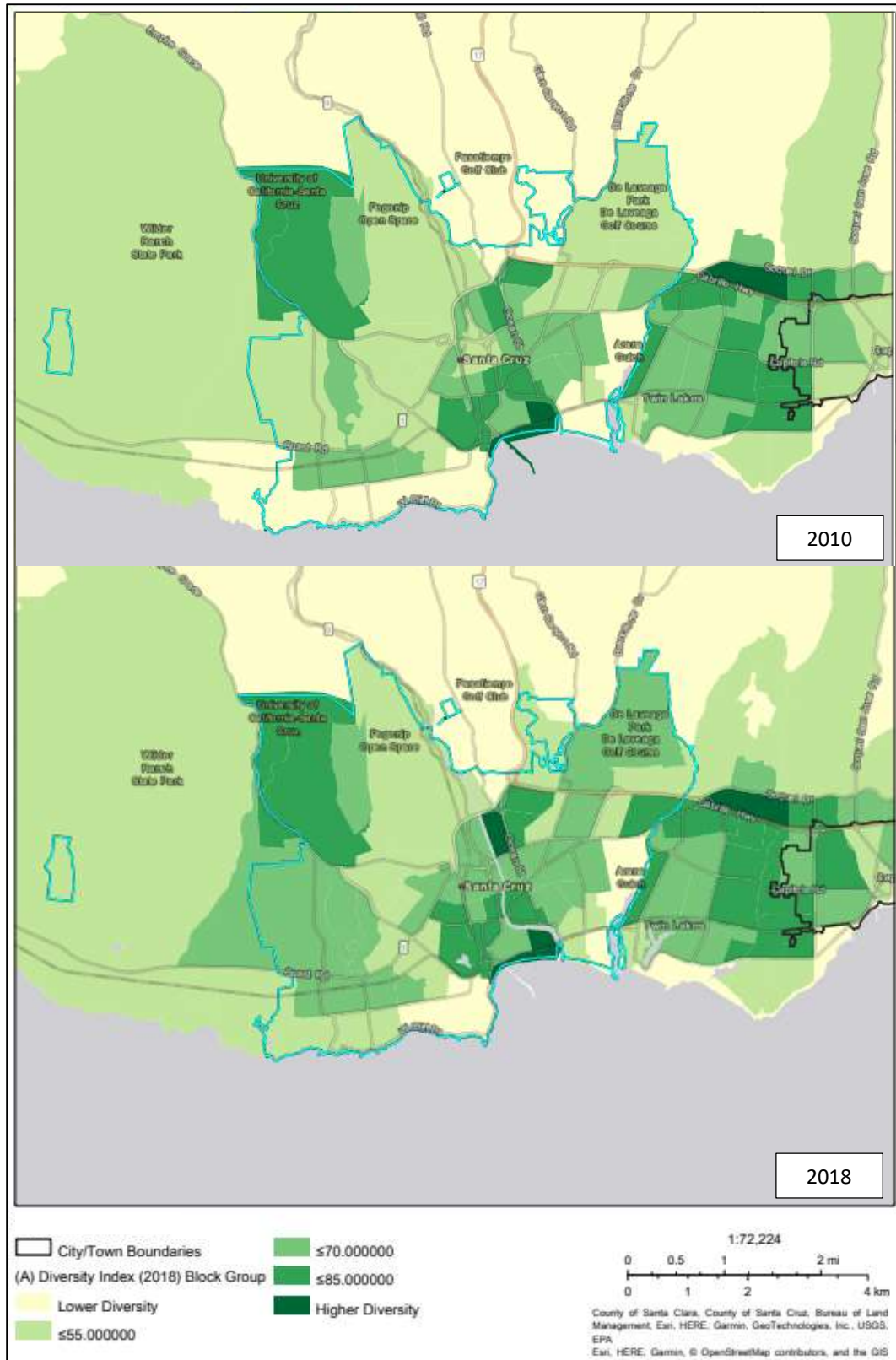
Table D-3: Candidate Housing Sites by Income Category by Hispanic Population				
Percent Hispanic Population	Units by Income Category			
	Lower	Moderate	Above Moderate	Total
20% - 40%	49.6%	75.5%	70.8%	65.7%
40% - 60%	1.1%	1.5%	1.8%	1.6%
> 80%	49.3%	23.0%	27.3%	32.7%

Figure D-2: Neighborhood Segregation



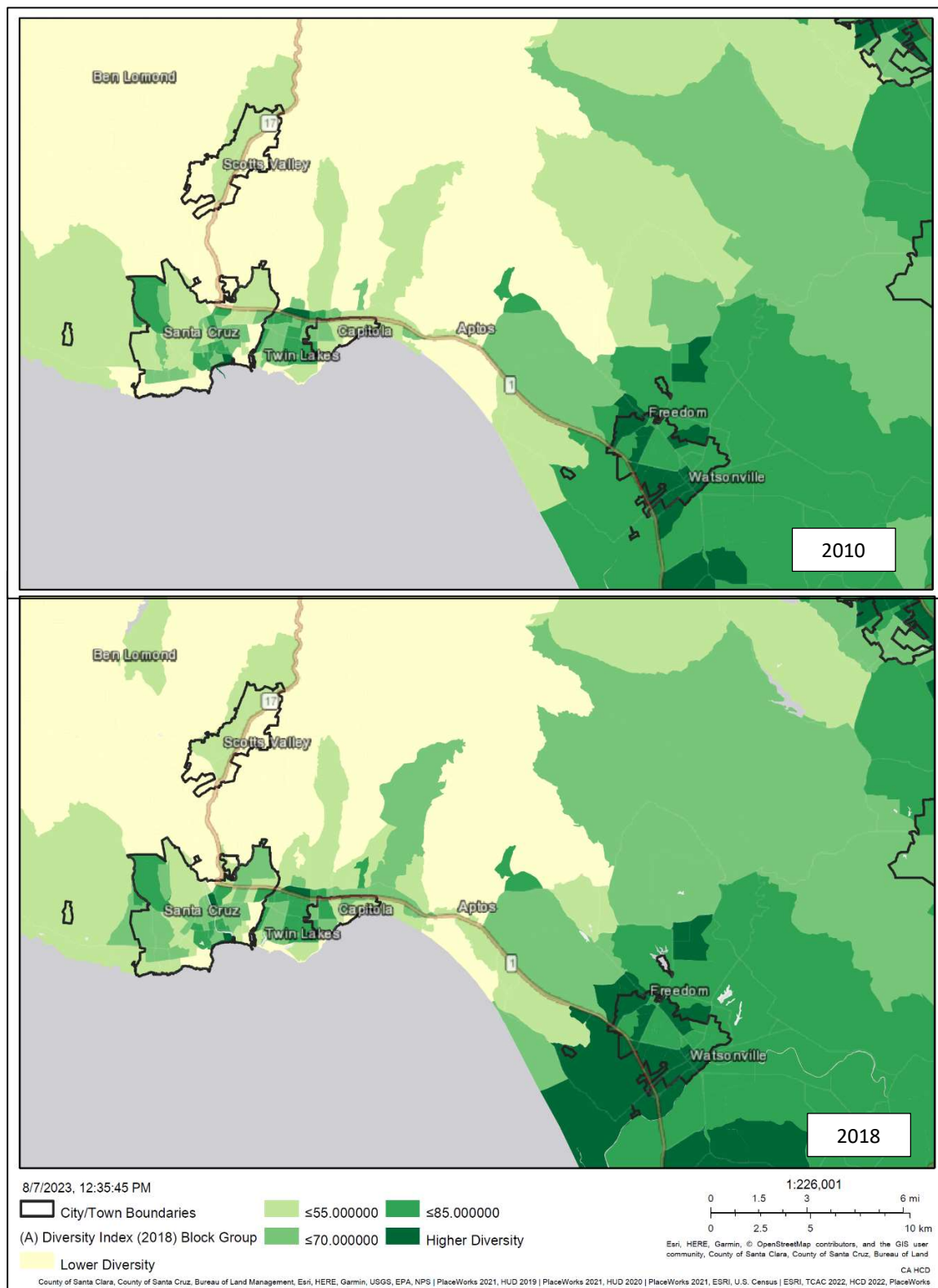
Source: California Department of Housing and Community Development – AFFH Data Viewer

Figure D-3: Diversity Index (2010 – 2018)



Source: California Department of Housing and Community Development – AFFH Data Viewer

Figure D-4: Diversity Index in Neighboring Communities (2010 – 2018)

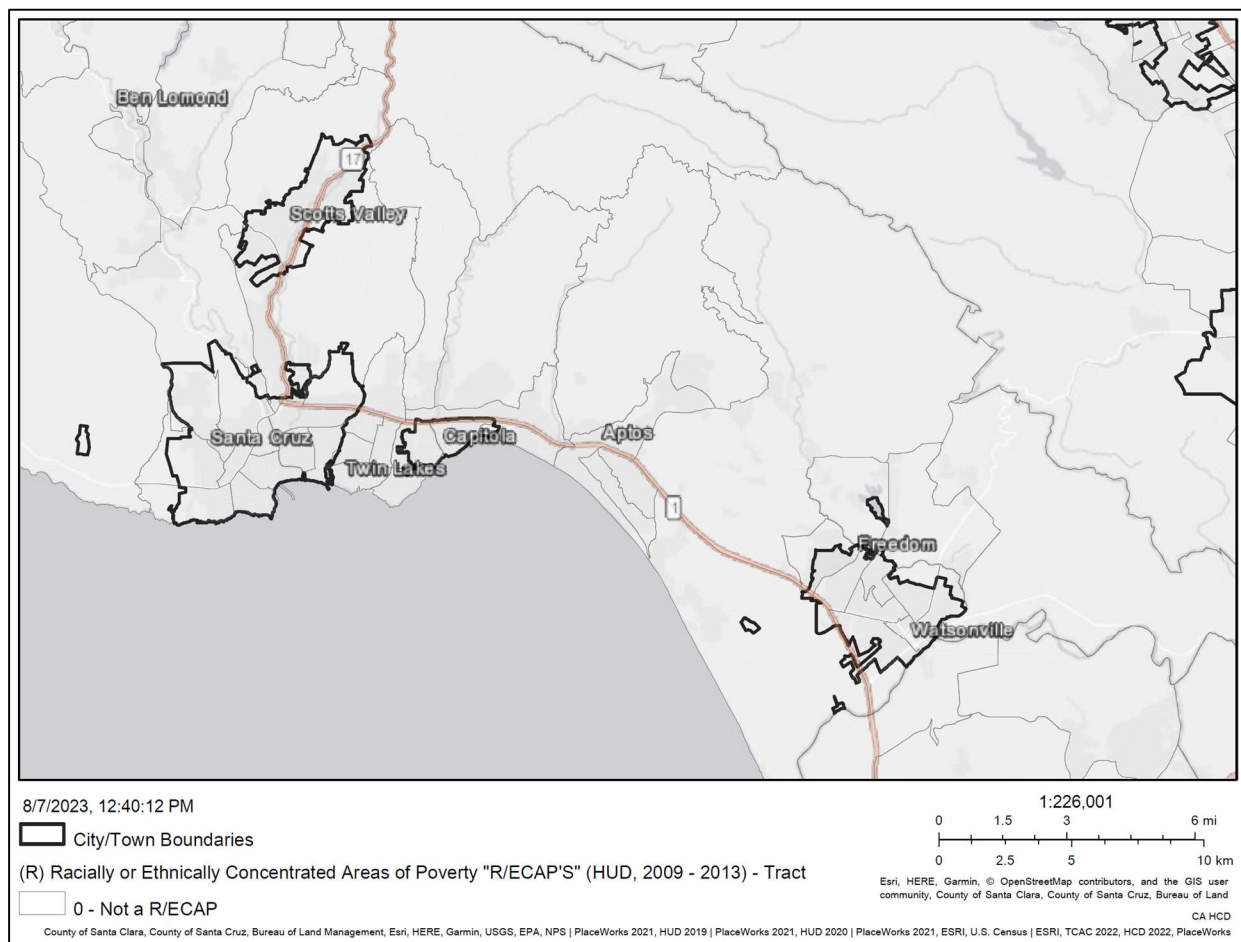


Source: California Department of Housing and Community Development – AFFH Data Viewer

Racially Concentrated Areas of Poverty (R/ECAP)

Racially and Ethnically Concentrated Areas of Poverty (R/ECAPs) are geographic areas with significant concentrations of poverty and minority populations. HUD developed a census-tract based definition of R/ECAP that relies on a racial and ethnic concentration threshold and a poverty test. The threshold states that an area with a non-White population of 50% or more would be identified as a R/ECAP; the poverty test defines areas of extreme poverty as areas where 40% or more of the population live below the federal poverty line or where the poverty rate is three times the average poverty rate for the metropolitan area (whichever is lower). Thus, an area that meets either the racial or ethnic concentration and the poverty test would be classified as a R/ECAP. There are no R/ECAPs in the City on in the neighboring communities, as shown in [Figure D-5](#).

Figure D-5: R/ECAPs in Neighboring Communities



Racially Concentrated Areas of Affluence (RCAA)

R/ECAPs are a long-standing, contributing factor to segregation. However, patterns of segregation in the United States show that of all racial groups, the White population is the most separated from other racial groups. Research identifies the segregation of affluence to be greater than the segregation of poverty. Racial and economic segregation can have significant effects on respective communities, including but not limited to socioeconomic disparities, disparities in access to

educational experiences and benefits, exposure to environmental conditions and crime, and access to public goods and services.

Data used in the analysis of Racially Concentrated Areas of Affluence (RCAs) comes from the 2015-2019 American Community Survey and is measured at the census tract level. HCD has created an RCA metric to reflect California's relative diversity and regional conditions, and to aid local jurisdictions in their analysis pursuant to AB 686 and AB 1304. HCD's RCA metric is first calculated using a Location Quotient (LQ) for each census tract that represents the percentage of the total White population (White Alone, Not Hispanic or Latino) per census tract compared to the average percentage of total White population for all census tracts in a given Council of Governments (COG). For example, a census tract with an LQ of 1.5 has a percentage of total white population that is 1.5 times higher than the average percentage of total white population in the given COG region. RCAs are identified by taking census tracts with an LQ of more than 1.25 and a median income 1.5 times higher than the COG Area Median Income (AMI) (or 1.5 times the State AMI, whichever is lower) and assigning these tracts a numeric score of 1. A score of 1 indicates that a census tract meets the qualifications of an RCA. Census tracts that did not meet this criterion are assigned a score of 0.

A nationwide analysis of RCAs identified the following trends:

- RCA tracts have more than twice the median household income of the average tract in their metro area.
- Poverty rates in RCAs are significantly lower and are, on average, about 20 percent of a typical tract.
- RCA tracts are more income homogenous than R/ECAPs.
- The average RCA is about 57 percent affluent, whereas the average R/ECAP had a poverty rate of 48 percent.
- The typical RCA tract has a rate of affluence 3.2 times that of a typical tract, whereas R/ECAPs on average had a poverty rate 3.2 times that of a typical tract.

RCAs may represent a public policy issue to the extent that they have been created and maintained through exclusionary and discriminatory land use and development practices. Postwar patterns of suburbanization in many metropolitan areas were characterized by White, affluent communities erecting barriers to affordable housing and engaging in racially exclusionary practices. According to the Housing and Community Development AFFH Guidance Memo, "segregation is a continuum, with polarity between race, poverty, and affluence, which can be a direct product of the same policies and practices." Therefore, both sides of the continuum must be examined.

Figures D-6 and D-7 show census tracts that meet the RCA criterion in Santa Cruz and in the surrounding region. As illustrated, there are 4 census tracts in the City that classified as RCAs under HCD's criterion. These census tracts are located closest to the coast and in the foothills. The foothills of Santa Cruz present a challenging obstacle to all development and development of lower income housing specifically. It is more difficult and expensive to develop housing on sloped or

hilly terrain, making affordable housing infeasible in these areas. The City has encouraged the development of affordable housing in these areas for decades, but without significant financial incentives, it is not feasible to develop. The topography of this portion of the City creates a financial constraint to the development of housing. Hills, canyons, and sloped terrain increase the cost of housing, especially low-income housing, due the additional measures required to safely develop housing in that environment. Because development of housing in these areas is costly, typically only households with higher incomes can afford to buy or rent, establishing a concentration of affluence. Each of these neighboring jurisdictions with RCAAs experience the same conditions due to the topography in these areas. [Figure D-7](#) shows that there are other RCAAs in the region, but it is important to note that most of these are in remote, sparsely populated, and mountainous areas.

Additionally, the cost of land on the coast has historically been very high, and housing in these areas regularly sell for multi-million dollars. These areas have historically been affluent and efforts to develop affordable housing in these areas have been largely unsuccessful due to the cost of subsidizing housing in this area. Similarly to all coastal areas in the state, developers have cited the cost of development in the area as a significant constraint to development of housing at moderate and lower income levels. The City continues to encourage development in these areas through incentives and financial subsidies.

[Table D-4a](#) below displays the RCAA data for the City. The data shows these RCAAs have significantly higher percentage of white residents and median household incomes (the AMI for the City is \$199,000). By cross-referencing [Figure D-7](#) to [Figure D-4](#) and [Figure D-7a](#), there are RCAAs scattered across the County in the City of Santa Cruz and Scotts Valley. This aligns with the cities' racial demographics and median income (summarized in [Table D-4b](#) below). Although not all census tracts/block groups meet the criteria to qualify as RCAAs, there is a tendency for census block groups with higher white populations to have higher median incomes throughout the county. The RCAAs also aligns with [Figure D-7b](#) TCAC/HCD Opportunity map. Areas with the highest resource throughout the County typically correlate with areas qualified as RCAAs. For instance, the same tracts that had the highest and high resources in the City of Santa Cruz and Scotts Valley were also considered RCAAs.

Additionally, [Table D-4b](#) below compares median household incomes of white residents in the City and in the County. The City's White population earns a median income of approximately \$91,054 whereas the County's White population earns a median income of approximately \$100,259. In both jurisdictions, the White population represents over half of the total population. Geographically, RCAAs in Santa Cruz are located in portions of the City that have predominantly detached single-family land uses. The RCAAs reflect a historic pattern of racially discriminatory decision-making that contributed to inequitable outcomes for communities of color. These are challenges that City's AFFH policies and programs such as 6.2c and 6.2d seek to ameliorate.

While the City has committed to actions meant to address the concentration of affluence in past Housing Element cycles, many decades of earlier local policies may have contributed to the

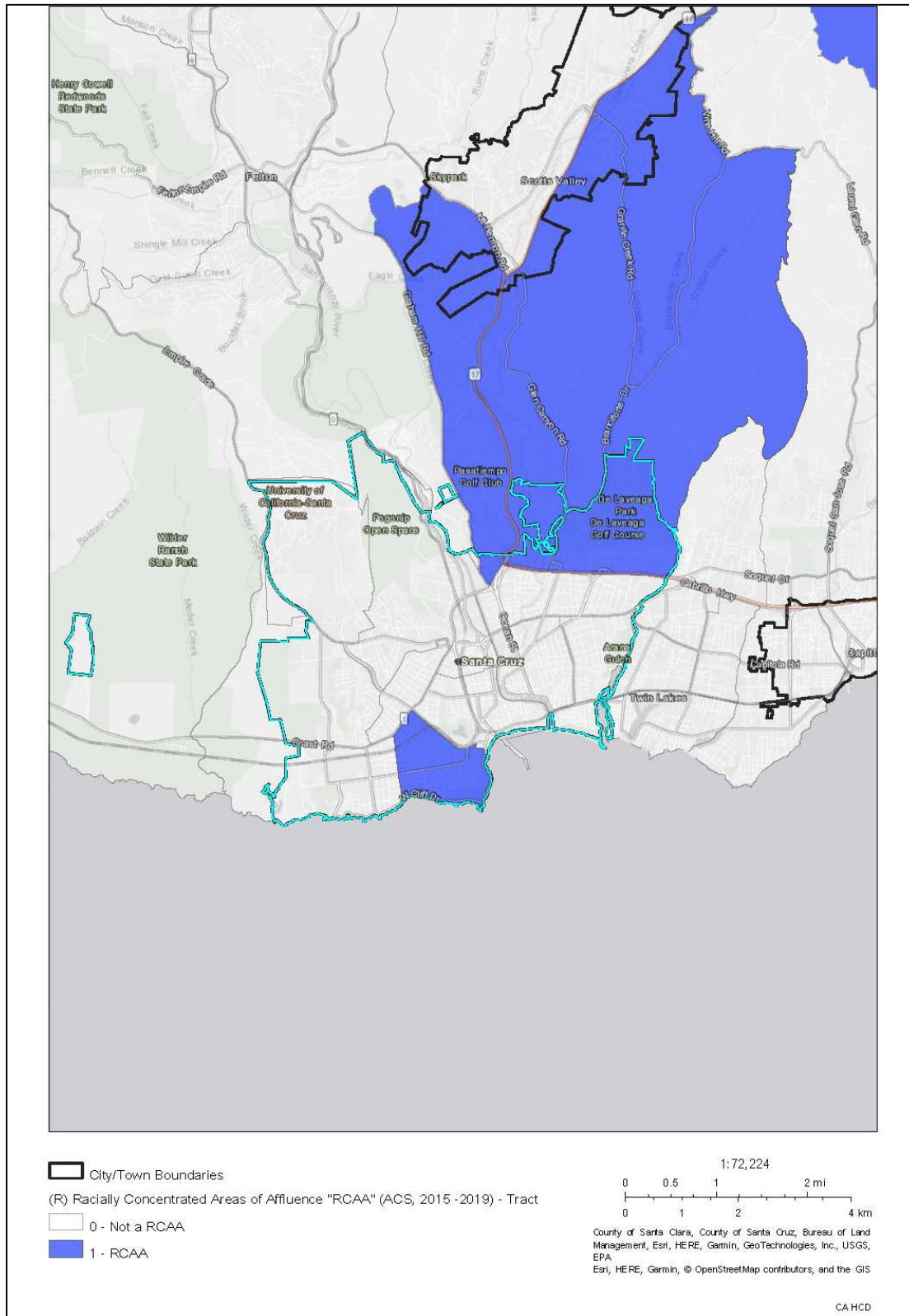
presence of RCAAs seen today. The City is committed to further improving access to opportunities and resources, and through the sites inventory and Policy Plan, the City plans to address RCAAs through further integration of these areas into more diverse, mixed-income communities.

Table D-4a: Median Household Income and White Population of RCAAs		
Census Tract	Percent White Population	Median Income
10.11	77.3%	\$122,927
12.08	81.5%	\$124,000
12.12	86.6%	\$159,643
10.01	73.0%	\$118,056
<i>Source: (U.S. Census Bureau) from HCD AFFH Data Viewer, Accessed September 14, 2022.</i>		

Table D-4b: White Population and Median Household Income of RCAAs in Santa Cruz County		
Jurisdiction	Percent White Population (Not Hispanic or Latino)	Median Income¹
Santa Cruz County	56.9%	\$100,259
Capitola	69%	\$81,617
City of Santa Cruz	62.1%	\$91,054
Scotts Valley	75.6%	\$103,783
Watsonville	12.8%	\$61,469
Notes: ¹ Median income in the past 12 months (in 2019 inflation-adjusted dollars)		
<i>Source: American Community Survey, 5-Year Estimates, 2019.</i>		

Table D-4c: Median Household Income by Race and Geography				
Race	City of Santa Cruz		Santa Cruz County	
	Median Income¹	Population	Median Income ¹	Population
White (Not Hispanic or Latino)	\$91,054	62.1%	\$100,259	56.9%
All Households	\$86,618	--	\$89,986	--
Notes: ¹ Median income in the past 12 months (in 2019 inflation-adjusted dollars)				
<i>Source: American Community Survey, 5-Year Estimates, 2019.</i>				

Figure D-6: Racially Concentrated Areas of Affluence in Santa Cruz



Source: California Department of Housing and Community Development – AFFH Data Viewer

Figure D-7: Racially Concentrated Areas of Affluence in Neighboring Communities

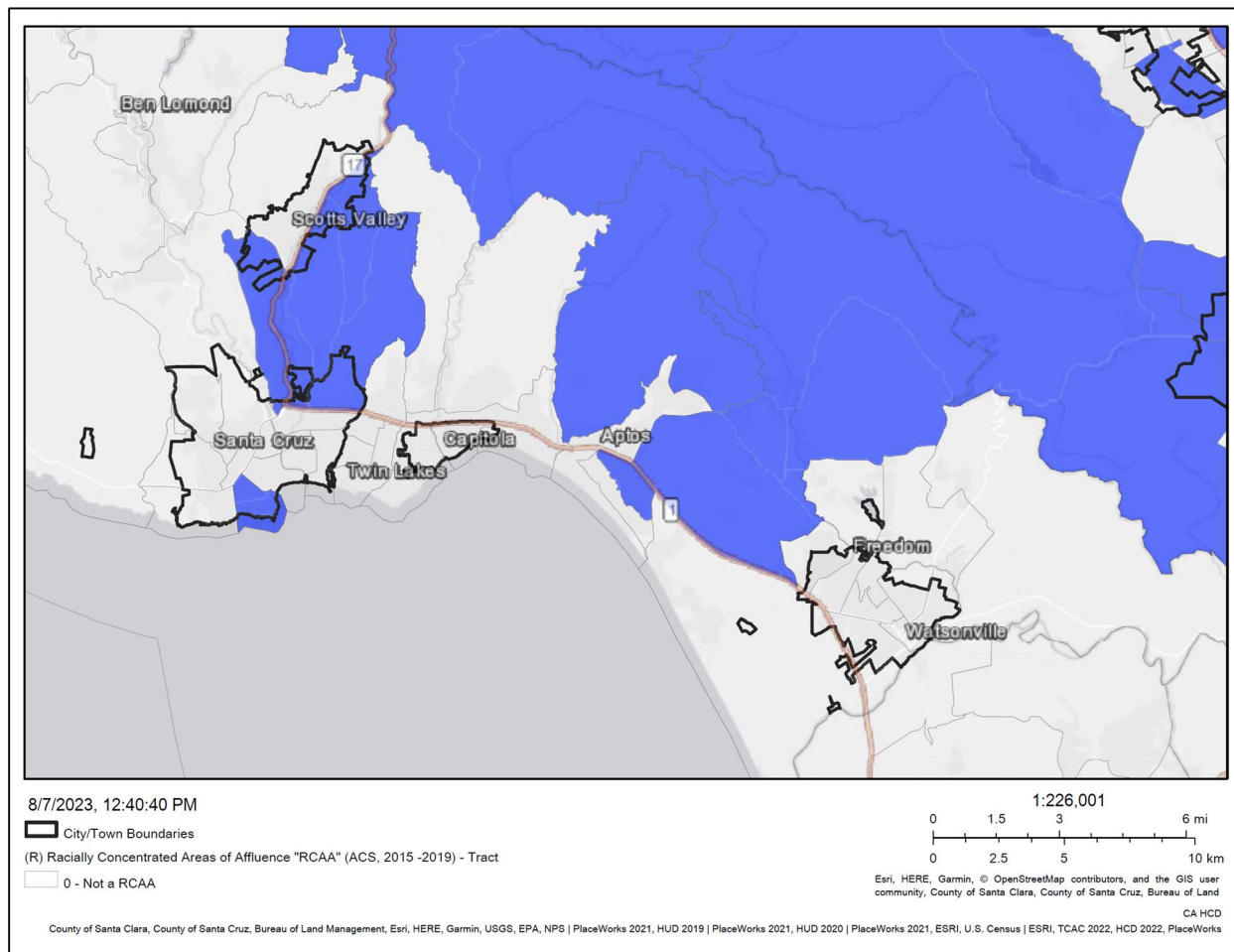
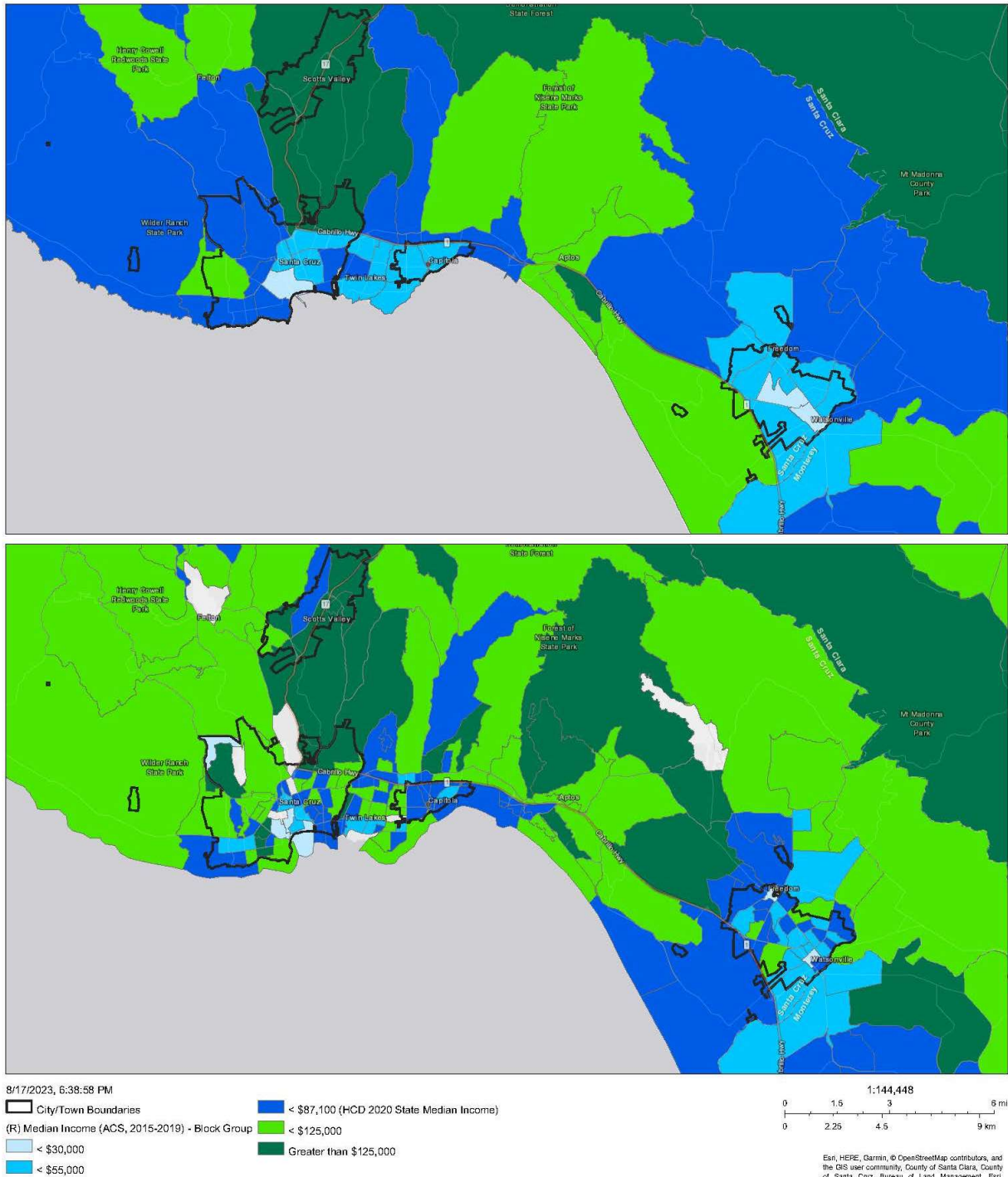


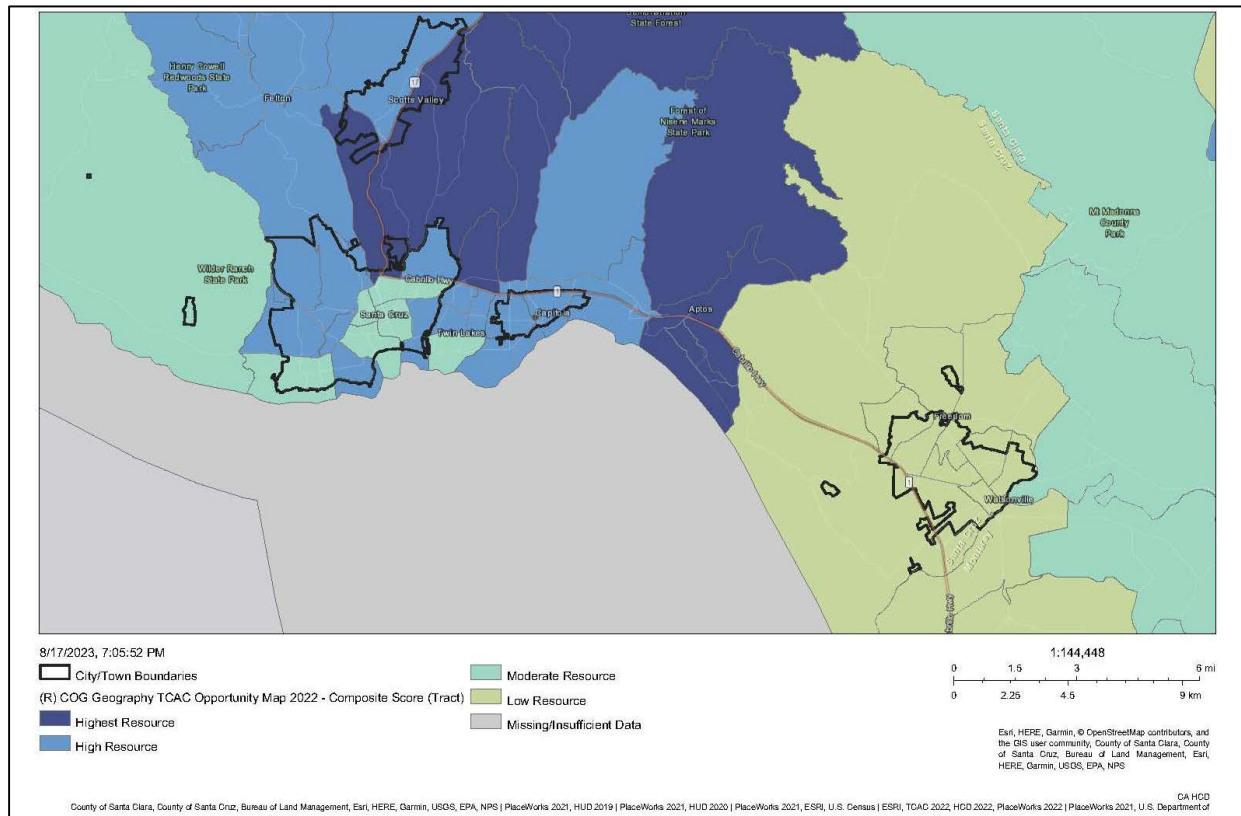
Figure D-7a: Median Income in Santa Cruz County (2014 – 2019)



County of Santa Clara, County of Santa Cruz, Bureau of Land Management, Esri, HERE, Garmin, USGS, EPA, NPS | PlaceWorks 2021, HUD 2020 | PlaceWorks 2021, ESRI, U.S. Census | ESRI, TCAG 2022, HCD 2022, PlaceWorks 2022 | PlaceWorks 2021, U.S. Department of

Source: California Department of Housing and Community Development – AFFH Data Viewer

Figure D-7b: TCAC/HCD Opportunity Map for Santa Cruz County



Source: California Department of Housing and Community Development – AFFH Data Viewer

Table D-5 provides a breakdown of candidate housing units by whether they are located in an RCAA. Very few units are located in the RCAAs given their location on the hillside and along the coast in built-out single-family neighborhoods. In comparison to corridors and the downtown area, the RCAA north of Cabrillo Highway is not considered the most appropriate location for affordable housing given its separation from the rest of the City by the highway, lack of public transit, and distance from commercial needs and community resources. Both RCAAs are still planned to accommodate a percentage of units, and affordable units, to facilitate greater integration. The RCAAs are also anticipated to provide affordable units through the development of ADUs on existing single-family parcels. The Policy Plan includes a number of policies geared toward facilitating affordable housing development and addressing housing needs for all segments of the community.

Table D-5: Candidate Housing Sites by Income Category by RCAAs				
Located in an RCAA	Units by Income Category			
	Lower	Moderate	Above Moderate	Total
No	97.6%	96.3%	95.9%	96.4%
Yes	2.4%	3.7%	4.0%	3.6%

Hate Crimes

Hate crimes are violent acts against people, property, or organizations because of the group to which they belong or identify. The Federal Fair Housing Act makes it illegal to threaten, harass, intimidate, or act violently toward a person who has exercised their right to free housing choice.

As shown in [Table D-6](#), between 2014 and 2020, a total of 52 hate crimes were reported in Santa Cruz. The most common hate crime was based on Race/Ethnicity/Ancestry. Of these, the most were anti-Black or African American, with 16 total hate crimes from 2014 to 2020, followed by four anti-Asian and anti-Jewish hate crimes. The second most hate crimes were based on Sexual Orientation, most being anti-Gay hate crimes.

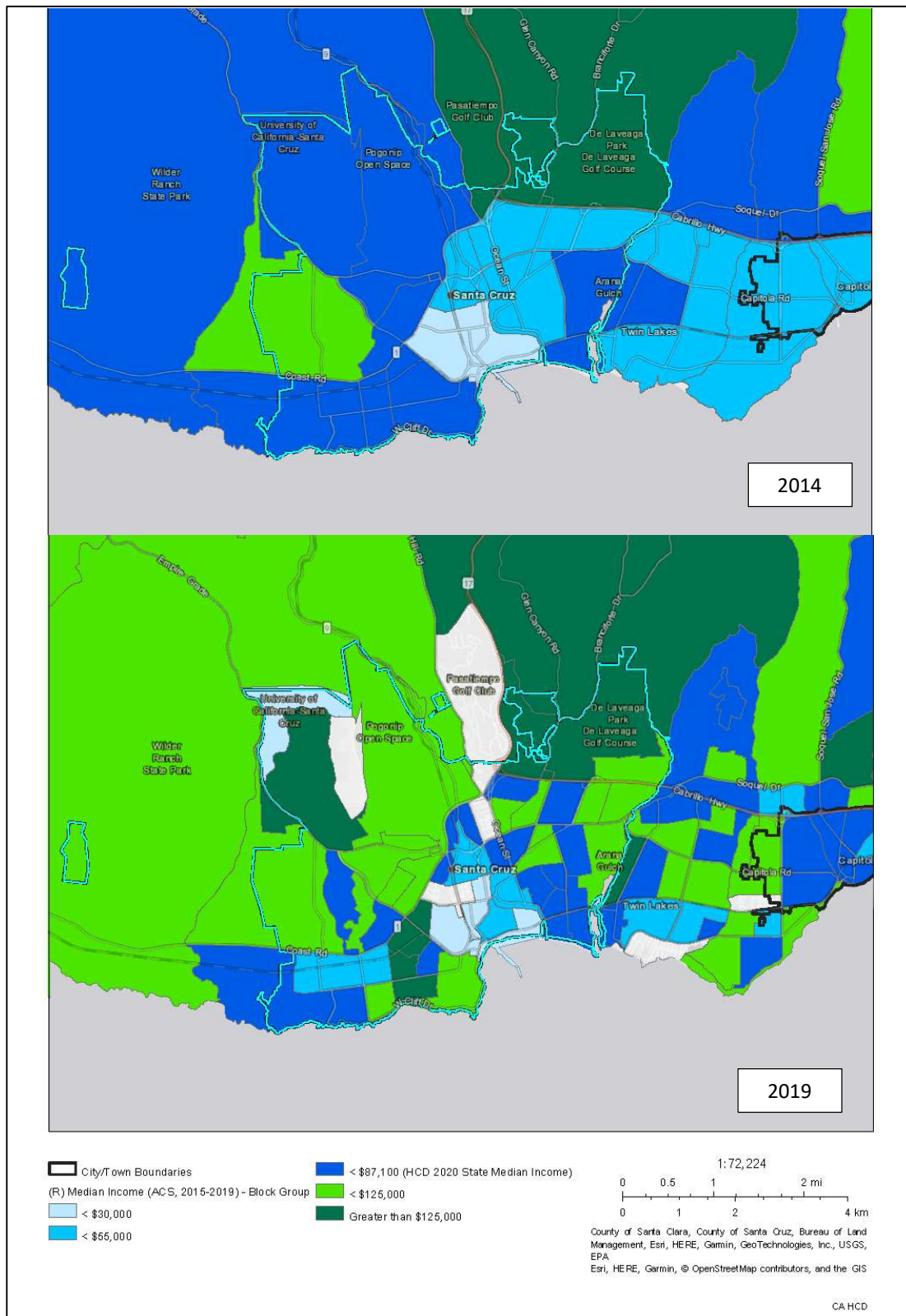
Table D-6: FBI Hate Crimes by Bias (2014-2020)							
Year	Race/ Ethnicity/ Ancestry	Religion	Sexual Orientation	Disability	Gender Identity	Multiple Bias	Total
2014	4	1	2	1	0	0	8
2015	4	1	0	0	1	0	6
2016	7	3	2	0	0	0	12
2017	5	1	3	0	0	0	9
2018	4	2	2	0	0	1	9
2019	1	0	1	0	0	0	2
2020	3	0	2	0	1	0	6
Total	28	8	12	1	2	1	52
Source: Federal Bureau of Investigation, Crime Data Explorer, 2014-2020.							

Income

Household income level plays a significant role in housing choice. According to the U.S. Census Bureau 2020 5-year estimates, the median household income for the City is \$86,618 compared to \$89,986 at the County level. The median household income in the City also varies significantly based on tenure; renter-occupied households have a median income of \$54,609 while owner-occupied households have a median income of \$126,202.

[Figure D-8](#) shows the median income for Santa Cruz and the surrounding region. There is a large range of economic outcomes in the City, with the neighborhoods surrounding the Downtown region reporting the lowest median incomes. One large area in the north-eastern region reports a median income greater than \$125,000; however, this area is mostly comprised of the De Laveaga Park and Golf Course, with a smaller portion of residential neighborhoods. The relatively small population of this area means that a few households with extremely high incomes could have skewed the median, making this statistic a less reliable indicator of the area's overall affluence.

Figure D-8: Median Income (2014 – 2019)



Source: California Department of Housing and Community Development – AFFH Data Viewer

The City has experienced a relatively large increase in median income over the past decade. Census data reports a 45.5 percent increase in median income between 2010 and 2020, with the greatest growth occurring in the last five years. This is a much greater increase than for the County and the across the state as shown in [Table D-7](#). The increase in median income across the City could reflect a similar increase in housing costs, resulting in the displacement of lower income households.

Table D-7: Median Income by Geography (2010 – 2020)			
Median Income by Year	City of Santa Cruz	Santa Cruz County	California
2020	\$86,618	\$89,986	\$78,672
2015	\$62,164	\$67,256	\$61,818
2010	\$61,207	\$65,253	\$60,883
Percent Change	45.5%	37.9%	29.2%
<i>Source: American Community Survey, 5-Year Estimates, 2010, 2015, 2020.</i>			

Over this ten year period, the City has had a lower median household income than the County but higher than the State. As [Table D-8](#) shows, a large portion of the City’s households are higher earning; in total, over 55.5 percent of households in Santa Cruz earn more than the State median-income of \$60,883. Additionally, over 16 percent of households in Santa Cruz earn \$200,000 or more annually. While just under 36 percent of City residents earn less than \$50,000 annually, compared to 28.6 percent and 32.6 percent for the County and State, respectively, the City also has more households in the lower income ranges than the State or County. This may, at least in part, be attributable to the larger population of students in the City. In general, the City has fewer households in the mid-income ranges and more at the upper and lower levels than the State or County.

Table D-8: Households by Median Income by Geography			
Households Income	City of Santa Cruz	Santa Cruz County	California
Less than \$10,000	7.9%	4.4%	4.7%
\$10,000-\$14,999	4.8%	3.6%	3.9%
\$15,000-\$24,999	7.7%	6.3%	6.9%
\$25,000-\$34,999	6.1%	5.5%	7.1%
\$35,000-\$49,999	9.3%	8.8%	10.0%
\$50,000-\$74,999	8.7%	12.8%	15.3%
\$75,000-\$99,999	10.8%	12.9%	12.3%
\$100,000-\$149,999	14.8%	16.9%	17.1%
\$150,000-\$199,999	13.4%	12.1%	9.4%
\$200,000 or More	16.5%	16.8%	13.3%
<i>Source: American Community Survey, 5-Year Estimates, 2020.</i>			

[Table D-9](#) shows that a higher percentage of units are located in areas with higher percentages of existing low- and moderate-income households. Higher income areas are generally built out single-family neighborhoods where the City anticipates additional affordable housing opportunities through the development of ADUs on existing parcels. While [Table D-9](#) shows that affordable units are located in areas with higher percentages of existing lower and moderate-income households, they are located in areas with the closest proximity to transit, commercial needs, and community resources. The City has included a number of policies in the Policy Plan to protect existing households from displacement and provide opportunities for focused resources.

Table D-9: Candidate Housing Sites by Income Category by Low and Moderate Income Households				
Percent Low- and Moderate-Income Population	Units by Income Category			
	Lower	Moderate	Above Moderate	Total
10% - 25%	0.2%	0.2%	0.4%	0.3%
25% - 50%	20.7%	17.5%	24.6%	22.7%
50% - 75%	44.5%	14.2%	25.0%	28.9%
> 75%	34.6%	68.2%	49.8%	48.0%

Disability

In 1988, Congress added protections against housing discrimination for persons with disabilities through the Federal Housing Administration (FHA), which protects against intentional discrimination and unjustified policies and practices with disproportionate effects. The FHA also includes the following unique provisions for persons with disabilities: (1) prohibits the denial of requests for reasonable accommodations for persons with disabilities, if necessary, to afford an individual equal opportunity to use and enjoy a dwelling; and (2) prohibits the denial of reasonable modification requests. Regarding fair housing, persons with disabilities have special housing needs due to lack of accessible and affordable housing, and the higher health costs associated with their disability. In addition, many may be on fixed incomes that further limit their housing options.

Table D-10 shows data for persons with disabilities in the City, County, and State. About 10.6 percent of the California population reported having at least one disability. In the City, about 9.7 percent of persons reported at least one disability. The County reported a higher percentage than the City at 11.5 percent. Of the 9.7 percent of Santa Cruz residents who reported a disability, the most common disabilities were cognitive difficulties and independent living, which could be tied to the City's senior population. Ease of reasonable accommodation procedures and opportunity for accessible housing can provide increased housing security for the population with disabilities.

Table D-10: Population by Disability Type, Compared by Geography, 2020			
Disability	City of Santa Cruz	Santa Cruz County	California
Total with a Disability	9.7%	11.5%	10.6%
Hearing Difficulty	2.4%	3.4%	2.9%
Vision Difficulty	1.8%	2.4%	2.0%
Cognitive Difficulty	4.6%	4.9%	4.3%
Ambulatory Difficulty	3.5%	5.0%	5.8%
Self-care Difficulty	1.8%	2.3%	2.6%
Independent Living	3.7%	5.0%	5.5%

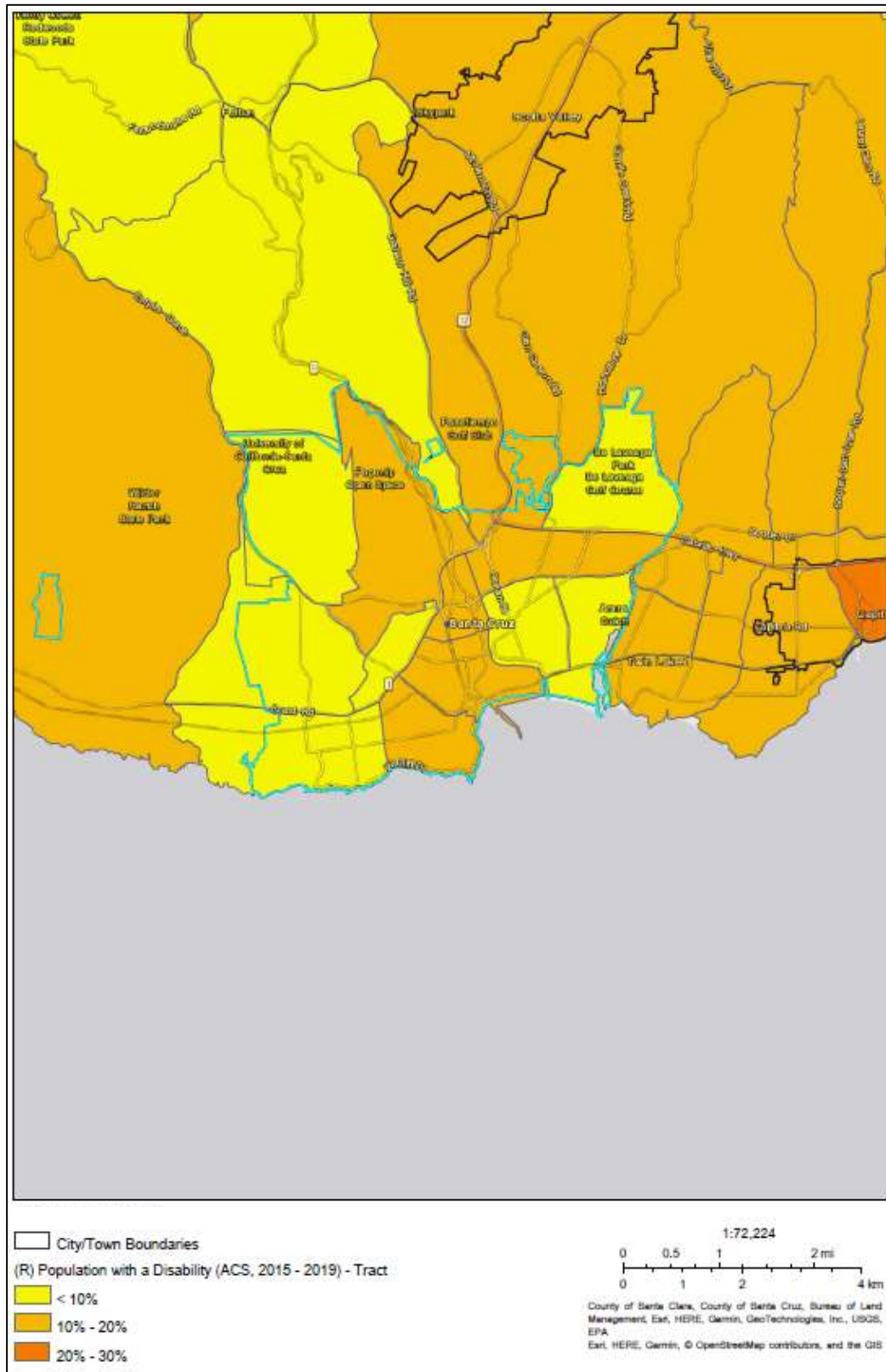
Source: American Community Survey, 5-Year Estimates, 2020.

The data in Figure D-9 below displays data for disability status in Santa Cruz by census tract. The data shows that in the City approximately half of the census tracts report 10 to 20 percent of the population to have at least one disability and the other half reports under 10 percent. Overall, this is consistent with the surrounding region.

Although there is no significant concentration of the population having at least one disability, it is the policy and practice of the City to take all reasonable steps to ensure its services, programs, and activities are accessible to all members of the public including persons with disabilities. Community

resources and services are located near community parks, fire and police services, grocery stores and commercial uses, and medical offices. Approximately 96.1 percent of homes and 95.7 of jobs are located within half a mile of transit. [Appendix B](#) and [F](#) provide detailed descriptions of services and resources provided for persons with disabilities.

Figure D-9: Population with a Disability



Source: California Department of Housing and Community Development – AFFH Data Viewer

Familial Status

Under the FHA, housing providers (e.g., landlords, property managers, real estate agents, or property owners) may not discriminate because of familial status. Familial status refers to the presence of at least one child under 18 years old, pregnant persons, or any person in the process of securing legal custody of a minor child (including adoptive or foster parents). Examples of familial status discrimination include refusing to rent to families with children, evicting families once a child joins the family (through birth, adoption, or custody), enforcing overly restrictive rules regarding children's use of common areas, requiring families with children to live on specific floors, buildings, or areas, charging additional rent, security deposit, or fees because a household has children, advertising a preference for households without children, and lying about unit availability.

Families with children often have special housing needs due to lower per capita income, the need for affordable childcare, the need for affordable housing, or the need for larger units with three or more bedrooms. Single parent households are also protected by fair housing law. Of particular consideration are female-headed households, who may experience greater housing affordability challenges due to typically lower household incomes compared to two-parent households or male-headed single parent households. Often, gender and familial status intersect to compound the discrimination faced by single mothers.

Table D-11 displays household type for the State, County, and City. Overall, Santa Cruz has the largest percentage of non-family households (52.8 percent) which can be at least partially attributed to the large student population in the City. Santa Cruz has the lowest percentage of all other household types compared to the County and State. Approximately 35.5 percent of households in Santa Cruz have at least one person over the age of 60, which is slightly lower than the State and almost 9 percent lower than the County. Different household types have varying housing needs – senior households may benefit from reasonable accommodation procedures and being located near medical facilities, single-parent households may benefit from affordable housing options due to limited income, and all family households may benefit from larger housing units located near community areas and schools, as well as near childcare facilities.

Table D-11: Population by Familial Status by Geography			
Familial Status	City of Santa Cruz	Santa Cruz County	California
Total Households	22,644	96,275	13,103,114
Married-Couple Family Households	35.4%	48.1%	49.7%
With Children	13.1%	17.8%	17.8%
Non-Family Households	52.8%	36.8%	31.4%
Households with one or more people 60 years+	35.5%	44.3%	39.9%
Female Headed Households, No Spouse Present with Children	7.4%	10.1%	12.9%
Source: American Community Survey, 5-Year Estimates, 2020.			

The data in [Figure D-10](#) and [Figure D-11](#) below shows living arrangements of children by census tract in Santa Cruz. [Figure D-10](#) shows the percent of children in Santa Cruz in married couple households by census tract. The data shows that most census tracts have children living in married couple households (60 to 80 percent and above 80 percent per tract). There are several census tracts closer to the coast where between 40 and 60 percent have children living in married couple households.

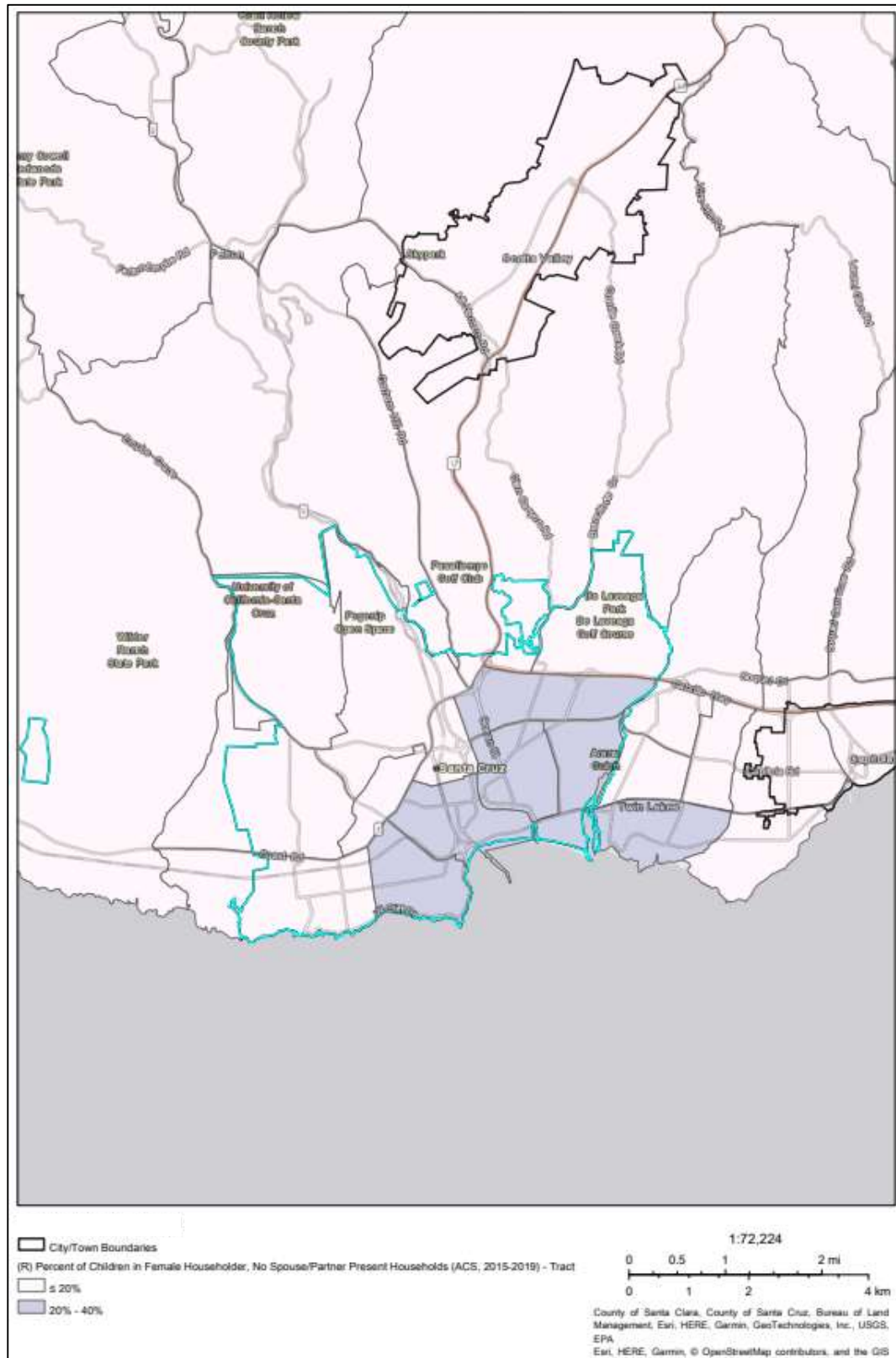
[Figure D-11](#) shows the percent of children in female headed households with no spouse/partner by census tract in Santa Cruz. The data shows that the City has a number of census tracts in the southeast region where female headed households with children and no spouse present are more than 20 percent.

Figure D-10: Children Living in Married-Couple Households



Source: California Department of Housing and Community Development – AFFH Data Viewer

Figure D-11: Children Living in Female-Headed Households



Source: California Department of Housing and Community Development – AFFH Data Viewer

3. Access to Opportunities

Access to opportunity is a concept to approximate the link between place-based characteristics (e.g., education, employment, safety, and the environment) and critical life outcomes (e.g., health, wealth, and life expectancy). Ensuring access to opportunity means both improving the quality of life for residents of low-income communities, as well as supporting residents' mobility and access to 'high resource' neighborhoods.

Mobility

Access to public transit is of paramount importance to households affected by low incomes and rising housing prices, especially because lower-income households are often transit dependent. Public transit should strive to link lower-income persons, who are often transit-dependent, to major employment areas where job opportunities exist. Access to employment via public transportation can reduce welfare usage and increase housing mobility, which enables residents to locate housing outside of traditionally low-income neighborhoods.

Transportation opportunities are depicted by two indices: (1) the transit trips index and (2) the low transportation cost index. The transit trips index measures how often low-income families in a neighborhood use public transportation. The index ranges from 0 to 100, with higher values indicating a higher likelihood that residents in a neighborhood utilize public transit. The low transportation cost index measures cost of transportation and proximity to public transportation by neighborhood. It too varies from 0 to 100, and higher scores point to lower transportation costs in that neighborhood.

AllTransit, a source of transit data provided by CNT (Center for Neighborhood Technology), explores metrics that reveal the social and economic impact of transit, specifically looking at connectivity, access to jobs, and frequency of service. According to the data shown in [Table D-12](#), Santa Cruz scored a 7.0 AllTransit performance score out of 10 possible points, illustrating a high combination of trips per week and number of jobs accessible that enable a moderate number of people to take transit to work. In total, 46,043 jobs are accessible within a 30-minute trip from Santa Cruz, and 6.89 percent of commuters use transit. Additionally, AllTransit identified the following transit-related statistics for Santa Cruz:

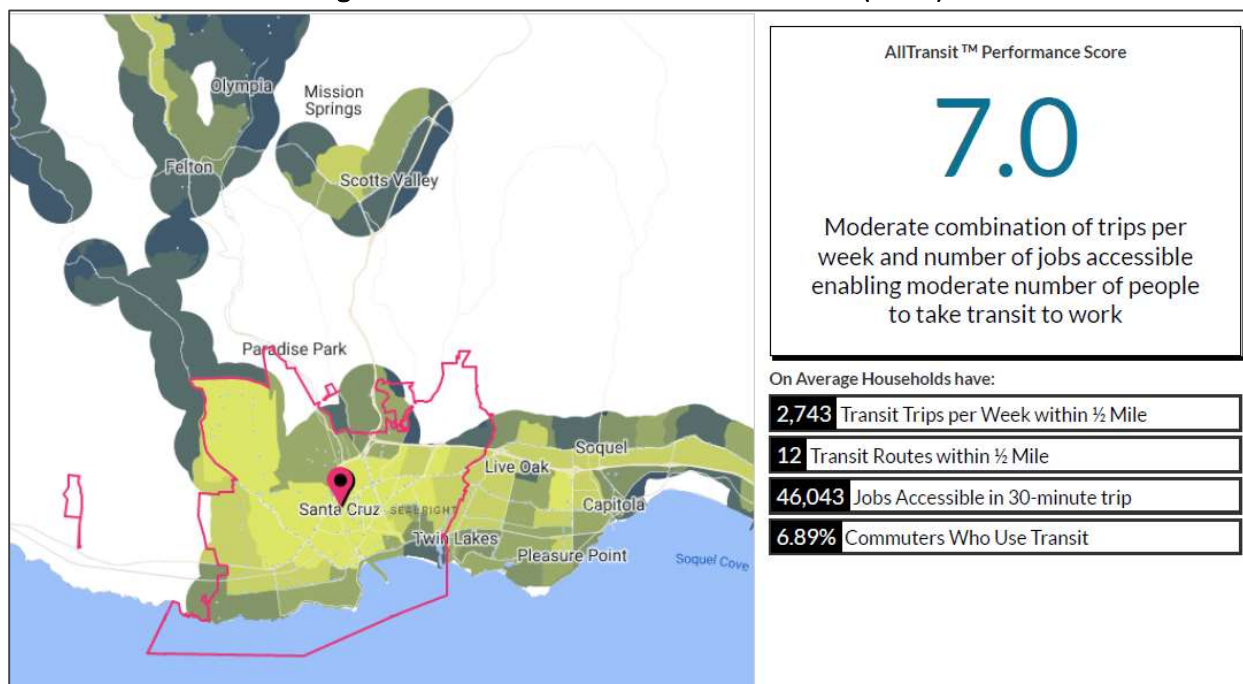
- 95.7% of jobs in Santa Cruz are located within a half-mile of transit.
- 97.1% of low-income households (earning less than \$50,000) live within a half-mile of transit.
- 11.18% of workers who commute by walking live within a half-mile of transit.
- 10.28% of workers who commute by bicycle live within a half-mile of transit.

By comparison, Santa Cruz scored higher than the neighboring jurisdictions of Watsonville (6.1) and Scotts Valley (4.4). Overall, Santa Cruz has a higher AllTransit score than the Santa Cruz County average (7.0 in Santa Cruz and 4.8 in the County), meaning that the City has relatively better transit service than the surrounding areas.

Table D-12: AllTransit Index					
Jurisdiction	All Transit Performance Score	Transit Trips Per Week within 1/2 Mile	Jobs Accessible in 30-min trip	Commuters Who Use Transit	Transit Routes within 1/2 Mile
Santa Cruz	7.0	2,743	46,043	6.89%	12
Santa Cruz County	4.8	1,269	33,599	2.99%	6

Source: AllTransit, Transit Scores. Accessed September 15, 2022.

Figure D-12: AllTransit Performance Score (2021)



Source: AllTransit Fact Sheet, 2021.

Economic and Employment Opportunities

The TCAC/HCD Opportunity Area Maps include economic data, as shown in Figure D-13. This data represents opportunity levels based on the following factors:

- Poverty – Percent of population with an income above 200 percent of the federal poverty line.
- Employment – Percent of adults aged 20-64 who are employed in the civilian labor force or in the armed forces.
- Job Proximity – Number of jobs filled by workers with less than a Bachelor of Arts degree that fall within a given radius (determined by the typical commute distance of low-wage workers in each region) or each census tract population-weighted centroid.
- Adult Education – Percent of adults with a bachelor's degree or above.
- Median Home Value – Value of owner-occupied units.

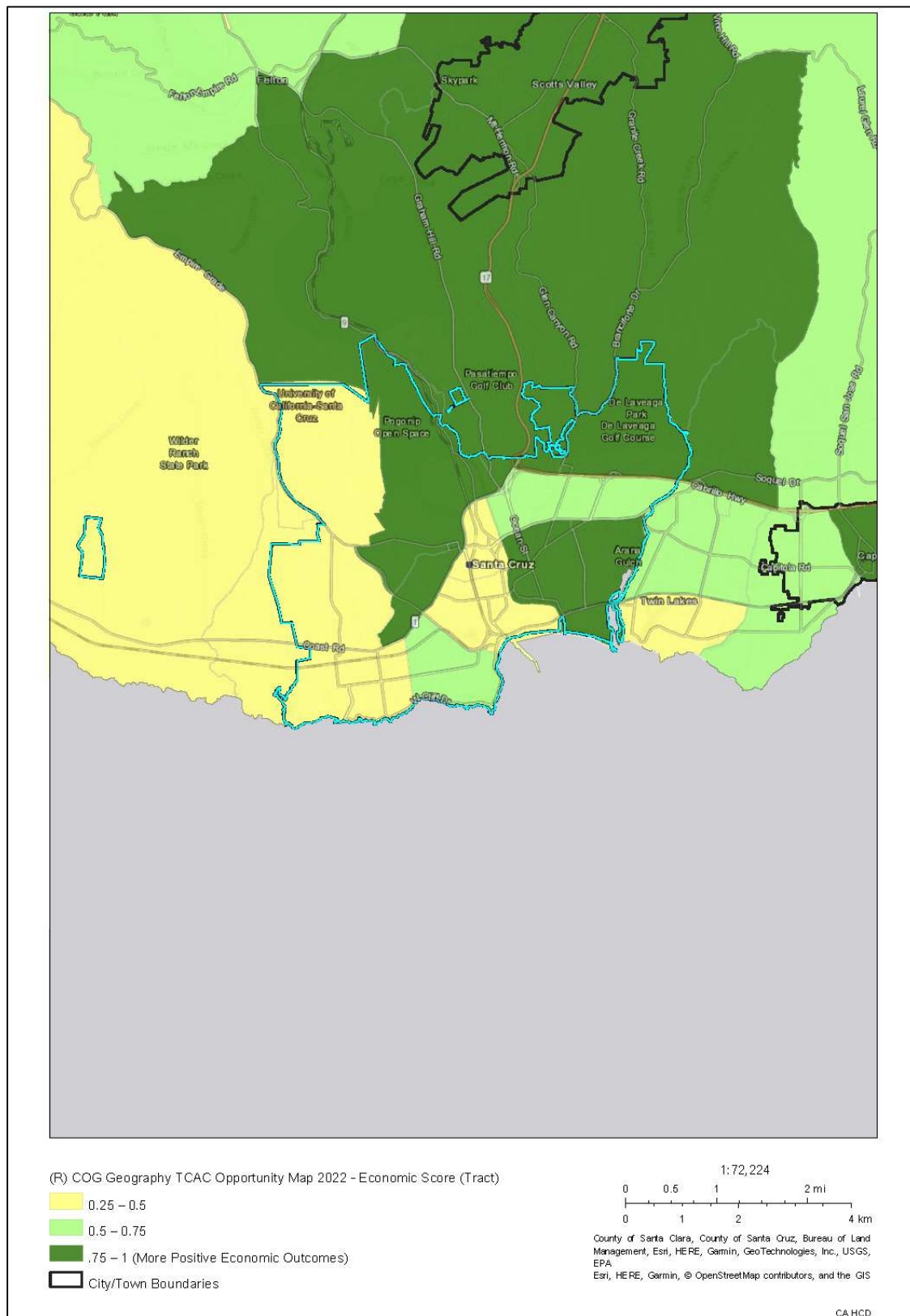
Figure D-13 shows that the majority of households in the City have fairly positive economic scores. The areas with lower scores include:

- The UCSC campus in the north-western region of the City which includes mostly students without full-time jobs, as well as a large portion of open space (forests and meadows).
- Largely undeveloped land (open space and parkland) and some residential neighborhoods on the western edge of the City, north of Mission Street. This area includes the Moore Creek Preserve. Residential uses, which represent less than half of the area, are mainly single-family homes along Western Drive and neighborhoods branching off of Bay Street.
- The south-western region of the City south of Mission Street, which is predominantly comprised of industrial uses, some residential, the UCSC biology/research campuses and related marine science centers, as well as vacant and preserved natural space (Natural Bridges State Park). The residential uses in this area include generally affluent, single-family residences along the coast, but also several multi-family complexes as well as De Anza Mobile Home Community to the west of Natural Bridges State Park. Few residential projects are currently in progress within the industrial area, which is predominantly focused on providing employment opportunities for the City, but residential projects are developing along the residential borders of the industrial area.
- Downtown Santa Cruz, which includes a large variety of commercial and retail employment opportunity but sees a higher rate of poverty. The area is currently experiencing high rates of redevelopment with new residential opportunities, including many affordable housing units.

In terms of economic and employment opportunities, the City is comparable to the surrounding region. The area to the west of the City is Wilder Ranch State Park – whose lower economic score can be explained by the area’s status as a preserved natural space. The area to the north of the City is part of the Santa Cruz Mountains; there are a number of smaller towns, but housing costs are generally high and predominantly single-family residences. While there may be fewer employment opportunities to the north of the City, households located within this area may have higher rates of higher education and higher incomes, which may be the cause of the area reporting more positive economic scores. Communities to the east of Santa Cruz are fairly similar but have less open and protected natural space and more single-family neighborhoods – resulting in generally positive economic scores.

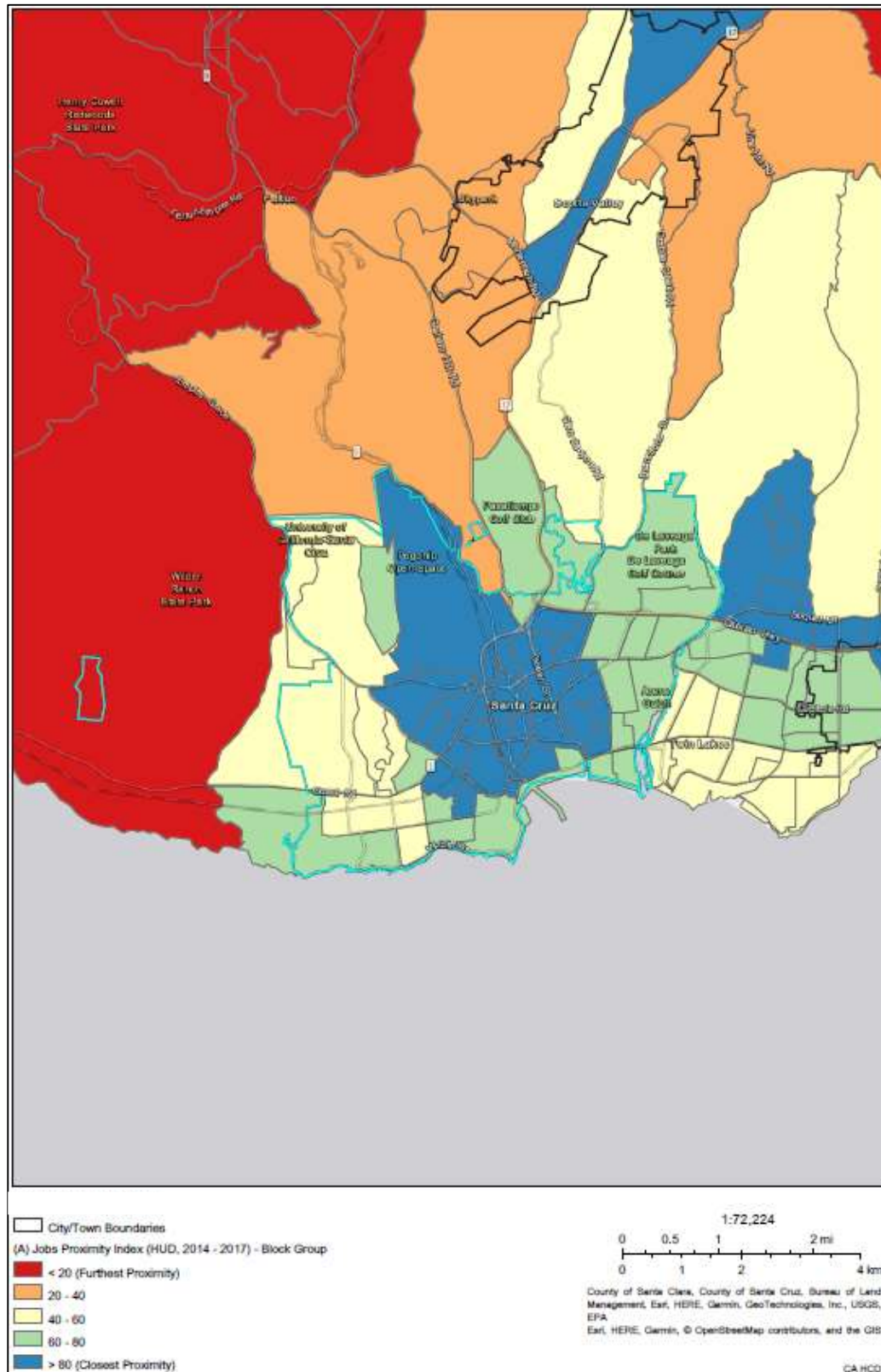
When compared to proximity to jobs (Figure D-14), Santa Cruz residents generally live the closest to employment opportunities. Overall, Santa Cruz residents have moderate access to positive economic opportunities. Areas on the western side of the City showing moderate proximity to employment are mostly comprised of natural open space, the UCSC campus, industrial areas, and some residential neighborhoods. Additionally, the City’s expansive bus network allows accessible travel throughout the entire City and the university campus, proving access to employment. The City also provides many employment opportunities for neighboring communities.

Figure D-13: Economic Opportunity Scores



Source: California Department of Housing and Community Development – AFFH Data Viewer

Figure D-14: Jobs Proximity Index



Source: California Department of Housing and Community Development – AFFH Data Viewer

Education Opportunities

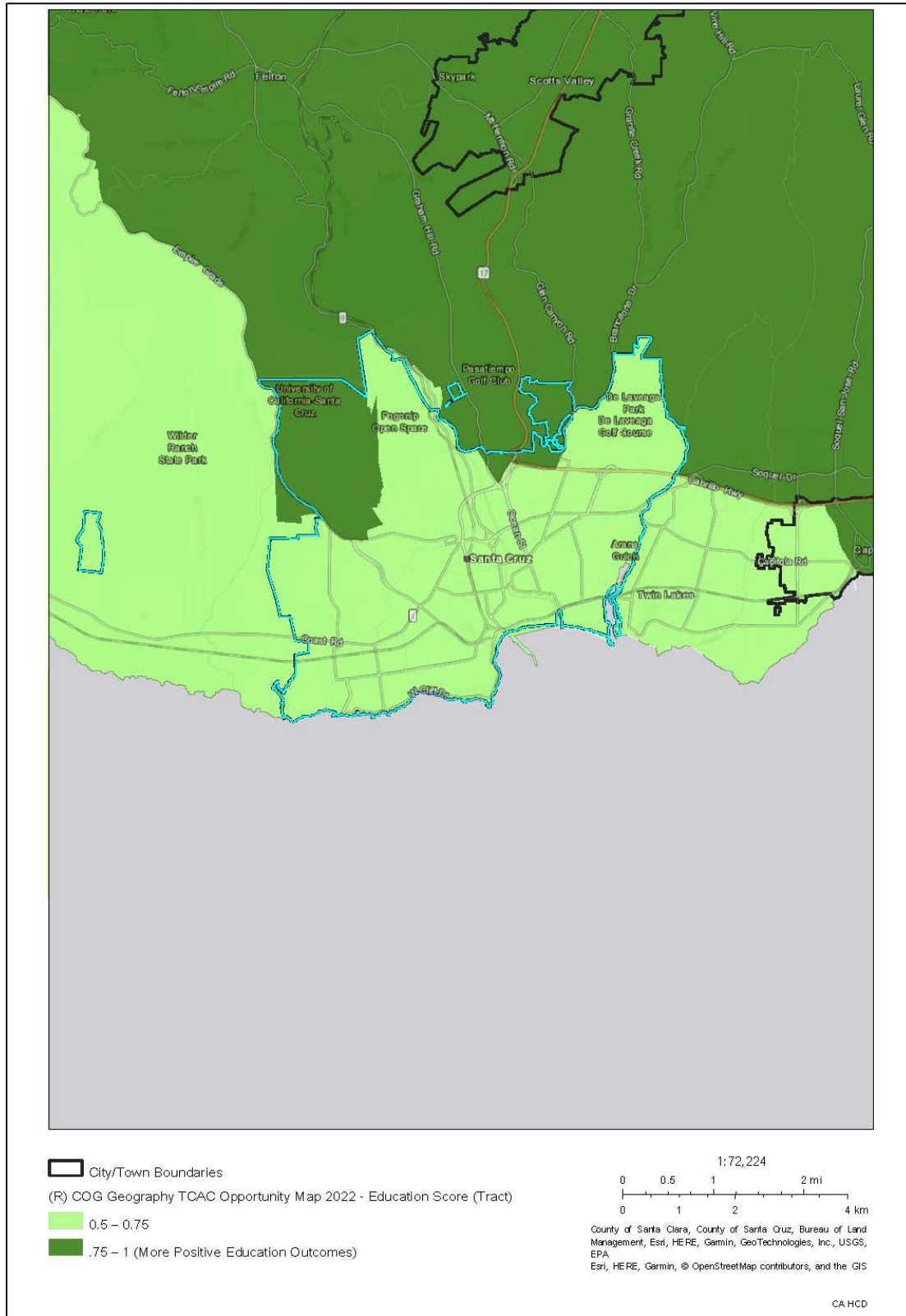
The TCAC/HCD Opportunity Area Maps include education data, as illustrated in [Figure D-15](#). This data represents opportunity levels based on the following four factors:

- Math proficiency – Percentage of fourth graders who meet or exceed math proficiency standards.
- Reading proficiency – Percentage of fourth graders who meet or exceed literacy standards.
- High school graduation rates – Percentage of high school cohort that graduated on time.
- Student poverty rate – Percentage of students not receiving free or reduced-price lunch.

[Figure D-15](#) shows educational scores for the City. As shown, a large portion of the City is scored at the second highest positive educational outcomes. The highest educational category is present in the northwest of the City where the University is located as well as in a portion of the northeastern area. Overall, Santa Cruz provides moderately high opportunities for educational achievement and Santa Cruz residents show high educational achievements and successes in achieving college degrees. Overall, future housing developments within the City will benefit from access to high levels of resources, bringing additional opportunities for existing and future residents.

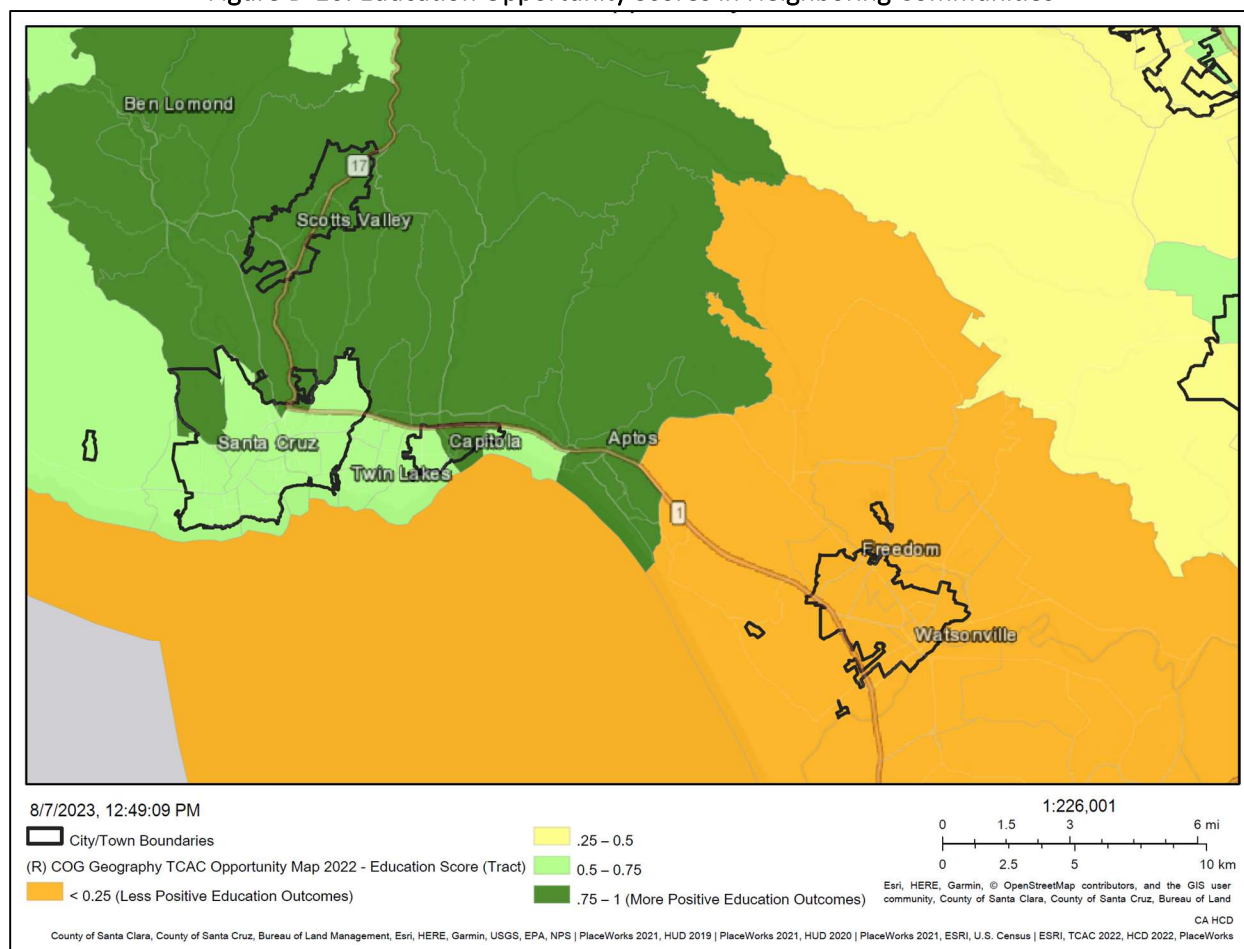
Comparatively, the communities to the north of the city show more positive educational outcomes. The communities to the southeast of the City, however, report significant worse educational outcomes than both the City and the County.

Figure D-15: Education Opportunity Scores



Source: California Department of Housing and Community Development – AFFH Data Viewer

Figure D-16: Education Opportunity Scores in Neighboring Communities



Environmental Health

The California Office of Environmental Health Hazard Assessment (OEHHA) developed a screening methodology to help identify California communities disproportionately burdened by multiple sources of pollution, called the California Communities Environmental Health Screening Tool (CalEnviroScreen). In addition to environmental factors (pollutant exposure, groundwater threats, toxic sites, and hazardous materials exposure) and sensitive receptors (seniors, children, persons with asthma, and low birth weight infants), CalEnviroScreen also takes into consideration socioeconomic factors. These factors include educational attainment, linguistic isolation, poverty, and unemployment. Research has shown a heightened vulnerability to environmental pollutants for people of certain ethnicities and lower socioeconomic status.

The CalEnviroScreen 4.0 Model is made up of a suite of 20 statewide indicators of pollution burden and population characteristics associated with increased vulnerability to pollution's health effects. The following factors are included in the model to identify areas of health risk:

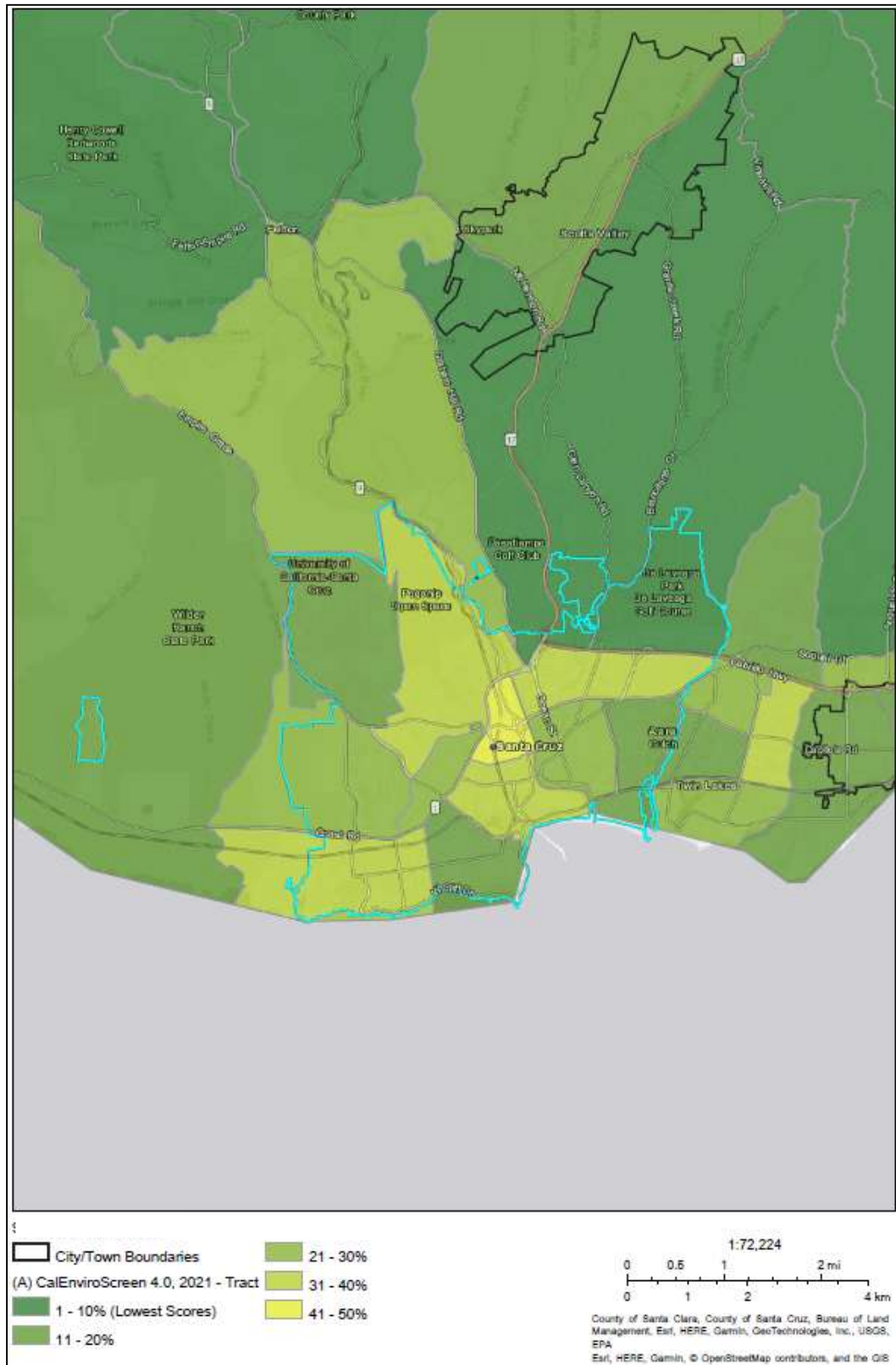
- A weighted scoring system is used to derive average pollution burden and population characteristic scores for each census tract.

- A final CalEnviroScreen score is calculated for a given census tract relative to the other tracts by multiplying the pollution burden and population characteristics components together.
- The relative pollution burdens and vulnerabilities are measured in one census tract compared to others; the score is not a measure of health risk.

Figures D-17 and D-18 display mapped results of the CalEnviroScreen 4.0 for the City and surrounding region. Overall, the City has low levels of pollution burdens, as do the majority of neighboring communities, which are wooded, mountainous, and sparsely populated. Table 4-13 compares the two census tracts with the highest and lowest pollution burdens in the City. As detailed, Census Tract 10.10 reports a higher pollution burden, but is still considered relatively low to moderate on the scale. The housing burden, poverty, and unemployment percentile in this census tract is greater than that of Census Tract 10.11. In general, new housing opportunities throughout the City would not be heavily affected by the low levels of pollution burdens.

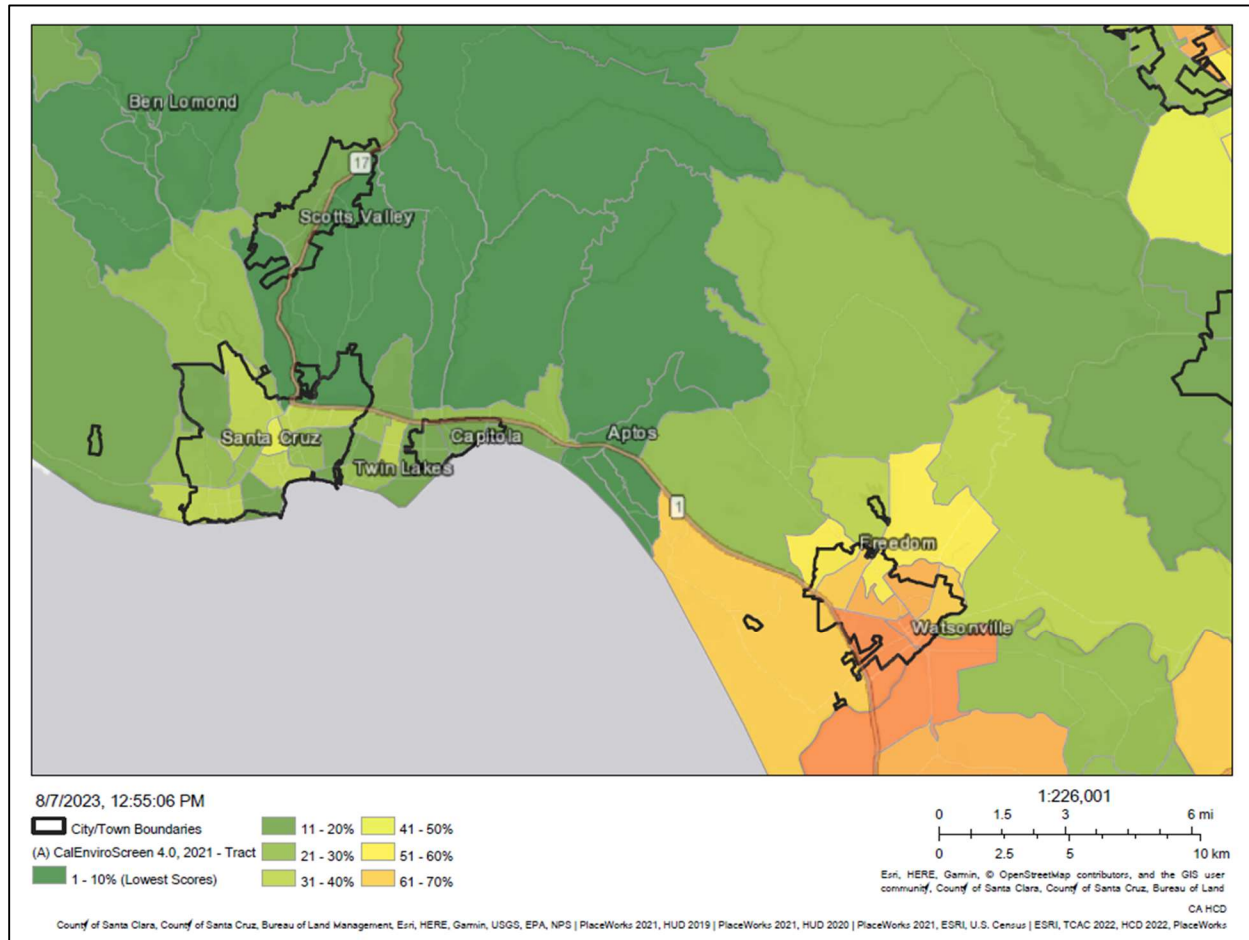
Table D-13: EnviroScreen 4.0 for Census Tract 10.10			
Pollutant	Percentile*	Health Risk/Burden	Percentile*
Census Tract 10.10			
CalEnviro Screen 4.0	40	Pollution Burden	35
Ozone	14	Asthma	18
Particulate Matter 2.5	4	Low Birth Weight	44
Diesel Particulate Matter	45	Cardiovascular Rate	21
Toxic Releases	14	Education	49
Drinking Water	18	Linguistic Isolation	31
Lead from Housing	54	Poverty	90
Cleanup Sites	69	Unemployment	36
Groundwater Threats	94	Housing Burden	99
Hazardous Waste	75	-	-
Impaired	93	-	-
Solid Waste	0	-	-
Census Tract 10.11			
CalEnviro Screen 4.0	15	Pollution Burden	15
Ozone	14	Asthma	18
Particulate Matter 2.5	4	Low Birth Weight	50
Diesel Particulate Matter	36	Cardiovascular Rate	21
Toxic Releases	13	Education	27
Drinking Water	18	Linguistic Isolation	10
Lead from Housing	45	Poverty	33
Cleanup Sites	23	Unemployment	N/A
Groundwater Threats	53	Housing Burden	49
Hazardous Waste	59	-	-
Impaired	83	-	-
Solid Waste	0	-	-
*Percentile derived using a weighted scoring system to determine average pollution burden/socioeconomic scores relative to other census tracts.			
Source: CalEnviroScreen 4.0. Accessed January 10, 2023.			

Figure D-17: CalEnviroScreen 4.0



Source: California Department of Housing and Community Development – AFFH Data Viewer

Figure D-18: CalEnviroScreen 4.0 in Neighboring Communities



Source: California Department of Housing and Community Development – AFFH Data Viewer

4. Disproportionate Housing Need and Displacement

The analysis of disproportionate housing needs within Santa Cruz evaluated existing housing need, need of the future housing population, and units within the community at risk of converting to market-rate.

Disproportionate housing needs refer to disparities in cost burden, overcrowding, substandard housing, and displacement risk for special needs populations in comparison to the rest of the population. Housing needs are assessed by the HUD Comprehensive Housing Affordability Strategy (CHAS), based on ACS data. Housing problems and severe housing problems include the following elements:

Housing Problem

- Incomplete kitchen facilities
- Incomplete plumbing facilities
- 1+ person per room
- Cost burden greater than 30 percent

Severe Housing Problem

- Incomplete kitchen facilities
- Incomplete plumbing facilities
- 1.5+ person per room
- Cost burden greater than 50 percent

Overcrowding

Overcrowding is defined as between 1.01 and 1.5 persons per room in a household, and severe overcrowding is defined as more than 1.5 persons per room. Overcrowding often occurs when nonfamily members combine incomes to live in one household, such as college students and roommates. It also occurs when there are not enough size-appropriate housing options for large or multigenerational families. [Table D-14](#) displays data for overcrowding in the State, County, and City over time. The City experiences lower rates of overcrowding in comparison to the County and the State with overcrowding for owner households at less than half the rate of the County and the State and rates for renter households at just under half that of the County and State. According to the data, overcrowding occurs more frequently in renter households than owner households. In the City of Santa Cruz, owner households that are severely overcrowded represent 0.2 percent of all households, and severely overcrowded renter households represent 0.2 percent, down from 1 percent in 2010. In the City of Santa Cruz, owner households have had little change in overall overcrowding while renter households have seen a drop in overall overcrowding since 2010.

Table D-14: Overcrowding Change Over Time by Geography

Overcrowding and Tenure	City of Santa Cruz		Santa Cruz County		State of California	
	2010	2020	2010	2020	2010	2020
Owner Households						
Overcrowded (1.01 to 1.5 persons per room)	0.7%	0.8%	1.5%	1.7%	1.8%	1.7%
Severely Overcrowded (1.51 or more persons per room)	0.2%	0.2%	0.5%	0.4%	0.5%	0.6%
Renter Households						
Overcrowded (1.01 to 1.5 persons per room)	1.8%	1.3%	2.3%	2.5%	3.5%	3.5%
Severely Overcrowded (1.51 or more persons per room)	1.0%	0.2%	1.6%	2.3%	2.2%	2.4%

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

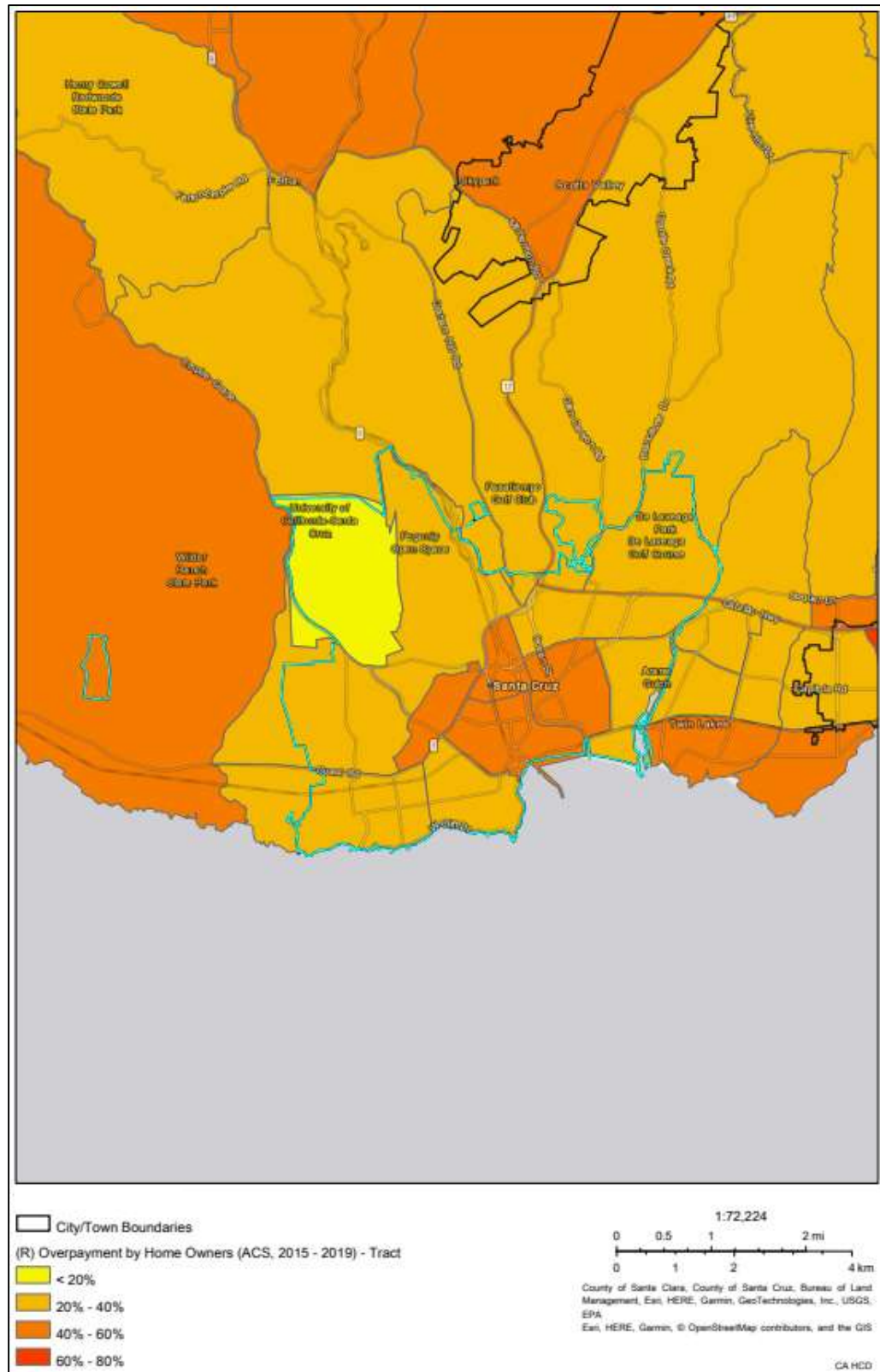
Cost Burden

A household paying more than 30 percent of its income for housing is considered to be overpaying and cost burdened. A household paying 50 percent or more is considered severely cost burdened. [Table D-15](#) shows that the City has higher cost burden rates than the County or the State. Severe cost burden rates in the City and County increased two percent since 2010 while the severe cost burden rates in the State decreased by one percent. The percent of the population experiencing no cost burden increased three percent in all three geographic locations.

Table D-15: Cost Burden Change Over Time by Geography						
Cost Burden	City of Santa Cruz		Santa Cruz County		State of California	
	2010	2020	2010	2020	2010	2020
Cost Burden > 30%	60%	54%	55%	52%	52%	54%
Cost Burden > 50%	31%	33%	27%	29%	27%	26%
No Cost Burden	35%	38%	39%	42%	43%	44%
Not Computed	6%	8%	6%	6%	5%	5%
Source: American Community Survey, 5-Year Estimates, 2010 and 2020.						

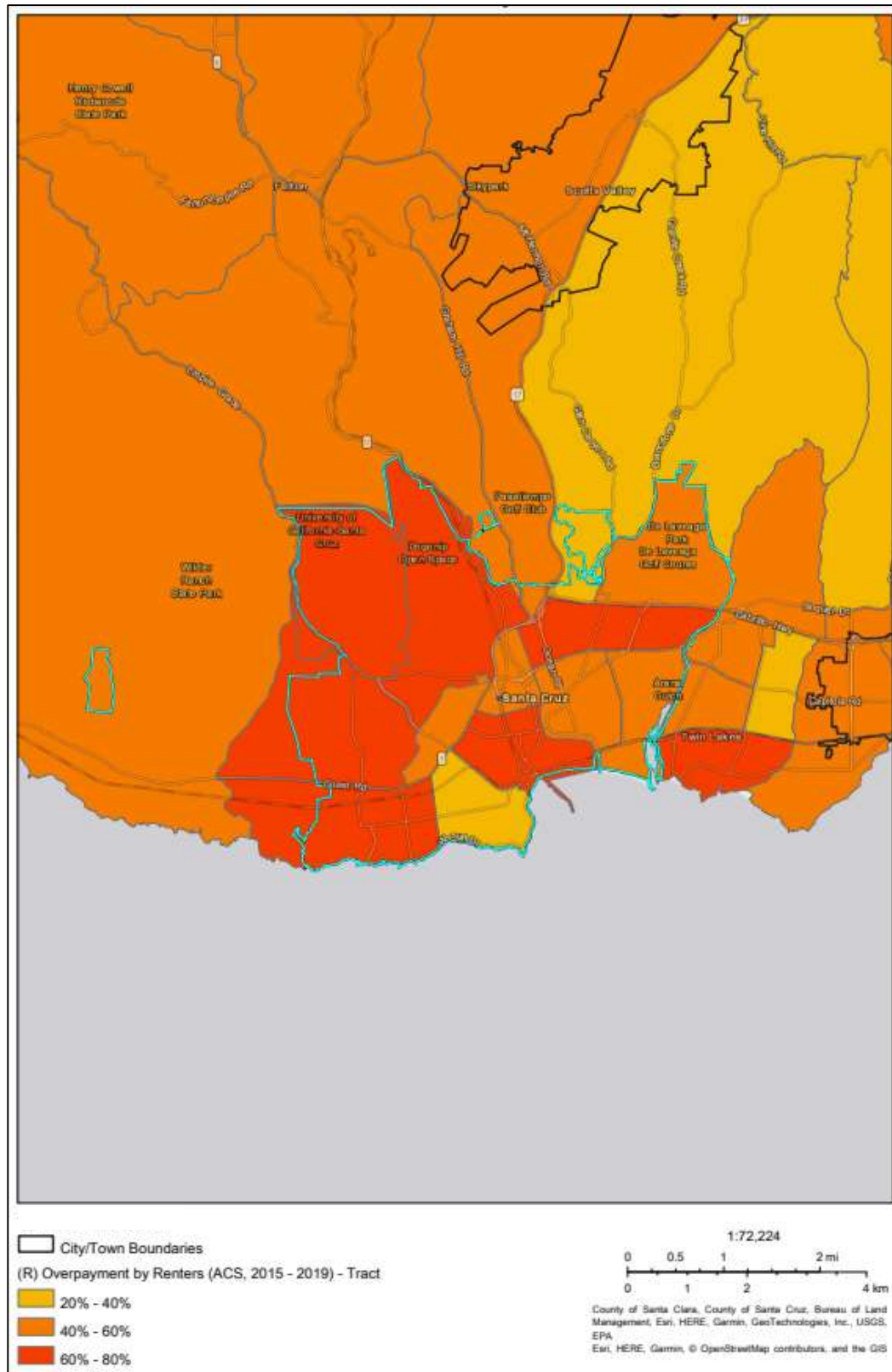
Figures D-19 and D-20 illustrate overpayment for homeowners and renters throughout the City and neighboring communities. Homeowners in Santa Cruz have fairly low overpayment rates, except around the downtown area. This is consistent with the surrounding region. Renters, on the other hand, have high overpayment rates across all of Santa Cruz, while overpayment rates outside City-limits are lower, although still high. This shows a high need for affordable housing options or other strategies for lowering housing costs for renters in particular.

Figure D-19: Overpayment by Homeowners



Source: California Department of Housing and Community Development – AFFH Data Viewer

Figure D-20: Overpayment by Renters



Source: California Department of Housing and Community Development – AFFH Data Viewer

Substandard Housing

Incomplete plumbing or kitchen facilities can be used to measure substandard housing conditions. This includes:

- Housing without hot and cold piped water, a flush toilet, and a bathtub or shower; and
- Households with kitchen facilities that lack a sink with piped water, a range or stove, or a refrigerator.

Table D-16 below shows substandard housing within Santa Cruz, Santa Cruz County, and the State of California. Compared to the County and State, the City has a higher percentage of occupied housing units without complete plumbing and kitchen facilities. Between 2010 and 2020 in the City of Santa Cruz, the total number of occupied housing units grew by 2.5 percent. A comparison of the growth of substandard housing factors between 2010 and 2020 finds that there were approximately 2 more occupied units without complete plumbing in 2020 compared to 2010, and approximately 96 more housing units without complete kitchen facilities over the same period. The City is the only geography that experienced an increase in substandard housing factors between 2010 and 2020 – possibly due to an aging housing stock or reflecting alternative housing types that include shared kitchens and/or bathroom facilities.

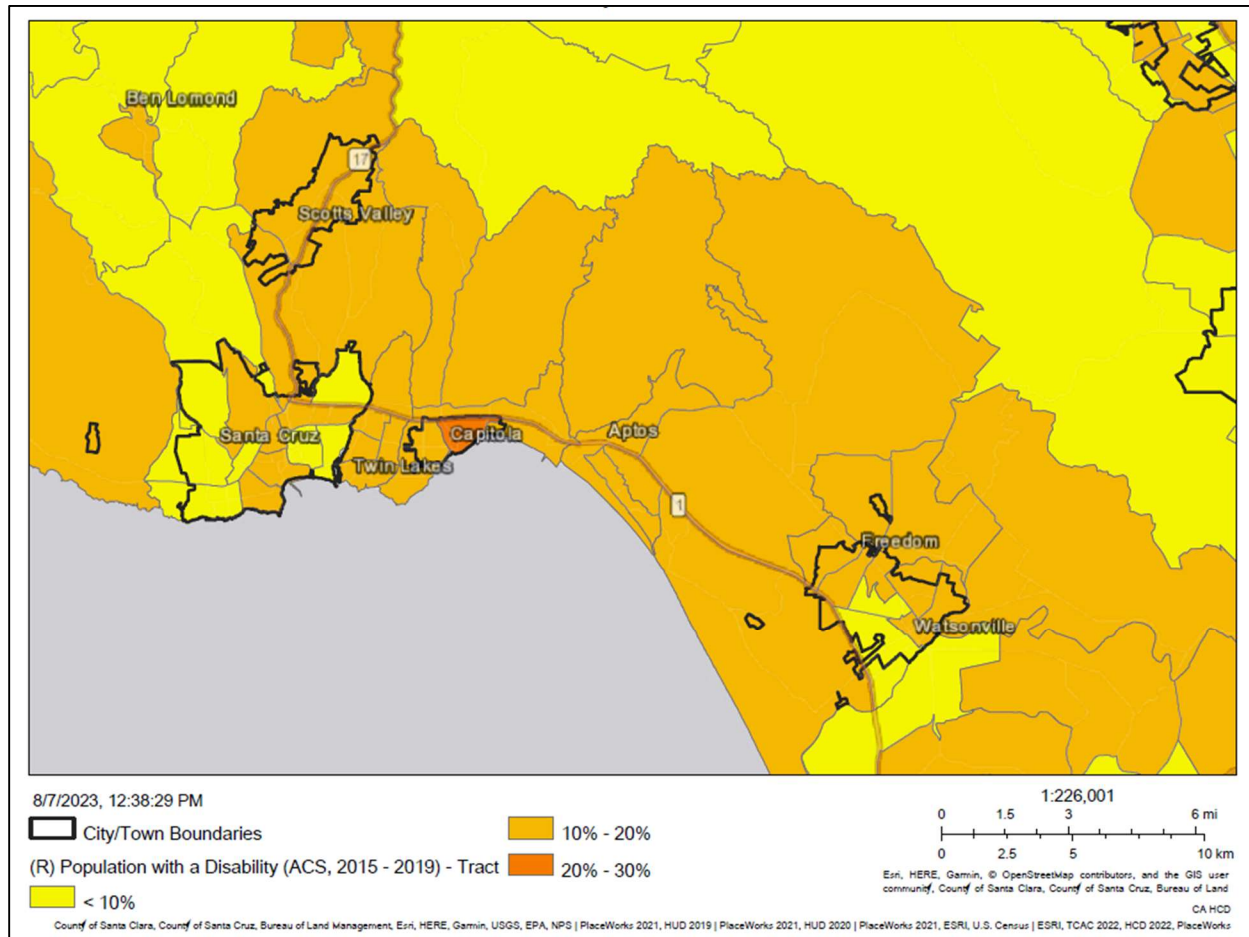
Factors	City of Santa Cruz		Santa Cruz County		State of California	
	2010	2020	2010	2020	2010	2020
Total Occupied Housing Units	22,088	22,644	95,062	96,275	12,807,387	13,103,114
Without Complete Plumbing Facilities	0.4%	0.6%	0.4%	0.4%	0.4%	0.4%
Without Complete Kitchen Facilities	1%	1.4%	0.9%	1%	1.2%	1.2%

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

The current distribution of the age of homes in Santa Cruz also indicates that a majority of homes in the City were built prior to the 1990 Americans with Disabilities Act (ADA), which may result in a lack of accessible homes for those residents with a disability. The City's older housing stock reflects a rapidly growing need to rehabilitate housing to meet minimum livability and quality requirements, which is a barrier to many homeowners and residents in Santa Cruz who have a lower income or a fixed income. One caveat to this is that there are a large number of historic homes in the City that would show statistically as being in this category while often being very well maintained. Age alone does not necessarily mean "in poor repair." Due the aging housing stock in the City, many houses are in need of substantial rehabilitation. Based on windshield surveys and estimates from the code compliance division, the City estimates that approximately 100 homes are in need of rehabilitation and approximately 5 are in need of major rehabilitation or replacement. Based on windshield surveys and knowledge from the code compliance division, the City believes that housing units in the Lower Ocean Street and Beach Flats areas exhibit the highest rates of poor housing conditions and higher need for rehabilitation. The City targets these areas and has added various strategies to Policy Program 5.3 to address the unique needs of the residents.

Figure D-21 shows the distribution of population with a disability within Santa Cruz and the neighboring communities by Census Tract from 2015-2019. This map shows that City does not appear to have a significantly different portion of the population with a disability compared to the neighboring communities.

Figure D-21: Population with a Disability by Census Tract (2015-2019)



Source: California Department of Housing and Community Development – AFFH Data Viewer

Displacement Risk

Displacement occurs when housing costs or neighboring conditions force current residents out and rents become so high that lower-income people are excluded from moving in. UC Berkeley's Urban Displacement Project (UDP) states that a census tract is a sensitive community if the proportion of very low-income residents was above 20 percent in 2018 and the census tracts meets two of the following criteria: (1) Share of renters above 40 percent in 2018; (2) Share of Non-White population above 50 percent in 2018; (3) Share of very low-income households (50 percent AMI or below) that are also severely rent burdened households above the county median in 2018; or (4) Nearby areas have been experiencing displacement pressures.

The potential for economic displacement risk can result from a variety of factors, including large-scale development activity, neighborhood reinvestment, infrastructure investments, and changes

in local and regional employment opportunities. Economic displacement can be an inadvertent result of public and private investment, where individuals and families may not be able to keep pace with increased property values and market rental rates.

The U.C. Berkeley Urban Displacement Project developed a neighborhood change database to map neighborhood transformations and identify areas vulnerable to gentrification and displacement. This data was developed to assist local decision-makers and stakeholders to better plan for the stability of existing communities and provide additional resources to areas in need or at risk of displacement and gentrification.

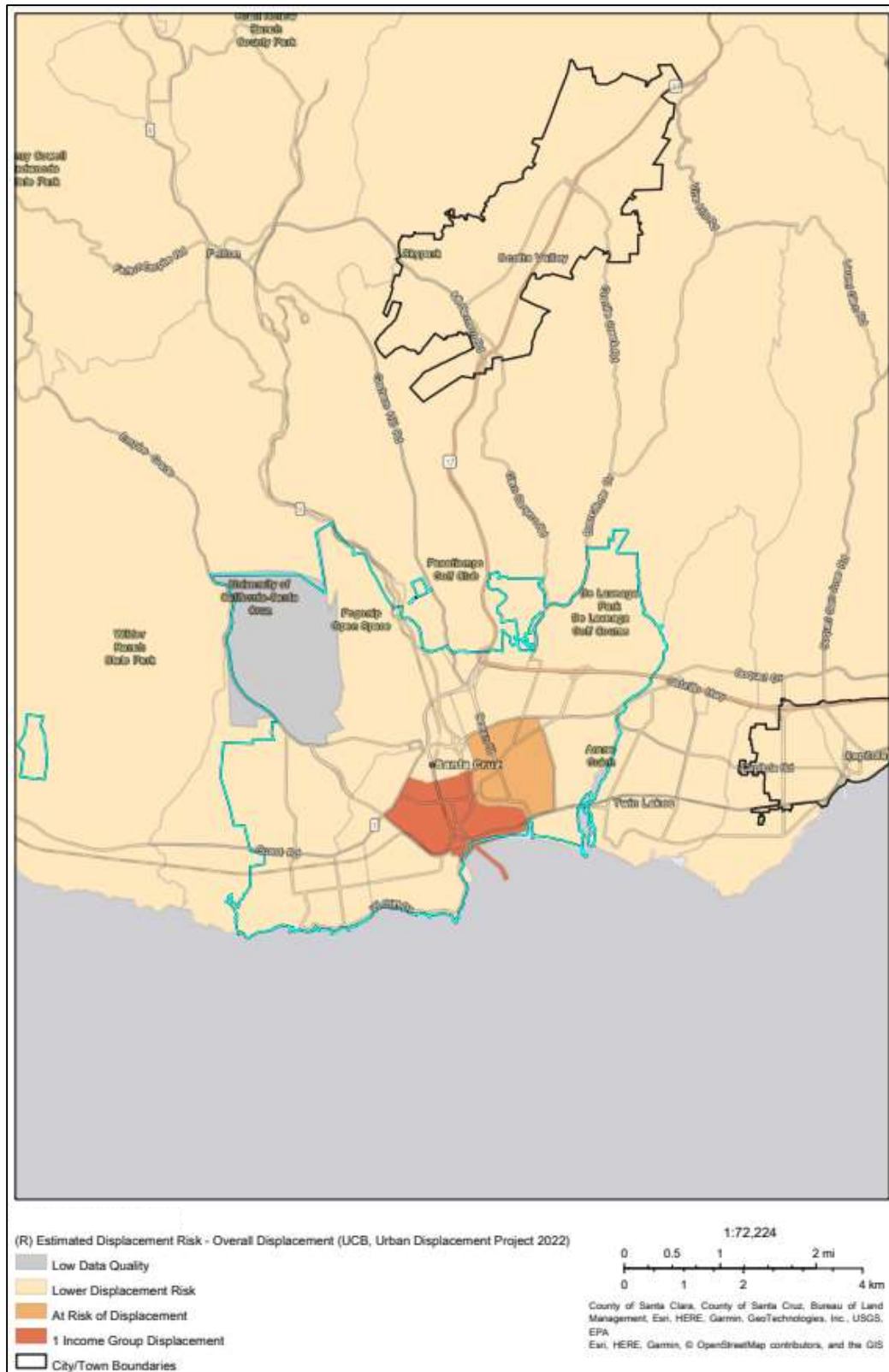
Figure D-22 shows the Seabright and Lower Ocean Street areas (contained within census tract 10.08) at risk of displacement. This map also shows that the downtown area (census tract 10.10) is experiencing one income group displacement. These two Census Tracts stand in contrast to the displacement risk pattern seen across the rest of Santa Cruz county, which is characterized by a lower displacement risk as defined by the Urban Displacement Project. The following table identifies the demographics for the two census tracts that are either experiencing displacement or are at risk of displacement.

Table D-17: Areas At Risk of Displacement (2019)				
Data		Census Tract 10.10	Census Tract 10.08	City-Wide
Demographics				
Population		8,081	6,608	64,522
Households		3,659	3,196	54,289
Renter Occupied		78.9%	72.6%	53%
Median Income		\$34,660	\$65,750	\$77,921
Low-Income Households		68.6%	50.7%	32.6%
Speak English Less Than Very Well		12.9%	4.9%	4.9% ¹
Race/Ethnicity: Latino-White	White	53.8%	60.8%	73.9%
	Black	4.1%	1.5%	2.1%
	Asian	8.1%	4.3%	10.1%
	LatinX	29.3%	26.6%	21%
	Other	4.7%	6.8%	6.9%
Housing				
Median Rent		\$1,607	\$1,805	\$1,889
Rent Gap		\$300.09 lower than nearby rents	\$30.99 lower than nearby rents	-
Hot Market		Yes	No	-
Displacement Type:		Elevated displacement for very low-income households (0% - 50% AMI)	At-risk of displacement	-
1. Average of City of Santa Cruz census tracts.				
Source: California Department of Housing and Community Development – AFFH Data Viewer				

Census tract 10.10 (shown in the dark orange in [Figure D-22](#)) includes the largest population of individuals who speak English “less than well,” as well as a greater ratio of low-income households. Rental rates across both census tracts are lower than for the City as a whole. Diversity across the City is fairly similar to that reported in the census tracts, aside from a higher percentage of the White and Asian populations and a lower percentage of the LatinX population. Census tract 10.10, which is identified as a “hot market,” is currently experiencing elevated displacement of very low-income households; while the area offers lower median rents than census tract 10.08 and the City as a whole, very low-income households are being priced out of the area and may need additional assistance to avoid displacement. The City is actively assisting in furthering the development of affordable housing and providing resources for the community and residents in need in this downtown area; additional information is provided in the Housing Sites Inventory and Housing Resources Appendices.

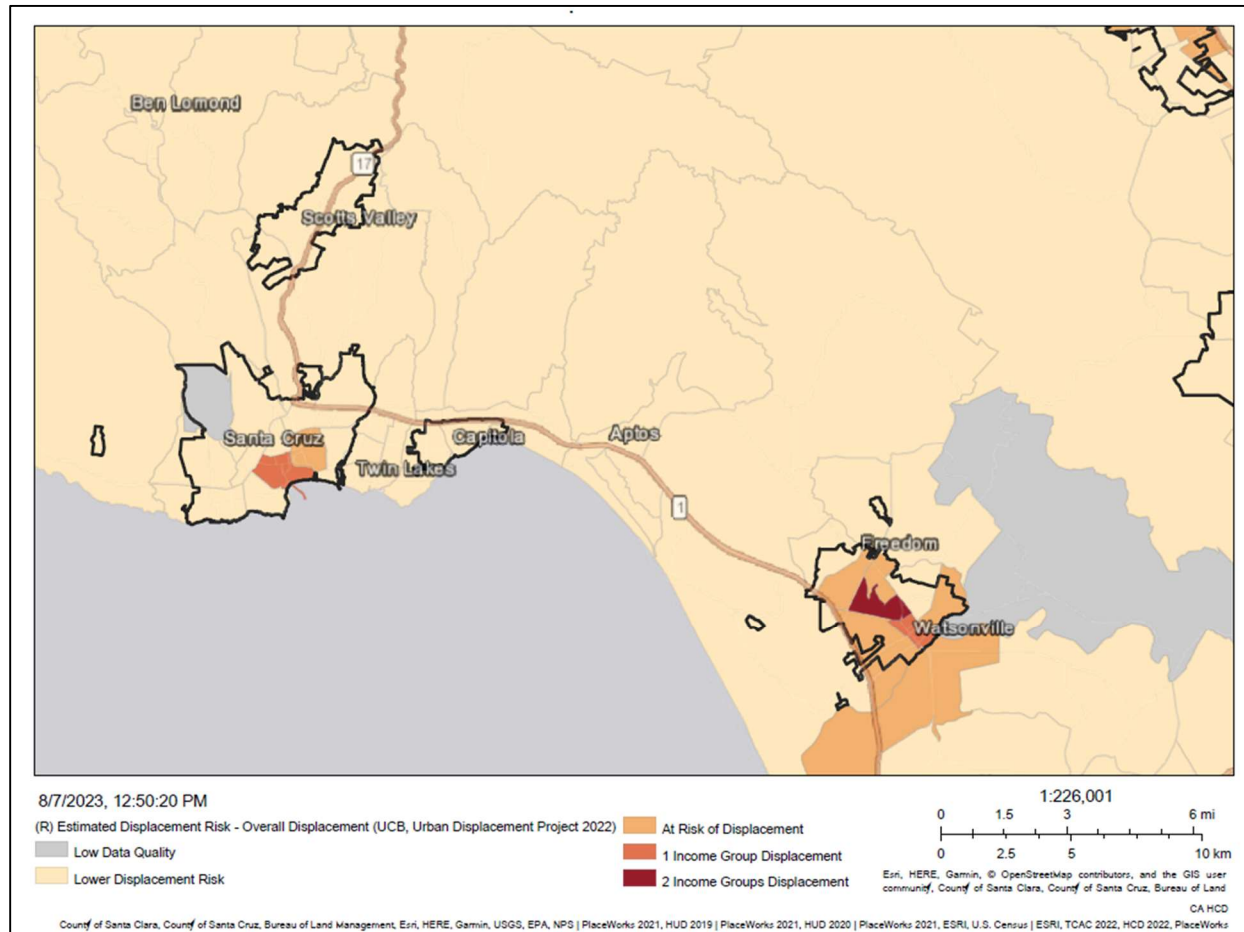
Outside of the city, the neighboring communities have a generally low risk for displacement, except for the community of Watsonville, as seen in [Figure D-23](#). The low displacement risk outside of the city may be attributed to the fact that much of this land is mountainous or protected and that the residents of these areas do not tend to be low-income or otherwise vulnerable to displacement.

Figure D-22: Displacement Risk



Source: California Department of Housing and Community Development – AFFH Data Viewer

Figure D-23: Displacement Risk in Santa Cruz County



Source: California Department of Housing and Community Development – AFFH Data Viewer

In addition to displacement and gentrification data, the UC Berkeley Urban Displacement Project also analyzes the occurrence of anti-displacement policies, as defined below:

- **Just Cause Eviction Ordinance.** Just cause eviction statutes are laws that allow tenants to be evicted only for specific reasons. These “just causes” can include a failure to pay rent or violation of the lease terms.
- **Rent Stabilization or Rent Control.** Rent Control ordinances protect tenants from excessive rent increases, while allowing landlords a reasonable return on their investments. Such ordinances limit rent increase to certain percentages, but State law allows landlords to raise rents to the market rate once the unit becomes vacant.
- **Rent Review Board and/or Mediation.** Rent review boards mediate between tenants and landlords on issues related to rent increases and encourage them to come into voluntary agreement. As mediators, the board normally does not make binding decisions.
- **Mobile Home Rent Control.** Mobile home rent control places specific rent increase restrictions on the land rented by mobile homeowners, or the mobile homes themselves.

- **SRO (Single-Room Occupancy) Preservation.** Single room occupancies, also called residential hotels, house one or two people in individual rooms. Tenants typically share bathrooms and/or kitchens. These are often considered a form of permanent residence affordable for low-income individuals. SRO Preservation Ordinances help to preserve or create new SRO units.
- **Condominium Conversion Regulations.** In addition to state laws regulating the conversion of multi-family rental property into condominiums, many cities have enacted condominium conversion ordinances. These impose procedural restrictions and/or substantive restrictions on the ability to convert apartment units into condominiums to protect the supply of rental housing.
- **Foreclosure Assistance.** Many cities and counties have local programs that assist homeowners when they are at risk of foreclosure. These programs may be funded with federal grants.
- **Jobs-Housing Linkage Fee or Affordable Housing Impact/Linkage Fee.** Affordable housing impact/linkage fees are charges on developers of new market-rate residential developments. They are based on the square footage or number of units in the developments and are used to develop or preserve affordable housing.
- **Commercial Linkage Fee/Program.** Commercial linkage fees are charged to developers per square foot of new commercial development. Revenues are used to develop or preserve affordable housing.
- **Housing Trust Fund.** A housing trust fund is a designated source of public funds—generated through various means—that is dedicated to creating affordable housing.
- **Inclusionary Zoning/Housing (Below Market Rate Housing).** Inclusionary housing policies require market-rate developers of rental or for-sale housing to rent or sell a certain percentage of units at affordable prices. Some policies include a provision for developers to pay “in-lieu fees” in place of building the housing; this revenue is used to develop affordable units elsewhere.
- **Density Bonus Ordinance.** Density bonuses allow developers of market-rate housing to build higher-density housing, in exchange for having a certain portion of their units offered at affordable prices. In this inventory, we only include a city as having this policy if they allow an additional density bonus beyond that mandated by the State.
- **Community Land Trusts.** Community land trusts are nonprofit, community-based organizations whose mission is to provide affordable housing in perpetuity by owning land and leasing it to those who live in houses built on that land.
- **First Source Hiring Ordinances.** First Source hiring ordinances ensure that residents are given priority for new jobs created by municipal financing and development programs

Table D-18 identifies which of these policies the City has adopted.

Table D-18: Anti-Displacement Policies	
Anti-Displacement Measures	Santa Cruz Policy Measure
Just Cause Eviction Ordinance	No
Rent Stabilization or Rent Control*	No
Rent Review Board and/or Mediation	No
Mobile Home Rent Control	Yes
SRO Preservation	Yes
Condominium Conversion Regulations	Yes
Foreclosure Assistance	No
Jobs-Housing Linkage Fee	No
Commercial Linkage Fee	No
Housing Trust Fund	Yes
Inclusionary Zoning	Yes
Density Bonus Ordinance	Yes
Community Land Trusts	Yes
First Source Hiring	No
*While the Urban Displacement Project reports the City does not have rent stabilization or rent control, the City of Santa Cruz does have an adopted Large Rent Increases Ordinance. Source: Urban Displacement Project, University of California Berkeley (2018), and the City of Santa Cruz.	

Affordable Units At-Risk of Converting to Market Rate

Jurisdictions are required by State Housing Element Law to analyze government-assisted housing that is eligible to convert from lower income to market rate housing over the next ten years. State law identifies housing assistance as a rental subsidy, mortgage subsidy or mortgage insurance to an assisted housing development. Government assisted housing may convert to market rate housing for several reasons, including expiring subsidies, mortgage repayments, or expiration of affordability restrictions. Affordable covenants help to ensure that certain housing units remain affordable for an extended period of time. Covenants help balance the housing market in a community and provide lasting affordable options to low and very low-income households. This section will provide:

- An inventory of assisted housing units that are at risk of converting to market-rate housing,
- An analysis of the costs of preserving and/or replacing these units,
- Resources that could be used to preserve at-risk units,
- Program efforts for preservation of at-risk housing units, and
- Quantified objectives for the number of at-risk units to be preserved during the Housing Element planning period.

The Inclusionary Housing Program² applies to all new developments that create two or more new and/or additional dwelling units or single-occupancy units at one location by construction or would create two or more new lots through approval of a parcel map. Affordable units created through

² See Section C.10 of Appendix C for more details on the Inclusionary Housing Program.

the Program must be affordable in perpetuity. However, if the project includes units affordable through the Density Bonus Program, those units would lose their affordability after approximately 55 years. For example, if a proposed development is required to include ten units affordable to low-income households through the Inclusionary Housing Program (in perpetuity), but two of those must be affordable to very low-income households through the Density Bonus Program (for 55 years), those two very low-income units would become affordable to just low-income households at the end of the 55 year period. The City of Santa Cruz is committed to working with property owners and utilizing appropriate funds, as available, to review covenants set to expire for renewal.

Table D-19 below identifies deed-restricted, assisted rental properties within Santa Cruz, of which 372 units are at-risk of converting from affordable to market-rate units between 2023 and 2033.

Table D-19: Assisted Affordable Housing and At-Risk Units in Santa Cruz						
Project Name	Total Units	Affordable Units	Type	Funding Source	Owner/ Operator	Expiration
Senior Housing						
Arbor Cove 84 Blackburn St.	35	35	Senior	HUD Sec. 202	Neary Lagoon Senior Housing Inc.	9/30/32; 12/31/51
Garfield Park 721 Bay St.	94	94	Senior	LIHTC, HUD Sec 202, HOME	Garfield Park Village, LP	5/31/34
San Lorenzo Park* 134 Dakota Ave.	78	77	Senior	HUD Sec. 221(d)(4)	San Lorenzo Park Apartments	3/31/32
Gault Street 211 Gault St.	37	36	Senior	Measure O/ HUD Sec. 202/811	Mercy Housing	7/12/84
El Centro* 1108 Pacific Ave.	45	44	Senior	LIHTC; RDA	Centro Partners/ Mercy Housing	2024
DT Villas/ Washington 612 Washington St.	5	5	Senior	CALDAP	Mercy Housing	In Perpetuity
TOTAL SENIOR UNITS	294	291	6 projects			
Special Needs						
Monarch Housing* 143 Bixby St.	4	4	Special Needs	HOME	Monarch Housing Project	2024
Grace Commons 1041 Cayuga St.	15	14	Special Needs	Measure O/ HUD Sec. 202/811	Grace Commons, Inc.	10/26/61
Nuevo Sol 111 Barson St.	14	13	Special Needs	HUD Mod. Rehab.; fee waiver	South County Housing Corporation	2061
Jessie Street Apartments 314 Jessie St.	14	13	Special Needs	Measure O/ RDA	Mid-Peninsula Coalition Belle Haven, Inc.	In Perpetuity

Table D-19: Assisted Affordable Housing and At-Risk Units in Santa Cruz

Table D-19: Assisted Affordable Housing and At-Risk Units in Santa Cruz						
Project Name	Total Units	Affordable Units	Type	Funding Source	Owner/ Operator	Expiration
Front St. Residential Care* 126 Front St.	47	47	Special Needs	FEMA 403	Front Street Inc.	2027
SCAP House 223 Darwin St.	5	5	Special Needs	FEMA 403	CFSC Inc.	2022 (Extension currently in progress – units not considered at risk)
TOTAL SPECIAL NEEDS UNITS	99	96	6 projects			
Multifamily						
Riverfront Apartments. 146 Blaine St.	71	70	Multifamily	HUD Sec. 8	Santa Cruz Riverfront Association	2075
Broadway (HA) 1223 Broadway	5	5	Multifamily	Public Housing	Santa Cruz Housing Authority	In Perpetuity
Nearly Lagoon COOP 75-99 Chestnut St.	95	95	Multifamily	LIHTC; RDA	Mercy Housing	In Perpetuity
La Fonda (HA) 301 La Fonda	12	12	Multifamily	Public Housing	Santa Cruz Housing Authority	In Perpetuity
Mission Gardens 90 Grandview St.	50	50	Multifamily	HUD S8 State Agency; LIHTC; CHFA; RDA	Santa Cruz Mission Garden	12/31/31; 2064
Sycamore Commons 125 Sycamore St.	60	59	Multifamily	LIHTC; RDA	Mercy Housing	In Perpetuity
505 Leibrandt Avenue*	7	7	Multifamily	HOME; RDA	Patsy Baran	2030
Nueva Vista 124 Leibrandt Ave.	48	47	Multifamily	LIHTC; CHFA; RDA	Mercy Housing Cal XV	2058
1010 Pacific 1010 Pacific Ave.	112	44	Multifamily	LIHTC; RDA	1010 Pacific Investors	2057
La Playa 304 Riverside Ave./ 216 Leibrandt Ave.	8	8	Multifamily	LIHTC; RDA	Mercy Housing	In Perpetuity
Downtown Villas/ Washington St. 612 Washington St.	5	5	Multifamily	CALDAP	Mercy Housing	In Perpetuity
Pacific Shores 1280 Shaffer Rd.	206	83	Multifamily	LIHTC; RDA	Mercy Housing	2057
Tannery 1030/1040 River St.	100	99	Multifamily	Measure O; LIHTC; HCD MFHB; AHTF; RDA	Artspace Projects, LLC	In Perpetuity
Riverwalk Apartments 110 Lindberg St.	21	20	Multifamily	LIHTC; AHTF; Dev. Agreement	For-the-Future Housing	2069
TOTAL MULTIFAMILY UNITS	800	604	14 projects			

Table D-19: Assisted Affordable Housing and At-Risk Units in Santa Cruz

Table D-19: Assisted Affordable Housing and At-Risk Units in Santa Cruz						
Project Name	Total Units	Affordable Units	Type	Funding Source	Owner/ Operator	Expiration
SRO						
Gularte Building* 1114 Pacific Ave.	24	4	SRO	Red Cross/ CALDAP	Rodger Crissman Successor Trust	2023
Palomar Inn* 12344 Pacific Ave.	97	97	SRO	CALDAP	Palomar Associates	2024
Saint George* 1520 Pacific Ave./833 Front St.	124	87	SRO	CALDAP	Green Valley Corporation	2023
Heiner House* 301 Elm St.	5	5	SRO	CALDAP	Front Street Inc.	2024
Redwoods Commons 1606 Soquel Ave.	37	15	SRO	Measure O; AHTF; State AHTF Grants	Redwoods Commons, LLC	In Perpetuity
TOTAL SRO UNITS	287	208	5 projects			
TOTAL ASSISTED UNITS	1,480	1,199				
*Property contains affordable units at risk of converting to market rate.						

*Property contains affordable units at risk of converting to market rate.

Cost of Preserving Versus Replacing At-Risk Units

While there are a few options to preserve at-risk units including providing financial incentives to property owners to extend lower income use restrictions in exchange for City loan extensions, purchase of affordable housing units by a non-profit or public agency, or providing federal, State, or local subsidies to offset the difference between the affordable and market rate units, the City typically has been extending existing loans in exchange for an extended affordability use restriction.

The analysis below provides comparative analysis for preserving or replacing the City's at-risk units. The analysis does not suggest the City will subsidize the at-risk units, but rather highlights the importance of maintaining the affordable units rather than replacing them through new development. As [Table D-19a](#) and [D-19b](#) show, the cost for replacing the at-risk units is vastly greater than the cost of maintaining the affordability of these 372 at-risk units. The City will continue to work with property owners to identify solutions for maintaining affordability via a variety of options; programs are included in the Policy Plan to address this.

Table D-19a: Estimated Monthly Subsidy to Preserve At-Risk Units

Unit Size	Monthly Rents		Number of Units At-Risk	Difference	Monthly Subsidy	Annual Subsidy
	Fair Market ¹	Market Rate ²				
Studio	\$2,212	\$2,668	259	\$456	\$118,057	\$1,416,683
1-Bedroom	\$2,502	\$3,533	61	\$1,031	\$62,919	\$755,027
2-Bedroom	\$3,293	\$4,435	52	\$1,142	\$59,367	\$712,400
3-Bedroom	\$4,077	\$6,750	0	\$2,673	N/A	N/A
4-Bedroom	\$4,568	N/A	0	\$3,432	N/A	N/A
TOTAL						\$2,884,110

Source:

1. HUD FY 2023 Fair Market Rent Document System – Santa Cruz-Watsonville MSA
2. Kimley-Horn and Associates Analysis – based on multi-family units listed for rent across 23 properties on July 5, 2023.

Table D-19b: Replacement Cost of At-Risk Units					
Unit Size	Cost per Square Foot ¹	Average Square Foot per Unit ²	Replacement Cost per Unit	Number of Units At-Risk	Total Replacement Cost
Studio	\$144.50	421	\$60,762	259	\$15,737,423
1-Bedroom	\$144.50	629	\$90,915	61	\$5,545,790
2-Bedroom	\$144.50	920	\$132,904	52	\$6,911,002
3-Bedroom	\$144.50	1,439	\$207,936	0	N/A
4-Bedroom	\$144.50	N/A	N/A	0	N/A
TOTAL					\$28,194,214
Source:					
1. International Code Council – February 2022					
2. Kimley-Horn and Associates Analysis – based on multi-family units listed for rent across 23 properties on July 5, 2023.					

Resources to Preserve At-Risk Units

The City can also consider the cost of rehabilitating the units or replacing the units with new construction, especially if new zoning is in place that could allow for increased density. A variety of programs exist to help cities acquire, replace, or subsidize at-risk affordable housing units. The following summarizes financial resources available:

- **Community Development Block Grant (CDBG).** CDBG funds are awarded to entitlement jurisdictions on a formula basis for various activities. The primary objective of the CDBG program is the development of viable communities through the provision of decent housing, a suitable living environment, and economic opportunity for principally low- and moderate-income persons. Eligible activities include administration, fair housing, energy conservation and renewable energy sources, assistance for economic development, public facilities and improvements, and public services.
- **HOME Investment Partnership (HOME).** Entitlement jurisdictions receive funds by formula from HUD to increase the supply of decent, safe, sanitary, and affordable housing to lower-income households. Eligible activities include housing acquisition, rehabilitation, development, homebuyer assistance, and rental assistance.
- **Housing Choice Voucher Program (HCV).** The Housing Choice Voucher Program provides rental assistance payments to owners of private, market-rate units on behalf of very low-income tenants, senior citizens, disabled persons, and other individuals for securing affordable housing.
- **Section 202/811 Program.** Non-profit and consumer cooperatives can receive no-interest capital advances from HUD under the Section 202 Program for construction of very low income rental housing with the availability of supportive services for seniors and persons with disabilities. These funds can be used in conjunction with Section 811 funds, which can be used to develop group homes, independent living facilities, and immediate care facilities. The capital advance funding can also provide project rental assistance for the properties developed using the funds. Eligible activities include acquisition, rehabilitation, new construction, and rental assistance.
- **California Housing Finance Agency (CalHFA) Multifamily Programs.** CalHFA's Multifamily Programs provide permanent financing for the acquisition, rehabilitation, and preservation of new construction of rental housing that includes affordable rents for low- and

moderate-income families and individuals. One of the programs is the Preservation Loan program, which provides acquisition/rehabilitation and permanent loan financing designed to preserve or increase the affordability status of existing multifamily housing projects.

- **Low-Income Housing Tax Credit (LIHTC).** This program provides tax credits to individuals and corporations that invest in low-income rental housing. Tax credits are sold to those with high tax liability and proceeds are used to create housing. Eligible activities include new construction, rehabilitation, and acquisition of properties.
- **California Community Reinvestment Corporation (CCRC).** The California Community Reinvestment Corporation is a multi-family affordable housing lender whose mission is to increase the availability of affordable housing for low-income families, seniors, and residents with special needs by facilitating private capital flow from its investors for debt and equity to developers of affordable housing. Eligible activities include new construction, rehabilitation, and acquisition of properties.
- **Affordable Housing Trust Fund (AHTF).** AHTF was created to help fund the creation and preservation of affordable housing in the city of Santa Cruz for lower income households. While it has provided assistance for an array of programs in the past, due to the dissolution of the RDA as a consistent funding stream, the AHTF has been focusing mostly on new affordable housing development in which the largest number of households can be served because of the huge demand for affordable housing in the City.
- **Inclusionary Housing (Measure O).** Inclusionary Housing requires that developers of residential projects provide a pre-determined percentage of the total number of units as affordable to moderate and low or very low-income households. All units provided by the developer as affordable remain affordable through a permanent deed restriction against each property. The City's current Inclusionary requirement is 20 percent of a project's units affordable to low and moderate income households, with rental projects of less than five units exempt and ownership projects of two to four units having an option for meeting lesser requirements, both as a means to promote small developments.

The following organizations have the experience and capacity to potentially assist in preserving units at risk of converting to market-rate as well as developing additional affordable units:

- | | |
|------------------------|-------------------------------------------------|
| • Eden Housing | • Housing Authority of the County of Santa Cruz |
| • Mercy Housing | |
| • Habitat for Humanity | • For the Future Housing |
| • MidPen Housing | |

State law requires that jurisdictions establish the maximum number of units that can be preserved over the planning period. The City's goal is to preserve as many affordable units as possible depending on financing available and owner willingness.

Extremely Low Income (ELI) Households

Extremely low-income (ELI) households are those that earn 30 percent or less of the median family income (MFI) for Santa Cruz County. CHAS data indicates there are approximately 5,640 ELI households living in the City. ELI households represent approximately 25 percent of all Santa Cruz households. While the estimate is significantly skewed by the student population which typically have lower incomes due to part time or unemployed status, the need for affordable housing is large in the City. Of these households, 53 percent are renters and 47 percent are homeowners. ELI renter households represent about 36 percent of renter households, and ELI owner households represent about 12 percent of owner households.

Housing ELI households is generally challenging in Santa Cruz. [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; while only making up 10.2 percent and 20.7 percent of the total Santa Cruz population, respectively.

A majority of ELI households face a variety of housing problems. As shown in [Table C-15](#), extremely low-income households experience the highest rate of housing problems as identified by CHAS, regardless of tenure. Additionally, extremely low-income households experience the highest rates of overpayment and experience cost burdens at a highest rate regardless of tenure. Santa Cruz experiences higher housing costs than other cities in the region, creating a severe cost burden for ELI households based on their average income in the county. ELI households may seek affordable housing options to relieve cost burdens, and these households are typically more susceptible to living in poor housing conditions, or in many cases, homeless or living in personal vehicles. Groups of individuals or families may occupy smaller housing units to alleviate housing costs, creating an issue of severe overcrowding in many cases. According to ACS data, renters in the City experience higher incidences of overcrowding and the City can assume that of these overcrowded households, a large percentage are ELI households. Additionally, some extremely low-income households could face other issues such as having special needs or disabilities that could exacerbate housing problems.

Key Challenges and Resources to Address Housing Needs of ELI Households

Extremely Low-Income Households in Santa Cruz have exhibited the following unique challenges to housing:

- Need for increased affordable housing options
- Markedly higher incidents of cost burden for housing
- Higher incidents of overcrowding and substandard housing
- Need for smaller housing unit options such as SRO's
- Rental assistance
- Higher incidents of homelessness

[Table C-12](#) provides a list of households by income category and tenure in the City. Generally, there are disparities between the incomes of homeowners and renters, a pattern observed on both the regional and local level. In Santa Cruz, 32.5 percent of owner households are considered

LMI (earns less than 80 percent of HAMFI) compared to almost 65 percent of renter households. The reverse is true for those of high-income households (more than 100 percent of HAMFI), where almost 68 percent of owner households are high income and only about 35 percent of renter households are high income.

Although Santa Cruz experiences higher median incomes, it is still important to provide improved access to resources and opportunities for all households. The City has committed to the following programs in order to ensure fair housing for families experiencing financial hardships and to address unique needs of extremely-low income households in the City:

- Policy 1.4 – Facilitate alternative housing types that respond to Santa Cruz’s diverse population and housing needs, especially those for single-person households, low-income households, students, and special housing needs groups.
- Policy 1.5 – Facilitate the development of Accessory Dwelling Units
- Policy 2.1 – Enable mixed-income projects that encourage greater diversity within housing projects
- Policy 2.2 – Develop creative ways to facilitate more affordable housing development in the City.
- Policy 2.3 – Support the Density Bonus as a valuable tool for incentivizing the development of housing and the inclusion of affordable units in housing projects
- Policy 2.4 – Support Public-Private Partnerships that facilitate the development of affordable housing.
- Policy 3.1 - Create housing for low-income families with children and persons with disabilities
- Policy 3.2 - Provide high quality care alternatives such as childcare centers and family daycare for children and youth that are available, affordable, and accessible to those persons who live or work in the City.
- Policy 3.3 - Implement the City’s Homelessness Response Action Plan and maintain the relationship with the Continuum of Care to support housing solutions for the homeless as well as a wide variety of supportive services.
- Policy 3.4 - Facilitate permanent supportive housing units, transitional housing options, and extremely low income units for residents through funding and partnerships.
- Policy 3.6 – Provide community programming funding to support the special needs and homeless populations in finding housing and supportive services.
- Policy 3.7 - Support agriculture and employee housing where applicable.
- Policy 4.1 – Support the provision of rental assistance in the event of a household having insufficient funds for a security deposit or rent payment.

In addition, the City has included many programs to promote the development of affordable housing units throughout the City which may be available to ELI households.

Similar to other special needs groups, ELI household needs are focused on affordability of housing and access to services that support lower monthly overall costs. To address these challenges, the

City must consider a variety of solutions to address the above issues, such as affordable housing options for farmworkers and leveraging grants and funding opportunities.

Effectiveness of Past Policies and Programs

Housing and support services for ELI households continues to be a critical need in the City. As the private sector offers limited housing opportunities for affordable, ELI housing, the City and non-profit partners, typically capitalizing on various state and federal funding assistance, provide the vast majority of new ELI housing in the City. The City has employed a wide range of strategies to make great strides in producing ELI housing, on both City-owned properties with City-led developments and in partnership with non-profit developers on privately-held lands. The “Financial Resources” section in Appendix F speaks to many of the City’s funding strategies that often support ELI households.

Resources for ELI Households

The City also provides a variety of other supports that directly benefit ELI households. The City funds programs that provide tenants with eviction prevention services and legal advice. The City’s Rental Inspection Service ensures that all tenants, including ELI tenants, regardless of the amount of rent they pay, have safe and healthy housing. The City funds rental assistance programs that provide first and last months’ rent and/or emergency funding for qualifying low-income households, administered through Community Action Board. The City encourages landlords to accept Section 8 Housing Choice Voucher tenants, including ELI tenants, by providing funding to the Housing Authority for mediation services and expanded damage deposits. Chapter 2 of the Housing Element recognizes the great work that the City is doing to protect ELI tenants and expand housing choices for ELI tenants by establishing policies and programs for expanding, promoting, and/or maintaining many of these ELI household supports.

The City maintains a list of local resources and services meant to serve special needs groups. This list is available at City Hall and has been distributed by the City and local service providers. Resources include, but are not limited to:

- Shelter and housing
- Financial assistance
- Housing assistance
- Legal assistance
- Medical and mental health services
- Clothing drives
- Food banks
- Food distribution
- Counseling
- Employment services
- Family and children service

Homelessness

People experiencing homelessness are those who do not have a fixed, regular, and adequate overnight residence, or whose overnight residence is a shelter, street, vehicle, or enclosure or structure unfit for habitation. Factors contributing to increases of homelessness may include the following:

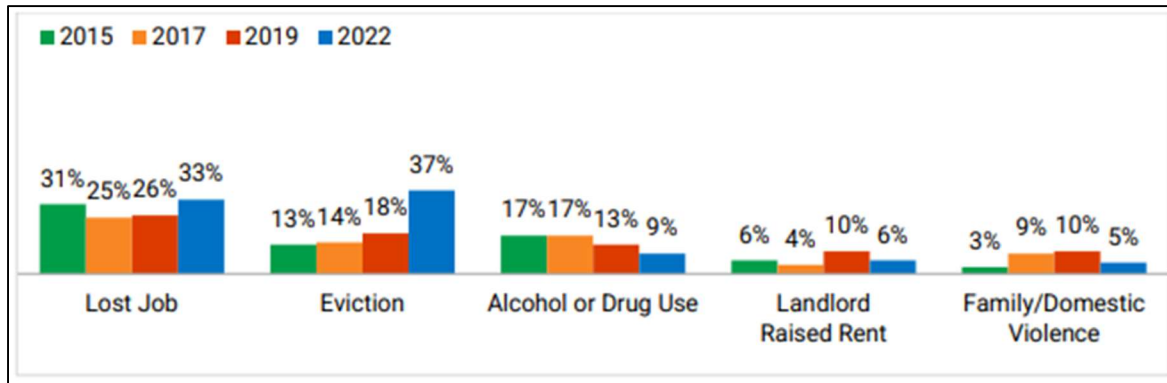
- Lack available resources to support stable housing access
- Spikes in rent increase and lack of tenant protections
- Housing discrimination
- Evictions
- Lack of housing affordable to low- and moderate-income persons
- Increases in the number of persons whose incomes fall below the poverty level
- Reductions in public subsidies to the poor
- The deinstitutionalization of the mentally ill

The City of Santa Cruz is an active participant in the county-wide Continuum of Care, the Housing for Health Partnership, intended to support persons experiencing homelessness. The City provides direct assistance to homeless individuals or households through a variety of means and helps to support a network of services. See [Appendix F](#) for a sample of the many services the City provides and supports. The Housing for Health Partnership works to distribute funds and many local service providers offer temporary shelter, pathways to housing, permanent supportive housing, drug rehabilitation, and other recuperative care. The City adopted a Three-Year Homelessness Response Action Plan in 2022, which focuses on the values of collaboration, health, safety, economic vitality, practicality, resource stewardship, and transparency. Key action areas within the plan include:

- Building partnerships and capacity
- Permanent affordable and supportive housing
- Basic support services
- Care and stewardship
- Community safety

According to the Santa Cruz County Point-in-Time (PIT) report, there were an estimated 1,439 unhoused persons in Santa Cruz in 2022. Overall, this accounts for approximately 62.6 percent of the County's homeless population. The PIT Count accounted for people living in cars, on streets, in parks, and in properties not meant for human habitation (people who are unsheltered). The Count also included people living in emergency shelters and transitional housing (people who are unhoused). Approximately 73.5 percent of all unhoused persons in the City are unsheltered. The unhoused population has increased 20 percent since the last Point in Time count in 2019. [Figure D-24](#) shows the top five responses for the primary cause of homelessness over the past four PIT Counts. The most common response when survey respondents were asked about the primary cause of their homelessness was eviction, with 37 percent of respondents choosing that response, a notable increase from 18 percent in 2019. The second most common cause of homelessness amongst survey respondents was the loss of a job, with 33 percent indicating it was the primary cause of their homelessness. Five percent of homeless survey respondents was caused by the COVID-19 pandemic.

Figure D-24: Primary Cause of Homelessness (Top Five Responses)



Source: 2022 County of Santa Cruz Homeless PIT Count & Survey

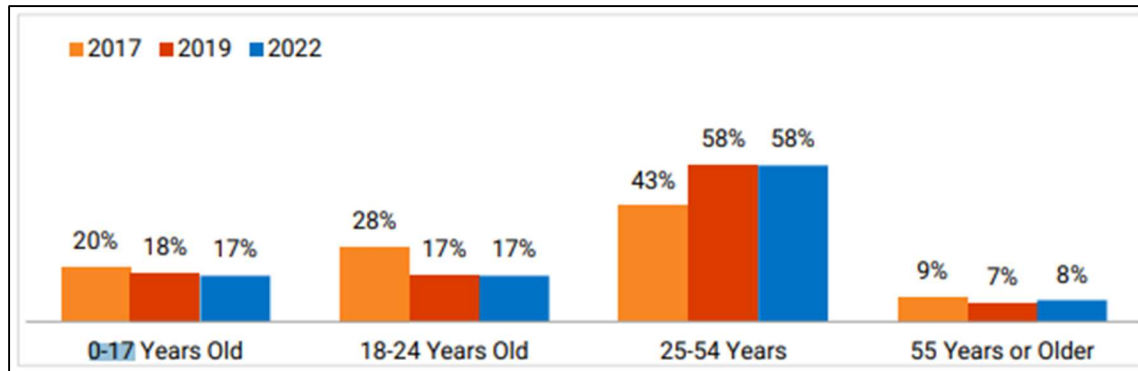
When contextualized with the total number of people residing in Santa Cruz, the 1,439 homeless individuals represent approximately 2.2 percent of the population. In neighboring jurisdictions, the point in time count of homeless persons in 2022 was:

- Capitola: 35 persons (0.3 percent of the total population)
- Scotts Valley: 48 persons (0.4 percent of the total population)
- Watsonville: 366 persons (0.7 percent of the total population)
- Unincorporated: 396 persons (0.3 percent of the total population)

Of the 2,299 unhoused persons in the County, persons who identified as White made up 74 percent of the unhoused population – up from 67 percent in 2019. The share of unhoused persons who identified as Black or African American rose to 12 percent in 2022, far greater than the group’s share of one percent of the total population in the County, indicating that Black or African American persons may be experiencing a disproportionate amount of homelessness. Three percent identified as American Indian or Alaska Native, less than one percent identified as Native Hawaiian, nine percent identified as multi-race, and one percent identified as Asian. Of the 74 percent who identified as white, 39 percent identified as Hispanic or Latino, a slight increase from 36 percent in 2019.

Of the County’s homeless population, 72 percent identified as male, 27 percent identified as female, and the rest identified as transgender or other. Approximately 39 percent of all unhoused persons across the county indicated a history of foster care. [Figure D-25](#) shows the age of people who experience homelessness. More than half of the unhoused persons in the County (58 percent) were between 25 and 54 years of age. Unhoused persons aged 0-17 years old and 18-24 years old each made up 17 percent of the total unhoused population in the County. Approximately 59 percent of all unhoused persons were experiencing chronic homelessness, meaning they have been unhoused for one or more years. Of the unhoused population, many had health conditions which respondents indicated contributed to experiencing homelessness. Approximately 67 percent experienced drug or alcohol abuse, 57 percent experienced a physical disability, 49 percent experienced a chronic health condition, 39 percent experienced psychiatric or emotional conditions, and 35 percent experienced post-traumatic stress disorder.

Figure D-25: Age at First Experience of Homelessness



Source: 2022 County of Santa Cruz Homeless PIT Count & Survey

The City saw a significant drop in the homeless population from 2022 to 2023, dropping approximately 29 percent from 1,439 individuals in 2022 to 1,028 individuals in 2023. During the height of COVID-19, the City utilized pandemic-specific funds and grants to temporarily house homeless individuals, with the ultimate goal of transitioning them into longer-term or permanent housing. It is believed that the transition process has contributed to the drop in the homeless population.

Key Challenges and Resources to Address Homeless Housing Needs

Homeless individuals in Santa Cruz and the region have exhibited the following unique challenges to housing:

- Lack of affordable housing options
- Higher incidents of cost burden for housing
- Higher incidents of overcrowding and substandard housing
- Lack of rental and for sale housing options
- Need for rental assistance

Similar to other special needs groups, needs are focused on affordability of housing and access to services that support lower monthly overall costs. To address these challenges, the City must consider a variety of solutions to address the above issues, such as affordable housing options for farmworkers and leveraging grants and funding opportunities.

Patterns and Trends for Disproportionate Housing Needs Based On Homeless Status

Due to the transient nature of homelessness, homeless populations may move and may not always be present in the same general areas, but based on local data and knowledge, the City assesses that unsheltered homeless populations typically congregate around the Boardwalk area, along the creek areas, and around under and overpasses throughout the City. Additionally, homeless populations typically congregate around shelters, City and County buildings providing homeless resources, areas close to local and regional transportation, and areas providing social services.

Sheltered homeless populations are typically found parked in and around industrial areas and large commercial parking lots around the City.

In the 2023 PIT Count, rental assistance was the most common (77 percent) response when survey respondents were asked what kind of support they needed to obtain permanent housing. Approximately 60 percent of respondents reported that an increase in the availability of affordable housing would support their ability to obtain permanent housing, while 42 percent of respondents reported that they needed money for moving costs to obtain permanent housing. Most respondents received some form of government assistance but noted that it was not enough to allow them to find permanent housing.

In addition to government assistance, there are numerous community-based services and programs that serve persons experiencing homelessness in the City and region. These services range from day shelters and meal programs to job training and health care. Usage of free meals was the most common form of assistance received by survey respondents. Thirty percent of survey respondents reported using emergency shelters, followed by bus passes (24 percent), shelter day services (23 percent) and health services (19 percent).

Future housing in Santa Cruz may need to consider the needs of farm workers employed in the City and the greater region.

Programs for Homeless Individuals

The City understands the transient nature of homelessness and aims to address the needs of this vulnerable population. To address homeless needs, the City has included the following Policy Programs:

- Policy 3.1 - Create housing for low-income families with children and persons with disabilities
- Policy 3.2 - Provide high quality care alternatives such as childcare centers and family daycare for children and youth that are available, affordable, and accessible to those persons who live or work in the City.
- Policy 3.3 - Implement the City's Homelessness Response Action Plan and maintain the relationship with the Continuum of Care to support housing solutions for the homeless as well as a wide variety of supportive services.
- Policy 3.4 - Facilitate permanent supportive housing units, transitional housing options, and extremely low income units for residents through funding and partnerships.
- Policy 3.6 – Provide community programming funding to support the special needs and homeless populations in finding housing and supportive services.

In addition, the City has included many programs to promote the development of affordable housing units throughout the City which may be available to homeless individuals.

Farmworkers

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. The farmworker's tenuous and/or seasonal employment status may further exacerbate their limited income. These employees and their households may reside in severely overcrowded dwellings, in packing buildings, or in storage sheds.

Patterns and Trends for Disproportionate Housing Needs Based On Farmworker Status

Due to the cyclical and seasonal nature of agriculture, it is difficult to accurately estimate the housing needs of farmworkers in the region but based on local data and knowledge, the City assesses that virtually all farmworker households are in need of housing affordable to extremely low incomes. Santa Cruz experiences higher housing costs than other cities in the region, creating a severe cost burden for farmworker households based on their average income in the county. Farmworker households may seek affordable housing options to relieve cost burdens, and these households are typically more susceptible to living in poor housing conditions, or in many cases, homeless or living in personal vehicles. Groups of individuals or families may occupy smaller housing units to alleviate housing costs, creating an issue of severe overcrowding in many cases.

Future housing in Santa Cruz may need to consider the needs of farm workers employed in the City and the greater region.

Key Challenges and Resources to Address Farmworker Housing Needs

Farmworker households in Santa Cruz and the region have exhibited the following unique challenges to housing:

- Lack of affordable housing options
- Higher incidents of cost burden for housing
- Higher incidents of overcrowding and substandard housing
- Lack of rental and for sale housing options
- Need for rental assistance

Similar to other special needs groups, Farmworkers needs are focused on affordability of housing and access to services that support lower monthly overall costs. To address these challenges, the City must consider a variety of solutions to address the above issues, such as affordable housing options for farmworkers and leveraging grants and funding opportunities.

Effectiveness of Past Policies and Programs

Historically, the City has not provided formal services or resources for farmworker households, but instead, has partnered with County agencies to address the unique needs of farmworker households. The City has participated in coordinated efforts to address the needs of special needs groups. While the City did not incorporate policy programs specific to farmworker households in the 5th Cycle, many of the programs meant to address special needs groups apply to farmworker households. The City was able to facilitate the development of affordable housing that may have served farmworker households. Santa Cruz is committed to continuing to address the needs of all special needs groups in the City and the greater region.

Programs for Farmworkers

While farmworkers do not make up a large group of residents within the City, the City understands the transient nature of agriculture and aims to address the needs of this vulnerable population. To address farmworker needs, the City has included the following Policy Programs:

- Policy 3.1 - Create housing for low-income families with children and persons with disabilities
- Policy 3.2 - Provide high quality care alternatives such as childcare centers and family daycare for children and youth that are available, affordable, and accessible to those persons who live or work in the City.
- Policy 3.3 - Implement the City's Homelessness Response Action Plan and maintain the relationship with the Continuum of Care to support housing solutions for the homeless as well as a wide variety of supportive services.
- Policy 3.4 - Facilitate permanent supportive housing units, transitional housing options, and extremely low income units for residents through funding and partnerships.
- Policy 3.6 – Provide community programming funding to support the special needs and homeless populations in finding housing and supportive services.
- Policy 3.7 - Support agriculture and employee housing where applicable.

In addition, the City has included many programs to promote the development of affordable housing units throughout the City which may be available to Farmworkers.

B. Fair Housing Enforcement and Outreach Capacity

1. Fair Housing Enforcement and Outreach

Fair housing enforcement and outreach capacity refers to the ability of a locality and fair housing entities to disseminate information related to fair housing laws and rights and provide outreach and education to community members. Enforcement and outreach capacity also includes the ability to address compliance with fair housing laws, such as investigating complaints, obtaining remedies, and engaging in fair housing testing.

California's Department of Fair Employment and Housing (DFEH) has statutory mandates to protect the people of California from discrimination pursuant to the California Fair Employment and Housing Act (FEHA), Ralph Civil Rights Act, and Unruh Civil Rights Act (with regards to housing). The FEHA prohibits discrimination and harassment on the basis of race, color, religion, sex (including pregnancy, childbirth, or related medical conditions), gender, gender identity, gender expression, sexual orientation, marital status, military or veteran status, national origin, ancestry, familial status, source of income, disability, and genetic information, or because another person perceives the tenant or applicant to have one or more of these characteristics.

The Unruh Civil Rights Act (Civ. Code, §51) prohibits business establishments in California from discriminating in the provision of services, accommodations, advantages, facilities, and privileges to clients, patrons, and customers because of their sex, race, color, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, sexual orientation, citizenship, primary language, or immigration status. The Ralph Civil Rights Act (Civ. Code, § 51.7) guarantees the right of all persons within California to be free from any violence, or intimidation by threat of violence, committed against their persons or property because of political affiliation, or on account of sex, race, color, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, sexual orientation, citizenship, primary language, immigration status, or position in a labor dispute, or because another person perceives them to have one or more of these characteristics.

Fair Housing Enforcement

Currently, the City maintains a formal contract with the California Rural Legal Assistance (CRLA) to help low-income residents with fair housing complaints. As the primary fair housing assistance provider in the Santa Cruz area, CRLA provides a variety of consultation services through its hotline service and consultations, distributes legal information to landlords and tenants, and participates in annual housing fairs, in addition to filing and litigating fair housing complaints where violations of federal or state housing discrimination laws impact Santa Cruz residents. These include cases involving race, national origin, familial status, religion, disability, age, sexual orientation, gender, and gender identity. The procedure for handling a case typically begins with an initial intake call. The receptionist checks the conflict-of-interest files to ensure that no such conflict exists. The screened call is then passed to a housing worker who has received extensive training in proper interviewing techniques and legal knowledge. The housing worker will give the appropriate advice to the client. Typical questions received on the hotline involve security deposit refunds, entry into the home, when rent can be withheld, eviction notices, rent control, and fees for late rent payments. The vast majority of call-ins are handled by phone consultation only.

In situations where problems cannot be adequately addressed through telephone advice, clients meet with an attorney to explore the issue and develop an appropriate plan to address the problem. Further action is taken as needed, including letters, telephone calls, and preparation of court documents and fair housing complaints directed to HUD or the State of California Department of Fair Employment and Housing, if needed. No fair housing complaints were filed in the last Housing Element planning period.

Where required, CRLA will conduct fair housing surveys or tests to determine whether violations exist. Many landlord and tenant disputes are successfully resolved without formal litigation. In such disputes, the case handler assigned will contact the opposing party and attempt to resolve the issue with a mutually agreeable and negotiated resolution. If negotiations are not possible, litigation may be the only alternative. CRLA also participates in housing fairs in jurisdictions throughout the county. These forums provide the opportunity to distribute landlord-tenant information on rights and responsibilities and educating the general public about fair housing. Programs organized by CRLA relating to fair housing include the following:

- Fair Housing Services
- First-Time Home Buyer Counseling
- First-Time Homebuyer Education
- Home-Seeking Counseling
- Shared Housing Counseling and Placement
- Rent Review and Relocation Programs
- Rental Assistance Program
- Tenant/Landlord Services

In PY 2022-23, Santa Cruz allocated \$25,000 in CDBG funds to CRLA to provide legal assistance to low-income individuals on a range of housing matters to help individuals and families make informed decisions and to take action to obtain, maintain, or improve their housing situation.

The Consumer Affairs and Environmental Protection Division of the District Attorney's Office provides a variety of fair housing services. These services include:

- Telephone counseling and referrals to other agencies that deal with consumer issues;
- Landlord- tenant information, assistance, and mediation efforts; and
- Information and referral service to other agencies.

Approximately 100 to 200 calls are received each month from tenants, landlords, and roommates. The most common complaints are about security deposits, evictions, and/or housing conditions. The Office primarily provides legal information and self-help advice to inquiring clients and makes referrals to other legal and nonprofit agencies. Because of a persistent lack of funding, the Office does not have a database that can provide more detailed information on the type of calls received. One volunteer is responsible for handling the majority of landlord-tenant questions and referrals; no paid staff members are involved in this effort.

Overall, the fair housing network appears to be quite fragmented; different groups are organized around special need groups. Only the District Attorney's Office focuses on fair housing issues affecting the general population. During the analysis of this Housing Element, several organizations highlighted insufficient funding as the main source of their relative shortcomings, including the absence of maintained data, reduction or elimination of previously provided services, and lack of coordination between organizations.

The following is a list of other fair housing legal assistance available to Santa Cruz residents:

- Tri-County Apartment Association
- Senior Citizens Legal Services (55 years of age and above)

- Santa Cruz Lawyer's Referral Service
- Small Claims Advisory by Monterey College of Law (free service)
- CRLA
- Tenant Sanctuary

2. Fair Housing and Civil Rights Findings, Lawsuits, Enforcement, Settlements or Judgments

The City's Planning and Community Development Department works closely with residents, property owners, outside agencies, and other City departments to resolve health, safety, and public nuisance conditions that adversely affect the quality of life in Santa Cruz. Enforcement is provided proactively and on a complaint basis. Most code violations are resolved on the initial contact made by Staff. Staff generally works under the model of voluntary compliance within a reasonable amount of time allotted. In rare instances, penalties are assessed to those who fail to comply with the Santa Cruz Municipal Code. The Planning Division is primarily responsible for enforcing the provisions of the Zoning Ordinance and the Building and Safety Division is primarily responsible for enforcing the provisions of the California Building Codes, the Santa Cruz Municipal Code, and the Uniform Housing Code.

3. Fair Housing Laws

The City is in compliance with existing fair housing laws, and often seeks to go beyond State requirements to address fair housing and access to affordable housing. There have been no findings against the City of Santa Cruz from the U.S. Department of Housing and Urban Development (HUD) Office of Fair Housing and Equal Opportunity (FHEO) or from the State Department of Fair Employment and Housing (DFEH).

The following lists State and local fair housing laws and specifies how the City complies:

State

- **California Fair Employment and Housing Act (FEHA):** The City continues to implement and update programs that promote fair and equal access to housing. The City also continues to review standards and requirements that may constrain equal access to housing and the development of affordable housing.
- **Government Code Section 65008:** The City continues to implement programs that encourage affordable housing development. The City implements an Inclusionary Housing Ordinance that requires the development of affordable units as part of multi-family residential developments.
- **Government Code Section 8899.50:** The City implements programs and actions in compliance with State law that affirmatively further fair housing. As detailed in the Housing Plan, the City administers programs to promote equal housing access and affordable resources.
- **Government Code Section 11135:** The City promotes State-funded programs, such as the First-Time Homebuyer Loan Program, on the City's website and at the public counter. The City continues to implement and encourages programs that promote full and equal access to all programs and activities.

- **Density Bonus Law:** The City has an adopted Density Bonus Ordinance consistent with State Density Bonus Law. The City provides incentives to developers to produce affordable housing to very low-income households, low-income households, moderate-income households, senior citizens, transitional foster youth, disabled veterans, and persons experiencing homelessness, as well as for the development of childcare facilities. The Housing Plan includes a program ensuring the City maintains compliance with Density Bonus Law updates.
- **No-Net-Loss Law:** The Candidate Sites Analysis details how the City maintains adequate sites to meet its RHNA. The City is on track to meet its 5th cycle RHNA across all income-levels.
- **Excessive Subdivision Standards:** The City continues to update its Zoning Ordinance, waive certain development fees, and offer incentive packages to facilitate housing development.
- **Housing Element Law:** The City identifies and includes an analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs.

Local

- **Local Ordinances:** The City has multiple local ordinances that establish procedures for rezoning, development permit processing, affordable housing fees, and other programs that encourage fair housing practices. These are provided in [Appendix E](#).
- **Policy Plan Programs:** The Policy Plan details the City's goals, policies, programs, and objectives. The City addresses the need to provide additional housing opportunities, remove constraints to affordable housing, improve the existing housing stock, and provide equal opportunities for current and future residents of Santa Cruz

C. Relevant Factors

1. Background

The City of Santa Cruz is a thriving community of approximately 65,011 residents. Santa Cruz was incorporated in 1866 as a town and received its first charter as a City in 1876. The creation of the Santa Cruz Beach Boardwalk in 1907 solidified the City's status as a seaside resort community, while the establishment of the University of California, Santa Cruz in 1965 led to Santa Cruz's emergence as a college town.

Santa Cruz is located on the north shore of Monterey Bay and is encircled almost entirely by the Santa Cruz Mountains and public open space areas. The City's vigorous and lively downtown lies directly south of the junction of north-south State Highway 17 and State Highway 1. The City of Santa Cruz is known for its vibrant tourism base, cultural amenities, diverse housing opportunities, and high quality of life. These amenities distinguish Santa Cruz as one of the most livable and sought-after communities in the Monterey Bay Area. The City is home to the University of California at Santa Cruz (UCSC), several private schools, and a breadth of cultural institutions. The City is also known for its social activism, both in the community and nationwide.

With these amenities comes a high demand for housing, as people from many backgrounds and income ranges seek to share the benefits the City offers. As housing prices have increased, housing opportunities for low- and moderate-income persons have diminished. This places a disproportionate burden on seniors, disabled persons, families with children, homeless persons, and others who are more vulnerable to unequal treatment in the housing market.

2. University of California – Santa Cruz

A vital part of the community is the University of California, Santa Cruz (UCSC) which opened in 1965 with one college. Today, the 2,000-acre campus has 10 colleges and an enrollment of more than 18,980 students. The City's post-World War II growth and development was most notably affected by the establishment of UCSC. Development of the University led to rapid population growth, with new housing rapidly filling in the gaps between existing neighborhoods and the new campus. The City's population increased 29 percent during the 1970s. Population growth has slowed in recent decades due to the scarcity of vacant land, the presence of regional growth control measures, and demographic change.

3. Investments

Downtown

The City is primarily investing in Downtown Santa Cruz. According to the City's Capital Investment Program FY 2020-24, some of these projects include several beautification and streetscape improvements, civic building renovations, fire station and infrastructure improvements, and downtown mixed-use projects. [Figure D-26](#) illustrates the location of investment projects throughout the City.

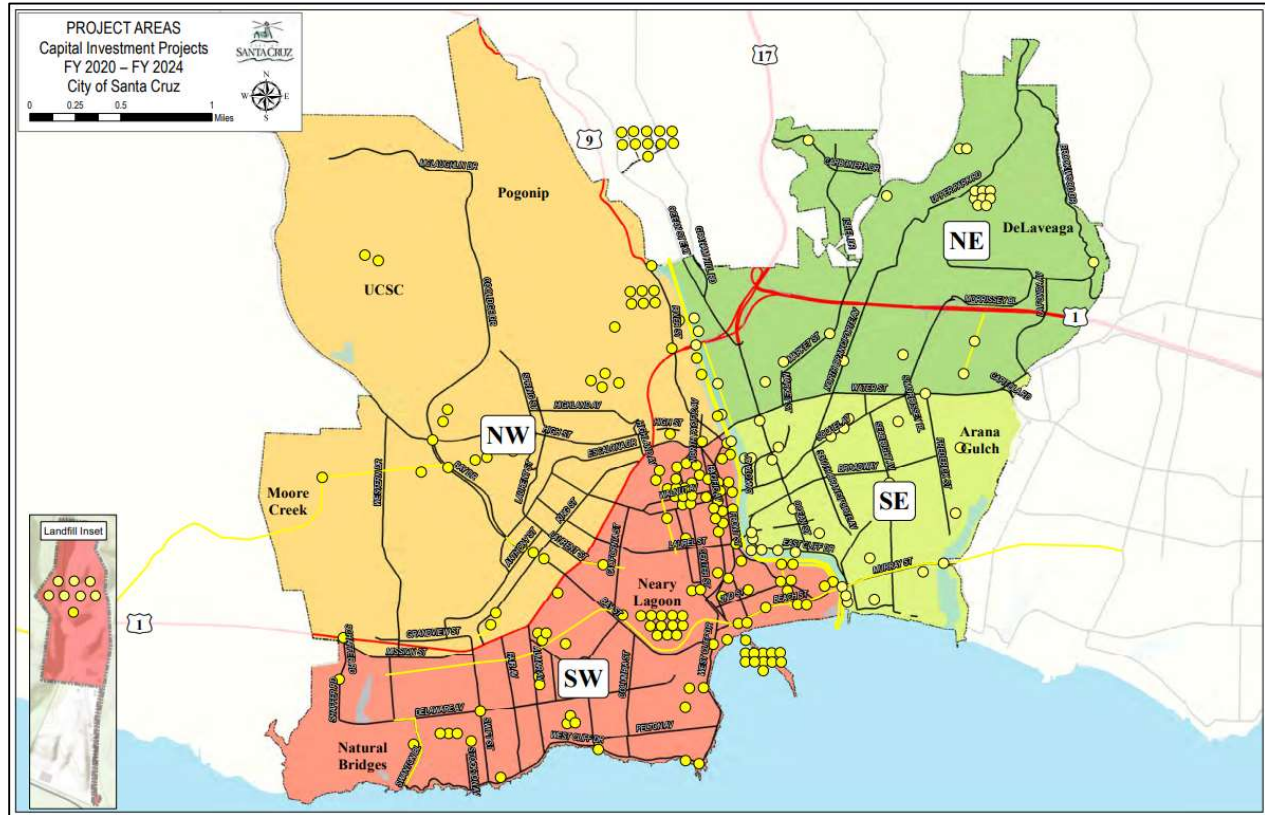
Lower West Side

Investments on the Lower West Side are primarily centralized around the Santa Cruz Beach Boardwalk and the Santa Cruz Wharf. These projects include streetscape improvements, Wharf Master Plan implementation, and a scenic sanctuary trail.

Upper West Side

Investments on the Upper West Side primarily include infrastructure improvements. Some of these projects include a bridge replacement, solar expansion, and a stormwater pollution prevention plan.

Figure D-26: 2020-2024 CIP Projects



Source: City of Santa Cruz Capital Investment Projects FY 2020-2024

D. Contributing Factors

Locally-derived knowledge and contributing factors were developed in response to community participation in outreach events and through analysis conducted in Affirmatively Furthering Fair Housing development and analysis of sites inventory and feedback and comment on the draft Housing Element's data, analysis, and policy program. The contributing factors listed below were identified as creating, perpetuating, and/or increasing the severity of fair housing issues in Santa Cruz:

- Displacement Risk Due to Economic Pressures (High Priority)**
 Santa Cruz residents generally earn high annual incomes. As [Figure D-8](#) shows, approximately one third (1/3) of Santa Cruz households earn over \$150,000. Additionally, [Table C-33](#) states the median home value in Santa Cruz is \$895,800, which is the highest value in the region and greater than Santa Cruz County's median home value. Given the current housing market trends and the high propensity for greater incomes, lower income households may feel economic pressures to relocate out of the City.
- Location and Type of Affordable Housing (High Priority)**
 As noted above, the Santa Cruz community is generally affluent and has high housing costs, in addition to being a very high opportunity City. The retail trade and arts, entertainment, recreation, accommodation, and food service sectors represent just under 25 percent of

the City's total workforce but earn incomes that are much lower than the City's median income. Persons working in these sectors, as well as other sectors earning below the City's median income, may not have the opportunity to live in the City in which they work and must commute longer distances.

- **Housing Conditions and Senior Housing** (Moderate Priority)

Affordability, design, and discrimination limit the supply of housing for persons with disabilities. Amendments to the Fair Housing Act, as well as State law, require ground-floor units of new multi-family construction with more than four units to be accessible to persons with disabilities. Units built prior to 1989 are not required to be accessible to persons with disabilities. As shown in [Figure C-7](#), more than 80 percent of the City's housing stock was built prior to 1989. Aging housing units may have severe housing problems and require significant rehabilitation which may be costly for seniors and low-income residents.

- **Barriers to Housing Choice Voucher Use** (Lower Priority)

Based on community feedback, Housing Choice Voucher holders and those with disabilities often find it difficult to find an appropriate housing unit. Some find it difficult to find an appropriately sized unit that will take their voucher and others experienced that the vouchers will not cover the rent of an appropriately sized unit. In addition, there is an extreme shortage of housing vouchers, and many eligible people are unable to obtain a voucher due to the shortage.

- **Housing Disbursement** (Moderate Priority)

Two RCAAs are found in the City, indicating a concentration of affluent White populations in the City. RCAAs may indicate that historical exclusionary practices continue to affect the Santa Cruz community or that secondary factors such as income inequality prevent integration from occurring more quickly. More integrated, mixed-income housing is required to dissolve RCAAs.

- **Lack of Fair Housing Services** (Lower Priority)

Overall, the fair housing network appears to be quite fragmented; different support groups are organized around specific special need populations. Only the District Attorney's Office focuses on fair housing issues affecting the general population. During the analysis of this Housing Element, several organizations highlighted insufficient funding as the main source of their relative shortcomings, including the absence of maintained data, reduction or elimination of previously provided services, and lack of coordination between organizations.

The City recognizes the fair housing issues that exist within the community and is committed to reducing barriers to housing affordable to all persons. The Housing Plan of this Housing Element provides goals, policies, and programs to increase housing opportunities, remove constraints to affordable housing, improve the existing housing stock, and provide equal opportunities for all current and future residents of Santa Cruz.

E. AFFH Summary

During the 6th Cycle Housing Element process, the City kicked off a comprehensive outreach plan to connect with as many members of the community as possible. Beginning in Fall 2022, the City conducted a variety of outreach and engagement efforts detailed in [Appendix A](#). Community engagements were meant to notify, educate, and engage the public. The City outreached to special needs groups and organizations and groups representing or serving special needs groups. In response to the feedback received and solicited, the City drafted a Policy Plan and Sites Inventory that responded to the unique needs of Santa Cruz residents in an effort to affirmatively further fair housing.

During community engagement events, the public expressed the need for a variety of housing types such as multifamily housing, ADUs and duplex/triplexes. More important than specific housing types, the public expressed the significant need for affordable housing options within the City. The public expressed that a mix of housing types were required in order to address the housing needs of residents with lower or fixed incomes. In direct response to the public's desire for more affordable housing options, the City drafted the following Policy Programs:

- Policy 1.4 – Facilitate alternative housing types that respond to Santa Cruz's diverse population and housing needs, especially those for single-person households, low-income households, students, and special housing needs groups.
- Policy 1.5 – Facilitate the development of Accessory Dwelling Units
- Policy 2.1 – Enable mixed-income projects that encourage greater diversity within housing projects
- Policy 2.2 – Develop creative ways to facilitate more affordable housing development in the City.
- Policy 2.3 – Support the Density Bonus as a valuable tool for incentivizing the development of housing and the inclusion of affordable units in housing projects
- Policy 2.4 – Support Public-Private Partnerships that facilitate the development of affordable housing.
- Policy 3.1 - Create housing for low-income families with children and persons with disabilities
- Policy 3.2 - Provide high quality care alternatives such as childcare centers and family daycare for children and youth that are available, affordable, and accessible to those persons who live or work in the City.
- Policy 3.3 - Implement the City's Homelessness Response Action Plan and maintain the relationship with the Continuum of Care to support housing solutions for the homeless as well as a wide variety of supportive services.
- Policy 3.4 - Facilitate permanent supportive housing units, transitional housing options, and extremely low income units for residents through funding and partnerships.
- Policy 3.6 – Provide community programming funding to support the special needs and homeless populations in finding housing and supportive services.
- Policy 3.7 - Support agriculture and employee housing where applicable.

- Policy 4.1 – Support the provision of rental assistance in the event of a household having insufficient funds for a security deposit or rent payment.
- Policy 4.2 – Investigate and apply for various state, federal, and private sources to provide financing for the construction of new housing and the provision of supportive services.
- Policy 5.3 – Provide housing rehabilitation assistance to low-income households when feasible.
- Policy 6.3 – Support the development and marketing of accessible housing, senior housing, and tenant services.

In furtherance of fair housing, the City targeted outreach to areas and populations that have historically experienced lower opportunities, lower incomes, and lower resources. Through a variety of engagement events, the City engages residents in these areas to understand their unique needs and desires. In response to correspondence with affected groups in Santa Cruz, the City drafted a plan that will increase access to opportunities and resources for individuals who experience reduced access currently. In addition to the Policy Programs listed above, the City added the following programs to AFFH in Santa Cruz:

- Policy 6.1 – Seek to mitigate displacement risks and remove barriers to housing choice vouchers.
- Policy 6.2 – Support affordable housing and the siting of new housing that furthers fair housing.
- Policy 6.3 – Support the development and marketing of accessible housing, senior housing, and tenant services.
- Policy 6.4 – Consider displacement risks due to new development, economic trends, and the environment, and provide community investments to support fair housing.

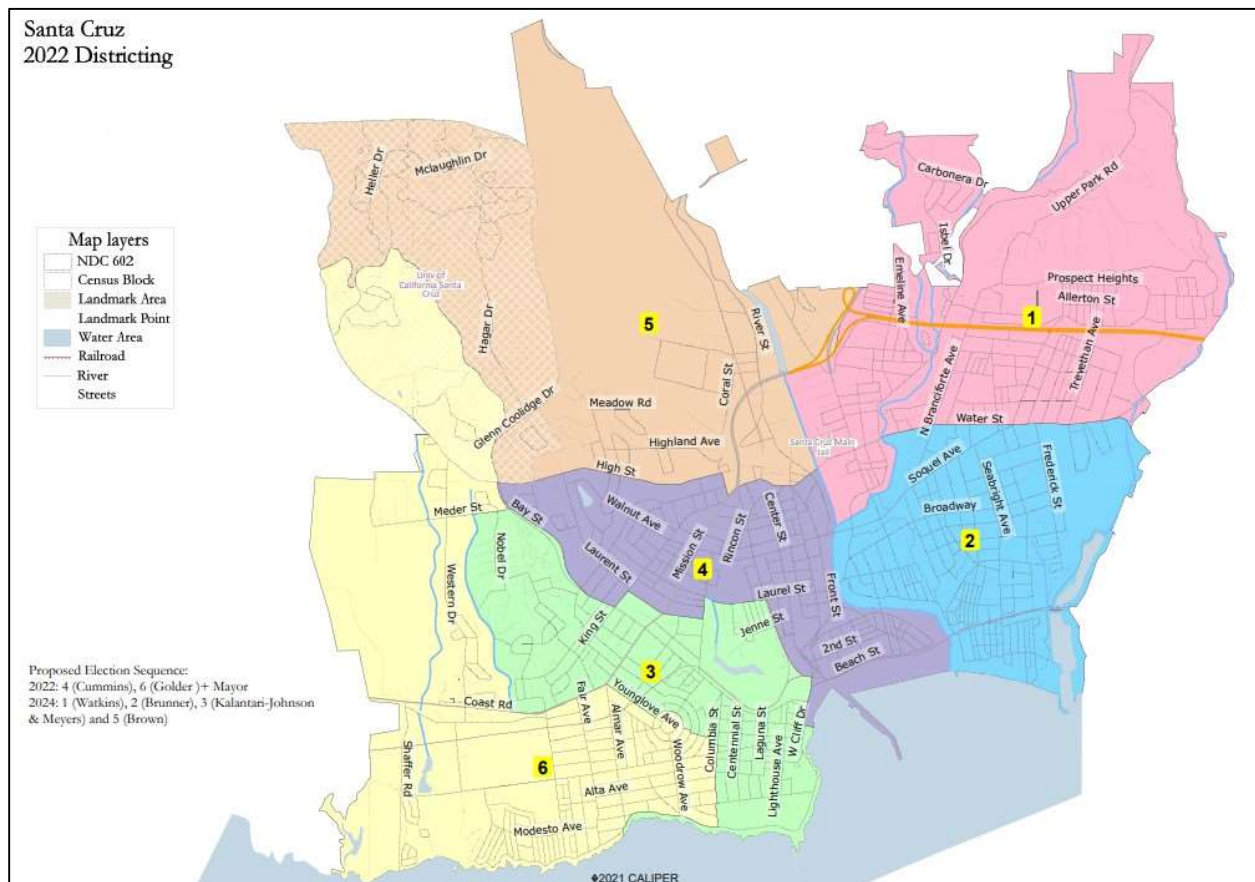
A comprehensive summary of the above AFFH analysis is provided within this section for each of the City's six districts (as illustrated in [Figure D-27](#)). In 2022, voters passed Measure E, amending the City's Charter to create six districts and elect one at-large Mayor. This amendment allows voters of each district to elect their own Councilmember who must reside within that district, rather than electing seven Councilmembers at-large as was previously the case. This enables each district to be fairly and equitably represented.

As part of the process, the City hosted several public meetings in fall 2021 to receive input on what districts should look like. The City's demographer then created several proposed draft maps for the City Council to consider and for residents to vote upon. The City must comply with State and federally-mandated criteria when developing districts, including the following requirements:

- Must contain a nearly equal population.
- May not be drawn with race as the predominate factor in violation of the principles established by the U.S. Supreme Court in *Shaw v. Reno*, 509 U.S. 630 (1993), and its progeny.
- Must be contiguous, which means districts should not hop, skip and jump over some areas to include others.

- Must be drawn to maintain “communities of interest” so that people of like interests are brought together for representation.
- Should be consistent with City, County and local government boundary lines as much as possible.
- Should be compact. California defines compactness “as not bypassing nearby populated areas in favor of more distant populated areas.”
- The summaries provided below include local and historical context, as well as a breakdown of candidate sites identified in each district.

Figure D-27: City of Santa Cruz Council Districts



1. District 1

Local Context

Council District 1 is predominantly made up of single-family neighborhoods bisected by Cabrillo Highway and separated from Council District 2 to the south by Water Street. North of Prospect Heights and east of Branciforte Drive is the DeLaveaga golf course and preserved open space with trails and community amenities.

District 1 also includes the northern portion of Ocean Street down to Soquel Avenue. Ocean Street historically developed as a gateway into Santa Cruz to serve visitors and providing hotels/motels,

gas stations and auto repair shops, restaurants, and a variety of retail businesses. A mix of single- and multi-family residential neighborhoods also surround the corridor. Recent developments have led to the consolidation of smaller sites to create mixed use higher density projects on the corridor. In 2014, the City adopted the Ocean Street Area Plan to guide development through 2030 and “provide a framework for creating a more welcoming environment along the corridor.” The Plan identifies the consolidation of smaller parcels as opportunities for more intensive development. The County Government Center and Paradox Inn are both identified as opportunity sites for potential future development given their size and location. The Plan’s vision is –

“By the year 2030, Ocean Street will become a beautiful, multifaceted gateway to Santa Cruz that reflects the city’s unique and diverse character. Public art will create a distinctive sense of place as people enter the city, and the street itself will be an attractive, tree-lined boulevard that provides a comfortable and safe place for people to walk. New buildings on Ocean Street will reflect a high caliber of architectural design. They will provide space for a variety of local and franchise businesses, and they will create new places to work, live and visit. In addition, all parts of Ocean Street will have stronger connections to the San Lorenzo River.”

Mixed-use development is identified as a prime solution to continue providing visitor-serving needs, as well as to add housing units in convenient proximity to commercial and retail needs. The Plan envisions the corridor transforming from a car-centric thoroughfare to a “more attractive and functional urban environment where residents can work, live and shop.”

AFFH Findings

- High Resource neighborhoods to the north of Cabrillo Highway and Moderate Resource neighborhoods to the south of the highway.
- The area has experienced the greatest increase in diversity from 2010 to 2018 compared to the other districts; however, an RCAA is identified north of Cabrillo Highway.
- The median income for the district as a whole has been increasing since 2014 – the region south of Cabrillo Highway has increased from a median of less than \$55,000 to a mix of block groups ranging from less than \$87,100 to less than \$126,000.
- Half of the district reports a population with a disability between 10 and 20 percent.

Candidate Sites

Candidate sites in District 1 are predominantly located along Water Street and Ocean Street. A few pipeline projects are scattered in existing neighborhoods throughout the District, along with two church properties.

Table D-20: District 1 Candidate Site Units by Affordability				
	Very Low-/ Low-Income	Moderate-Income	Above Moderate-Income	TOTAL
Units	154	22	608	784
Percent of Total Units by Income Category	10.4%	3.4%	22.27%	16.1%

2. District 2

Local Context

District 2 includes the Seabright and Lower Ocean Street neighborhoods. Similar to District 1, the district includes a large percentage of residential neighborhoods with higher density mixed use, retail, and commercial uses along corridors such as Soquel Avenue, Ocean Street, and Water Street. The Santa Cruz Harbor and adjacent Arana Gulch Open Space Park separate Santa Cruz from the neighboring communities of Live Oak and Twin Lakes.

District 2 is made up of differing communities with varying median incomes. The Lower Ocean Street neighborhood is classified as at-risk of displacement for lower income households. In contrast, the neighborhood west of the harbor and north of Seabright Beach is considered affluent.

AFFH Findings

- High Resources area southeast of Seabright Avenue and Water Street and south of Murray Street; the rest of the district is categorized as Moderate Resource.
- Neighborhoods around Murray Street have experienced an increase in diversity between 2010 and 2018.
- The median income has increased in neighborhoods between Water and Murray Street since 2010.
- The District has a low percent of population with a disability at less than ten percent.
- The highest level of positive economic outcomes is reported for the whole District.
- Jobs proximity is very highly rated with most of the District reporting the highest score and the region to the east reporting the second highest score.
- 40 to 60 percent overpayment by homeowners (high for Santa Cruz) west of Seabright Avenue and north of Murray Street.
- 40 to 60 percent overpayment by renters (moderate for Santa Cruz).
- One area at risk of displacement around Ocean Street neighborhoods west of Seabright Avenue.

Candidate Sites

A total of 11.6 percent of the total sites identified are located in District 2. These sites predominantly include infill opportunities along the Soquel Avenue, Water Street, and Ocean

Street corridors, with some scattered sites throughout the neighborhoods and one church property.

Given the risk of displacement for communities in the Lower Ocean Street neighborhoods, sites were identified as appropriate but not extensively. The sites selected were deemed to provide opportunities for potential mixed-use and higher density development along the corridors, but not to threaten existing lower income households.

Table D-21: District 2 Candidate Site Units by Affordability				
	Very Low-/ Low-Income	Moderate-Income	Above Moderate-Income	TOTAL
Units	167	80	393	640
Percent of Total Units by Income Category	11.3%	12.3%	14.4%	13.1%

3. District 3

Local Context

District 3 covers a long portion of the City from West Cliff Drive, west of Neary Lagoon, past Mission Street, and west along Bay Street. The District is predominantly made up of single-family neighborhoods, with commercial, office, and educational uses along Mission Street. Much of Mission Street is zoned for medium density residential mixed-use. Multi-family uses are predominantly located off Bay Drive along Nobel Drive as well as adjacent to Neary Lagoon.

AFFH Findings

- District 3 is mostly made up of High Resources areas, with the exception of one Moderate area north of Bay Street.
- Slight increase in diversity north of Mission Street between Bay Street and Western Drive.
- One RCAA exists in District 3 along the coast and south of Bay Street.
- District 3 has experienced a large increase in median income between 2014 and 2019.
- Pockets of 10 to 20 percent population with a disability along the coast and near downtown.
- District 3 includes areas of positive economic outcomes along the coast as well as pockets of lower and highest positive outcomes towards downtown and north of Mission Street.
- Most of the District reports high job proximity scores, with the exception of neighborhoods north of Mission Street.
- Homeowners have a fairly average overpayment score between 20 to 40 percent (moderate for Santa Cruz); neighborhoods north of High Street and west of Mission Street report higher overpayment rates at 40 to 60 percent.
- Renters along the coast report the lowest overpayment rate in the city – likely due to having higher incomes. The rest of the District reports the highest overpayment between

60 to 80 percent; with the exception of a few neighborhoods along the north side of Mission Street which report 40 to 60 percent renter overpayment.

- Neighborhoods closest to downtown north of High Street and west of Mission Street report the active displacement of one income group.

Candidate Sites

A number of pipeline projects are located within District 3; however, the majority of candidate sites are located along Mission Street corridor as the district is fairly built out with existing neighborhoods. The City can anticipate ADU development to occur throughout these neighborhoods and continue to provide a source of affordable units.

Table D-22: District 3 Candidate Site Units by Affordability				
	Very Low-/ Low-Income	Moderate-Income	Above Moderate-Income	TOTAL
Units	61	86	225	372
Percent of Total Units by Income Category	4.1%	13.2%	8.2%	7.6%

4. District 4

Local Context

District 4 includes the entirety of Downtown Santa Cruz and residential neighborhoods south of High Street. Downtown Santa Cruz has been the focus of redevelopment and revitalization interest throughout the 5th Cycle. The area was particularly affected by the COVID-19 pandemic. Figure D-26 above illustrates that the City has planned the highest amount of CIP Projects in Downtown Santa Cruz.



The Santa Cruz Boardwalk, related parking lots, and the Wharf are part of District 4.

While this area is predominantly developed to serve visitors, the Beach Flats community is centrally located between these entertainment and lodging uses. As identified in the AFFH Findings, the south downtown area, Beach Flats community, and Neary Lagoon neighborhoods report active displacement. The City has made extensive investments in furthering affordable housing development within the area to create opportunities for existing residents and address the affordable housing crisis by facilitating affordable housing development. Throughout the 6th Cycle, the City will continue to focus attention on protecting residents from further displacement.

AFFH Findings

- District 4 is divided up by Moderate Resource areas in the downtown and High Resource areas northwest of Mission Street.

- Diversity has increased in pockets of District 4 since 2010 – particularly in the northern region of downtown and to the west of Mission Street.
- Median incomes have increased in neighborhoods near the Boardwalk and west of Mission Street.
- Mission Street splits District 4 population with a disability with less than 10 percent to the north and 10 to 20 to the south.
- Low economic outcome scores downtown, moderate scores along the coast, and highest scores to the north of Mission Street.
- Highest job proximity index scores.
- Pocket of “higher” environmental burdens score downtown directly south of Mission Street at 41-50 percent (higher in comparison to the rest of the city, 41 to 50 percent is still considered on the lower half).
- District 4 almost entirely reports 40 to 60 percent overpayment by homeowners; and similarly for renters with the majority of the district reporting 60 to 80 percent renter overpayment.
- Downtown Santa Cruz reports one income group currently experiencing displacement.

Candidate Sites

New development projects seek to pair housing opportunities with ground-floor commercial uses to create an accessible and lively downtown without reliance on vehicles.

Large mixed-use projects have made their way through the permitting pipeline and the Downtown Expansion Plan has been in development to create new opportunities for affordable units paired with community and entertainment spaces.

District 4 has the greatest percentage of lower income units given its central accessibility to public transportation (the transit depot is located downtown); community resources tied to City Hall, the library, homeless resources and shelters, and community organizations; employment opportunities; medical offices; and commercial needs such as grocery stores and restaurants. While the area has the greatest percent of lower income units, the percentage remains proportional to moderate- and above moderate-income units planned for in the area.

Table D-23: District 4 Candidate Site Units by Affordability				
	Very Low-/ Low-Income	Moderate-Income	Above Moderate-Income	TOTAL
Units	641	177	1,142	1,960
Percent of Total Units by Income Category	43.2%	27.2%	41.7%	40.2%

5. District 5

Local Context

District 5 covers residential neighborhoods north of High Street, the industrial complex along River Street, and the majority of the UC Santa Cruz campus.

The industrial area has seen increased interest in housing development over recent years. Existing affordable housing developments include units at the Tannery Arts Center and the Rebele Family Shelter. While there is interest on select sites throughout the area, the City is intent on maintaining its industrial areas to provide employment opportunities as reflected in General Plan policies.

South of Cabrillo Highway and north of Water Street is the northern downtown portion of District 5. This area currently has a variety of uses including faith-based organizations, Santa Cruz Mission, El Rio Mobile Home Park, various commercial uses, some industrial uses, and scattered residential uses.

AFFH Findings

- District 5 is a High Resource area with one small pocket of Moderate Resource scores south of Mission Street.
- The area has not experienced recent changes in diversity – all other Districts have reported increases.
- The median incomes across the entire District have increased between 2014 and 2019.
- District 5 has a mix of 10-20 percent and less than 10 percent population with a disability.
- District 5 has the highest percent of children in married-couple households, with the exception of lower scores over the UCSC campus.
- The majority of the District reports the Highest positive economic score, with the exception of the lowest score over the UCSC campus; this can be expected given the temporary nature of the student residents, as well as the lower rates of employment for full-time students.
- District 5 has the highest job proximity score for the majority of the area and the lowest scores over the UCSC campus.
- District 5 reports the highest rates of overpayment by renters.

Candidate Sites

Candidate site units located in District 5 include a number of pipeline projects, a few vacant lots, and a church property. The District is more constrained due to the UCSC campus, industrial land, single-family neighborhoods, and the Pogonip Open Space area. However, almost 30 percent of lower income units are planned for the high resource area.

Table D-24: District 5 Candidate Site Units by Affordability				
	Very Low-/ Low-Income	Moderate-Income	Above Moderate-Income	TOTAL
Units	413	36	140	589
Percent of Total Units by Income Category	27.8%	5.5%	5.1%	12.1%

6. District 6

Local Context

District 6 follows the coast from Lighthouse Field State Beach to the Younger Lagoon Reserve and up to the UC Santa Cruz campus. Along the coast, District 6 is known for its famous West Cliff Drive, with its long pedestrian and bike path, and vast ocean view. The adjacent neighborhoods are predominantly single-family, with ocean-view homes selling in the multi-million-dollar range.



Source: (Left) Lawrence Linda, SCPL Local History, (Right) Redfin

Residential neighborhoods both to the south and to the north of Mission Street are largely built out, with the exception of a few vacant parcels. The area to the north of Mission Street is constrained to the west due to canyons and hillsides.

The City's second industrial area is located northeast of Natural Bridges State Beach and south of Mission Street. The area has been growing slowly over the last few years with new industrial uses coming in and some residential. A number of parcels along Delaware Avenue west of Swift Street remain vacant; however, the vision for the area is to remain predominantly industrial focused and to continue serving as an employment hub for the community.

Future development interest in District 6 is focused along Mission Street predominantly to redevelop older strip malls and underutilized parcels with the vision of providing higher density mixed-use development with commercial components.

AFFH Findings

- District 6 is divided by High Resource TCAC scores to the north of Mission Street and mostly Moderate Resource scores to the south.
- The area has experienced a large increase in population diversity.
- Part of an RCAA exists along the coast and south of Mission Street.
- The block group south of Mission Street between Almar Avenue and Shaffer Road may have experienced a decrease in median income from “<\$80,000” to “<\$55,000”. Given the change in categories for median income reporting, the area could have maintained a similar median income, but the surrounding block groups did experience an increase in median income.
- District 6 has neighborhoods with the highest percent of children living in married couple households north of mission Street and neighborhoods with the lowest percentages to the south of Mission Street.
- The area generally reports low economic outcome scores, potentially due to the higher prevalence of industrial and commercial uses.
- District 6 reports moderate job proximity scores.
- Approximately 60-80 percent of renters overpay for housing in the area.

Candidate Sites

District 6 is able to accommodate nearly half of the City’s moderate-income RHNA due to the UCSC pipeline projects. A number of other pipeline projects are proposed in the area, with the main focus being the Mission Street corridor. While the percent of lower income units is low in this District, units on the UCSC campus may develop at costs affordable to very low- and low-income households and thus increase the projected percentage.

Table D-25: District 6 Candidate Site Units by Affordability				
	Very Low-/ Low-Income	Moderate-Income	Above Moderate-Income	TOTAL
Units	47	249	229	525
Percent of Total Units by Income Category	3.2%	38.3%	8.4%	10.8%