



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Community Development and Infrastructure - Planning

Subject: 2025 General Plan Annual Report

Meeting Date: March 24, 2026

Formal Title: Hold public hearing to consider the 2025 General Plan Annual Report, accept and file two related annual reports, and take related actions

Recommended Actions

1. Hold a public hearing on the 2025 General Plan Annual Report;
2. Accept and file the 2025 General Plan Annual Report and the Fiscal Year 2024-25 Housing Successor Agency Report on Low- and Moderate-Income Housing Asset Funds; and
3. Direct staff to submit the annual reports to the Governor's Office of Land Use and Climate Innovation and the California Department of Housing and Community Development, as applicable.

Executive Summary

The attached General Plan Annual Report summarizes General Plan-related activity that occurred in 2025 and includes pending and anticipated future General Plan-related actions. The report includes the 2025 Housing Element Annual Progress Report (APR), which provides details on implementation of the Housing Element of the General Plan. The Low- and Moderate-Income Housing Asset Funds (LMIHAF) Report provides details on expenditures of LMIHAF funds during FY 2024-25, and on other assets of the County's Housing Successor Agency as required by state law. Both the APR and LMIHAF Report must be filed with the State's Housing and Community Development (HCD) by April 1 of each year.

Discussion

State law and County regulations require preparation of an annual report on progress toward implementation of the General Plan and a report documenting the progress toward implementing the Housing Element. Public hearings and review of this report by the Planning Commission and the Board of Supervisors are required by County regulations. State law also requires that the General Plan and Housing Element APR be submitted to two state departments: the Governor's Office of Land Use and Climate Innovation (LCI) and the HCD.

In addition to the APR, all Housing Successor Agencies, including the County, must report annually on uses of its LMIHAF and related matters specified in state law (SB 341). The LMIHAF Report is due to HCD concurrently with the APR. The County must post this report on its website, along with implementation plans of the former redevelopment agency. This report will be posted at the following website:
<https://cdi.santacruzcountyca.gov/Planning/Housing/HousingResources/HousingSuccessorAgencyReports.aspx>.

Several topics discussed in the 2025 General Plan Annual Report are required areas of review, including approved General Plan amendments, progress in meeting the

County's fair share of regional housing needs, park site acquisition, and the Urban Services Line (USL) annual review. In addition, the report includes various housing statistics in the Housing Element APR tables required by HCD. The APR tables summarize the total number of housing development applications received and approved by the County in 2025, as well as housing units that were issued building permits and completed. Building permits issued are of particular importance, as permitted units are the primary measure of the County's progress toward meeting its Regional Housing Needs Allocation (RHNA) of 4,634 units by 2031. The County has permitted 363 housing units toward its RHNA goal, representing 33% of the second-year target of 1,108 units for the RHNA cycle and 8% of the overall RHNA requirement of 4,634 units. Additional details are provided in Table 5 of the attached 2025 General Plan Annual Report. The APR tables also summarize the County's progress in implementing the programs associated with the 2023 Housing Element.

On February 11, 2025, the Planning Commission held a public hearing on the 2025 General Plan Annual Report, as required by Santa Cruz County Code (SCCC) 18.50.120. The Commission recommended that the Board of Supervisors direct staff to submit the attached reports to the applicable state agencies. The Commission discussed tribal consultation procedures, opportunities to increase open space and coastal access in South County, the process for expanding the USL, and building permit reporting, including questions related to income categories, affordability, and administrative procedures.

Corrections have been made to the attached 2025 General Plan Annual Report. Updates include the addition of 84 preserved lower-income units, which count toward the County's progress in meeting its RHNA, as well as revisions to housing unit totals in the Active Projects table. These updates are reflected in the attached 2025 General Plan Annual Report.

The LMIHAF Report is based largely on the FY 2024-25 audit of the LMIHAF prepared by Brown Armstrong, and other relevant information gathered by County staff. It focuses on revenues generated from loans and investments made by the former Redevelopment Agency (RDA) but received by the Housing Successor on or after February 12, 2012. The report conforms to state laws related to RDA dissolution. Please see the attached LMIHAF for more information.

Environmental Review

The 2025 General Plan Annual Report is a reporting document required per Government Code Section 65400 and Santa Cruz County Code 18.50.120 and is not intended to create or alter policy, nor will it result in direct or indirect physical change in the environment. The content is provided for informational purposes only and is not a project subject to the requirements of the California Environmental Quality Act (CEQA) per CEQA Guidelines Article 20 Definitions, Section 15378 Project.

Financial Impact

Preparation of these reports is part of the Community Development and Infrastructure Department budgeted work program using existing staff resources. Timely submission of these reports maintains the County's eligibility for certain State grants.

Strategic Initiatives

Operational Plan - Attainable Housing

Submitted By:

Matt Machado, Deputy CEO / Director of Community Development and Infrastructure

Recommended By:

Nicole D. Coburn, County Executive Officer

Artificial Intelligence Acknowledgment:

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.

2025 General Plan Annual Report
for
Santa Cruz County - Unincorporated
Reporting Calendar Year 2025

Prepared by:
County of Santa Cruz
Community Development & Infrastructure Department



March 24, 2026

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State law and Santa Cruz County regulations require preparation of an annual report on the progress toward implementation of the Santa Cruz County General Plan and Housing Element. This includes an update on housing programs as well as various housing statistics that demonstrate the County's progress toward meeting the regional fair share of housing needs. The following statutes list the specific information required in this report, which is presented in the sections below. *Staff notes are shown in italics.*

State Law

California Government Code [65400\(a\)\(2\)](#) requires the County by April 1 of each year to provide an annual report to the Board of Supervisors, the Governor's Office of Land Use and Climate Innovation (LCI), formerly known as the State Office of Planning and Research (OPR), and the Department of Housing and Community Development (HCD) that includes the following:

(A) The status of the General Plan and progress in its implementation.

The County Code contains provisions addressing this requirement, please refer to that section of this report.

(B) The progress in meeting the County's share of regional housing needs and local efforts to remove governmental constraints to the maintenance, improvement, and development of housing.

The Housing Element Annual Progress Report (APR) portion of this report addresses this requirement and is prepared using standards, forms, and definitions adopted by HCD.

(C) The number of housing development applications received in the prior year (*APR Table A*).

(D) The number of units included in all development applications in the prior year (*APR Table A*).

(E) The number of units approved and disapproved in the prior year (*APR Table A2*).

(F) The degree to which the General Plan complies with the guidelines developed by LCI and the date of the last revision of the General Plan.

The General Plan was prepared and adopted in compliance with guidelines developed by LCI and any updates are prepared in compliance with the latest guidelines.

(G) A listing of sites rezoned to accommodate that portion of the County's share of the regional housing need (*See APR Table C*).

(H) The number of net new units of housing, including both rental housing and for-sale housing, that have been issued a completed entitlement, a building permit, or a certificate

of occupancy, thus far in the housing element cycle, and the income category, by area median income category, that each unit of housing satisfies (*APR Table B*).

(I) The number of applications submitted, approvals granted, building permits issued, and number of units constructed pursuant to Senate Bill (SB) 35 (2019)/SB 423 (2023) which provides streamlined review and approval for eligible affordable housing projects (*APR Table A2*).

(J) If the County has received funding pursuant to the Local Government Planning Support Grants Program (*APR LEAP Reporting Table*).

(K) The progress of the County in adopting or amending its general plan or local open-space element in compliance with its obligations to consult with California Native American tribes, and to identify and protect, preserve, and mitigate impacts to tribal cultural resources.

The County consults with local tribes before amending its General Plan, as required by state law.

(L) Information on density bonus applications (*APR Report and Tables A and A2*).

(M) Information on each application submitted pursuant to Assembly Bill 2011 (2022) which provides a pathway for multifamily projects on commercial zoned land (*APR Table A2*).

(N) A list of all historic designations listed on the National Register of Historic Places, the California Register of Historic Resources, or a local register of historic places by the County in the past year, and the status and number of units for any housing development projects proposed for the new historic designations, including completed entitlements and building permits issued.

County Code

Santa Cruz County Code (SCCC) 18.50.120 addresses the status of the General Plan and progress in its implementation and includes the following specific requirements for the General Plan Annual Report:

(A) The report shall be subject to a public hearing at the Planning Commission and Board of Supervisors and shall include, but not be limited to, a summary of the following information:

(1) A summary of General Plan amendments processed during the preceding year and those pending review, including those initiated by amendment applications and by referrals from the Board of Supervisors.

(2) A report on the progress and status of implementation programs such as the annual review of commercial agricultural land classification pursuant to SCCC 16.50; park site

acquisitions and reviews for development applications; General Plan consistency reports for public works projects; capital improvement program preparation and reviews for independent agencies; and the development of priority coastal uses including low and moderate income housing, visitor accommodations, and public access to the coast.

(3) A review of significant policy issues which may have arisen regarding provisions of the General Plan and including the annual urban services line review pursuant to SCCC 17.02.

(4) A recommendation for General Plan amendments to be initiated to maintain an effective, up-to-date General Plan including policy changes, clarifications, and new policy development; changes in land use allocations; and changes necessary to update resource and constraint maps. The recommendation may also include suggestions for priorities for implementation programs, as well as General Plan amendments to be included in the work program for the following fiscal year.

In addition, SCCC 13.10.681(K) requires the General Plan Annual Report to include a review of impacts of the Accessory Dwelling Unit (ADU) ordinance, including the number of ADUs constructed and the impacts such construction has created in each planning area, with particular attention to the cumulative impacts within the coastal zone.

2025 General Plan Amendments

In 2022, the County began to update the Housing Element of the General Plan, as required by HCD pursuant to state General Plan law. This project was known as the 6th Cycle Housing Element Update and required the County to plan to accommodate an assigned share of the Regional Housing Needs Allocation (RHNA) assigned by the State to our region for the next eight years. The assigned share was allocated to unincorporated Santa Cruz County through a process conducted by the Association of Monterey Bay Area Governments (AMBAG). The 6th Cycle Update is significant in that the County's RHNA of 4,634 units is a substantial increase from past allocations, and approximately three and a half times the 1,413 units required for the previous 5th Cycle Housing Element, although it is similar to the size of the County's allocation in the early 2000s. Tribal consultation for this General Plan amendment was completed in 2023 pursuant to state law, and environmental review consisted of an addendum to the Sustainability Update EIR. The Santa Cruz County Board of Supervisors adopted the 2023 Housing Element on November 14, 2023, and the Housing Element was certified by HCD on April 12, 2024.

The 2023 Housing Element identified that the total number of housing units that could be developed under current zoning in unincorporated Santa Cruz County fell short of the required RHNA. To address this shortfall, parcels for rezoning and land use designation changes were identified in the Housing Element to increase housing unit capacity in the unincorporated area. In mid-2024, the County began the Housing Element Rezoning Program to implement these zoning and land use map amendments, per the Housing Element Housing Sites Inventory and related programs, in order to meet state law requirements. To make the Rezoning Program more manageable and help focus

discussion, the list of parcels proposed for rezoning was split into two groups or “batches.” Batch A included a total of 27 parcels, all of which were rezoned, and 25 of which were also the subject of General Plan map amendments. Batch B included a total of 43 parcels, all of which required rezoning, and 38 of which were subject of General Plan map amendments. As of May 20, 2025, 63 parcels have been rezoned and General Plan map amended, while seven are pending California Coastal Commission (CCC) certification. The CCC is expected to hold a public hearing to certify the rezones and General Plan map amendments in March 2026.

Policy staff are continually working on a variety of minor General Plan amendments to maintain an effective, current General Plan. These amendments were combined into one project, known as the 2025 Housekeeping Amendments project. These Housekeeping Amendments aim to address issues that were not included in the last major update of the General Plan (the Sustainability Update project, which was a major update of the General Plan and County Code) as well as any inconsistencies that have arisen following implementation of the Sustainability Update. Staff brought 2025 Housekeeping Amendments project to public hearings before the Planning Commission and Board of Supervisors in spring 2025. Additional amendments will follow annually as a new project called *Annual County Code Update*.

General Plan Amendments Pending Review

In 2025, work continued on updates to the coastal hazards policies of the Public Safety Element. Funded by the California Coastal Commission’s LCP Grant Program, the project includes a technical study to complete a sea level rise vulnerability assessment for coastal areas of the County and analysis of different options for adaptation to the identified vulnerabilities in the future. Community outreach will inform policy and code updates reflecting phased adaptation pathways for different neighborhood areas. Related policy and code updates will be presented in the LCP Amendment phase of the project expected to occur in 2026.

As stated previously, the 2025 Housekeeping Amendments were certified spring of 2025 aimed at maintaining consistency with the County’s General Plan and County Code. This style of project has been identified as high priority and is now an annual project to be completed on a yearly basis by June 30 of every year. This project is now referred to as the Annual County Code Update and is part of a larger effort called “Streamline Santa Cruz County,” an effort to streamline development standards and permit processing. Another set of General Plan amendments, along with many County Code changes and rezones are slated for Public Hearings at the Planning Commission and Board of Supervisors in the Spring and early Summer of 2026.

To allow for the development of Energy Storage System (ESS) facilities within the unincorporated area of Santa Cruz County, targeted amendments to the County’s General Plan are required. These amendments would establish the policy framework necessary to evaluate and permit ESS facilities, addressing land use compatibility, public safety, environmental protection, infrastructure capacity, and agricultural resource preservation. Draft General Plan Amendments have been approved by the Board of

Supervisors, and are intended to serve as the foundational policy basis for subsequent General Plan and zoning amendments and environmental review. These amendments would be used to initiate environmental analysis and advance the ESS ordinance for consideration at public hearings before the Planning Commission and Board of Supervisors in 2026.

Implementation Programs

The General Plan/LCP includes several implementation programs designed to ensure ongoing conformance with existing land use policy. Key General Plan programs are highlighted in this section.

The General Plan prioritizes preservation of agricultural lands in the county. Agricultural resource lands are designated by the General Plan and are further classified into agricultural land types based on viability of continued agricultural operations. However, the project to close the Buena Vista Landfill and replace it with a solid waste transfer station will require an amendment to an agricultural land classification type and that request will be part of a future planning application for the project.

When a development permit application is filed with the County for a property that is designated as a proposed park site in the General Plan, or a site with a “D” designation, the property is reviewed by Parks, Open Space & Cultural Services Department staff and the Park and Recreation Commission for possible acquisition. There were no reviews of “D” designations by the Parks and Recreation Commission in 2025. One development permit application for minor land division in the Live Oak area was reviewed and Department staff recommended against acquisition based on the availability of other neighborhood parks in the area and the lack of available funds for additional park acquisition. Department staff is working with the applicant to grant the County a trail easement along the adjacent riparian corridor. A property owner selling a “D” designation property in the Live Oak area contacted Parks staff to inquire about the Department’s interest in future acquisition. Staff recommended against future acquisition based on the availability of other neighborhood parks in the area and the lack of available funds for additional park acquisition.

In 2025, there were a total of three General Plan consistency reports. The first was for the summary vacation of a portion of Lodge Road within Big Basin State Park. The vacated segment primarily serves State Park access and was determined to be unnecessary for County Road purposes. The action transfers maintenance responsibility to State Parks, does not affect public access or safety, and supports efficient infrastructure management and interagency coordination. The summary vacation was determined to be consistent with the General Plan and categorically exempt from the California Environmental Quality Act (CEQA).

Secondly, there was one General Plan consistency report for the summary vacation of a portion of Ash Way, a paper street created by a 1946 subdivision map that was never accepted or constructed by the County. Vacating the undeveloped right-of-way was required to allow reconstruction of a residence destroyed in the 2020 CZU Lightning

Complex fires. The summary vacation avoids impacts to sensitive habitats, does not interfere with public access, and was determined to be consistent with the General Plan and categorically exempt from CEQA.

Lastly, there was one General Plan consistency determination for the transfer of property associated with the Big Basin Water Company Wastewater Treatment Plant to County ownership. The transfer supports continued operation of an existing community wastewater facility, protects surface and groundwater resources, and ensures long-term public health and safety following wildfire damage and prior operational failures. The action was determined to be consistent with the General Plan and categorically exempt from CEQA.

The County Executive Office (CEO), in conjunction with the Community Development and Infrastructure Department (CDI) and other departments, develops a Capital Improvement Program (CIP) document, which is required to be consistent with the General Plan. The CIP is required to be reviewed by the Planning Commission and approved by the Board of Supervisors along with the County budget each year. Capital projects proposed by other agencies in the unincorporated portion of the County are also reviewed for General Plan consistency. No projects in the current CIP were found to be inconsistent with the County's General Plan.

Progress was made in 2025 on several projects involving improvements to public access to the coast. The Santa Cruz County Parks, Open Space, and Cultural Services Department (Parks) is developing a feasibility study for nature-based sea level rise adaptation strategies for coastal lagoons along East Cliff Drive, which is related to the Moran Lake Restoration and Public Access Plan, and will help protect future coastal access at Twin Lakes State Beach, Corcoran Lagoon, and Moran Lake. Installation of a new permanent accessible restroom facility at Hidden Beach County Park was funded by the Coastal Conservancy and completed in 2025. Through a Coastal Conservancy grant, Parks is developing an environmental education center and low-cost overnight accommodations at Greyhound Rock County Park to increase coastal access and awareness, particularly for youth and other disadvantaged communities that lack coastal access. In 2025, Parks entered into a Memorandum of Understanding with the California Department of Fish and Wildlife (CDFW) to transfer property ownership to Parks and finalize a short-term operating agreement to support interim affordable accommodations and educational programming at Greyhound Rock. Parks worked with Caltrans as the lead agency and other partner agencies to advance the environmental review of the Scott Creek Lagoon Restoration Project, which will replace the existing Highway 1 bridge over Scott Creek with a design that allows for improved habitat for Coho Salmon and coastal access. Parks also continued to manage the Coastal Encroachment Program, removing encroachments that conflict with public coastal access in the County's right-of-way. Parks also worked with the Regional Transportation Commission (RTC) to amend the maintenance agreement for the North Coast Rail Trail to allow for Parks to begin early maintenance of Panther Beach parking lot. As the entity responsible for future maintenance of the project, Parks staff are supporting the RTC to review construction progress. Parks is continuing to coordinate meetings of the North Coast Facilities and

Management Plan Working Group to improve public access on the North Coast. In partnership with the Third District Supervisor, Parks designed and installed new bilingual interpretive signage at County-managed coastal access points to improve equitable coastal access. These signs emphatically state that County beaches and coastal access points are open to all members of the public and help educate all visitors on coastal resources and processes. Finally, Parks staff, in partnership with the Community Development & Infrastructure Department, RTC, the City of Santa Cruz, and the City of Capitola continue to advance work on segments of the Coastal Rail Trail. Parks began final design and right-of-way work for Coastal Rail Trail Segments 10 and 11 (17th Ave to State Park Dr). Parks staff are also supporting the City of Santa Cruz in their lead role for Coastal Rail Trail Segments 8 and 9 (Pacific Ave to 17th Ave) as that project begins final design and right-of-way.

In addition to the County's routine annual code amendment process, the Policy Section is undertaking a significantly larger and more comprehensive effort as a part of the Streamline Santa Cruz County effort, to modernize the County Code by streamlining provisions and transitioning regulatory standards to be more objective and clearly defined, particularly as they relate to land use and development review. This multi-year work program, referred to as the *Comprehensive County Code Update*, involves large-scale amendments across multiple chapters of the County Code and may also include targeted amendments to the General Plan to ensure consistency. The overarching goals of this effort are to improve clarity, reduce discretionary interpretation where appropriate, increase processing efficiency, and align County regulations with evolving state law requirements. Given the breadth and cumulative nature of the anticipated amendments, future phases of the Comprehensive County Code Update are expected to require environmental review under CEQA, as the scope of changes may result in potential land use or development-related impacts that must be evaluated. The work program is currently in the early stages of development, with scoping and prioritization underway, and implementation is anticipated to occur incrementally over several years through a series of public hearings before the Planning Commission and Board of Supervisors.

Urban and Rural Service Line Applications

The purpose of the Annual Urban Services Line Review is to consider the need for possible inclusion or removal of particular parcels or areas. There is no identified need at this time for inclusion or removal of parcels or areas. There were no formal applications filed in 2025 to amend the Urban Services Line.

Density Bonus Applications

California State Density Bonus Law (Gov. Code Sections 65915 - 65918) offers development incentives to certain qualifying projects that include qualifying affordable housing units on site, and/or dedicate land for affordable housing, and/or include childcare facilities. Table 1 below shows all housing development applications for projects of five or more new units received by the County's Unified Permit Center (UPC) in 2025, all of which requested a density bonus. Table 1 includes both ministerial (streamlined) applications filed in 2025, and discretionary applications that were filed and deemed complete in 2025.

Further details on these projects can be found in Table 1 below and in Table A of the Housing Element APR.

Table 1: New Density Bonus Applications Filed and Deemed Complete in 2025*

| Location | Applicant / Sponsor | Appl. No. | Bldg Type | Tenure | App Date | Total Units | Afford-able Units | Density Bonus Units | Subsidized? | Status | Streamlined ? |
|--|--|-----------|-----------------|----------------|------------|-------------|--|---------------------|-------------|---|--|
| 2755 41st Ave, Soquel (APN: 030-121-61 & 030-121-34) | Linc Housing, Pacific West Communities | 251009 | Apts. | Rent | 9/25/2025 | 256 | 92 Extremely Low, 8 Very Low, 153 Low (3 manager units) | 134 | Yes | Pending. Awaiting building permit. | Yes, Ministerial combining zone district |
| NO SITUS, Santa Cruz CA 95060 (APN: 025-351-19) | Anton Solana | 241320 | Apts. | Rent | 6/23/2025 | 173 | 18 Extremely Low, 35 Very Low, 118 Low (2 manager units) | 0 | Yes | Approved. Awaiting building permit. | No |
| 3500 Paul Sweet Rd., Santa Cruz (APN: 025-013-37) | Workbench | 241360 | Apts. | Rent | 6/13/2025 | 105 | 6 Extremely Low | 26 | No | Pending. Application complete and awaiting approval. | No |
| 841 Capitola Rd, Santa Cruz (APN: 026-491-40) | Workbench | 241371 | Apts. | Rent | 6/20/2025 | 57 | 3 Extremely Low, 1 Very Low | 17 | No | Pending. Application approval was appealed, appeal hearing was approved. | No |
| 2600 Mar Vista Dr, Aptos | Swenson | 251471 | Apts /Townhomes | Rent/F or Sale | 11/20/2025 | 412 | 22 Extremely Low, 22 Very Low, 168 Low, 197 Above Moderate (3 manager units) | 0 | Yes | Pending. Pre-Application submitted. | Yes. Ministerial combining zone district |

* Table 1 summarizes the data on Planning applications filed and deemed complete in 2025 for projects of five or more units. Source data is from Table A of the APR Workbook. Table A does not include discretionary applications filed in 2025 if they were not deemed complete by Dec. 31, 2025, pursuant to HCD's instructions. Those applications are reported in the year when they are deemed complete.

Builder’s Remedy Applications

The “Builder’s Remedy” is a provision of the Housing Accountability Act (HAA) (Gov. Code § 65589.5) that is applicable to qualifying housing development projects when a preliminary application is submitted while the jurisdiction lacks a certified Housing Element. Although the County adopted its 2023 Housing Element in November 2023, the State Department of Housing and Community Development (HCD) did not certify the Housing Element until April 2024, leaving approximately four months when developers could qualify for the Builder’s Remedy. During this period, the County received four applications for “Builder’s Remedy,” totaling 327 proposed housing units. The County cannot deny these projects based on the fact that they do not meet the County’s General Plan and Zoning standards. This allows developments to be submitted in excess of the County’s adopted standards. Further details on these projects can be found in Table 2 and in Table A of the Housing Element APR.

Active Projects

Table 2, seen below, lists all active major projects that showed any significant development activity in 2025, including development review applications, building permit applications, construction activity and/or completion of construction. Many of these projects were approved and/or permitted in prior calendar years, so not all of them are included in the 2025 APR, however this table is provided to give the public and approving bodies a summary view of significant development activity in 2025, with a focus on density bonus and R-Combining District projects, as has been requested in prior years.

For the purposes of Table 2, major projects are defined as all projects proposing five or more net new units. Density bonus projects, projects in the Regional Housing Need Combining District (R-Combining District), and projects that are pursuing any kind of streamlined (ministerial) permitting pathway, pursuant to state law and/or County code options are also shown on Table 2. It also shows which projects are 100% affordable, subsidized projects, and the types of subsidies obtained or sought by the applicant. Table 2 shows a total of 1,648 units proposed and/or under development in 23 projects. Of these, 904, or 55% of the total, are deed-restricted affordable units. When looking at those projects under construction in 2025, a total of 57 units were under construction, of which all but one were affordable units.

Also shown on Table 2 is one R-combining site with activity in 2025, the “Nigh” site at 5940 Soquel Avenue. The project is proposing 100 for sale townhome units, with 15 of those units affordable to the moderate-income level. The application is currently going through public hearings and is expected to be entitled in 2026.

Table 2: Major Active Projects

| Application # | Location | Developer/ Sponsor | Project Name | Project Type | Density Bonus? | Total Units | Affordable Units | Income Levels | DB Units | Subsidy Type(s) | 2025 Milestone | Streamlining Type |
|----------------------|---|--|---------------------------------|--------------------|----------------|-------------|------------------|---------------|----------|-----------------------------------|---------------------------|-------------------------------------|
| 221009 | 2838 Park Ave., Soquel | Novin Dev/ CVCAH | Park Haven Plaza | Rental | Yes | 36 | 35 | ELI | 16 | Homekey, County Loan | Construction | Homekey |
| 101027 | Aptos Village Way, Aptos | Swenson | Aptos Village Phase 2 | For Sale | No | 29 | 5 | Mod | - | N/A | Completed | N/A |
| 171265 | 432 Capitola Rd. Ext., Santa Cruz | 432 Capitola Rd LLC | TBD | Rental | Yes | 7 | 2 | Low | 2 | N/A | Completed | N/A |
| 221136 | 8705 Hwy 9, Ben Lomond | SCC Veterans Hall Board of Trustees, Danco | Veterans Village | Rental | No | 21 | 21 | ELI | - | Homekey | Construction (Permitted)* | Homekey |
| 241320 | Soquel Dr / Thurber Ln (APN: 025-351-19) | Anton Development | Anton Solana | Rental / Mixed Use | Yes | 173 | 173 | ELI, VLI, Low | - | Pending: Tax credits, County Loan | Entitled | SB 330 |
| 241369 † | Graham Hill Rd. (Lockwood Ln to Rolling Woods Dr) | L. Tate | The Haven | For Sale | No | 157 | 34 | Low | TBD | N/A | Pre-Application | Builder's Remedy, SB330 |
| 241360 † | 3500 Paul Sweet Rd, Santa Cruz | Workbench | TBD | For Sale | Yes | 105 | 6 | ELI | 26 | N/A | Development Review | Builder's Remedy, SB423, SB330 |
| 241488 (PUD 07-0414) | 5940 Soquel Ave, Santa Cruz | KB Homes | TBD | For Sale | No | 100 | 15 | Mod | - | N/A | Development Review | R-Comb PUD |
| 241420 | 3911 Portola Dr., Santa Cruz | A. Haghshenas | Pleasure Point Plaza | Rental / Mixed Use | Yes | 41 | 4 | Very Low | - | N/A | Development Review | N/A |
| 251035 | 3800 Portola Dr., Santa Cruz | William Kempf | The Lumber yard Project | For Sale | Yes | 18 | 2 | Low | - | N/A | Development Review | N/A |
| 251461 | 880 41st Avenue, Santa Cruz | Trevor Shur | TBD | Rental | Yes | 10 | TBD | TBD | - | N/A | Development Review | N/A |
| 241371 † | 841 Capitola Rd, Santa Cruz | Workbench | TBD | Rental | Yes | 57 | 4 | ELI, VLI | 17 | N/A | Development Review | Builder's Remedy, SB423, SB330, ADU |
| PA221048 | 1231-1255 7th Ave, Santa Cruz | Peter Spellman | TBD | Rental | Yes | 27 | 2 | Very Low | 6 | N/A | Development Review | N/A |
| 221077 | 2450 Mattison Ln, Santa Cruz | Swift Consulting/ Locatelli | Locatelli Tract | For Sale | Yes | 25 | 4 | Mod | 1 | N/A | Entitled | N/A |
| 241399 | 141-145 Calabasas, Watsonville | W. Petlinsky | TBD | Rental/ For Sale | No | 16 | - | N/A | - | N/A | Development Review | ADU, JADU |
| 241385 † | 2100 Chanticleer, Santa Cruz | 2100 Chanticleer LLC, Swift Consulting | First Wave Apts | Rental | No | 8 | 2 | Low | - | N/A | Entitled | Builder's Remedy, SB330 |
| 241300 | 21231 E Cliff Drive, Santa Cruz | Brian Spector | 21231 E Cliff Drive Development | Rental / Mixed Use | No | 6 | - | N/A | - | N/A | Awaiting building permit | N/A |
| 231069 | 1960 Maciel Ave, Santa Cruz | Warmington | TBD | For Sale | Yes | 21 | 3 | Mod | 4 | N/A | Awaiting building permit | N/A |
| 221371 | 2716 Freedom Blvd, Watsonville | CFSC, Inc | Freedom House | Transitional | No | 11 | 11 | ELI | - | Homekey, County Loan | Inspections | Homekey |

Table 2: Major Active Projects

| Application # | Location | Developer/ Sponsor | Project Name | Project Type | Density Bonus? | Total Units | Affordable Units | Income Levels | DB Units | Subsidy Type(s) | 2025 Milestone | Streamlining Type |
|--------------------|-------------------------------|-------------------------------------|----------------------|------------------|----------------|--------------|------------------|--------------------|------------|---------------------|---|-------------------|
| 211213 | Lorraine Ln, Soquel | D. Madinger | TBD | For Sale | Yes | 6 | 1 | Mod | 1 | N/A | Plan Check | N/A |
| PA221045 | 2021 Chanticleer, Santa Cruz | New Horizons | TBD | Rental | Yes | 30 | 3 | Very Low | 10 | Pending: HUD, other | Rezoned, Predevelopment | Min Comb Dist/ |
| 251009 | 41st Ave/Soquel Dr. | Linc Housing / Pac West Communities | 41st & Soquel | Rental | Yes | 256 | 253 | ELI, VLI, Low, Mod | 134 | Pending Tax Credits | Entitled. Awaiting building permit. | Min Comb Dist/ |
| 251471 | 2600 Mar Vista Dr, Aptos | Swenson | Village on the Green | Rental/ For Sale | Yes | 412 | 212 | ELI, VLI, Low | - | N/A | Pending. Pre-Application submitted, ministerial review will bypass discretionary approvals. | Min Comb Dist/ |
| 251276 | 3522 Mission Dr., Santa Cruz | Atri Macherla | TBD | For Sale | No | 6 | - | N/A | - | N/A | Development Review | N/A |
| 241385 | 1430 Thompson Ave, Santa Cruz | Swift Consulting | TBD | Rental/ For Sale | No | 8 | 4 | Low | - | N/A | Entitled | N/A |
| PA251051 | 901 7th Ave, Santa Cruz | Community HousingWorks | TBD | Rental | TBD | 100 | 98 | VL, Low | - | N/A | Pre-Application | SB330 |
| Total Units | | | | | | 1,686 | 894 | | 217 | | Affordable % of Total | 53% |

Extremely Low Income (ELI); Very Low Income (VLI), Moderate Income (Mod)

***Applicant pulled building permits but is not starting construction until all funding is secured. Of 21 units, 11 are existing to be rehabilitated, 10 are new.*

† "Builder's Remedy" housing application.

Accessory Dwelling Unit Annual Report

As a condition of the Coastal Commission's certification of the amendments to the County's Accessory Dwelling Unit (ADU) ordinance in 2009 (SCCC 13.10.681[K]), the County is required to prepare an annual report evaluating the cumulative impacts associated with ADUs in each planning area, particularly within the Coastal Zone. This analysis is included as part of the annual Growth Report, but in recent years has been included in the General Plan Annual Report as well.

The County first adopted a "second unit" (ADU) ordinance in 1983 and was subsequently revised in 1997, 2004, 2008, 2009, 2018, 2020, and 2021. Revisions to the ordinance were made to ensure compliance with any newly enacted state law, lift affordability restrictions, and remove barriers that discouraged development of new ADUs. Key updates to comply with recent state law changes include allowing ADUs anywhere single- or multifamily residential land use is allowed; shortening the ADU building permit review period to 60 days; establishing regulations for Junior ADUs; and easing development standards such as unit size, setbacks and parking. Additional updates are currently underway to ensure County Code is consistent with recent changes to state law and are expected to be completed mid-year in 2026.

Over the years, the County has developed various programs to address barriers, including the ADU Forgivable Loan Program, the three year My House My Home partnership with Habitat for Humanity, reduced ADU permit fees and a fee waiver program for small ADUs beyond what is required by state law. Staff has also prepared a suite of resources on the County's ADU website. The County is currently operating a technical assistance program to aid property owners with ADU project planning, design, and construction to replace the low-performing ADU Forgivable Loan Program. Several ADUs have been constructed as a part of this program.

In order to further reduce barriers to ADU production, the CDI partnered with a design consultant to create three pre-approved sets of ADU architectural plans that are available to applicants on the County's ADU website free of charge (<https://cdi.santacruzcountyca.gov/Planning/Housing/ADU.aspx>). There are three sizes, each with three design options. Also, designers and pre-fabrication manufacturers have the option to obtain pre-approval for ADU designs that they intend to use for multiple projects.

As Table 3 below indicates, permitting of ADUs has steadily increased in recent years, particularly since 2021. However, in 2025, only 43 ADU permits were issued, which is significantly down from the total of 103 ADUs issued building permits in 2024. The issuance of 43 ADU permits has been a new low since 2020, when only 37 permits were issued.

**TABLE 3: TOTAL ADUs ISSUED BUILDING PERMITS
IN UNINCORPORATED COUNTY BY PLANNING AREA SINCE 2010**

| Planning Area | '10 | '11 | '12 | '13 | '14 | '15 | '16 | '17 | '18 | '19 | '20 | '21 | '22 | '23 | '24 | '25 | TOTAL |
|--------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|-----------|------------|
| Aptos | 1 | 2 | 2 | 2 | 1 | 1 | -- | 1 | 3 | 8 | 4 | 18 | 10 | 11 | 18 | 9 | 91 |
| Aptos Hills | 6 | 2 | 4 | 8 | 1 | 4 | 2 | 6 | 6 | -- | 1 | 1 | 1 | 6 | 1 | 1 | 50 |
| Bonny Doon | 3 | 1 | 2 | 1 | -- | 2 | -- | 1 | 2 | 2 | 1 | 4 | 5 | 2 | 1 | 1 | 28 |
| Carbonera | 2 | 6 | 3 | 2 | 1 | 6 | -- | 4 | 3 | 3 | 1 | 6 | 4 | 3 | 5 | 1 | 50 |
| Eureka Canyon | 1 | 2 | 1 | 2 | 2 | 2 | 1 | -- | 2 | 2 | 3 | 1 | -- | 2 | 3 | 2 | 26 |
| La Selva | -- | -- | -- | 1 | -- | -- | -- | -- | -- | -- | -- | 1 | -- | -- | 2 | -- | 4 |
| Live Oak | 2 | 2 | -- | 5 | 6 | 6 | 7 | 10 | 4 | 8 | 19 | 22 | 22 | 30 | 45 | 20 | 208 |
| North Coast | -- | 1 | -- | 1 | -- | -- | -- | -- | -- | -- | -- | 1 | -- | 2 | 1 | -- | 6 |
| Pajaro Valley | 3 | -- | 1 | 1 | 2 | 1 | 2 | -- | 4 | 1 | -- | 3 | 5 | 9 | 9 | 4 | 45 |
| Salsipuedes | -- | -- | 1 | 1 | 2 | -- | -- | 2 | 2 | -- | -- | 1 | -- | 1 | -- | -- | 10 |
| San Andreas | -- | -- | -- | -- | -- | -- | -- | -- | 1 | 1 | -- | -- | 1 | 2 | 4 | 1 | 10 |
| San Lorenzo Valley | 1 | 1 | -- | -- | 1 | 2 | 4 | 1 | 4 | 2 | 4 | 3 | 6 | 2 | 6 | -- | 37 |
| Skyline | -- | -- | 1 | -- | -- | -- | 1 | 2 | -- | 1 | 1 | -- | -- | -- | -- | -- | 6 |
| Soquel | -- | 1 | 2 | 4 | 2 | 1 | 1 | -- | 3 | 1 | 2 | 2 | 2 | 10 | 7 | 1 | 39 |
| Summit | 5 | -- | 2 | 1 | 1 | 4 | 1 | 1 | 3 | -- | 1 | -- | 2 | 5 | -- | 3 | 29 |
| TOTAL | 24 | 18 | 19 | 29 | 19 | 29 | 19 | 28 | 37 | 29 | 37 | 63 | 58 | 85 | 103 | 43 | 640 |

ADUs in the Coastal Zone

ADUs have been built primarily in rural, non-coastal areas. Recently revised regulations, particularly the removal of a minimum parcel size for an ADU permit and the reduction in required parking in certain cases, could contribute to increased production overall and particularly within the Coastal Zone. Future ADU permit data will indicate what type of latent demand exists for ADUs inside the Coastal Zone and might show a change in development trends.

Since 2010, a total of 208 building permits have been issued for ADUs within the Coastal Zone of unincorporated Santa Cruz County, as shown in Table 4. The County has seen a gradual increase in coastal ADUs in recent years, with approximately 33% of all ADU permits issued in the Coastal Zone in the past 16 years. Like other countywide trends for the time, there was a significant jump in issued coastal ADU permits in 2021, with another significant increase in 2024 of 51 ADUs in the Coastal Zone. However, similar to other recent trends, ADUs in the Coastal Zone saw a measurable decrease to 19 permits issued for 2025, a new low since 2020.

**TABLE 4: TOTAL COASTAL ZONE ADUs ISSUE BUILDING PERMITS
IN UNINCORPORATED COUNTY BY PLANNING AREA SINCE 2010**

| Planning Area | '10 | '11 ⁽¹⁾ | '12 ⁽¹⁾ | '13 | '14 | '15 | '16 | '17 | '18 | '19 | '20 | '21 | '22 | '23 | '24 | '25 | TOTAL |
|--------------------|----------|--------------------|--------------------|----------|----------|----------|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| Aptos | -- | 1 | 1 | 1 | -- | -- | -- | -- | 2 | 6 | 2 | 12 | 8 | 7 | 16 | 7 | 63 |
| Aptos Hills | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0 |
| Bonny Doon | 2 | 1 | 1 | -- | -- | 1 | -- | 2 | 2 | -- | 1 | 2 | -- | 1 | 1 | -- | 14 |
| Carbonera | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0 |
| Eureka Canyon | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0 |
| La Selva | -- | -- | -- | 1 | -- | -- | -- | -- | -- | -- | -- | 1 | -- | -- | 2 | -- | 4 |
| Live Oak | -- | 1 | -- | 3 | 4 | 3 | 4 | 2 | 2 | 4 | 9 | 11 | 12 | 18 | 27 | 11 | 111 |
| North Coast | -- | 1 | -- | 1 | -- | -- | -- | -- | -- | -- | -- | 1 | -- | 2 | 1 | -- | 6 |
| Pajaro Valley | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0 |
| Salsipuedes | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0 |
| San Andreas | -- | -- | -- | -- | -- | -- | -- | -- | 1 | 1 | -- | -- | 1 | 2 | 4 | 1 | 10 |
| San Lorenzo Valley | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0 |
| Skyline | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0 |
| Soquel | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0 |
| Summit | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0 |
| TOTAL | 2 | 4 | 2 | 6 | 4 | 4 | 4 | 4 | 7 | 11 | 12 | 27 | 21 | 30 | 51 | 19 | 208 |

⁽¹⁾ Unknown Planning Area for one ADU in 2011 and two ADUs in 2012. ADU total by year is accurate but Planning Area totals are incomplete for these years.

Given the relatively small number of building permits issued for ADUs in the Coastal Zone, it is likely that there have been limited cumulative impacts to traffic, water, public views, and environmentally sensitive areas, if any, in the Coastal Zone. Some of these potential impacts have been analyzed in aggregate in Section IV, Potential Growth Impacts, of the Report on the Year 2026 Growth Goal. County staff will continue to monitor ADUs in the Coastal Zone, as state and local regulations continue to encourage ADU production.

Housing Element Annual Progress Report (APR)

The General Plan Annual Report also details progress in meeting the County's RHNA and local efforts to remove governmental constraints to the maintenance, improvement, and development of housing. The Housing Element APR is prepared using standards, forms, and definitions adopted by HCD. The data and information in the HCD forms document the number of new units of all types of housing in each income category, and the progress in meeting the County's share of the RHNA.

HCD’s reporting forms require detailed information on each application, entitlement, issued building permit, and completed construction in an Excel spreadsheet format. As a result, the tables are large and difficult to reproduce as attachments. Therefore, Tables A and A2 are not attached to this report but will be submitted to HCD and LCI as required. Summaries of the information presented in Tables A and A2 are provided below along with several other relevant tables described below.

Table A contains data on the housing development applications that were submitted to the Planning Division in 2025. These data are limited to the discretionary applications for housing units received in 2025. A total of 733 new housing units were proposed in the 22 applications received, where 19 applications were approved, and three are still in process and expected to be approved in 2026. This is a significant increase from 2024, which in comparison saw only 461 new units proposed through housing development applications. This is a promising sign for 2026, as we saw building permits issued take a significant dip in 2025, as seen below.

Table A2 contains data on the discretionary housing development applications that were approved (entitled), all ministerial building permits issued for housing development, and housing construction completed. A total of 19 housing projects were entitled in 2025, proposing 471 new units, an increase from 38 units entitled in 2024. Building permits were issued for a total of 54 housing units in 2025 including single family dwellings, attached family dwellings, and accessory dwelling units. A total of 96 units were granted final building permits.

In Table B, these 138 housing units are broken down by affordability categories to demonstrate the County’s progress in meeting the allocated share of regional housing need for the planning period (RHNA). The 138 housing units include 84 at-risk units that were successfully preserved, along with 54 new issued housing units. All 138 units count towards the County’s RHNA. More information on the 84 preserved units can be found under Table F. 2025 is the second full year of the 6th Cycle RHNA, which ends in 2031. However, the 6th Cycle started on June 30, 2023. Table 5 shows the progress made by the County in the 6th Cycle toward meeting its RHNA.

| Table 5: 6 th Cycle 2023-2031 RHNA Progress | | | | | |
|--|--------------|---------------------|---------------------------------------|-----------------|-----------------|
| Income Level | RHNA (Units) | Goal (2/8 of Total) | 6 th Cycle Units Permitted | Percent of Goal | Percent of RHNA |
| Very Low | 1,492 | 374 | 89 | 24% | 6% |
| Low | 976 | 244 | 132 | 54% | 14% |
| Moderate | 586 | 148 | 61 | 41% | 10% |
| Above Moderate | 1,580 | 390 | 81 | 21% | 5% |
| Total | 4,634 | 1108 | 363 | 33% | 8% |

Table C lists the sites identified for rezoning in the 2023 Housing Element Housing Sites Inventory to accommodate the shortfall of housing units required to meet the 6th Cycle RHNA. A total of 70 parcels were identified for rezoning to accommodate the shortfall, accounting for 1,977 potential units. Sixty-three of the 70 parcels have been rezoned as of May 20, 2025, with the remaining seven parcels awaiting California Coastal Commission (CCC) certification in 2026.

Table D contains information on the status and progress of Housing Element program and policy implementation for all programs described in the Housing Element.

Table E is not applicable to Santa Cruz County.

Table F lists housing units that have been substantially rehabilitated, converted from non-affordable to affordable by acquisition, and preserved. A new 55-year restriction was recorded in 2025 for 84 units that were successfully determined to be eligible towards the County's RHNA goal. 7 units are restricted at 30% AMI (Extremely Low), 73 units are restricted at 50% AMI (Very Low), and 4 are restricted at 60% AMI (Low). The preservation of these units improves the County's RHNA progress in 2025 to a total of 138 units. The preservation of these units is in line with Program H-2A of the County's certified 2023 Housing Element.

Table F2 is not applicable to Santa Cruz County.

Table G is for a list of County-owned sites from the Housing Element Sites Inventory that were sold, leased, or otherwise disposed of during the reporting year. There were no sites disposed of in 2025.

Table H inventories County-owned surplus lands in Census urbanized areas. This list includes the surplus RDA site on 7th Avenue. Following dissolution of the RDA, the Redevelopment Successor Agency (RSA) in 2013 adopted a Long-Range Property Management Plan (LRPMP) directing the property be sold. Pursuant to the Surplus Lands Act, the RSA adopted a resolution declaring the property "surplus land" and stating its intent to sell the property on June 23, 2023. In addition, the County entered an exclusive negotiation agreement (ENA) with the housing developer in late 2025. HCD's Surplus Land Act (SLA) team has reviewed our surplus procedure and deemed it in compliance with SLA.

Tables J, K, and L are not applicable to Santa Cruz County.

The Summary Tables provides a summary of housing units for which building permits were issued and applications were submitted in 2025. These tables also include information on applications and permits that applied for streamlining under recent state bills, including SB 6, SB 9, SB 35/423, and AB 2011. While the County has received several pre-applications under SB 9, which allows ministerial review of certain two-unit developments and lot splits, only few have advanced past the planning application phase

and for which a building permit was issued. One new residential duplex under SB 9 was issued in 2025.

The LEAP Reporting table is required for any jurisdictions that have received Local Early Action Planning (LEAP) grants. Santa Cruz County submitted an application for the LEAP grant that was approved in 2021 for an award in the amount of \$500,000. This grant award was used to fund the Sustainability Update. Work on the project was completed in September 2024 and there have been no new LEAP grants for 2025.

R-Combining District

The previous 2015 Housing Element required the Planning Division to report to the Board on development permits that have been approved or issued for each Regional Housing Need R-Combining District site. Three of the original five sites that were rezoned to allow for housing at 20 units per acre were developed in the previous cycle for a total of 291 units, including the recently completed 17th and Capitola Road and Pippin II projects. The two remaining sites include Erlach in Soquel, and Nigh/Protiva in Live Oak. The former site has been the subject of developer interest, and a pre-application consultation has been submitted for this site. The latter application for 100 units is pending approval; see below for more information. *Policy H-1.5: R-Combining District* addresses these remaining properties. Future developer interest on these sites will be presented with other active housing development permit applications shown in Table 2 above.

Housing Element Annual Progress Report

TABLES

for

Santa Cruz County - Unincorporated

Reporting Calendar Year 2025

| | | |
|--|---------------------------------------|-------------------------|
| Jurisdiction | Santa Cruz County - Unincorporated | |
| Reporting Year | 2025 | (Jan. 1 - Dec. 31) |
| Housing Element Planning Period | 6th Cycle | 12/15/2023 - 12/15/2031 |

| Building Permits Issued by Affordability Summary | | |
|---|---------------------|---------------------|
| Income Level | | Current Year |
| Acutely Low | Deed Restricted | 0 |
| | Non-Deed Restricted | 0 |
| Extremely Low | Deed Restricted | 0 |
| | Non-Deed Restricted | 0 |
| Very Low | Deed Restricted | 0 |
| | Non-Deed Restricted | 0 |
| Low | Deed Restricted | 0 |
| | Non-Deed Restricted | 43 |
| Moderate | Deed Restricted | 0 |
| | Non-Deed Restricted | 2 |
| Above Moderate | | 9 |
| Total Units | | 54 |

| Units by Structure Type | Entitled | Permitted | Completed |
|--------------------------------|-----------------|------------------|------------------|
| Single-family Attached | 1 | 0 | 17 |
| Single-family Detached | 4 | 8 | 8 |
| 2 to 4 units per structure | 21 | 4 | 4 |
| 5+ units per structure | 437 | 0 | 0 |
| Accessory Dwelling Unit | 8 | 42 | 67 |
| Mobile/Manufactured Home | 0 | 0 | 0 |
| Total | 471 | 54 | 96 |

| Infill Housing Developments and Infill Units Permitted | # of Projects | Units |
|---|----------------------|--------------|
| Indicated as Infill | 52 | 54 |
| Not Indicated as Infill | 0 | 0 |

| Housing Applications Summary | |
|--|-----|
| Total Housing Applications Submitted: | 22 |
| Number of Proposed Units in All Applications Received: | 733 |
| Total Housing Units Approved: | 471 |
| Total Housing Units Disapproved: | 0 |

| Use of SB 423 Streamlining Provisions - Applications | |
|---|---|
| Number of SB 423 Streamlining Applications | 0 |
| Number of SB 423 Streamlining Applications Approved | 0 |

| Units Constructed - SB 423 Streamlining Permits | | | |
|--|---------------|------------------|--------------|
| Income | Rental | Ownership | Total |
| Acutely Low | 0 | 0 | 0 |
| Extremely Low | 0 | 0 | 0 |
| Very Low | 0 | 0 | 0 |
| Low | 0 | 0 | 0 |
| Moderate | 0 | 0 | 0 |
| Above Moderate | 0 | 0 | 0 |
| Total | 0 | 0 | 0 |

| Streamlining Provisions Used - Permitted Units | # of Projects | Units |
|---|----------------------|--------------|
| SB 9 (2021) - Duplex in SF Zone | 1 | 2 |
| SB 9 (2021) - Residential Lot Split | 0 | 0 |
| AB 2011 (2022) | 0 | 0 |
| SB 6 (2022) | 0 | 0 |
| SB 423 (2023) | 0 | 0 |

| Ministerial and Discretionary Applications | # of | Units |
|---|-------------|--------------|
| Ministerial | 1 | 256 |
| Discretionary | 21 | 477 |

| Density Bonus Applications and Units Permitted | |
|--|-----|
| Number of Applications Submitted Requesting a Density Bonus | 4 |
| Number of Units in Applications Submitted Requesting a Density Bonus | 591 |
| Number of Projects Permitted with a Density Bonus | 0 |
| Number of Units in Projects Permitted with a Density Bonus | 0 |

| Housing Element Programs Implemented and Sites Rezoned | Count |
|---|--------------|
| Programs Implemented | 37 |
| Sites Rezoned to Accommodate the RHNA | 43 |

| | | |
|------------------------|------------------------------------|-------------------------|
| Jurisdiction | Santa Cruz County - Unincorporated | |
| Reporting Year | 2025 | (Jan. 1 - Dec. 31) |
| Planning Period | 6th Cycle | 12/15/2023 - 12/15/2031 |

**ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation**

This table is auto-populated once you enter your jurisdiction name and current year data. Past year information comes from previous APRs.
Please contact HCD if your data is different than the material supplied here

| Table B | | | | | | | | | | | | | | |
|--|---------------------|---------------------------------|---|------|------|------|------|------|------|------|------|------|---------------------------------|--------------------------------------|
| Regional Housing Needs Allocation Progress | | | | | | | | | | | | | | |
| Permitted Units Issued by Affordability | | | | | | | | | | | | | | |
| | | 1 | Projection Period | 2 | | | | | | | | | 3 | 4 |
| Income Level | | RHNA Allocation by Income Level | Projection Period - 06/30/2023-12/14/2023 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | Total Units to Date (all years) | Total Remaining RHNA by Income Level |
| Acutely Low | Deed Restricted | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Non-Deed Restricted | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Extremely Low | Deed Restricted | - | - | - | - | 7 | - | - | - | - | - | - | 7 | - |
| | Non-Deed Restricted | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Very Low | Deed Restricted | 1,492 | - | - | 9 | 73 | - | - | - | - | - | - | 89 | 1,403 |
| | Non-Deed Restricted | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Low | Deed Restricted | 976 | 2 | 1 | - | 4 | - | 2 | - | - | - | - | 132 | 844 |
| | Non-Deed Restricted | - | 28 | - | 54 | 43 | - | - | - | - | - | - | - | - |
| Moderate | Deed Restricted | 586 | 4 | - | 1 | - | - | - | - | - | - | - | 61 | 525 |
| | Non-Deed Restricted | - | 6 | - | 48 | 2 | - | - | - | - | - | - | - | - |
| Above Moderate | | 1,580 | 38 | - | 34 | 9 | - | - | - | - | - | - | 81 | 1,499 |
| Total RHNA | | 4,634 | | | | | | | | | | | | |
| Total Units | | | 78 | 1 | 146 | 138 | - | - | - | - | - | - | 363 | 4,271 |

*For years prior to 2025, Acutely Low-Income units are reported within the Extremely Low-Income category

*For jurisdictions that received RHNA determinations for the current cycle prior to the passage of AB 3093 (September 19, 2024):

- You were not allocated Acutely Low-Income and Extremely Low-Income RHNA targets, therefore the allocations in Field 1 are listed as "0"

- If you wish to set your own targets in these income categories for informational purposes, contact HCD staff at apr@hcd.ca.gov.

- All Acutely Low-Income and Extremely Low-Income units reported during the cycle are counted towards Very-Low Income RHNA progress

*For years prior to 2025, data on deed-restricted vs. non-deed restricted Extremely Low-Income units is approximated from whether the projects reported any deed-restricted Very Low-Income Units. If you wish to edit this historical data for accuracy or have any questions about the data, you may login to HCD's online APR system, or contact HCD staff at apr@hcd.ca.gov.

Please Note: Table B does not currently contain data from Table F or Table F2 for prior years. You may login to the APR system to see Table B that contains this data.

Please note: The APR form can only display data for one planning period. To view progress for a different planning period, you may login to HCD's online APR system, or contact HCD staff at apr@hcd.ca.gov.

ANNUAL ELEMENT PROGRESS REPORT Housing Element Implementation

| Jurisdiction Reporting Year | | Santa Cruz County - Unincorporated 2025 | | (Jan. 1 - Dec. 31) | |
|---|---|--|------------------|----------------------------------|---|
| Table D Program Implementation Status pursuant to GC Section 65583 | | | | | |
| Housing Programs Progress Report | | | | | |
| Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element. | | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 |
| Name of Program | Objective | Projected Completion Date in Housing Element | Applicable Cycle | Status of Program Implementation | Program Impleme |
| <p>Program H-1A: Continue to annually evaluate progress made and any improvements needed to meet the County's RHNA, along with the Annual Progress Report (APR) submitted to HCD. Consider known barriers to development, and update development standards and/or address other constraints to residential development on the sites included in the County's Sites Inventory, where necessary to achieve the County's RHNA.</p> | <p>APR Submitted Annually to HCD and the Board of Supervisors</p> | <p>Annually</p> | <p>6th Cycle</p> | <p>Continuous</p> | <p>CDI Planning staff prepares the report to the Planning Commission prior to April 1 of each year.</p> |
| <p>Program H-1B: Rezone sufficient vacant and/or underutilized property to appropriate multi-family residential and/or mixed-use zone districts to accommodate the RHNA in each income category, after deducting units accommodated on existing sites, which are shown in Appendices HE-E and HE-F. Such sites are needed to increase the amount of housing available at various levels of affordability to support the local workforce and for essential workers, including but not limited to those working in healthcare, education, public safety, other public sector or non-profit jobs, services, environmental practitioners, agriculture, hospitality, and tourism. This program will rezone sites with the appropriate zoning and development standards to facilitate achieving maximum densities as shown in Table 7 of Appendix HE-E (the Sites Inventory) as required by Government Code subsections 65583(c)(1) and 65583.2(h) and (i). Those subsections require that sites listed on Table 7 that are necessary to meet the shortfall of Lower income units (currently estimated at 27 of the 75 parcels in Table 7, subject to reevaluation at time of rezoning) shall be zoned to permit owner-occupied and rental multifamily residential use by right for developments in which at least 20 percent of the units are affordable to lower income households during the planning period. Bring proposed rezonings (Appendix HE-E) to the Board of Supervisors in time for a second reading of the ordinance no later than December 2026.</p> | <p>Rezone ~75 parcels to fit shortfall of units (at least 1,338 lower and moderate-income units)</p> | <p>Complete by December 2026</p> | <p>6th Cycle</p> | <p>Completed</p> | <p>CDI created two groups of parcels (A and B), with each batch containing parcels to be rezoned. Rezoning by December 2024. Rezoning of May, 2025. The County's actions program have been completed. Batch A rezoned as part of Batch B, local action is tentatively scheduled for the Commission in March 2026.</p> |
| <p>Program H-1C: Develop a by-right overlay zone to permit rental and owner-occupied multi-family housing uses by right (ministerially) pursuant to Government Code section 65583.2(c), (h) and (i) for developments with 20% or more lower-income units. This overlay zone shall apply to sites included in the Inventory as sites for lower-income housing in one or more prior cycles but were not developed. These sites are identified in Appendix HE-E with the overlay zone indicated with a "-Min" in the Proposed Zoning Column (e.g., "C1-Min"). A total of approximately 11.8 acres is proposed for rezoning into the "-Min" overlay zone, consisting of seven parcels in commercial zones, comprising a total of five sites, as shown in Appendices HE-E and HEF. The sites range in size from 0.52 acres to 8 acres, and with a total estimated capacity of at least 200 units. All of these parcels are in commercial zones which allow mixed-use, with residential densities of 22-45 units per acre. Each site can accommodate more than twenty units at densities of 22-45 units per acre. The addition of the required by-right overlay will bring these parcels into compliance with the above-cited subsection of the Government Code.</p> | <p>Ordinance creating new overlay zone that meets the standards of Gov. Code subsections 65583.2(h) and (i), and that rezones these parcels into that overlay zone.</p> | <p>Complete by December 2025</p> | <p>6th Cycle</p> | <p>Completed</p> | <p>On August 27, 2024, County Board created a new overlay zone (-Min) Code subsections 65583.2(h) and (i) enables ministerial processing of applications to include at least 20% lower-income units in the -Min zone can be approved reducing approval times and making affordable housing in these areas more affordable. This ordinance is an amendment needed for the -Min zone within the County's Coastal Zone Commission on February 3, 2024. The Commission approved that LCPA in April, 2024. This new overlay zone was created in mid-2025 (see also program H-1B). Batch B parcels located in the Coastal Zone combining zone is pending Coastal Zone Commission currently anticipated in March 2026.</p> |
| <p>Program H-1D: Update density bonus code (SCCC Chapter 17.12) to provide additional policy incentives to encourage parcel assembly for multi-family housing projects, inclusion of extremely low-income units, and units for special needs households, and to ensure consistency with current state density bonus law. Include a clause noting that if state density bonus law is amended in the future (as has occurred very frequently over the past decade), any preemptive provisions of the law will be implemented, notwithstanding any contradictory provisions in the County's local density bonus code.</p> | <p>Update to Chapter 17.12 with Policy H-1.9</p> | <p>Complete by December 2025 and on an annual basis thereafter as warranted.</p> | <p>6th Cycle</p> | <p>In Progress</p> | <p>This program is part of a current Policy & Housing team has begun work to develop draft code language to update the County's chapter (17.12). Staff anticipates program by end of 2026.</p> |
| <p>Program H-1E: Rezone appropriate urban opportunity sites to Residential Flex (RF) zoning and increase densities on current RM-zoned sites to densities of 20 units or more per acre, potentially including, but not limited to, parcels identified as opportunity sites in the Sustainable Santa Cruz County Plan (if not already rezoned through Program H-1B, or already in a zone which allows higher density residential). Such sites are needed to increase the amount of housing available at various levels of affordability to support the local workforce and for essential workers, including but not limited to those working in healthcare, education, public safety, other public sector or non-profit jobs, services, environmental practitioners, agriculture, hospitality, and tourism.</p> | <p>Additional parcels rezoned to RF</p> | <p>Upon request of property owner, or by December 2027</p> | <p>6th Cycle</p> | <p>Continuous</p> | <p>This program will be undertaken through Program H-1B, likely in 2026, or through rezoning of sites meeting the target.</p> |

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| <p>Program H-1F: Update multi-family development standards such as minimum parking requirements, floor area ratio (FAR) limits, lot coverage, height, and story limits. Increasing height limits to allow 4-6 stories at key intersections, high quality transit areas, and/or within major shopping centers, to accommodate more housing near transit and services in multi-family and mixed-use zones within the Urban Services Line.</p> | <p>Ordinance with updated standards, and updated design guidelines</p> | <p>Complete by December 2026</p> | <p>6th Cycle</p> | <p>Not Yet Started</p> | <p>CDI will begin this program in Spring 2026.</p> |
| <p>Program H-1G: Update County procedures and codes to streamline the process for filing residential parcel maps (minor land divisions) and subdivision maps on property within the Urban Services Line, to minimize or eliminate steps that exceed the requirements of state law, and/or that add unnecessary delay to processing time, consistent with these objectives in the County's 2023-25 Operational Plan.</p> | <p>Updated County code (Title 14, others as needed), procedural guidance, process improvements.</p> | <p>Complete by December 2025</p> | <p>6th Cycle</p> | <p>In Progress</p> | <p>CDI has begun work on this program. The completion date of June 2027.</p> |
| <p>Program H-1H: Develop an SB 9 implementing ordinance, and Local Coastal Program (LCP) amendments as needed to allow SB 9 housing projects within the Coastal Zone, as recently directed by the Coastal Commission. SB 9 allows up to four units on single-family parcels that meet certain criteria specified in SB 9.</p> | <p>LCP amendment for SB 9 projects</p> | <p>Complete by December 2024</p> | <p>6th Cycle</p> | <p>Completed</p> | <p>SB 9 allows development of up to four units on lots through lot splits and/or conversions. Jurisdictions in the coastal zone are implementing Coastal Programs (LCPs) to permit SB 9 housing in the Coastal Zone. On December 17, 2024, the Coastal Commission certified this ordinance. This LCP amendment will allow SB 9 housing in the County's Coastal Zone.</p> |
| <p>Program H-1J: Rezone residential parcels per SB 10, which allows up to 10 units on qualifying infill parcels, to allow "missing middle" housing within low-density infill neighborhoods. Many of these sites are located in high resources areas as shown on the Mid-County TCAC Opportunity Map in Appendix HE-A, Figure HE-A-122, where the rezoning will enhance housing mobility (housing choices and affordability) in these areas. This program includes the approximately 40 parcels identified in Appendices HE-E and HE-F for SB 10 rezoning, and/or additional parcels identified later for rezoning per SB 10.</p> | <p>Ordinance rezoning property pursuant to SB 10</p> | <p>Complete by December 2025</p> | <p>6th Cycle</p> | <p>Completed</p> | <p>All 40 parcels listed in the inventory are rezoned with the Batch A rezoning completed in 2024. A status update for further details.</p> |
| <p>Program H-1K: Provide priority processing for projects of seven or more new units with at least 15% lower-income, or 25% moderate-income units, and/or projects to substantially rehabilitate 10 or more subsidized rental units. Develop administrative procedures for implementing priority processing during discretionary review, plan check, permitting, (including grading, encroachment, and related permits), inspections, and processing maps associated with qualifying projects. Administrative procedures should address how to prioritize multiple projects that qualify for priority processing around the same time, and other frequently asked questions. Train relevant staff of all County review agencies at the Unified Permit Center (UPC) how to implement priority processing in their respective roles and tasks. Encourage special districts and regional agencies involved in development review, ministerial permitting, and/or utility connections to implement a similar priority processing policy for projects in the County's unincorporated areas, to the extent possible.</p> | <p>Creation of administrative procedures document for priority processing, code updates if needed, training for UPC staff</p> | <p>Complete by December 2024</p> | <p>6th Cycle</p> | <p>In Progress</p> | <p>CDI staff in the involved divisions have begun work on this program. In the future, CDI continues to provide priority processing and Building permit applications policies and procedures. Anticipated completion date is 2026.</p> |
| <p>Program H-1L: Amend the special community design criteria for the East Cliff Village tourist area provided in SCCC 13.20.145, to allow buildings taller than two stories where appropriate to support economically viable development and facilitate housing development on larger parcels at an appropriate density for affordable housing, while providing design guidance to ensure compatibility with the overall character and historic properties in the area.</p> | <p>LCP amendment providing updated design criteria in SCCC 13.20.145 for the East Cliff Village tourist area</p> | <p>Complete by December 2024</p> | <p>6th Cycle</p> | <p>Not Yet Started</p> | <p>This program is on the CDI work plan. CDI had to prioritize higher-priority work items. The Ministerial combined program (Programs H-1B and H-1C) is a high priority CDI work item. In the meantime, it allows applicants to request a waiver if necessary.</p> |
| <p>Program H-1M: Continue to implement current ADU Incentives Programs, such as the ADU Technical Assistance Program, which provides technical assistance and education to homeowners wishing to add an ADU to their properties, through its three-year pilot period, and update County ADU codes annually, or as frequently as legally required, to ensure compliance with recently enacted, pre-emptive ADU laws. The ADU Incentives Program assists homeowners who either are low- or moderate-income themselves or agree to create an ADU that will be rented within the affordability requirements of the program for at least three years. Evaluate program outcomes at conclusion of pilot period, and if funding and administrative capacity remains available at that time, contract for another three-year program cycle. Evaluate the continuation of other programs, such as the County's educational materials, website tools that help property owners assess the potential for development of ADUs on their properties, planning fee reductions, and marketing materials. Evaluate geographic distribution of ADU new construction and conversion projects to determine if additional actions are necessary to increase this housing choice in higher resource areas, as shown on TCAC Opportunity Maps. Add pre-approved ADU plans, developed through an earlier County contract, to the County website. Those pre-approved plans meet County standards and provide design options for various types of ADU sites. Update website to provide links to ADU designers who have had ADU plans approved by the County.</p> | <p>Evaluation of ADU Incentives Program outcomes and launch of a new three-year program cycle with any modifications recommended by evaluation report; consideration of actions to encourage ADU construction in higher resource areas, if necessary; posting of pre-approved plans and links to ADU designers on County website; updated County ADU codes.</p> | <p>Complete evaluation of ADU Incentive Program at end of 3-year pilot period (December 2026); evaluate geographic distribution of ADU construction in same timeframe (December 2026); post pre-approved ADU plans on website no later than March 2024; Update County ADU codes within 6 months of enactment of any new pre-emptive State ADU laws and/or notice from HCD of any inconsistencies with current state law.</p> | <p>6th Cycle</p> | <p>Continuous</p> | <p>The ADU Incentives Pilot Program, a three-year term of the pilot ending in June 2026 administered by Hello Housing through the County, has been very well received by County homeowners navigating the process. As of 12/31/25, four ADU projects are under construction, 2 are in the feasibility stage. To date, 3 applications for the program from the County and have received variances and technical assistance. Of those ADU projects, 14 of the homeowners are income households, 1 is developing a development plan to rent the ADU for an affordable rental unit. New applicants on a continuing basis have been posted on the County website for use. The County's ADU website was updated to cover the most recent information and was recently reviewed by HCD.</p> |

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| <p>Program H-2I: To the extent funding is or will be available to the County and/or Continuum of Care (CoC) for this purpose, support local legal aid programs that provide legal aid and housing counseling to lower-income and at-risk tenants with rental housing concerns such as unlawful evictions, unlawful rent increases, and/or fair housing violations.</p> | <p>Additional legal aid for local renters facing eviction, unlawful rent increases, and/or fair housing violations.</p> | <p>On an annual basis, County and/or CoC staff will review state and federal notices of funding availability and apply whenever grants are made available for this purpose.</p> | <p>6th Cycle</p> | <p>Continuous</p> | <p>In late 2023, the County Human Services Department provided \$130,000 for a multi-year contract to provide legal representation to tenants in three main types of cases: •Unlawful Detainers (UD)/Eviction •Civil Affirmative •Small Claims</p> |
| <p>Program H-3A: Use County Affordable Housing Impact Fee (AHIF) revenues, generated through payment of housing impact fees by market-rate housing developers and those constructing non residential buildings (i.e., commercial linkage fees), primarily to assist development of new deed restricted, affordable rental units, and to support ongoing administration and monitoring of the County's portfolio of deed-restricted affordable homes (Measure J and other County-assisted units), consistent with the AHIF authorizing resolution and related codes and policies. Other special affordable housing programs or initiatives, such as the recently launched ADU Incentives Program, may be funded from this source from time to time when adequate AHIF funds are available. The AHIF fund, established in 2015, has averaged slightly over \$500,000 per year in annual revenues, including both fee payments and interest on the fund balance, over the past five fiscal years, beginning in 2019.</p> | <p>Make AHIF loans to assist development of new affordable rental units and/or preservation of existing affordable units, and to fund ongoing administration of County affordable housing programs. Commit the accrued AHIF balance, net of the amounts necessary for annual operation of inclusionary and/or ADU programs, to affordable housing developers requesting such funds for development of affordable housing on sites in the Inventory, with a priority for projects including ELI units and/or special needs units for farmworkers, disabled households, and formerly homeless households, and prioritizing funding applications that meet readiness and capacity thresholds, such as site control, developer capacity, and related factors (similar to those used by HCD in its NOFAs).</p> | <p>Ongoing. Commit currently available funds within 12 months, and subsequently issue NOFAs every 2-3 years, or whenever a sufficient balance of \$1 million or more has accrued in the fund, or in coordination with H4H NOFAs when appropriate.</p> | <p>6th Cycle</p> | <p>Continuous</p> | <p>In 2024 the County provided one-to-one assistance to assist acquisition of an opportunity to develop a non-profit housing development of 60 - 120 affordable units on Green Valley Rd. Project is currently in the design stage. An additional AHIF loan was made for development of 173 affordable units in Soquel which was entitled in 2022. The County is preparing a new NOFA for future development in 2026 for affordable housing project rehabilitation activities, as approved in January 2026.</p> |
| <p>Program H-3B: Continue to leverage available County affordable housing funds with other public or private sector housing resources, by collaborating with for-profit and non-profit developers of affordable housing projects to maximize long-term affordability restrictions and to promote the development of a variety of housing types, including those that serve Extremely Low-Income households, which will require additional local subsidies. Local funds may include but are not limited to: RDA Successor Agency Housing Asset Funds (as former RDA loans are re-paid), County AHIF Funds, PLHA funds, and other state/federal grant funds or grant reuse accounts held by the County.</p> | <p>At least three new affordable housing developments financed in part with County Housing Funds during the 6th Cycle, and regular facilitation and coordination with interested parties as needed to assist in development of housing on sites in the inventory, regular attendance and presentations to regional and local housing groups during quarterly, biannual or annual meeting and events.</p> | <p>Ongoing (daily, weekly, monthly, or quarterly, as needed)</p> | <p>6th Cycle</p> | <p>Continuous</p> | <p>See status update under H-3A at 10/24/24. Several other projects, including those under way with County assistance as PLHA and Low-Mod (former RDA), are ongoing.</p> |
| <p>Program H-3C: Seek documentation from local utility districts to verify their compliance with state law that requires that all public sewer and water providers provide priority to, and retain sufficient capacity for, affordable housing projects built within their service areas.</p> | <p>Documentation of compliance from each water/sewer agency that is no more than 4 years old, maintained on file at CDI for reference; and increased awareness of this requirement among local water/sewer district staff.</p> | <p>By December 2024 and every 4 years thereafter, or upon notice of non-compliance from affordable housing developers</p> | <p>6th Cycle</p> | <p>Continuous</p> | <p>In progress and ongoing.</p> |
| <p>Program H-3D: Advocate with state representatives representing any portion of the county to consider state legislation to further limit (beyond the existing limits in CA Civil Code Section 1950.6) the amount of rental housing application fees that may be charged by rental property managers, and/or increase grant funding for rental assistance programs that can pay for such fees for lower-income applicants, and/or to require landlords to accept a standardized rental housing application ("universal application") in a form to be developed by the State or the appropriate housing industry association.</p> | <p>New state law, new standard ("universal") rental application, and/or additional funding for application fees</p> | <p>December 2026</p> | <p>6th Cycle</p> | <p>Not Yet Started</p> | <p>Planned for 2026; partially addressed by legislation (AB 2493, SB 611, etc.)</p> |
| <p>Program H-3E: Complete the nexus study recently commissioned by County Public Works to study possible updates to its impact fee schedule for development projects. Encourage other local agencies that assess impact fees on new housing development within the unincorporated area (i.e., water, drainage, fire, sanitation, schools, environmental health agencies) to evaluate their impact fees applicable to new housing development every 5-10 years to ensure that their fee rates have an appropriate nexus and proportionality to the impacts of new units on their respective infrastructure or services, particularly for multifamily (apartment) units, and to consider exemptions or reduced rates for deed-restricted affordable units, when fiscally possible.</p> | <p>Completed DPW nexus study, possibly additional studies by other agencies.</p> | <p>December 2024 (current study); ongoing for other studies</p> | <p>6th Cycle</p> | <p>In Progress</p> | <p>County staff from CDI (Public Works Stormwater) and Parks have been assigned to analyze existing impact fees to determine if they are adequate, or new fees are appropriate. Public Works collaborated with DPW to develop a list of transportation projects eligible to use impact fees assessed by DPW. Next steps include a comparative analysis of impact fees across other counties and the formulation of a schedule. In December 2025, the draft preliminary nexus study will be reviewed by County staff. Staff will also conduct a comparison of County's fee schedule to those of other public review by mid-2026.</p> |
| <p>Program H-3F: Continue to implement County codes and applicable state and federal laws regarding tenant relocation assistance and replacement of existing affordable housing proposed for removal as part of redevelopment projects, or at risk due to substandard conditions or other property owner actions. Where such requirements apply, include conditions of approval in project entitlements (or for ministerial projects, place a hold on demolition permit issuance) to ensure developer compliance with applicable tenant relocation assistance requirements and/or replacement housing requirements. Ensure that UPC, Code Enforcement, and Housing staff are trained on implementation of this program. Evaluate County Code Chapters 8.45 and/or 12.06 to determine if any updates are warranted to improve implementation of Policy H-3.6, while not creating significant new constraints to redevelopment of underutilized sites with one or several existing, usually substandard units.</p> | <p>Continued implementation and enforcement of relocation assistance and/or replacement housing requirements applicable to County permittees and/or developers.</p> | <p>December 2025</p> | <p>6th Cycle</p> | <p>Continuous</p> | <p>Ongoing.</p> |

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| <p>Program H-3G: Commission an independent study to evaluate all aspects of the County's Local Coastal Program (LCP), including its implementing ordinances and procedures, that apply to proposed multi-family and/or mixed use developments in the Coastal Zone, and/or that have historically served to, or may in the future impede the development of lower-income and/or multi-family rental housing on sites within the Coastal Zone included on the Sites Inventory; and evaluate the development review practices of any/all agencies involved in development review of proposed multi-family and mixed-use multi-family housing projects within the County's Coastal Zone. The study shall determine if LCP regulations, development standards, design guidelines, and local development review practices applied to multifamily housing development are any of the following:</p> <ol style="list-style-type: none"> 1) Objective; 2) Directly related to, necessary for, and effective in preserving coastal resources and/or coastal priority uses; 3) Helping or hindering achievement of the goals and objectives of the County's General Plan/LCP, including the Housing Element, and/or those of the Coastal Act; 4) Comparable to policies and practices of peer agencies operating elsewhere in the state, and/or consistent with current best practices available to achieve the same goals of coastal protection, while not overly hindering general community development goals and effective use of limited development sites within the County's urbanized Coastal zone (but non-waterfront) areas. The study shall also determine whether any of the LCP policies, regulations, or practices applied to proposed multifamily developments within the Coastal Zone have: served as a barrier to fair housing access; a constraint to multi-family housing development and County achievement of its RHNA goals in current or prior cycles; imposed more restrictive development standards on multifamily housing than for non-residential uses in the same zone; and/or have resulted in a disparate impact on protected classes, many of whom may be employed in coastal priority industries such as hospitality, agriculture, fishing, or visitor-serving commercial establishments, by limiting their access to available, attainable and/or affordable housing in or near the Coastal Zone. The study shall be completed by a qualified independent consulting entity with expertise in fair housing, urban design, sustainability, environmental and coastal resource protection, sea level rise and adaptation, multi-family housing development standards, current economics of and development trends in multi-family development in the region, and the creation and use of objective standards for residential development. The selected entity shall not have any actual or potential conflicts of interest related to the subject matter or geographic focus area of the study. | <p>Completion of the study, report to the Board with its findings</p> | <p>December 2025</p> | <p>6th Cycle</p> | <p>Not Yet Started</p> | <p>Pending, following completion of programs. Need for study may be legislation.</p> |
| <p>Program H-3H: Commission a new nexus study and evaluation of the County's inclusionary housing program (aka "Measure J") codified in County Code Chapter 17.10. The study should, at minimum, evaluate the nexus related to the following aspects of the program, and provide recommendations for legally defensible and warranted updates: possible updates to the Affordable Housing Impact Fee (AHIF) rates and fee structure, which provides different fee rates for various categories of residential developments; the mandatory inclusionary percentage required of ownership projects subject to the ordinance (currently 15%); which types of projects are required to meet the mandatory inclusionary requirements (ownership and/or rental) rather than being allowed to pay the housing impact fees; the project size threshold that triggers the mandatory inclusionary requirements (currently seven net new units); requirements related to replacement of existing affordable units on the site; whether or not replacement affordable units can or should be counted toward the mandatory inclusionary requirements; affordability levels; and harmonizing the program with State density bonus law. The study shall comply with applicable State law regarding nexus studies and inclusionary housing, including, to the extent applicable, Government Code Section 65850.01. If the outcome of the study results in a proposal to increase the mandatory inclusionary requirements above 15%, the State HCD may require the County to produce an economic feasibility study as set forth in GC 65850.01. If that is the case, the required feasibility study shall be produced within one year of completion of the nexus study and prior to consideration of any ordinance to increase the inclusionary percentage. Any updates to the County's inclusionary program shall not be a constraint on residential development.</p> | <p>Completed nexus study and evaluation; and if directed by the Board, completion of draft ordinance to amend Chapter 17.10 within one year of study completion (or within two years, if an economic feasibility study is required).</p> | <p>June 2025 (for nexus study)</p> | <p>6th Cycle</p> | <p>In Progress</p> | <p>County has entered into contract with firm for these required studies in H-3J. The study is currently under review. A meeting was held in 2025 and a meeting will be held in early 2026. Proposed code amendments to the Board during mid-2026.</p> |
| <p>Program H-3I: Ensure compliance with the Surplus Lands Act when County-owned sites are surplus, including noticing procedures to affordable housing developers, as required by the law, as it may be amended in the future. With respect to the County-owned site at 7th Avenue and Brommer Street, release a Notice of Intent and Request for proposals that incorporates an affordable housing component consistent with the Housing Sites Inventory. Conduct outreach with potential developers and priority permit processing for residential development on these properties.</p> | <p>Selection of development team for 7th Avenue and Brommer site.</p> | <p>December 2024 (Request for Proposal for 7th Ave & Brommer site)</p> | <p>6th Cycle</p> | <p>Completed</p> | <p>County entered into an Exclusive with the selected developer in 2024. Currently seeking funding for the various due diligence and predevelopment approved the County's surplus lands in compliance with the SLA.</p> |
| <p>Program H-3J: Modify the County's inclusionary housing requirements in SCCC Chapter 17.10 to make the following changes: 1) Require 15% of all rental units developed in residential rental projects subject to the inclusionary requirements of Chapter 17.10 to be provided as affordable ("Measure J") units (consistent with SCCC 17.10.039, except that this section shall serve as the mandatory compliance option for rental projects of 7 or more new units, rather than an alternative compliance option); and 2) Do not count replacement units (those required to replace any existing affordable units on the site, as defined in SCCC 17.12.025) toward the 15% inclusionary requirements of Chapter 17.10.</p> | <p>Ordinance amending SCCC Chapter 17.10 to make the changes described above.</p> | <p>December 2025, or as soon as practicable following completion of Program H-3H</p> | <p>6th Cycle</p> | <p>In Progress</p> | <p>See comments under H-3H above</p> |
| <p>Program H-3K: Continue to work with owners of Public Facility (PF) zoned sites to facilitate affordable and employee housing projects. Monitor the development on these sites for progress toward the number units included in the Housing Sites Inventory during the eight-year planning period. If the number of units developed is not keeping pace, conduct outreach to owners to determine constraints and review the development standards for housing on these sites, including an increase in allowed density from Urban High to Urban High Flex.</p> | <p>Development of housing units tracks with the number of units in the Housing Sites inventory; or, if necessary, General Plan and Ordinance amendments to development standards</p> | <p>Annually (monitoring); December 2027 (outreach and necessary General Plan and SCCC amendments to adjust development standards)</p> | <p>6th Cycle</p> | <p>Continuous</p> | <p>Monitoring effort ongoing. Significant sites. Due diligence and predevelopment one major PF site with potential housing project.</p> |

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| <p>Program H-3L: Maintain, implement, and update community plans, programs, and initiatives for community preservation and revitalization and displacement protection through place-based improvements in lower resource, lower income and higher poverty areas.</p> | <p>Infrastructure: South County Service Center: Complete tenant improvements by December 2024. Freedom Sewer Rehabilitation Project: Pursue SWRCB grant in 2024 for Phase II of Freedom Sewer Rehabilitation Project, to protect environment, public health, and reduce maintenance and treatment costs. Pajaro River Flood Risk Reduction Project: Break ground in Summer 2024 on Pajaro River levee project, complete in phases over ~5 years. Green Valley Road Multi-Use Trail Improvements: Award contracts by June 2024 and begin construction in Summer 2024. This project creates a 2-mile multimodal corridor for bikes, pedestrians, and transit, improving mobility in an underserved community. Transportation Improvements: Various projects to improve transportation infrastructure in South County and San Lorenzo Valley, two under-resourced areas, according to timelines in Capital Improvement Program. Freedom Boulevard Multi-Purpose Trail Project: Bid and construct bike/ped trail along Freedom Blvd by December 2024. Local Hazard Mitigation Plan: Maintain, implement, and update.</p> | <p>Complete objectives on various projects between 2024 and 2029 as described at left.</p> | <p>6th Cycle</p> | <p>In Progress</p> | <p>The Souty County Service Center The Freedom Sewer Rehabilitation in 2024. Pajaro River Flood Risk River Levee Project broke ground Valley Road Multi-Use Trail project Local Hazard Mitigation Plan (LHMP, which was last updated in 2026, is underway. The update v Multi-Jurisdiction Hazard Mitigation the County, all the cities within the Resource Conservation District Community College. The purposes reduce losses and displacement disasters through sustained, long people, property and the environment has been published, and adopted projected to occur in March 2026</p> |
| <p>Program H-4A: Implement actions listed in the "Housing for a Healthy Santa Cruz" Strategic Framework to address homelessness throughout the county. Organize actions in four strategic work areas: <ul style="list-style-type: none"> • Build a Coalition. Develop a strong and informed action-oriented partnership with leaders and stakeholders within the community. • Prevent Homelessness. Use targeted prevention and early intervention housing problem-solving to help people and families keep or return to housing as quickly as possible. Increase Connections. Expand and improve "Front Door" programs and services including outreach, temporary housing and supportive services. • Expand Permanent Housing. Increase permanent housing and income growth resources and opportunities to become housed. Utilize the framework to obtain funding for projects utilizing Homekey and other sources to create supportive and temporary housing units in higher resourced areas, such as projects in Soquel, Santa Cruz, and Ben Lomond.</p> | <p>Number of households experiencing unsheltered homelessness will decrease by 50%; progress on other goals described in the Framework.</p> | <p>Complete framework actions by January 2024. In February 2024, update the Framework to, at a minimum, ensure compliance and consistency with federal and state plan requirements and goal alignment with resource availability. Occupancy of units by December 2025.</p> | <p>6th Cycle</p> | <p>Continuous</p> | <p>In Progress and Ongoing. Update in 2024 for the 2024-2027 period. https://housingforhealthpartners.org/4H_Framework_2024-7-v3.1.pdf Framework is ongoing.</p> |
| <p>Program H-4B: Continue to partner with qualified developers and service providers to seek all available sources of funding for development and/or preservation of affordable housing for special needs households, in partnership with property owners/developers that have a site available for such housing development, and/or for supportive and rehousing services for special needs households, including but not limited to, those listed below. State of California-administered funding programs: <ul style="list-style-type: none"> • CDBG, including CDBG-DR- AHSC • Joe Serna, Jr. Farmworker Housing Grant Program • Infill Infrastructure Grant (IIG) • Manufactured Housing Opportunity and Revitalization Program • MHP • CalHome • HOME • Homekey Round 3 • HHAP • ESG • Housing and Disability Advocacy Program • BCSH Encampment Resolution Fund (ERF 1) • Bringing Families Home (BHF) • Transitional Housing Program/Housing Navigators Program (THP/HNP) • California Emergency Solutions and Housing Program (CESH – 18/19) • Permanent Local Housing Allocation Program (PLHA) Federal (HUD) funding programs available to the local Continuum of Care or the Housing Authority: <ul style="list-style-type: none"> • HUD Continuum of Care Grant Program • HUD Unsheltered SNOFO Grant program • HUD 202 or HUD 811 grants • Project-based Section 8 Vouchers • Housing Opportunities for Persons Living with AIDS (HOPEWA) </p> | <p>State, federal, or other funding awards for local housing projects and special needs programs</p> | <p>Ongoing, when funding opportunities arise that the County or other entities are eligible to apply for. Typically, the County submits multiple funding applications to HCD each year, including an annual PLHA allocation, some of which are successful in obtaining an award. The CoC also typically applies for HUD funding one or more times per year.</p> | <p>6th Cycle</p> | <p>Continuous</p> | <p>Ongoing. County was awarded \$ Tenant Based Rental Assistance Standard Agreement. County co-eligible. County assisted housing CDBG-DR-MHP for a potential housing</p> |
| <p>Program H-4C: Review land use policies and County Codes related to group homes, community care facilities, transitional housing, emergency shelters (also known as navigation centers or interim housing, including such facilities consisting of multiple emergency sleeping cabins and/or tiny homes with supportive services), and permanent supportive housing, for consistency with recently updated, preemptive state laws.</p> | <p>Completion of review, and if necessary, land use policy and/or code amendments to ensure consistency with state law.</p> | <p>Complete the review by December 2024 and complete code updates by December 2026</p> | <p>6th Cycle</p> | <p>In Progress</p> | <p>CDI has begun work on this policy by Dec. 2026 is on track.</p> |
| <p>Program H-4D: Explore options for increasing the supply and awareness of the supply of permanent, affordable, and accessible housing for people with disabilities, including: <ul style="list-style-type: none"> • Continue to require developers of County-assisted affordable housing projects to conduct targeted outreach to disabled residents and organizations for marketing, rental and/or sale of ADA-accessible units, and/or maintain separate waiting lists for such units, if allowed by all financing sources for the development, and/or otherwise ensure ADA units are offered first to households that need units adapted for use by people with physical disabilities; • Encourage housing developers, including developers of affordable housing projects, to build more ADA-accessible units that meet the needs of physically disabled households, (as well as units accessible for those with sensory disabilities), and to exceed state or federal requirements for accessibility when feasible; • Promote universal design and visitability of new or renovated housing units permitted by the County by providing outreach materials on universal design to building permit applicants, and by encouraging discretionary project applicants to incorporate universal design features into their housing projects by adding a question about such features to the application checklist for Development Review Group (DRG) applications, and highlighting such features when presenting projects to the approving body. </p> | <p>Additional accessible and visitable units developed, increased occupancy of such units by residents needing the accessibility features of the specific unit.</p> | <p>Ongoing, add Universal Design to DRG checklist by December 2024</p> | <p>6th Cycle</p> | <p>Continuous</p> | <p>Ongoing and in progress. CDI staff Center (UPC) are working on up forms and obtaining information design and visitability to make at the public. This work is expected 2026.</p> |
| <p>Program H-4E: Provide technical assistance with site selection, environmental review, and/or the development review and permitting process, to public or non-profit agencies, including other County departments, or state/ regional agencies, that seek to develop, renovate or expand community care facilities for foster children, transitional housing for young adults aging out of the foster care system, or similar residential care facilities for children and youth in need of special services, in appropriate zones within the unincorporated areas of the County.</p> | <p>Improved coordination with facility developers, increased capacity for special needs children and youth</p> | <p>Upon request</p> | <p>6th Cycle</p> | <p>Continuous</p> | <p>One transitional housing facility "Freedom House", located on Freedom House, located on Freedom House, CA near unincorporated Freedom, CA near construction and is expected to be Funding and technical assistance</p> |

| | | | | | |
|--|---|--|------------------|--------------------|--|
| <p>Program H-4F: Continue to support housing access and affordability for local seniors by:</p> <ul style="list-style-type: none"> • Referring seniors seeking rental housing, or seniors seeking a housemate, to the shared housing match program operated by Senior Network Services, or to other comparable shared housing local programs; • Encouraging owners of age-restricted MHPs parks and other age-restricted senior housing developments in the County to maintain the legal senior housing status of those properties, and to make improvements where necessary to ensure retention of senior-only status; • Supporting the development of multi-family housing projects with small units, such as studios, one- and two-bedroom apartments, including accessible units, in Residential Flex and higher-density multi-family zones, that can meet the needs of seniors as well as younger households, and can add a significant number of affordable or “affordable by design” rental units to the County’s housing stock, providing more housing options for seniors who wish to live in integrated communities with neighbors of all ages; • Encourage developers to offer floor plans that allow seniors to “age in place” in their homes by incorporating universal access features and the opportunity for simplified conversion to universal access; • Encourage developers to design multi-generational housing projects such as townhomes or subdivisions with ADUs, or other designs conducive to multi-generational living, so extended families can live together comfortably. | <p>Increased supply of housing units available and affordable to seniors, maintenance of existing age-restricted housing, to the extent feasible/legal.</p> | <p>Ongoing</p> | <p>6th Cycle</p> | <p>Continuous</p> | <p>Ongoing.</p> |
| <p>Program H-4G: Prioritize the use of local affordable housing funds for projects that include housing affordable to extremely low-income and/or special needs households, including affordable housing for farmworkers and their families, as defined in Policy H-4.1 above. Funding streams that can be leveraged with County funds include but are not limited to: USDA multi-family programs, Joe Serna Jr. Farmworker Housing Grants, HUD Sections 811 and 202, Low Income Housing Tax Credits, Homekey, NPLH, Veterans Housing and Homelessness Prevention (VHHP) Program.</p> | <p>Inclusion of new ELI and special needs units, including farmworker housing, in County-assisted housing developments</p> | <p>Ongoing</p> | <p>6th Cycle</p> | <p>In Progress</p> | <p>A new 80-unit, 100% lower-income project (Cienega Heights), including units funded by a Joe Serna grant in December 2024 and occupied in a multi-family affordable project is includes up to 60 farmworker households. AMBAG has provided approximately \$1.5 million for acquisition and predevelopment costs.</p> |
| <p>Program H-5: Research the feasibility of expanding electrification requirements to all new residential construction throughout the county.</p> | <p>Summary of feasibility findings</p> | <p>December 2024</p> | <p>6th Cycle</p> | <p>In Progress</p> | <p>CDI, Santa Cruz County Office of Resilience, and AMBAG are working on research and provide trainings on reach out and educational trainings in support of</p> |
| <p>Program H-6A: Collaborate with the County Agriculture Commissioner, local growers, farmworker housing providers, and other interested parties to promote the maintenance and development of various types of farmworker housing by participating in regional farmworker housing collaboratives, such as that convened regularly by the Monterey Bay Economic Partnership (MBEP), that includes stakeholders such as agricultural property owners, lessee farmers, agricultural employees, agricultural product processors, funders, public sector representatives, and housing developers, to discuss options and pathways for developing farmworker housing in the region. (See also Programs H-4B and H-4G and Policy H-4.3 regarding funding and policy for affordable farmworker housing developments.)</p> | <p>Development of additional on-farm and/or unsubsidized farmworker housing units in the unincorporated area, increased awareness of updated County codes and available sites for farmworker housing.</p> | <p>Ongoing. MBEP group meets quarterly.</p> | <p>6th Cycle</p> | <p>Continuous</p> | <p>One small on-farm farmworker housing project in pre-development by the Land Trust with hook-ups and RVs for the farmworkers by the Land Trust on Harkins Slough Rd. The RVs will be for farmworkers. Two building permits from the County UPC for the installation</p> |
| <p>Program H-6B: Coordinate with local employers, business groups, environmental and housing advocacy groups, H4H, other public agencies, commissions, civic and neighborhood groups to build public understanding and support for development of new workforce, affordable, and special needs housing units, much of which must, due to the very limited supply of developable land within the urbanized areas of the County, consist of higher-density, multi-family housing, such as apartments or condominium buildings of three or more stories. The Housing Element identifies additional multi-family housing capacity in higher resource, higher income and concentrated areas of affluence as part of actions to enhance housing mobility (housing choices and affordability) in these areas. Seek to build greater understanding of other issues related to housing, such as the connections between inadequate housing supply, housing cost burdens, inadequate local workforce, and homelessness, and the connections between sustainability, climate adaptation and resilience, and infill development strategies. Partner with these local partners and groups to increase awareness of available housing programs, including local, regional, state, and federal housing programs for low- and moderate-income households, those with special needs, and/or homeless residents.</p> | <p>Development of a community awareness and engagement plan to implement this program.</p> | <p>Ongoing, by December 2026 (development of plan)</p> | <p>6th Cycle</p> | <p>Continuous</p> | <p>Ongoing.</p> |
| <p>Program H-6C: Meet regularly with fair housing advocates in the region, to the extent they are available, such as CRLA, Project Sentinel, Watsonville Law Center, or others, to collaborate, share data, and explore how the County, cities, Coastal Commission staff, special districts, and other local agencies involved in development review, land use planning or regulation, permitting, housing finance, and/or development and operation of housing in the region, can support and affirmatively further fair housing in Santa Cruz county and the Monterey Bay region. Request AMBAG assistance in convening such meetings, or to offer training on fair housing to staff of AMBAG member agencies and regional regulatory agencies involved in land use policy and/or regulation.</p> | <p>Meetings with fair housing advocates and/or attendance at AMBAG or comparable fair housing training events</p> | <p>Biennially</p> | <p>6th Cycle</p> | <p>Continuous</p> | <p>Ongoing coordination with legal on needed basis. Meetings and trainings on affordable housing month or conference</p> |
| <p>Program H-6D: Continue to work with AMBAG, RTC, and the County’s cities to update the regional Metropolitan Transportation Plan/ Sustainable Communities Strategy, which will plan for more intensive housing development near existing job centers and near transportation corridors.</p> | <p>Updated regional MTP/SCS</p> | <p>2026 and every four years thereafter</p> | <p>6th Cycle</p> | <p>In Progress</p> | <p>AMBAG is working with the region and evaluate the various performance lists, and data to develop the 2026 MTP expected to be adopted in June 2025</p> |
| <p>Program H-6E: Seek the cooperation of local cities, particularly one or both of the existing CDBG entitlement cities (Santa Cruz and Watsonville), as well as one or more of the smaller cities within the county, to evaluate the pros and cons of forming a “CDBG Urban County” and/or “HOME Consortium”, which could result in significantly increased annual federal funding for affordable housing and community development activities, including funding for homeless assistance programs, across the county as a whole, as well as other non-monetary benefits of such an approach, such as increased access to technical assistance programs, networking and partnership opportunities, and better leveraging of local resources. Depending on the results of the evaluation, adopt required resolution(s) to approve partnership agreements with one or more cities and submit the required CDBG Urban County application to HUD as soon as possible thereafter.</p> | <p>Report to Board of Supervisors with results of evaluation, and (if applicable), Board and Council resolutions to form an Urban County partnership submitted to HUD.</p> | <p>Complete evaluation by 2025</p> | <p>6th Cycle</p> | <p>In Progress</p> | <p>Initial conversations with staff at cities has not been promising, as interest in forming a consortium with uncertainty with federal funding have made this a less than ideal program. This concept may be re-evaluated in the next HE cycle.</p> |
| <p>Program H-6F: Continue to work with the Coastal Commission to achieve a prompt and positive outcome related to the Sustainability Update.</p> | <p>Coastal Commission Approval of the Sustainability Update by February 2024</p> | <p>February 2024</p> | <p>6th Cycle</p> | <p>Completed</p> | <p>Completed and in effect by March 2024. Outcome: Code modernization project sections of County Code and Ge</p> |

| | | |
|------------------|-----------|-------------------------|
| Jurisdiction | County - | |
| Reporting Period | 2025 | (Jan. 1 - Dec. 31) |
| Planning Period | 6th Cycle | 12/15/2023 - 12/15/2031 |

ANNUAL ELEMENT PROGRESS REPORT

Note: "+" indicates an optional field

Housing Element Implementation

Cells in grey contain auto-calculation formulas

Table F

Units Rehabilitated, Preserved and Acquired for Alternative Adequate Sites pursuant to Government Code section 65583.1(c)

Please note this table is optional: The jurisdiction can use this table to report units that have been substantially rehabilitated, converted from non-affordable to affordable by acquisition, and preserved, including mobilehome park preservation, consistent with the standards set forth in Government Code section 65583.1, subdivision (c). Please note, motel, hotel, hostel rooms or other structures that are converted from non-residential to residential units pursuant to Government Code section 65583.1(c)(1)(D) are considered net-new housing units and must be reported in Table A2 and not reported in Table F.

| Activity Type | Units that Do Not Count Towards RHNA ⁺ Listed for Informational Purposes Only | | | | Units that Count Towards RHNA ⁺ Note - Because the statutory requirements severely limit what can be counted, please contact HCD at apr@hcd.ca.gov and we will unlock the form which enable you to populate these fields. | | | | The description should adequately document how each unit complies with subsection (c) of Government Code Section 65583.1 ⁺ . For detailed reporting requirements, see the chcklist here : https://www.hcd.ca.gov/community-development/docs/adequate-sites-checklist.pdf |
|-------------------------------|---|------------------------------|-------------------------|--------------------------|---|------------------------------|-------------------------|--------------------------|--|
| | Extremely Low-Income ⁺ | Very Low-Income ⁺ | Low-Income ⁺ | TOTAL UNITS ⁺ | Extremely Low-Income ⁺ | Very Low-Income ⁺ | Low-Income ⁺ | TOTAL UNITS ⁺ | |
| Rehabilitation Activity | | | | | | | | | |
| Preservation of Units At-Risk | | | | | 7 | 73 | 4 | 84 | At-Risk HUD S8 project set to convert in 2027 was acquired, preserved and rehabilitated by Reliant Group. A TEFRA hearing was held by the Board of Supervisors and the project received tax-exempt bonds. A new 55-year restriction was recorded in 2025. 7 units are restricted at 30% AMI (Extremely Low), 73 units are restricted at 50% AMI (Very Low), and 4 are restricted at 60% AMI (Low) https://santacruzcountyca.iqm2.com/Citizens/Detail_Legifile.aspx?ID=16367&highlightTerms=seaside%20apartments |
| Acquisition of Units | | | | | | | | | |
| Mobilehome Park Preservation | | | | | | | | | |
| Total Units by Income | | | | | 7 | 73 | 4 | 84 | |

COUNTY OF SANTA CRUZ
FISCAL YEAR 2024-2025
HOUSING SUCCESSOR ANNUAL REPORT ON ITS
LOW- AND MODERATE-INCOME HOUSING ASSET FUND (LMIHAF)
PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34176.1(f)

This Housing Successor Annual Report (Report) on the Low and Moderate Income Housing Asset Fund (LMIHAF) has been prepared pursuant to California Health and Safety Code Section 34176.1(f) and is dated as of February 18, 2026. This Report sets forth certain details of the COUNTY OF SANTA CRUZ HOUSING SUCCESSOR AGENCY (Housing Successor) activities during Fiscal Year 2024-2025 (Fiscal Year). The purpose of this Report is to provide the governing body of the Housing Successor an annual report on the housing assets and activities of the Housing Successor under Part 1.85, Division 24 of the California Health and Safety Code, in particular sections 34176 and 34176.1 (Dissolution Law).

The following Report is based upon information prepared by County of Santa Cruz staff and information contained within the independent financial audit of the Low and Moderate Income Housing Asset Fund of the COUNTY OF SANTA CRUZ for Fiscal Year 2024-2025 (Fiscal Year), prepared by BROWN ARMSTRONG (Audit), which Audit is separate from this annual summary Report; further, this Report conforms with and is organized into sections I through XI., inclusive, pursuant to Section 34176.1(f) of the Dissolution Law:

1. **Amount the County received from loans** pursuant to subparagraph (A) of paragraph (3) of subdivision (b) of Section 34191.4.
2. **Amount Deposited into LMIHAF** This section provides the total amount of funds deposited into the LMIHAF during the Fiscal Year, distinguishing between amounts deposited pursuant to subparagraphs (B) and (C) of paragraph (3) of subdivision (b) of Section 34191.4, amounts deposited for other items listed on the Recognized obligation Payment Schedule (ROPS) and other amounts deposited.
3. **Ending Balance of LMIHAF:** This section provides a statement of the balance in the LMIHAF as of the close of the Fiscal Year. Any amounts deposited for items listed on the ROPS must be distinguished from the other amounts deposited.
4. **Description of Expenditures from LMIHAF:** This section provides a description of the expenditures made from the LMIHAF during the Fiscal Year. The expenditures are to be categorized.
5. **Statutory Value of Assets Owned by Housing Successor:** This section provides the statutory value of real property owned by the Housing Successor, the value of loans and grants receivables, and the sum of these two amounts.

6. **Description of Transfers:** This section describes transfers, if any, to another housing successor agency made in previous Fiscal Year(s) including whether the funds are unencumbered and the status of projects, if any, for which the transferred LMIHAF will be used. The sole purpose of the transfer must be for the development of transit priority projects, permanent supportive housing, housing for agricultural employees or special needs housing.
7. **Project Descriptions:** This section describes any project for which the Housing Successor receives or holds property tax revenue pursuant to the ROPS and the status of that project.
8. **Status of Compliance with Section 33334.16:** This section provides a status update on compliance with Section 33334.16 or interests in real property acquired by the former redevelopment agency prior to February 1, 2012. For interests in real property acquired on or after February 1, 2012, provide a status update on the project.
9. **Description of Outstanding Obligations under Section 33413:** This section describes the outstanding inclusionary and replacement housing obligations, if any, under Section 33413 had remained outstanding prior to dissolution of the former redevelopment agency as of February 1, 2012, along with the Housing Successor's progress in meeting those prior obligations, if any, of the former redevelopment agency and how the Housing Successor's plans to meet unmet obligations, if any.
10. **Income Test:** This section provides the information required by Section 34176.1(a)(3)(B), or a description of expenditures by income restriction for the five-year period, with the time period beginning January 1, 2014; and whether the statutory thresholds have been met. Reporting on the Income Test was not required until 2019.
11. **Senior Housing Test:** This section provides the percentage of units of deed-restricted rental housing restricted to seniors and assisted individually or jointly by the Housing Successor, its former Redevelopment Agency, and its host jurisdiction within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted individually or jointly by the Housing Successor, its former Redevelopment Agency and its host jurisdiction within the same time period. For this Report, the ten-year period reviewed is January 1, 2014, to January 1, 2024.
12. **Excess Surplus Test:** This section provides the amount of excess surplus in the LMIHAF, if any, and the length of time that the Housing Successor has had excess surplus and the Housing successor's plan for eliminating the excess surplus.
13. **Inventory of Homeownership Units Assisted:** An inventory of homeownership units assisted by the former redevelopment agency or the housing successor that

are subject to covenants or restrictions or to an adopted program that protects the former redevelopment agency's investment of moneys from the Low- and Moderate-Income Housing Fund pursuant to subdivision (f) of Section 33334.3. This inventory shall include (A) the number of those units; (B) the number of units lost to the portfolio after February 1, 2012; (C) any funds returned to the housing successor as part of an adopted program that protects the former redevelopment agency's investment of moneys from the Low and Moderate Income Housing Fund; and (D) whether the housing successor has contracted with any outside entity for the management of the units.

This Report is to be provided to the Housing Successor's governing body and the State of California by April 1 of each year. In addition, this Report and the former Santa Cruz County Redevelopment Agency's pre-dissolution Implementation Plans are made available to the public on the County's website:

<http://www.sccoplanning.com/PlanningHome/Housing/OtherResources/HousingSuccessorAgencyReports.aspx>

1. AMOUNT THE COUNTY RECEIVED FROM LOANS PURSUANT TO SUBPARAGRAPH (A) OF PARAGRAPH (3) OF SUBDIVISION (b) OF SECTION 34191.4.

The County has not received any loans or loan funds pursuant to this Section.

2. AMOUNT DEPOSITED INTO LMIHAF

A total of **\$1,762,600** was deposited into the LMIHAF during the Fiscal Year. Of the total funds deposited into the LMIHAF, a total of **\$0** was held for items listed on the ROPS.

3. ENDING BALANCE OF LMIHAF

At the close of the Fiscal Year, the ending balance in the LMIHAF was **\$2,276,521** of which **\$0** was held for items listed on the ROPS.

4. DESCRIPTION OF EXPENDITURES FROM LMIHAF

The following table provides a description of expenditures from the LMIHAF by category. For Housing Development expenditures, subtotals are provided for each income category of assisted units.

| Expenditures | Fiscal Year 2024-25 |
|---|----------------------------|
| Monitoring & Administration | \$438,990 |
| Homeless Prevention and Rapid Rehousing Services | \$0 |
| Housing Development Expenditures <i>Subtotals below</i> | \$23,169 |
| • Low Income Units | \$0 (0%) |
| • Very Low Income Units | \$0 (0%) |
| • Extremely Low Income Units | \$23,169 (100%) |
| Total LMIHAF Expenditures in Fiscal Year | \$462,159 |

5. STATUTORY VALUE OF ASSETS OWNED BY HOUSING SUCCESSOR IN LMIHAF

Under the Dissolution Law and for purposes of this Report, the “statutory value of real property” means the value of properties formerly held by the former redevelopment agency as listed on the housing asset transfer schedule approved by the Department of Finance as listed in such schedule under Section 34176(a)(2), the value of the properties transferred to the Housing Successor pursuant to Section 34181(f), and the purchase price of property(ies) purchased by the Housing Successor. Further, the value of loans and grants receivable is included in these reported assets held in the LMIHAF.

The following provides the statutory value of assets owned by the Housing Successor.

| As of End of Fiscal Year 2024-25 | |
|--|---------------------|
| Statutory Value of Real Property Owned by Housing Successor | \$ 1,235,527 |
| Value of Loans and Grants Receivable | \$79,191,965 |
| Total Value of Housing Successor Assets | \$80,427,492 |

6. DESCRIPTION OF TRANSFERS

N/A. The Housing Successor did not make any LMIHAF transfers to other Housing Successor(s) under Section 34176.1(c)(2) during the Fiscal Year.

7. PROJECT DESCRIPTIONS

N/A. The Housing Successor does not receive or hold property tax revenue pursuant to the ROPS.

8. STATUS OF COMPLIANCE WITH SECTION 33334.16

Section 34176.1 provides that Section 33334.16 does not apply to interests in real property acquired by the Housing Successor on or after February 1, 2012; however, this Report presents a status update on the project related to such real property.

With respect to interests in real property acquired by the former redevelopment agency *prior* to February 1, 2012, the time periods described in Section 33334.16 shall be deemed to have commenced on the date that the Department of Finance approved the property as a housing asset in the LMIHAF; thus, as to real property acquired by the former redevelopment agency now held by the Housing Successor in the LMIHAF, the Housing Successor must initiate activities consistent with the development of the real property for the purpose for which it was acquired within five years of the date the DOF approved such property as a housing asset.

The following table provides a status update on the real property housing assets acquired prior to February 1, 2012, and compliance with the five-year deadline to initiate development:

| Address of Property | Date of Acquisition | Deadline to Initiate Development Activity | Status of Housing Successor Activity |
|---|--|--|---|
| 522 Capitola Rd. Ext., Santa Cruz, CA 95062 | 10/18/2006 | 7/3/2017 | Leased for affordable housing purpose |
| 111 Atherton Loop, Aptos, CA 95003 | 04/14/2009 | 7/3/2017 | Leased for affordable housing purpose |
| 755 14 th Ave. #108, Santa Cruz, CA 95062 | 01/20/2011 | 7/3/2017 | Vacant in preparation for resale to eligible homebuyer as an affordable housing unit |
| 1715 Westhaven Ct., #C, Santa Cruz, CA 95062 | 05/06/2011 | 7/3/2017 | Leased for affordable housing purpose |
| 2340 Harper St., Santa Cruz, CA 95062 | 1/17/97 (Housing Successor Asset in 1/8/2014) | 1/8/2019 | Sold to Habitat for Humanity on March 13, 2020, pursuant to 2018 Option and 2019 Disposition Agreement. |

9. DESCRIPTION OF OUTSTANDING OBLIGATIONS PURSUANT TO SECTION 33413

Replacement Housing: According to the 2010-2014 Implementation Plan for the former redevelopment agency, no Section 33413(a) replacement housing obligations were transferred to the Housing Successor. The former redevelopment agency's Implementation Plans are posted on the County's website at:

<http://sccounty01.co.santa-cruz.ca.us/red/2010-2014%20IP%20FINAL2.pdf>.

Inclusionary/Production Housing. According to the 2010-2014 Implementation Plan for the former redevelopment agency, no Section 33413(b) inclusionary/production housing obligations were transferred to the Housing Successor. The former redevelopment agency's Implementation Plans are posted on the County's website at:

<http://sccounty01.co.santa-cruz.ca.us/red/reportsandstudies.html>.

10. EXTREMELY LOW INCOME TEST

Section 34176.1(a)(3)(B) requires that the Housing Successor must require at least 30% of the LMIHAF to be expended for development of rental housing affordable to and occupied by households earning 30% or less of the AMI. If the Housing Successor fails to comply with the Extremely Low Income (ELI) requirement in any five-year report period, then it must spend at least 50% of the funds remaining in the LMIHAF in each subsequent fiscal year (following such a report) on ELI households (those with incomes at or below 30% of AMI) until the Housing Successor demonstrates compliance with this requirement. This information was required to be reported beginning in 2019 for the first 5-year period (FY 2014/15 through FY 2018/2019). A portion of the funds expended in FY 2023/24 and 2024/25 included Permanent Local Housing Allocation (PLHA) funds that are deposited into the LMIHAF to fund an ELI project.

| Extremely Low Income Expenditures Test FY 2020/21 through FY 2024/25 (July 1, 2020, through June 30, 2025) | |
|--|-------------|
| LMIHAF Spent on Extremely Low Income Housing Amount Spent on ELI Units = A | \$2,210,554 |
| Total LMIHAF Spent in 5-Year Period * Total LMIHAF Spent = B | \$6,135,890 |
| Extremely Low Income Test A / B = Percent of LMIHAF Spent on ELI Units in 5-year period | 36% |

* Total does not include Monitoring/Administration and Homeless Prevention/Rapid Rehousing Expenditures

11. SENIOR HOUSING TEST

The Housing Successor is to calculate the percentage of units of deed-restricted rental housing restricted to seniors and assisted by the Housing Successor, the former redevelopment agency and/or the County within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted by the Housing Successor, the former redevelopment agency and/or the County within the same time period. If this percentage exceeds 50%, then the Housing Successor cannot expend future funds in the LMIHAF to assist additional senior housing units until the Housing Successor or County assists and construction has commenced on a number of restricted rental units that is equal to 50% of the total amount of deed-restricted rental units.

The following provides the Housing Successor's Senior Housing Test for the 10-year period of 2016 through 2025.

| Senior Housing Test 2016-2025 Calendar Years | Number of Rental Units |
|--|-------------------------------|
| A. Assisted Rental Units Restricted to Seniors | 40 |
| B. Total Assisted Rental Units | 239 |
| C. Percent of Total Assisted Rental Units Restricted to Occupancy by Seniors (A / B = C) | 16.7% |

12. EXCESS SURPLUS TEST

Excess Surplus is defined in Section 34176.1(d) as an unencumbered amount in the account that exceeds the greater of one million dollars (\$1,000,000) or the aggregate amount deposited into the account during the Housing Successor's preceding four Fiscal Years, whichever is greater.

The following provides the Excess Surplus test for the last four Fiscal Years:

| | FY 2021/22 | FY 2022/23 | FY 2023/24 | FY 2024/25 |
|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Beginning Balance | \$1,340,407 | \$1,023,773 | \$794,435 | \$976,080 |
| Add: Deposits | \$881,744 | \$1,068,948 | \$1,250,047 | \$1,762,600 |
| (Less) Expenditures | (\$1,198,378) | (\$1,298,286) | (\$1,068,401) | (\$462,159) |
| Ending Balance | \$1,023,773 | \$794,435 | \$976,080 | \$2,276,521 |

The LMIHAF does not have an Excess Surplus, because the ending balance of

\$2,276,521 is less than the total amount of deposits for the last four Fiscal Years, which is \$4,963,339. The expenditures and ending balance figures for FY 2023/24 were corrected to include loan payments that were inadvertently left out in last year's report.

Additional Questions pursuant to AB 1793 of the 2013-14 Legislative session, which amended H&S § 34176.1(f):

13. INVENTORY OF HOMEOWNERSHIP UNITS ASSISTED

Inventory of homeownership units assisted by the former redevelopment agency or the housing successor that are subject to covenants or restrictions or to an adopted program that protects the former redevelopment agency's investment of monies from the Low- and Moderate-Income Housing Asset fund pursuant to subdivision (f) of Section 33334.3. This inventory shall include all of the following information:

- A. Number of assisted units subject to the above requirements;
- B. Number of assisted units lost to the portfolio during the Fiscal Year, and reason for those losses;
- C. Any funds returned to the housing successor as part of an adopted program that protects the former redevelopment agency's investment of moneys from the LMIHF; and
- D. Whether the housing successor has contracted with any outside entity for the management of the units and, if so, the identity of the entity.

| INVENTORY OF HOMEOWNERSHIP UNITS ASSISTED | |
|---|-----------|
| A. Number of Homeownership Units Assisted with LMIHAF in Inventory as of July 1, 2025 | 292 |
| B. Units lost to the portfolio in FY 2024/25, and reason for those losses: <i>Loan Payment in Full (for assisted mobile homes)</i> | 4 |
| C. Any funds returned to the Housing Successor as part of an adopted program that protects the former Redevelopment Agency's investment of moneys from the LMIHF. | \$583,646 |
| D. The County has not contracted with any outside entity to manage these units. Housing staff of the County's Community Development & Infrastructure (CDI) Department, Planning Division manage the Assisted Homeownership Units Portfolio. | No |