



# APPENDIX HE-A: FAIR HOUSING REPORT

## Table of Contents

<b>LIST OF FIGURES</b> .....	<b>iv</b>
<b>LIST OF TABLES</b> .....	<b>x</b>
<b>INTRODUCTION</b> .....	<b>1</b>
<b>Housing Needs Assessment</b> .....	<b>1</b>
Housing Type and tenure .....	1
Age of Housing.....	6
Housing Costs .....	8
Vacancy and New Development .....	11
Effectiveness at assisting special needs populations .....	13
Displacement.....	17
<b>FAIR HOUSING ASSESSMENT</b> .....	<b>26</b>
<b>CONTRIBUTING FACTORS</b> .....	<b>26</b>
<b>FAIR HOUSING ISSUES, CONTRIBUTING FACTORS, AND MEANINGFUL ACTIONS TO AFFIRMATIVELY FURTHER FAIR HOUSING</b> .....	<b>29</b>
<b>HISTORY OF SEGREGATION IN THE REGION</b> .....	<b>32</b>
<b>POPULATION AND DEMOGRAPHIC TRENDS</b> .....	<b>37</b>
Population Growth .....	37
Race and Ethnicity .....	37
Age Characteristics .....	42
Disability Status.....	44
Familial Status .....	50
Household Income.....	54
<b>INTEGRATION AND SEGREGATION</b> .....	<b>57</b>
<b>DEFINITIONS</b> .....	<b>57</b>
<b>FORMS OF SEGREGATION</b> .....	<b>58</b>



---

<b>HISTORICAL SEGREGATION PATTERNS IN SANTA CRUZ COUNTY .....</b>	<b>59</b>
<b>RACIAL AND ETHNIC SEGREGATION .....</b>	<b>60</b>
<b>REGIONAL RACIAL SEGREGATION .....</b>	<b>62</b>
DISABILITY STATUS .....	64
Familial Status .....	65
Household Income.....	69
<b>Racially or Ethnically Concentrated Areas of Poverty and Affluence.....</b>	<b>72</b>
<b>ACCESS TO OPPORTUNITY .....</b>	<b>76</b>
<b>Access to opportunity.....</b>	<b>76</b>
Education .....	77
<b>EDUCATIONAL ATTAINMENT .....</b>	<b>83</b>
Economic and Employment Opportunities .....	88
Employment.....	89
Transportation .....	94
Environment .....	97
<b>DISPROPORTIONATE HOUSING NEEDS.....</b>	<b>101</b>
<b>HOUSING NEEDS AMONG SPECIAL POPULATIONS.....</b>	<b>102</b>
Households with children .....	102
Large Households.....	102
Persons with a Disability .....	107
Low and Extremely Low Income Households.....	113
Persons and Households Experiencing Homelessness .....	121
<b>Disproportionate Housing Needs .....</b>	<b>129</b>
Cost Burden and Severe Cost Burden.....	130
Overcrowding.....	135
Substandard Housing Conditions .....	139
Access to Mortgage Loans.....	145
<b>FAIR HOUSING ENFORCEMENT AND OUTREACH CAPACITY.....</b>	<b>145</b>
FAIR HOUSING LEGAL CASES AND INQUIRIES.....	146
OURTREACH AND CAPACITY .....	152



---

COMPLIANCE WITH STATE LAW .....	152
<b>SITES INVENTORY ANALYSIS.....</b>	<b>153</b>
<b>ANALYSIS OF EXISTING AND PROPOSED HOUSING SITES BY CENSUS TRACT .....</b>	<b>153</b>
<b>CENSUS TRACT 1107.....</b>	<b>160</b>
<b>CENSUS TRACT 1203.01.....</b>	<b>160</b>
<b>CENSUS TRACT 1203.02.....</b>	<b>161</b>
<b>CENSUS TRACT 1204.....</b>	<b>161</b>
<b>CENSUS TRACT 1205.....</b>	<b>162</b>
<b>CENSUS TRACT 1206.....</b>	<b>162</b>
<b>CENSUS TRACT 1207.....</b>	<b>163</b>
<b>CENSUS TRACT 1208.....</b>	<b>163</b>
<b>CENSUS TRACT 1211.....</b>	<b>164</b>
<b>CENSUS TRACT 1212.....</b>	<b>165</b>
<b>CENSUS TRACT 1213.....</b>	<b>166</b>
<b>CENSUS TRACT 1214.01.....</b>	<b>166</b>
<b>CENSUS TRACT 1214.02.....</b>	<b>167</b>
<b>CENSUS TRACT 1214.03.....</b>	<b>168</b>
<b>CENSUS TRACT 1215.01.....</b>	<b>168</b>
<b>CENSUS TRACT 1215.02.....</b>	<b>169</b>
<b>CENSUS TRACT 1216.01.....</b>	<b>169</b>
<b>CENSUS TRACT 1216.02.....</b>	<b>170</b>
<b>CENSUS TRACT 1217.02.....</b>	<b>170</b>
<b>CENSUS TRACT 1220.01.....</b>	<b>171</b>
<b>CENSUS TRACT 1220.02.....</b>	<b>171</b>
<b>CENSUS TRACT 1220.04.....</b>	<b>172</b>
<b>CENSUS TRACT 1220.05.....</b>	<b>173</b>
<b>CENSUS TRACT 1221.....</b>	<b>173</b>
<b>CENSUS TRACT 1222.02.....</b>	<b>174</b>
<b>CENSUS TRACT 1222.03.....</b>	<b>174</b>
<b>CENSUS TRACT 1222.04.....</b>	<b>175</b>



<b>CENSUS TRACT 1222.05</b> .....	<b>175</b>
<b>CENSUS TRACT 1224.01</b> .....	<b>176</b>
<b>CENSUS TRACT 1225</b> .....	<b>176</b>
<b>CENSUS TRACT 1231</b> .....	<b>177</b>
<b>CENSUS TRACT 1233</b> .....	<b>178</b>
<b>SUPPORTIVE COUNTYWIDE SITES ANALYSIS</b> .....	<b>178</b>
<b>HISPANIC POPULATION</b> .....	<b>178</b>
<b>NON-WHITE POPULATION</b> .....	<b>179</b>
<b>LOW AND MODERATE INCOME</b> .....	<b>179</b>
<b>RACIALLY OR ETHNICALLY CONCENTRATED AREAS OF POVERTY (R/ECAP)</b> .....	<b>180</b>
<b>RACIALLY CONCENTRATED AREAS OF AFFLUENCE (RCAA)</b> .....	<b>180</b>
<b>TCAC AREAS OF OPPORTUNITY</b> .....	<b>180</b>
<b>URBAN DISPLACEMENT</b> .....	<b>180</b>
<b>SEGREGATION AND INTEGRATION</b> .....	<b>180</b>
<b>RACIALLY AND ETHNICALLY CONCENTRATED AREAS OF POVERTY AND AFFLUENCE</b>	<b>181</b>
<b>DISPARITIES IN ACCESS TO OPPORTUNITY</b> .....	<b>181</b>
<b>DISPROPORTIONATE HOUSING NEEDS</b> .....	<b>181</b>

## LIST OF FIGURES

Figure HE-A-1: Total Housing Stock by Units in Structure, 2021.....	2
Figure HE-A-2: Percent of Structures with Two or More Units by Census Tract, Santa Cruz County, 2021 .....	3
Figure HE-A-3: Mobile Home Parks, Santa Cruz County, 2022.....	4
Figure HE-A-4: Households by Tenure, 2021 .....	5
Figure HE-A-5: Percent of Renter Occupied Housing Units by Census Tract, Santa Cruz County, 2021.....	6
Figure HE-A-6: Housing Units by Year Built, Unincorporated Santa Cruz County, .....	7
Figure HE-A-7: Percent of Units Built after 1990 by Census Tract, Santa Cruz County, 2021 ...	7
Figure HE-A- 8:. Distribution of Home Value for Owner Occupied Units by Jurisdiction, 2021 ....	8
Figure HE-A- 9: Zillow Home Value Index, 2000-2022.....	9
Figure HE-A- 10: Distribution of Contract Rents for Renter Occupied Units by Jurisdiction, 2021 .....	11



Figure HE-A- 11: Location of Population One Year Ago, Unincorporated Santa Cruz County, 2022..... 17

**Figure HE-A-12: Tenure by Year Moved to Current Residence, Unincorporated Santa Cruz County, 2021 ..... 18**

Figure HE-A- 13: Estimated Displacement Risks for All Households by Census Tract, Santa Cruz County, 2022.....22

**Figure HE-A-14: Estimated Displacement Risk for 0% - 50% AMI by Census Tract, Santa Cruz County, 2022 .....23**

Figure HE-A- 15: Estimated Displacement Risk for 50%-80% AMI by Census Tract, Santa Cruz County, 2022.....24

Figure HE-A- 16: Special Flood Hazard Areas, Santa Cruz County, 2022 .....25

Figure HE-A-17: Major Public and Legal Actions that Influence Fair Access to Housing .....36

Figure HE-A-18: Population by Race and Ethnicity and Jurisdiction, 2021 .....38

Figure HE-A-19: Population by Race and Ethnicity, Unincorporated Santa Cruz County, 2010-2021.....38

Figure HE-A-20: Senior and Youth Population by Race, Unincorporated Santa Cruz County, 2021.....39

Figure HE-A-21: Area Median Income by Race and Ethnicity, Unincorporated Santa Cruz County, 2021.....40

Figure HE-A-22: Poverty Rate by Race and Ethnicity, Unincorporated Santa Cruz County, 2021.....41

Figure HE-A-23: Poverty Status by Census Tract, Santa Cruz County, 2021.....42

Figure HE-A-24: Age Distribution, Unincorporated Santa Cruz County, 2010-2021.....43

Figure HE-A-25: Household Income by Age of Householder, Unincorporated Santa Cruz County, 2021.....44

Figure HE-A-26: Percent of the Population with a Disability by Census Tract, Santa Cruz County, 2021 .....45

**Figure HE-A-27: Disability Status by Tenure and AMI, Unincorporated Santa Cruz County, 2020 .....46**

**Figure HE-A-28: Percent of Disabled Households with One or More Housing Problems, by Disability Type and AMI, Unincorporated Santa Cruz County, 2020 .....47**

Figure HE-A-29: Overpayment by Renters, Santa Cruz County, 2021 .....48

Figure HE-A-30: Share of Population by Disability Status and Jurisdiction, 2021 .....49

Figure HE-A-31: Disability Status by Characteristic, Unincorporated Santa Cruz County, 2021 50

Figure HE-A-32: Share of Households by Size and Jurisdiction, 2021 .....51

Figure HE-A-33: Share of Households by Type and by Jurisdiction, 2021 .....52



Figure HE-A-34: Share of Households by Presence of Children and by Jurisdiction, 2021...52

**Figure HE-A-35: Housing Type by Tenure, Unincorporated Santa Cruz County, 2021 ..53**

Figure HE-A-36: Housing Units by Number of Bedrooms and Tenure, Unincorporated Santa Cruz County, 2021 .....54

**Figure HE-A-37: Share of Households by Area Median Income (AMI) and Geography, 2019.55**

Figure HE-A-38: Population Change by Household Income, Santa Cruz County, 2010 and 2021 .....57

Figure HE-A-39: Predominant Race, Santa Cruz County by Census Tract, 2021.....60

**Figure HE-A-40: Racial Segregation by Census Tract, Santa Cruz County, 2010 .....61**

**Figure HE-A-41: Racial Segregation by Census Tract, Santa Cruz County, 2020 .....62**

**Figure HE-A-42: Percent Non-White Population by Block Group, Santa Cruz County, 2020.64**

Figure HE-A-43: Share of Population by Disability Status and Jurisdiction, 2021 .....65

**Figure HE-A-44: Percent of Population with a Disability by Census Tract, Santa Cruz County, 2021 .....65**

Figure HE-A-45: Percent of Population Living with a Spouse by Census Tract, Santa Cruz County, 2021 .....66

Figure HE-A-46: Percent of Children in Married Couple Households by Census Tract, Santa Cruz County, 2021 .....67

Figure HE-A-47: Children in Female Householder Households No Spouse Present by Census Tract, Santa Cruz County, 2021 .....68

Figure HE-A-48: Percent of Population Living Alone by Census Tract, Santa Cruz County, 2021 .....69

Figure HE-A-49: Share of Households by Area Median Income, Santa Cruz County, 2019 .....70

**Figure HE-A-50: Median Household Income by Census Tract, Santa Cruz County, 2021.....71**

**Figure HE-A-51: Poverty Status by Census Tract, Santa Cruz County, 2021.....72**

**Figure HE-A-52: Median Income by Race, Santa Cruz, Monterey, San Benito, and Santa Clara Counties, 2021 .....74**

Figure HE-A-53: Racially Concentrated Areas of Affluence by Census Tract, Santa Cruz County, 2019.....75

**Figure HE-A-54: TCAC/HCD Opportunity Map by Census Tract, Composite Score for Santa Cruz County, 2023 .....77**

Figure HE-A-55: School Enrollment by Grade, Unincorporated Santa Cruz County, 2015 and 2021 .....78

Figure HE-A-56: Public vs. Private School Enrollment, Unincorporated Santa Cruz County, 2021 .....79



Figure HE-A-57: Percent with Bachelor's Degree or Higher by Race, Santa Cruz, Monterey, San Benito, and Santa Clara Counties, 2021 .....80

**Figure HE-A-58: Median Income of Residents with a Bachelor's Degree, Santa Cruz, Monterey, San Benito, and Santa Clara Counties .....81**

Figure HE-A-59: School Enrollment by Age, Unincorporated Santa Cruz County, 2015 and 2021 .....82

Figure HE-A-60: College Enrollment, Unincorporated Santa Cruz County, 2015 and 2021 ...83

Figure HE-A-61: Chronic Absenteeism of Students by Race/Ethnicity, Santa Cruz County, 2016-2022 .....87

Figure HE-A-62: Suspension Rates of Students by Race/Ethnicity, Santa Cruz County, 2016-2022 .....87

**Figure HE-A-63: TCAC Opportunity Areas Economic Score by Census Tract, Santa Cruz County, 2023 .....88**

Figure HE-A-64: Jobs by Industry, Unincorporated Santa Cruz County, 2003-2019 .....89

Figure HE-A-65: Unemployment Rates by Characteristic, Santa Cruz County, 2015 and 2021 .....90

Figure HE-A-66: Jobs Within a 45 Minute Drive by Block Group, Santa Cruz County, 2018 ..91

Figure HE-A-67: Jobs Within a 45 Minute Transit Ride by Block Group, 2018 .....92

Figure HE-A-68: Presence of a Computer and Internet Subscription in Households, Santa Cruz County, 2015 and 2021 .....94

**Figure HE-A-69: Housing and Transportation Index by Block Group, Santa Cruz County, 2022 .....95**

Figure HE-A-70: High Quality Transit Areas in Santa Cruz County .....96

Figure HE-A-71: High Quality Transit Stops in Santa Cruz County, 2022 .....97

Figure HE-A-72: CalEnviroScreen 4.0 by Census Tract, Santa Cruz County, 2021 .....98

Figure HE-A-73: Fire Hazard Severity Zones (CalFire) in Santa Cruz County .....99

Figure HE-A-74: Special Flood Hazard Areas, Santa Cruz County, 2022 ..... 100

Figure HE-A-75: Healthy Places Index, Santa Cruz County, 2022 ..... 101

Figure HE-A-76: Poverty Status by Family Households, Santa Cruz County, 2010-2021 .... 102

Figure HE-A-77: Share of Population by Disability Status and Jurisdiction, 2021 ..... 103

**Figure HE-A-78: Large Households by Tenure, Unincorporated Santa Cruz County, 2020 ..... 104**

Figure HE-A-79: Cost Burden, Large Renter Households and All Renter Households, Unincorporated Santa Cruz County, 2020 ..... 105

Figure HE-A-80: Cost Burden, Large Owner Households and All Owner Households, Unincorporated Santa Cruz County, 2020 ..... 106



**Figure HE-A-81: Large Households by Type and Tenure, Unincorporated Santa Cruz County, 2020** ..... 107

Figure HE-A-82: Share of Population by Disability Status and Jurisdiction, 2021 ..... 108

Figure HE-A-83: Disability by Type the Population 18 Years and Over, Unincorporated Santa Cruz County, 2021 ..... 109

Figure HE-A-84: Disability by Type the Population 18 Years and Over, Unincorporated Santa Cruz County, 2021 ..... 110

Figure HE-A-85: Employment by Disability, Santa Cruz County, 2021 ..... 110

Figure HE-A-86: Seniors by Characteristic, Santa Cruz County, 2021 ..... 111

Figure HE-A-87: Seniors by Household Income, Santa Cruz County, 2021 ..... 112

Figure HE-A-88: Public Housing Buildings, Santa Cruz County, 2021 ..... 113

Figure HE-A-89: Housing Choice Vouchers as a Percentage of Renter Occupied Units, Santa Cruz County, 2021 ..... 114

Figure HE-A-90: HAMFI by Tenure, Unincorporated Santa Cruz County, 2020 ..... 115

Figure HE-A-91: Cost Burden for ELI Households, Unincorporated Santa Cruz County, 2019 and 2020 ..... 116

Figure HE-A-92: Housing Problems for ELI Households by Tenure, Unincorporated Santa Cruz County, 2020 ..... 117

**Figure HE-A-93: Housing Problems for Renter Households, Unincorporated Santa Cruz County, 2020** ..... 118

**Figure HE-A-94: Housing Problems for Owner Households, Unincorporated Santa Cruz County, 2020** ..... 119

Figure HE-A-95: Share of Households by Area Median Income, Unincorporated Santa Cruz County, 2021 ..... 121

Figure HE-A-96: Share of General and Homeless Populations by Race, Santa Cruz County, 2022 ..... 124

Figure HE-A-97: Share of General and Homeless Populations by Ethnicity, Santa Cruz County, 2022 ..... 124

Figure HE-A-98: Point in Time (PIT) Count, Santa Cruz County, 2021 ..... 125

Figure HE-A-99: Emergency Shelters, Santa Cruz County, 2021 ..... 126

Figure HE-A-31: Percent of Children in Female Householder, No Spouse/ Partner Present Households ..... 128

Figure HE-A-101: Cost Burdened Households, 2021 ..... 130

Figure HE-A-102: Renter Cost Burden by AMI, Unincorporated Santa Cruz County, 2020 ..... 131

Figure HE-A-103: Owner Cost Burden by AMI, Unincorporated Santa Cruz County, 2020 ..... 131





Figure HE-A-104: Overpayment (Cost Burden) by Race and Ethnicity, Unincorporated Santa Cruz County, 2021 ..... 132

Figure HE-A-105: Overpayment (Cost Burden) by Family Size, Unincorporated Santa Cruz County, 2021..... 133

Figure HE-A-106: Overpayment by Renters by Census Tract, Santa Cruz County, 2021 .... 134

Figure HE-A-107: Overpayment by Homeowners by Census Tract, Santa Cruz County, 2021 ..... 135

Figure HE-A-108: Occupants per Room by Jurisdiction, 2019 ..... 136

Figure HE-A-109: Occupants per Room by Tenure, Unincorporated Santa Cruz County, 2019 ..... 136

Figure HE-A-110: Overcrowding by Race and Ethnicity, Unincorporated Santa Cruz County, 2021..... 137

Figure HE-A-111: Occupants per Room by AMI, Unincorporated Santa Cruz County, 2019..... 137

Figure HE-A-112: Overcrowding by Census Tract, Santa Cruz County, 2021 ..... 138

Figure HE-A-113: Severe Overcrowding by Census Tract, Santa Cruz County, 2021 ..... 139

Figure HE-A-114: Percent of Units Lacking Complete Kitchen and Plumbing Facilities, Unincorporated Santa Cruz County, 2021 ..... 140

**Figure HE-A-115: Percent of Total Units Built Prior to 1960 by Census Tract, 2021** ..... 141

Figure HE-A-116: Percent of Units Lacking Complete Kitchen Facilities by Census Tract, Santa Cruz County, 2021 ..... 142

Figure HE-A-117: Percent of Units Lacking Complete Plumbing by Census Tract, Santa Cruz County, 2021..... 143

Figure HE-A-118: Mortgage Application Denial Rate by Race and Ethnicity, Santa Cruz County, 2021..... 145

Figure HE-A-119: HUD Fair Housing Inquiries and Cases by City, Unincorporated Santa Cruz County, January 2013-November 2022 ..... 148

Figure HE-A-120: FHEO Inquiries by City to HUD, Santa Cruz County, 2013-2022 ..... 149

Figure HE-A-121: Housing Choice Vouchers by Census Tract, Santa Cruz County ..... 151

Figure HE-A-122: Mid-County Proposed Housing Sites with TCAC Opportunity Map..... 154

Figure HE-A-123: South County Proposed Housing Sites with TCAC Opportunity Map ..... 155

Figure HE-A-124: Mid-County Proposed Housing Sites with Predominant Race/Ethnicity .. 156

Figure HE-A-125: South County Proposed Housing Sites with Predominant Race/Ethnicity ..... 157



## LIST OF TABLES

<b>Table HE-A-1: Vacancy Status, Unincorporated Santa Cruz County, 2010-2021</b> .....	12
<b>Table HE-A-2: Permits by Income Level, 5th Cycle RHNA Progress, Unincorporated Santa Cruz County.</b> .....	13
Table HE-A-3: Assisted Units at Risk of Conversion, Santa Cruz County, 2022 .....	19
<b>Table HE-A-4: Fair Housing, Contributing Factors, and Proposed Actions</b> .....	30
Table HE-A-5: Total Population, 2000-2020 .....	37
<b>Table HE-A-6: Change in Median Household Income by Characteristic, Santa Cruz County, 2010 and 2021</b> .....	56
Table HE-A-7: Racial Dissimilarity Index Values for Segregation in the Santa Cruz-Watsonville Region, 2010-2020 .....	63
Table HE-A-8: Educational Attainment by Race and Ethnicity, Unincorporated Santa Cruz County, 2015 and 2021.....	84
Table HE-A-9: Educational Attainment by Age Group, Unincorporated Santa Cruz County, 2015 and 2021 .....	85
<b>Table HE-A-10: Median Income Earnings by Educational Attainment for Population 25 Years and Older, Santa Cruz County, 2015 and 2021</b> .....	86
Table HE-A-11: Means of Transportation to Work by Characteristic, Santa Cruz County, 2021	93
Table HE-A-12: Income in the Past Year for Seniors, Santa Cruz County, 2021 .....	112
Table HE-A-13: Homelessness by Shelter Status, Unincorporated Santa Cruz County, 2022 and 2023.....	123
<b>Table HE-A-14: County Building Permits Issued for Residential Remodels, Renovations, Additions, and Residential Property Improvements, July 1, 2013 – June 30, 2023</b> .....	144
Table HE-A-15: Fair Housing Assistance Organizations, Santa Cruz County .....	147
<b>Table HE-A-16: Fair Housing Complaints Filed with HUD by Basis, Santa Cruz County, 2006-2020</b> .....	148
Table HE-A-17: FHEO Inquiries by Bias, January 2013-November 2022 .....	150
Table HE-A-18: FHEO Cases by Bias, January 2013-November 2022.....	150
Table HE-A-20: Unincorporated Santa Cruz County Proposed Housing Sites by Census Tract Summary.....	159



# INTRODUCTION

The following report provides both a Housing Needs Assessment and Fair Housing Assessment for Santa Cruz County. This analysis primarily utilizes U.S. Census Bureau American Community Survey (ACS) 5-Year Estimate data and California Department of Housing and Community Development (HCD) data, including expanded analysis commissioned by Root Policy Research (Denver, Colorado) and Land Watch (Salinas, California). Data are provided for the County overall and for unincorporated areas where available, in comparison to the Monterey Bay region. For the purposes of this assessment, the Monterey Bay Region is made up of Santa Cruz County, Monterey County, and San Benito County.

This assessment develops context for the County's goals, programs, and policies for the 6<sup>th</sup> Cycle Housing Element.

## HOUSING NEEDS ASSESSMENT

### HOUSING TYPE AND TENURE

More than eight in 10 housing units in unincorporated Santa Cruz County are single family homes (Figure HE-A-1). In the unincorporated areas, 81% of housing units are single-unit, followed by two or more units (12%) and mobile homes (7%). Both Santa Cruz County and the Monterey Bay Region have relatively more diversity in their housing stock compared with unincorporated Santa Cruz County, however, the proportion of single-family housing still makes up nearly three quarters of the housing stock in both geographies (73% and 72%, respectively).

That single-family housing represents the majority of the county's housing stock is primarily due to the historical exclusion of other housing types in low-density zoning districts. According to a 2021 report from the Institute for Social Transformation at University of California, Santa Cruz, one of the key factors contributing to this development pattern is the "[i]mposition of exclusionary zoning since the 1970s, fueled by local anti-growth politics...",<sup>1</sup> which has prevented multifamily housing from being developed across the county. In addition to other factors articulated in the report, this has helped turn Santa Cruz County into "...one of the least affordable metropolitan areas in the United States and globally to live."<sup>2</sup>

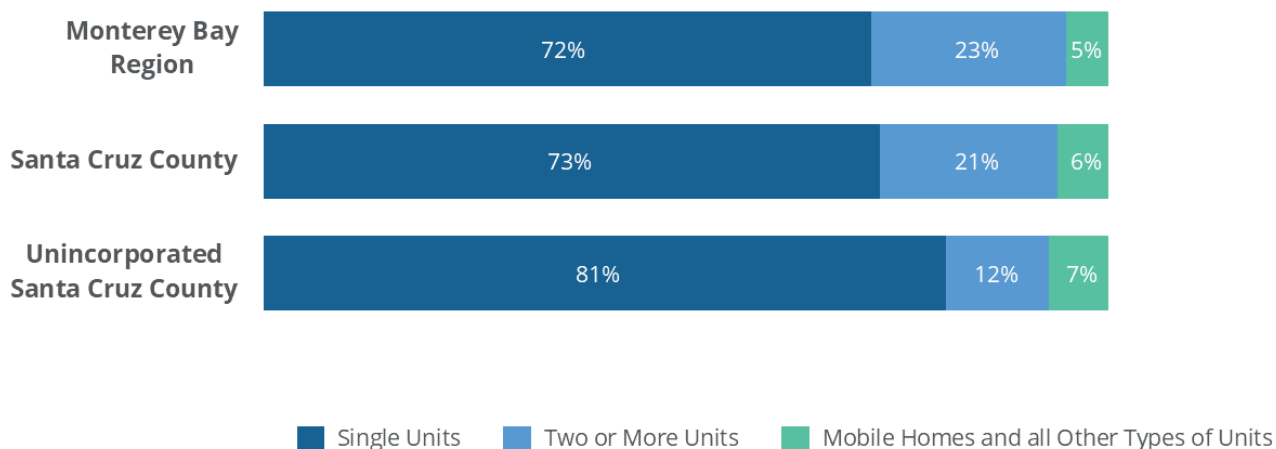
---

<sup>1</sup>No Place Like Home, Affordable Housing in Crisis, Santa Cruz County, CA, August 2021. <https://transform.ucsc.edu/wp-content/uploads/2021/08/No-Place-Like-Home-Report-2021.pdf>

<sup>2</sup> Ibid



Figure HE-A-1: Total Housing Stock by Units in Structure, 2021



Source: 2021 5-year ACS.

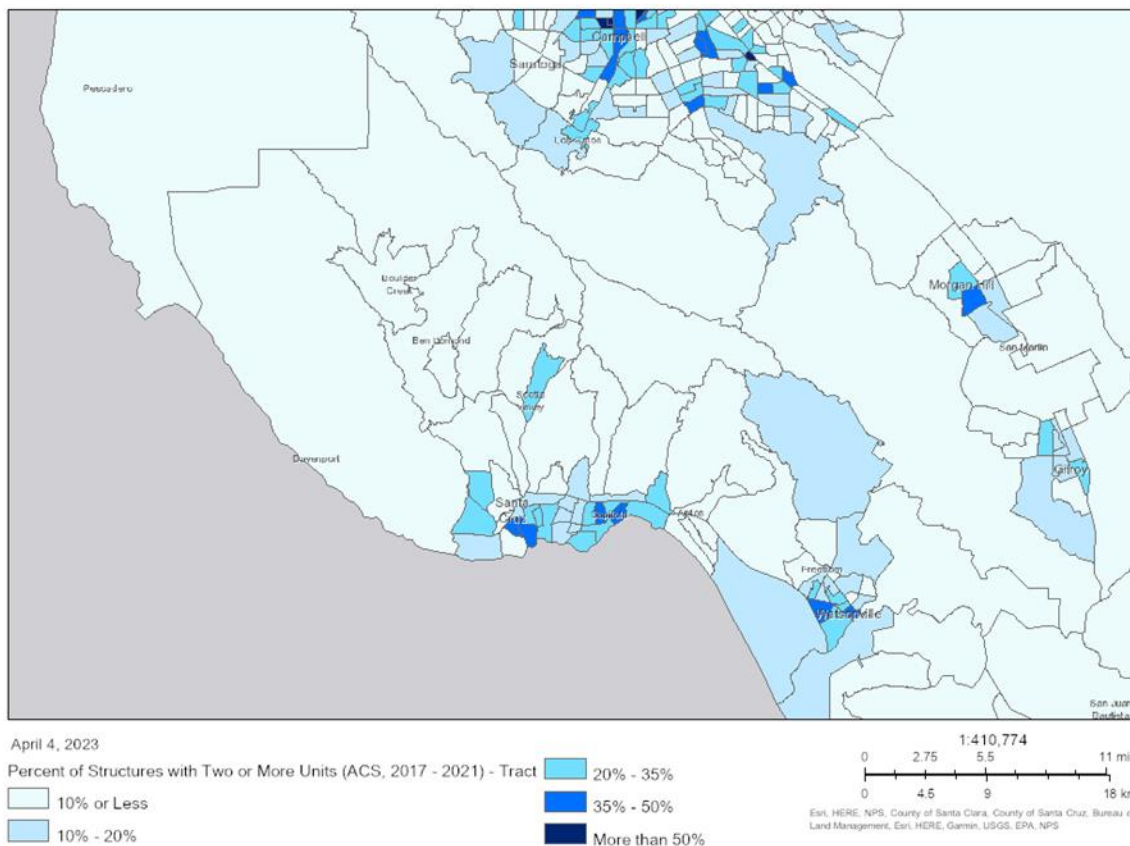
As shown in Figure HE-A-2 below, census tracts in unincorporated Santa Cruz County with the greatest concentration of structures with two or more units are located in Pleasure Point and Aptos.

Excluding single family homes, the majority of structures that make up the housing stock in Pleasure Point are mobile homes and two-unit structures. In addition to the more than 700 mobile homes, which include Bay and Opal Cliffs Mobile Home Park, Ranchito Mobile Home Park, and Shangri-La Estates Mobile Home Park, there are over 300 structures with two units in Pleasure Point — the majority of which are located south of Portola Drive.

In Aptos, the majority of structures other than single unit structures are structures with 3-9 units. There are nearly 350 units within structures that have 3 to 9 units south of Highway 1, while there are over 250 units in structures with 5 to 19 units north of the highway. In addition to 180 mobile home units located in Aptos, two Low-Income Housing Tax Credit projects--Seacliff Highlands Apartments and Aptos Blue--contribute nearly 80 units of affordable housing to the community.



Figure HE-A-2: Percent of Structures with Two or More Units by Census Tract, Santa Cruz County, 2021

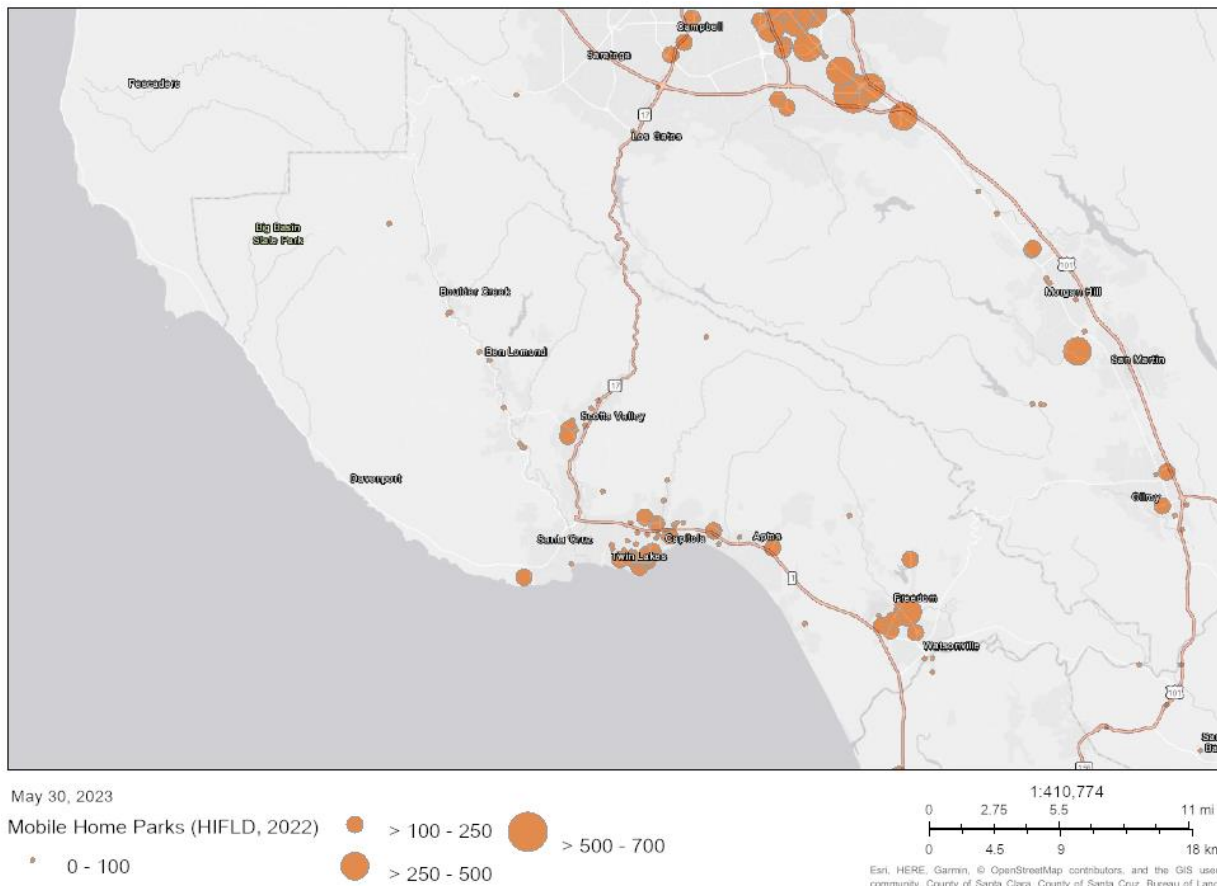


Source: California Department of Housing and Community Development AFFH Data Viewer.

Mobile homes and manufactured housing types are becoming increasingly attractive to lower- and moderate-income households and renters looking to transition to homeownership in the highly competitive and expensive housing market. Figure HE-A-3 shows the concentrations of mobile home parks in Santa Cruz County. The unincorporated areas with the greatest number of mobile homes are Twin Lakes, Pleasure Point, Soquel, Aptos, and Amesti.



Figure HE-A-3: Mobile Home Parks, Santa Cruz County, 2022

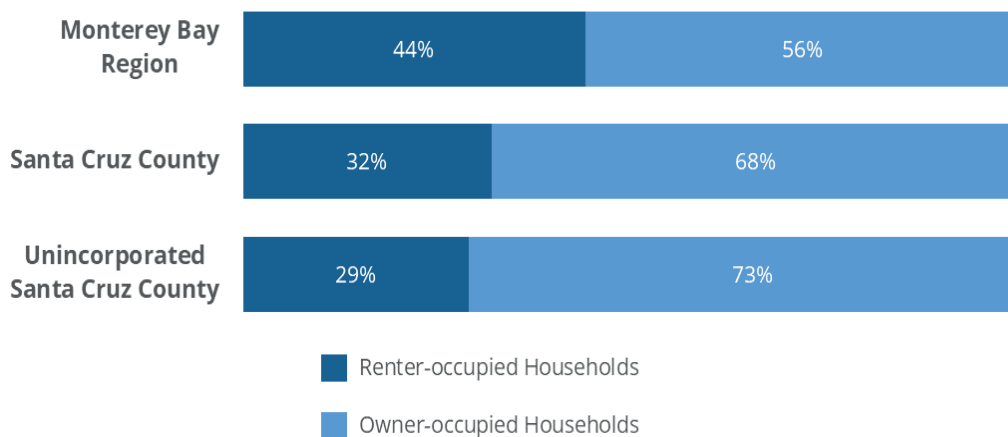


Source: California Department of Housing and Community Development AFFH Data Viewer.

Compared to the county as a whole, unincorporated Santa Cruz County has a slightly smaller proportion of renter-occupied households (29% vs. 32%, respectively), as shown in Figure HE-A-4 below. However, when compared to the Monterey Bay Region, unincorporated areas in the county have a significantly smaller proportion of renter-occupied households than the region (29% vs. 44%, respectively).



**Figure HE-A-4: Households by Tenure, 2021**



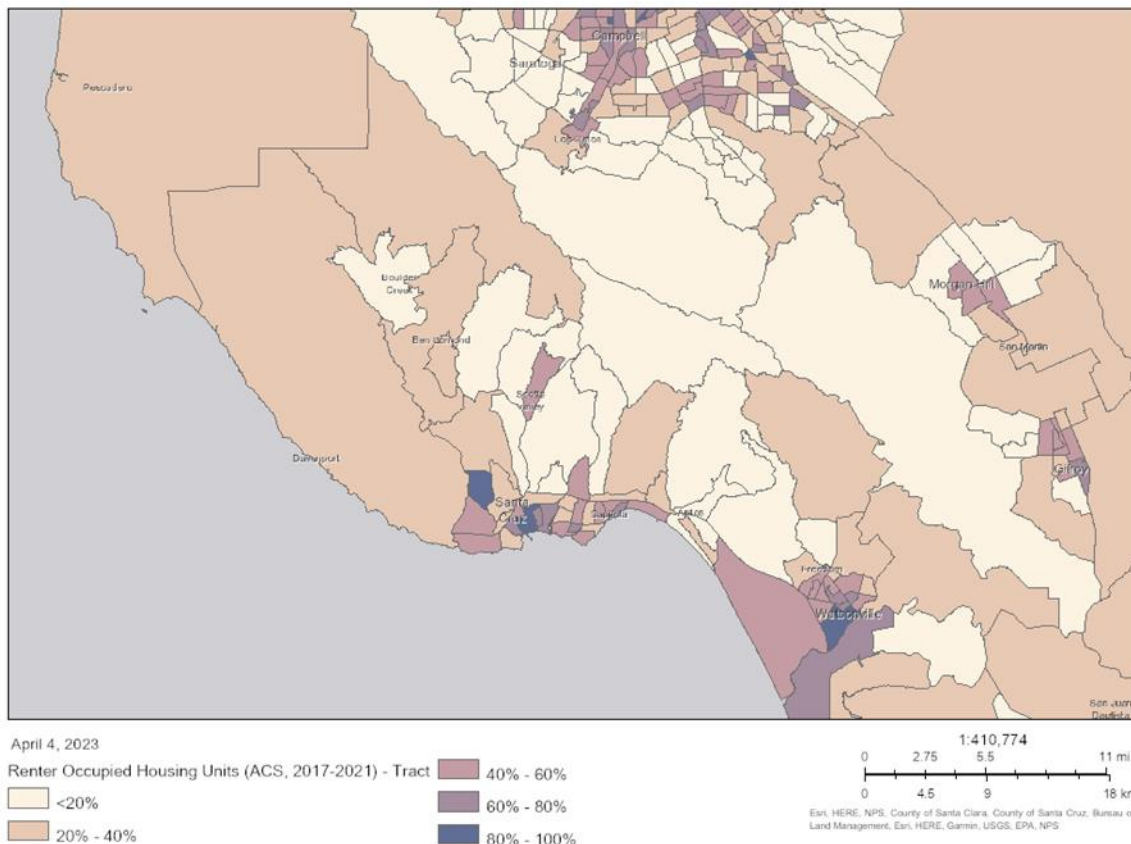
Source: 2021 5-year ACS.

Figure HE-A-5 below shows the jurisdictional distribution of renter-occupied housing units in Santa Cruz County in 2021. The greatest concentration of rental units in the county is in and around the City of Santa Cruz, likely driven by the presence of the university. Additionally, Watsonville also has a high concentration of renters, driven by the availability of more affordable rental options in south county. Live Oak has the greatest concentration of renter-occupied households in unincorporated Santa Cruz County, with census tracts that have 62%, 46%, and 42% of renter-occupied households, respectively. Additionally, the census tract including Rio Del Mar and La Selva Beach (52%), census tracts in Twin Lakes (52%), Aptos, south of Highway 1 (40%), and the southern area of Pleasure Point (40%) also have relatively high concentrations of renters compared to other unincorporated areas in the county.





**Figure HE-A-5: Percent of Renter Occupied Housing Units by Census Tract, Santa Cruz County, 2021**



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

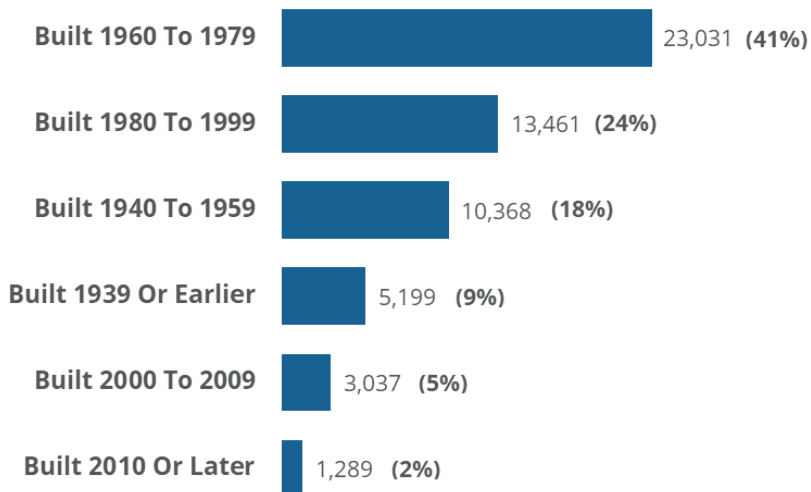
## AGE OF HOUSING

Nearly 60% of the housing inventory in unincorporated Santa Cruz County was constructed between 1940 and 1980 (Figure HE-A-6). As such, these units are older, may lack energy efficiency features, could be costly to adapt for disability accessibility, and may have deferred maintenance if households cannot afford to make improvements. The only census tracts in unincorporated Santa Cruz County that don't have 80-100% of their units built before 1990 are located in Soquel; Live Oak; census tracts in and north of Corralitos; and census tracts in the very northern part of the county, east of Big Basin State Park and north of Boulder Creek and Ben Lomond (60-80% of the units in these census tracts were built prior to 1990). Between 40-60% of the structures in the census tract west of Scotts Valley were built prior to 1990. Figure HE-A-7 contains a map showing the percentage of units built after 1990.



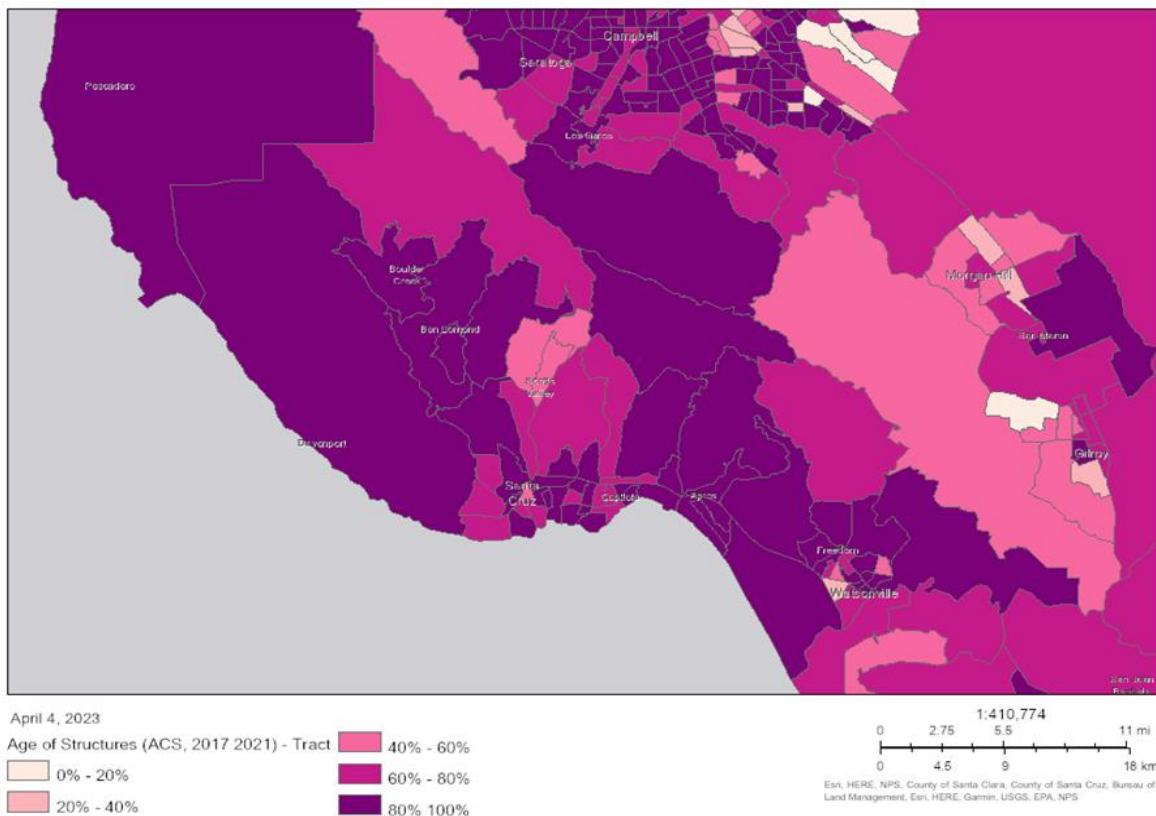


Figure HE-A-6: Housing Units by Year Built, Unincorporated Santa Cruz County, 2021



Source: 2021 5-year ACS.

Figure HE-A-7: Percent of Units Built after 1990 by Census Tract, Santa Cruz County, 2021



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



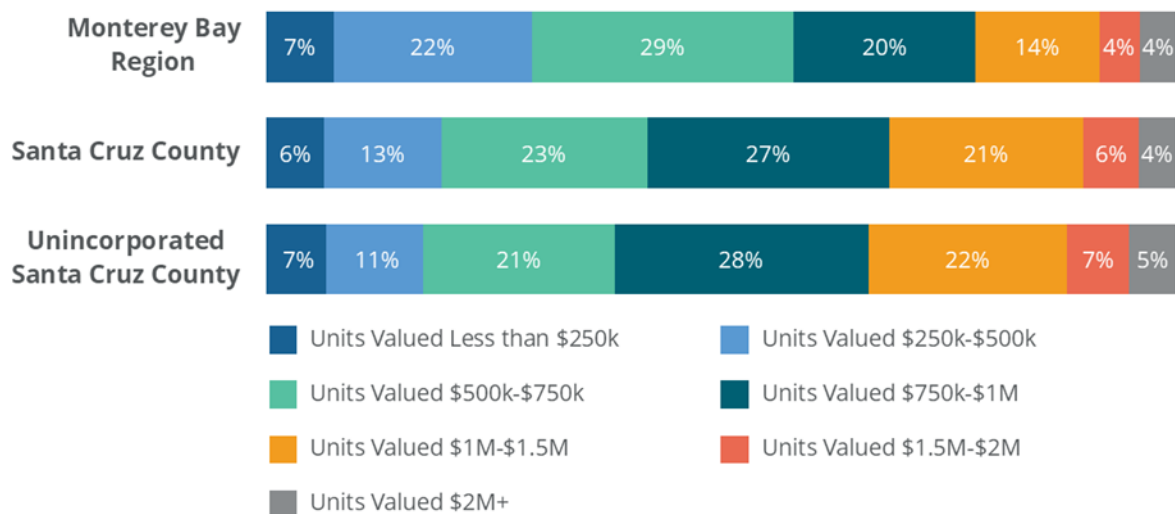
## HOUSING COSTS

Figure HE-A-8 shows the distribution of home values for owner-occupied units in unincorporated Santa Cruz County compared to the county as a whole and the region overall.

Unincorporated areas have a slightly higher share of owner-occupied units priced above \$1 million compared to the county as a whole—34% of homes in unincorporated Santa Cruz County are valued above this price, compared to 31% countywide. Conversely, there are 1% fewer homes valued below \$500,000 in unincorporated Santa Cruz County (18%) compared to the county as a whole (19%), suggesting that first-time homebuyers and low- and moderate-income households face slightly greater challenges breaking into the homeownership market in

the unincorporated area. The Monterey Bay region has a significantly larger supply of homes valued below \$500,000, as nearly three in 10 (29%) homes in the region are within this price range, compared to only 19% in Santa Cruz County overall and 18% in the unincorporated County.

**Figure HE-A- 8:. Distribution of Home Value for Owner Occupied Units by Jurisdiction, 2021**

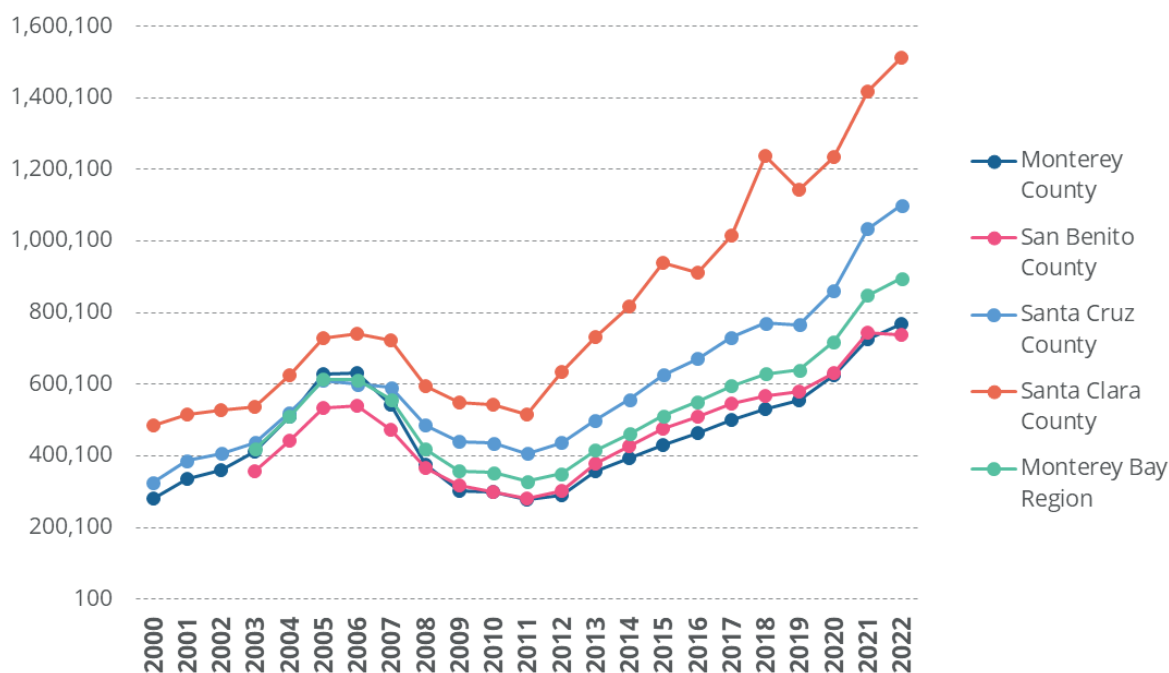


Source: 2021 5-year ACS.



Figure HE-A-9 shows trends in home prices from 2000 to 2022 using the Zillow Home Value Index. According to the index, the home values in Santa Cruz County have increased by 238% over the last 22 years. While Santa Cruz County has the highest home values in the Monterey Bay region, Santa Clara County (which includes the City of San Jose) far outpaces the home values in the other comparison counties. Santa Clara County’s home values increased by 211% over the same time period. One factor attributed to rising home values in Santa Cruz County is housing demand is far outpacing the supply of housing. Other local pressures influencing demand are the “...the movement of Silicon Valley workers and industry to the coast...”<sup>3</sup> A 2019 article from The Mercury News noted that over the last few years, “...affluent buyers in the technology field [are] buying primary or secondary residences in Santa Cruz County” because they are being priced out of the market in the Bay Area.

Figure HE-A- 9: Zillow Home Value Index, 2000-2022



Note: The Zillow Home Value Index (ZHVI) reflects the typical value for owner-occupied homes between the 35<sup>th</sup> to 65<sup>th</sup> percentile range. The ZHVI includes all owner-occupied housing units, including both single-family homes and condominiums. More information on the ZHVI is available from Zillow. The ZHVI for Monterey Bay Region values were estimated using a housing unit weighted average of the Santa Cruz, Monterey, and San Benito counties.  
 Source: Zillow Home Value Index.

<sup>3</sup>Ibid



Prevailing home prices within Santa Cruz County, including its cities, as of August 2023, are shown below, with change from the prior month’s prices in parentheses:

Santa Cruz County	Single-Family	Condominiums
<b>Median Price</b>	\$1,200,000 (-7.7%)	\$805,000 (0.0%)
<b>Average Price</b>	\$1,301,030 (-12.0%)	\$854,862 (+5.2%)

Source: *Rereport.com*, accessed on 10/2/2023, Santa Cruz County report.

It is generally more difficult to obtain reliable data for current prevailing rents at the county level, however HUD publishes “fair market rents” or FMRs, which indicate the general range of prevailing rents in a metropolitan statistical area or MSA. The FMRs reflect the 40<sup>th</sup> percentile of rents in the area, or slightly below the median rent levels. The FY 2023 FMRs by unit size for the county as a whole are provided below.

**Final FY 2023 FMRs By Number of Bedrooms in Unit, Santa Cruz-Watsonville MSA**

Fair Market Rents	Efficiency (Studio)	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
	\$2,212	\$2,502	\$3,293	\$4,077	\$4,568

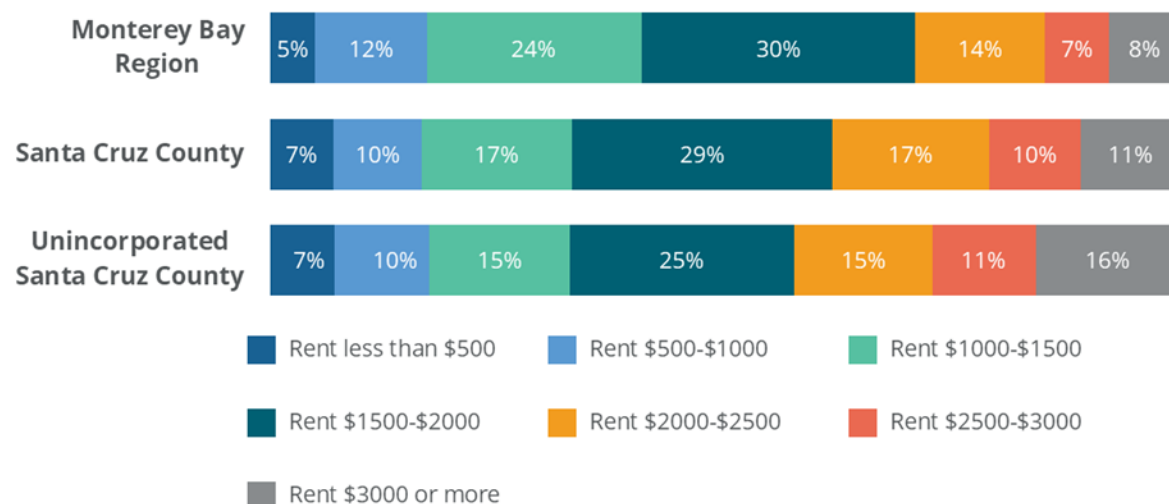
HUD FMR data from:

[https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2023\\_code/2023summary.odn?&year=2023&fmrtype=Final&selecton\\_type=county&fips=0608799999](https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2023_code/2023summary.odn?&year=2023&fmrtype=Final&selecton_type=county&fips=0608799999), accessed on 10/2/2023.



Figure HE-A-10 shows the distribution of contract rents for all renter occupied units by jurisdiction in 2021. Compared to the county as a whole and the region, unincorporated Santa Cruz County has more high-priced rental units: 16% of units rent for more than \$3,000 in unincorporated Santa Cruz County compared to 11% countywide and 8% in the region. Conversely, the tri-county region has a greater proportion of renter-occupied units that rent for below \$1,500 (41%) compared to the county (34%) and unincorporated county (32%).

**Figure HE-A- 10: Distribution of Contract Rents for Renter Occupied Units by Jurisdiction, 2021**



Source: 2021 5-year ACS.

## VACANCY AND NEW DEVELOPMENT

Table HE-A-1 presents ACS data on the number and type of vacant units for the unincorporated areas of Santa Cruz County. The unincorporated area data are derived from removing vacant units by type for incorporated areas from the county totals. According to ACS data, the number of vacant units for rent or for sale has dropped considerably since 2010. In 2010, 11% of the county’s vacant units were available to rent; this dropped to 7% by 2021 for an overall decline of 37%. The number of units available to buy also dropped, from 9% of all vacant units in 2015 to 4% in 2021, for an overall decline of 56%.

The number and share of units vacant for seasonal or recreational use have increased since 2010, likely due to conversion of existing units into short-term and vacation rental use. Those units now comprise 60% of all vacant units, up from 52% in 2010. “Other vacant” are units whose status cannot be identified by the Census; these are likely seasonal or recreational units and units whose use is in transition.



The 2021 data reflect unusual housing market conditions. The county’s overall vacancy rate fluctuated considerably during the pandemic, as faculty, staff, and students at UC Santa Cruz, as well as tech workers living in the county, left the county to attend school and work remotely. Rental vacancies were relatively high as a result, and the market has since normalized.

The rental and for sale market is currently very tight, with few available units. Population and housing estimates provided by the California Department of Finance show that between 2020 and 2023, the vacancy rate has essentially remained unchanged (~11% vacancy rate). This can be primarily attributed to the lack of new development. While the rental construction that has occurred has largely been for affordable (LIHTC) units, there has been essentially no new market-rate, rental development in the unincorporated areas of the County.

**Table HE-A-1: Vacancy Status, Unincorporated Santa Cruz County, 2010-2021**

Vacancy status	2010		2015		2021		Pct. Change
	# of units	% of units	# of units	% of units	# of units	% of units	2010-2021
For rent	709	11%	256	4%	444	7%	-37%
Rented, not occupied	260	4%	230	3%	137	2%	-47%
For sale only	550	9%	452	6%	240	4%	-56%
Sold, not occupied	286	5%	151	2%	117	2%	-59%
For seasonal or recreation use	3,255	52%	4,282	61%	3,616	60%	11%
For migrant workers	0	0%	53	1%	25	0%	0%
Other vacant	1,255	20%	1,645	23%	1,471	24%	17%

Source: 2010, 2015, and 2021 5-year ACS.

Since December 31, 2015<sup>4</sup>, the building permits issued by the County of Santa Cruz have largely been for homes affordable to above-moderate and moderate-income households, with 662 moderate- and above-moderate-income units permitted, compared to 381 low- and very low-income units permitted (Table HE-A-2). However, based on the county’s 5<sup>th</sup> Cycle RHNA, **the County has permitted 94% of its low-income RHNA**. Additionally, the County has permitted 83% of its above moderate-income allocation, 87% of its moderate-income allocation, and 59% of its very low-income allocation.

<sup>4</sup> December 31<sup>st</sup>, 2015, was the first day of the Fifth Housing Element cycle.



**Table HE-A-2: Permits by Income Level, 5th Cycle RHNA Progress, Unincorporated Santa Cruz County.**

Income Level	5 <sup>th</sup> Cycle RHNA	Units Permitted	Percent
<i>Very Low</i>	317	187	59%
<i>Low</i>	207	194	94%
<i>Moderate</i>	240	208	87%
<i>Above Moderate</i>	550	454	83%
<b>Total</b>	<b>1,314</b>	<b>1,043</b>	<b>79%</b>

Source: County of Santa Cruz, CDI Planning Division.

### EFFECTIVENESS AT ASSISTING SPECIAL NEEDS POPULATIONS

This section reviews the County’s progress on assisting populations with special housing needs during the 5<sup>th</sup> Cycle. The County of Santa Cruz supports the preservation of long-term housing affordability and stability. The County has been awarded and allocated funding during the 2015-2023 planning cycle for special needs households, which includes extremely low-income households, seniors, large families, female-headed single-parent households, people with disabilities, and people experiencing homelessness.

Funding for supportive services and affordable housing for special needs households during the 5<sup>th</sup> Cycle came primarily from the County’s Low and Moderate Income Housing Asset Fund (LMIHAF). That fund contains reuse revenues generated by the County’s former Redevelopment Agency Housing Set-Aside Fund (tax increment revenues), that was available prior to the State dissolution of redevelopment agencies in 2011. Information about the County’s use of LMIHAF funds dating back to FY 2013-14 is available online at:

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

Low Moderate Income Housing Asset Funds (LMIHF) totaling \$2.1 Million were used for homeless prevention and rapid rehousing services for individuals and families including the short-term rental assistance, housing relocation and stabilization services, security or utility deposits, utility payments, rental assistance for a final month at a location, moving cost assistance and case management.

Additional *ad hoc* grants occasionally received through the State of California’s competitive funding programs, which distribute federal funds such as the Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) funds to non-entitlement jurisdictions such as the County, as well as State funds such as CalHome, were also used by the County, when available, to provide services and/or affordable housing to special needs households. Recently, the County





also obtained several Covid-related grants, such as “CDBG CV 2/3 (Covid-19)” to provide shelter and supportive services to special needs households at risk of Covid and related impacts of the pandemic.

**CDBG Funding:** The County was awarded \$2 Million in 2015, which was allocated for construction of a recycled water project serving primarily low-income residents in the community of Davenport, as well as a case management program for homeless clients, and supportive services for farmworker households. In 2018, the County was awarded two separate CDBG grants: one allocated \$421,000 to rehabilitate low-income rental housing for farm workers and their families in the Watsonville area, and the other allocated \$100,000 for a domestic water feasibility study for the rural community of Davenport.

**CDBG-CV 2/3 Funding:** The County allocated \$2.1 Million in CDBG-CV 2/3 to address the impacts resulting from the Covid-19 pandemic, funding included a program for Meals on Wheels (\$100,000) which provided breakfast meals for seniors and disabled persons unable to leave their homes, North Coast Covid -19 Support Services (\$348,000) which provided services for low-income farmworkers, seniors, and persons experiencing homelessness, Live Oak School Covid-19 Support Services (\$350,000) which provided mental health services to low income youth, and Project Roomkey Extension and Transition (\$1,359,727) which provided hotel/motel stays for person experiencing homelessness that needed to recuperate or isolate to stop the spread of Covid-19.

**HOME Funding:** The County was awarded HOME funds in 2015, 2016, and 2019, including allocations of \$962,710 for downpayment assistance for low-income, first-time homebuyers, and over \$1.6 Million to provide Tenant-Based Rental Assistance (TBRA), including monthly subsidies for up to two years, and security deposits, for low-income households, including female-headed households and households who are at risk of, or experiencing homelessness.

**PLHA Funding:** The County Board of Supervisors recently approved a 5-year expenditure plan for Permanent Local Housing Allocation (PLHA) funds, which is a newer source of state funding for local governments to use for affordable housing purposes, established through new legislation in 2018. The County’s plan is to use 75-77% of its projected PLHA revenues during this 5-year period to assist people experiencing or at risk of homelessness through programs such as rapid re-housing, rental assistance, supportive/case management services to help obtain and retain housing, and/or operating and capital costs for navigation centers and emergency shelters. Approximately 18-20% of the PLHA funds are planned to be used as matching funds for the County’s Low- and Moderate-Income Housing Asset Fund (LMIHAF), to be used for predevelopment, development, acquisition, rehabilitation, and/or preservation of multifamily rental housing that is affordable to extremely low-, very low-, low-, and moderate-income households. PLHA funds may be used to assist homeless people or those at risk of homelessness, seniors, veterans, disabled adults, transition-aged youth





(TAY), and families with minor children through these affordable housing programs and projects. Examples of recent uses of PLHA funds include:

- The Freedom House project, owned by CFSC, Inc. a local non-profit housing provider, has been awarded a PLHA predevelopment loan of \$101,871 to support renovation of an existing 20-bed, vacant residential care facility located on a larger existing multi-family affordable rental property at 2716 Freedom Blvd., outside the city of Watsonville. This structure will be converted into an 11-unit transitional housing facility to provide housing and supportive services to approximately 20 young adults at a time. The Freedom House project is designed to qualify for Round 3 of the State of California Homekey Program ("Homekey"). The project is currently under review by HCD for this funding source and anticipates an award in the near future. If awarded, this project upon completion will serve extremely low-income, homeless or at-risk TAY aged 18-25, with onsite supportive services for and 24/7 on-site staffing. The PLHA funds have been awarded and expended by CFSC for predevelopment activities.
- A total of \$435,783 in PLHA funds were allocated to the Housing Authority of Santa Cruz County and Senior Network Services, two local non-profit agencies which used it to assist people experiencing homelessness and those who are at-risk of homelessness, with services including rapid rehousing, rental assistance, supportive/case management services that allow persons to obtain and retain housing. Funds were also used for operation of local navigation centers and emergency shelters, and to provide seniors assistance with housing search support, referrals, and application assistance.

**Homekey Funding:** Homekey is a new California state program that provides funding for permanent supportive housing for extremely low income (ELI), homeless and at-risk special needs households, which housing must be developed and occupied within a short time frame (usually within one year of award date). In 2021, the County co-applied for State Homekey Round 2 funds with several different co-applicants. Three of its four applications in Homekey Round 2 were awarded funds in 2022: two for projects in the unincorporated area, and one for a project in the city of Santa Cruz, which had asked the County's Human Services Department to seek Homekey funds for that project. The fourth application, for a project in Watsonville, was not funded in Round 2, although the team has reapplied in Round 3, which application is now under review. The County's Round 2 awards included \$6.4 Million for a project in Ben Lomond and \$10.6 Million for a project in Soquel, as well as \$2.2 Million for the project in Santa Cruz. The project in Ben Lomond, known as "Vets Village" will provide 20 units for veterans and other Homekey-eligible tenants, plus a manager's unit. The project in Soquel, now under construction, will provide 35 units for veterans, transition-age youth (TAY), and ELI families with children, plus a manager's unit. Both of these projects will include on-site supportive services, and project-based awards of VASH and/or Housing Choice vouchers. In 2023 the County co-applied for Homekey Round 3 funds for two projects: a TAY transitional housing project of 11 units plus room



for onsite supportive services and 24/7 staffing, located in south county, and a resubmittal of the Watsonville project that was not funded in Round 2. Both Round 3 applications are currently under review by the State.

### **County-Assisted Affordable Housing Projects assisted and/or built in the 5<sup>th</sup> Cycle**

As noted above, a number of new subsidized affordable housing projects were assisted during the 5<sup>th</sup> Cycle with millions in funding from the County's LMIHAF. Some of the original funding commitments were made in the 4<sup>th</sup> cycle but were disbursed in full or part in the 5<sup>th</sup> cycle. Most of these projects also received low-income housing tax credits (LIHTC), and/or funding for supportive housing units, such as Mental Health Services Act (MHSA) funds or No Place Like Home (NPLH) funds from the State. These projects included:

- St. Stephens is a 100% affordable, senior housing project that was entitled, constructed and occupied during the 5<sup>th</sup> Cycle. The project's 40 units consisting of studios, 1- and 2-bedroom units, for seniors earning less than 60% Area Median Income.
- Pippin Orchard Apartments is a 100% affordable housing project that was entitled, constructed and leased during the 5<sup>th</sup> cycle planning period. Of the 46 units, two are reserved for TAY who have experienced homelessness, six are reserved for residents with developmental disabilities, and 14 units are for families with children, including large families. All units are for households earning less than 60% of the Area Median Income.
- Rodeo Creek is an 11-home Habitat for Humanity homeownership project, located on a former County-owned property that was sold to Habitat to provide affordable homeownership opportunities to very low- and low-income households. The project was funded by the County's LMIHF with additional funding from the State HCD CalHome Program. One of the homes is fully accessible for wheelchair access.
- Los Esteros is a seven-unit Habitat for Humanity homeownership project located on a former County-owned property that was sold to Habitat to provide affordable homeownership opportunities to very low- and low-income households. The project was funded by the County's LMIHAF. One of the units is fully accessible for wheelchair access.
- Bienestar Plaza is a 100% affordable housing project that was funded in part by County LMIHAF and built on a former County-owned property. The units are affordable to lower-income households, with a mix of affordability levels ranging from ELI to Low, as required by the CA Tax Credit Allocation Committee (TCAC), including 10 permanent supportive housing (PSH) units assisted by CA No Place Like Home (NPLH) funds. The project includes 57 units



consisting of 26 1-bedrooms, 15 2-bedrooms, and 16 3-bedrooms. The project includes project-based vouchers to assist lower income households, including formerly homeless and large families. The project includes support services for all households.

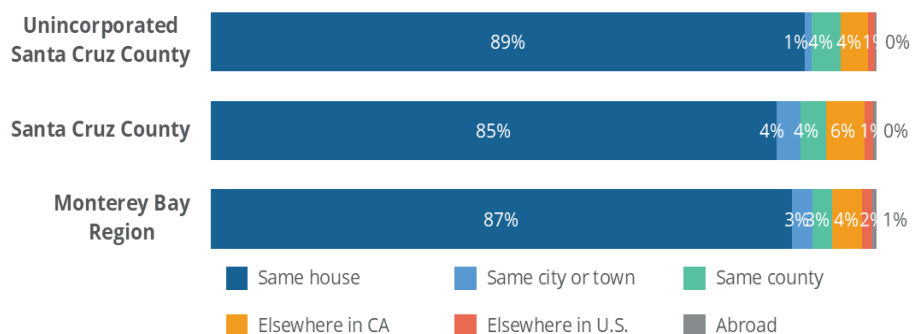
- Cienega Heights is a 100% affordable housing project that was funded by LMIHAF and is the second phase of the Pippin Orchard Apartments. The project is 80 units which consists of 32 one-bedroom units, 24 two-bedrooms, and 24 three-bedroom units for households earning less than 60% Area Median Income. Thirty-nine of the units are set aside for farmworker households, and 12 are set aside for households with supportive housing needs.

## DISPLACEMENT

Displacement can occur for a number of reasons, such as rent increases, gentrification, natural disasters (e.g., fires or flooding), complications with landlords, and loss of income or employment. This section explores risks of displacement for households in unincorporated Santa Cruz County as well as environmental hazards that exacerbate displacement risks.

Owner households generally experience a greater amount of housing stability whereas renter households are more mobile (i.e., move more frequently). While both owner and renter households moved at the same rate between 2015-2018, renters have moved at a much higher rate since 2019 (Figure HE-A-12).

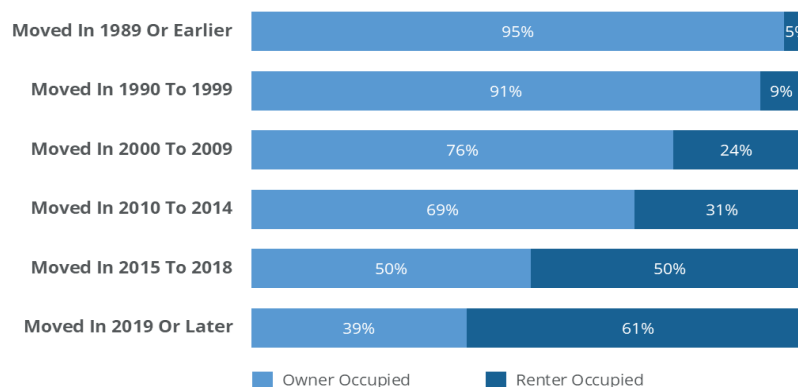
**Figure HE-A- 11: Location of Population One Year Ago, Unincorporated Santa Cruz County, 2022**



Source: 2021 5-year ACS.



Figure HE-A-12: Tenure by Year Moved to Current Residence, Unincorporated Santa Cruz County, 2021



Source: 2021 5-year ACS.

### ASSISTED HOUSING AT RISK OF CONVERSION

Out of 1,327 total existing assisted units located in unincorporated Santa Cruz County, one 84-unit HUD assisted project known as Seaside Apartments, has been identified as being at high risk for conversion during the 6th Cycle. This project represents 6% of the total existing assisted rental housing units in the unincorporated area (see Table HE-A-3 below), not counting a number of assisted housing projects currently under construction in the unincorporated area, some of which are listed earlier in this report. Seaside Apartments, located in the Live Oak neighborhood, is a formerly HUD-assisted property for which the original HUD contract has expired, but its owner has entered into extension contracts with HUD for two additional 5-year periods. It is now in its second 5-year extension contract with HUD which expires in 2027. Prior discussions with the property manager indicate that the property may continue extending its contracts with HUD when the current one expires in 2027.

Housing Authority staff are aware of the potential expiration of the current HUD contract in 2027, and are willing and prepared to coordinate with the County and/or HUD, and the current property owner, on various available approaches to preserving the affordability of units at this property beyond 2027, subject to the owner’s agreement. These approaches include but are not limited to: another five-year or longer HUD contract, HUD issuance of tenant preservation vouchers to current residents, exploration of options available through HUD’s Rental Assistance Demonstration (RAD) program, or any other mutually agreeable solutions that could be negotiated between the owner and the Housing Authority and/or HUD.



An earlier version of CHPC’s at-risk database erroneously identified the Lagoon Beach Cooperative Apartments, located at 540 13<sup>th</sup> Ave, Santa Cruz, CA 95062, as an at-risk property, however CHPC has since corrected this error. That property was assisted by the State, County, and FEMA in 1991-92 to acquire and renovate the property, and form a limited-equity resident-owned cooperative. A fifty-year low-income housing restriction was recorded at that time in favor of the Santa Cruz County Redevelopment Agency, with an affordability term that expires in 2042. Because each occupant household owns a share in the cooperative, they are unlikely to displace themselves. The property is owned and managed by Mercy Properties California<sup>5</sup>, an affiliate of Mercy Housing, a non-profit corporation, which leased it to the resident-owned cooperative for a 55-year term.

**Table HE-A-3: Assisted Units at Risk of Conversion, Santa Cruz County, 2022**

	Low	Moderate	High	Very High	Total Assisted Units
<b>Unincorporated Santa Cruz County</b>	1,243	0	84	0	1,327
<b>City of Capitola</b>	134	0	0	0	134
<b>City of Santa Cruz</b>	1,393	18	5	156	1,572
<b>City of Scotts Valley</b>	46	0	0	0	46
<b>City of Watsonville</b>	1,347	109	0	0	1,456
<b>Santa Cruz County</b>	<b>4,163</b>	<b>127</b>	<b>89</b>	<b>156</b>	<b>4,535</b>

Source: California Housing Partnership’s Preservation Clearinghouse.<sup>6</sup>

**HCD-Required Analysis of At-Risk Assisted Units**

1. Complete inventory of at-risk units: See top row of Table HE-A-3 above.
2. Assessment of risk of conversion: The source of this inventory (CA Housing Partnership) has classified the Seaside Apartments as high risk. However, based on the owner’s recent willingness to extend the term of affordability for another ten years through two additional contracts with HUD, it may not be as high-risk as is indicated in the inventory.
3. Estimate of cost to replace versus preserve the units at risk of conversion: Staff estimates that it would be less costly to preserve the assisted status of these units rather than replace them. A similarly sized 80-unit affordable housing development currently under construction,

<sup>5</sup> <https://www.mercyhousing.org/california/lagoon-beach/>

<sup>6</sup> <https://chpc.net/ta/preservation/preservation-clearinghouse/>



known as Pippin II or Cienega Heights, has a total development cost upwards of \$57 million. Costs for all components of development have escalated steeply since the time that project’s costs were locked in (from land acquisition in 2019 through construction bidding in 2021-22). Assuming a cost increase of 25% by 2027 would result in a project cost of over \$71 million for 80 units. In addition, the site of that project was fallow agricultural land in south county, which had a much lower value per acre than land zoned for multi-family housing in north county, where Seaside Apartments is located. Preservation of the units may not have a significant cost if the owner again opts to extend their HUD contracts for another 5 or more years, in 2027. If that is not the case, other preservation options would similarly be less costly as they would most likely rely on HUD funding such as tenant preservation vouchers, participation in the RAD program, an award of project-based vouchers to the property by the Housing Authority, or other approaches based on HUD funding available at the time for this purpose.

4. Identify entities qualified to replace or preserve the at-risk units:
  - a. Housing Authority of the County of Santa Cruz; or
  - b. Any one of various affordable housing developers active in the region which have developed, acquired and/or renovated and preserved other affordable housing, including but not limited to (in alphabetical order): Bridge Housing, Christian Church Homes, Eden Housing, First Community Housing, and MidPen Housing, among others.
  
5. Identify potential funding sources to maintain affordability of at-risk units:
  - a. Various sources of HUD funding, such as funding for tenant preservation vouchers, Rental Assistance Demonstration project funding, and/or funds available to the Housing Authority through its Section 8 Administrative Plan for uses such as project-based voucher awards or Moving to Work activities, among others. An excerpt from pp. 38-39 of this plan is provided below.
  - b. Various sources of State funding for preservation of affordable housing, including various federal sources administered by the State, such as the Portfolio Reinvestment Program (PRP), CDBG, CDBG-DR, HOME, PLHA, NPLH, LIHTC, or any other source that HCD may make available to qualified entities for this purpose between now and 2027.
  - c. Various sources of County funding for preservation of affordable housing, such as its Affordable Housing Impact Fee (AHIF) fund, local PLHA funds, and/or any other source that the County may have access to for this purpose between now and 2027. County funding for affordable housing, post-dissolution of its redevelopment agency, is now generally available in small amounts (six-figure to low seven-figure loans), so local funds



would only constitute gap funding for a project of this nature, and would not be sufficient without other larger sources such as those listed above.

#### Moving to Work – Local Non-Traditional Activities

As a Moving to Work (MTW) Agency, the Housing Authority has broad regulatory flexibility, including the ability to use federal HAP funds for Local Non-Traditional (LNT) activities.

The Housing Authority intends to use MTW funding to acquire, renovate and/or build affordable units that are not public housing units. Eligible activities may include gap financing or construction costs for development of affordable housing, conducted by the PHA or a PHA-controlled affiliate or by a non-PHA affordable housing developer, including but not limited to development of project-based voucher units, tax credit units, or affordable units funded with any other local, state, or federal funds. Local, nontraditional development activities will be conducted in accordance with the applicable requirements of PIH Notice 2011-45 and the MTW Operations Notice and other approved HUD waivers as applicable to this activity.” (Housing Authority of the County of Santa Cruz, Administrative Plan dated 9/20/2023, pp. 38-39.)

### **DISPLACEMENT RISK**

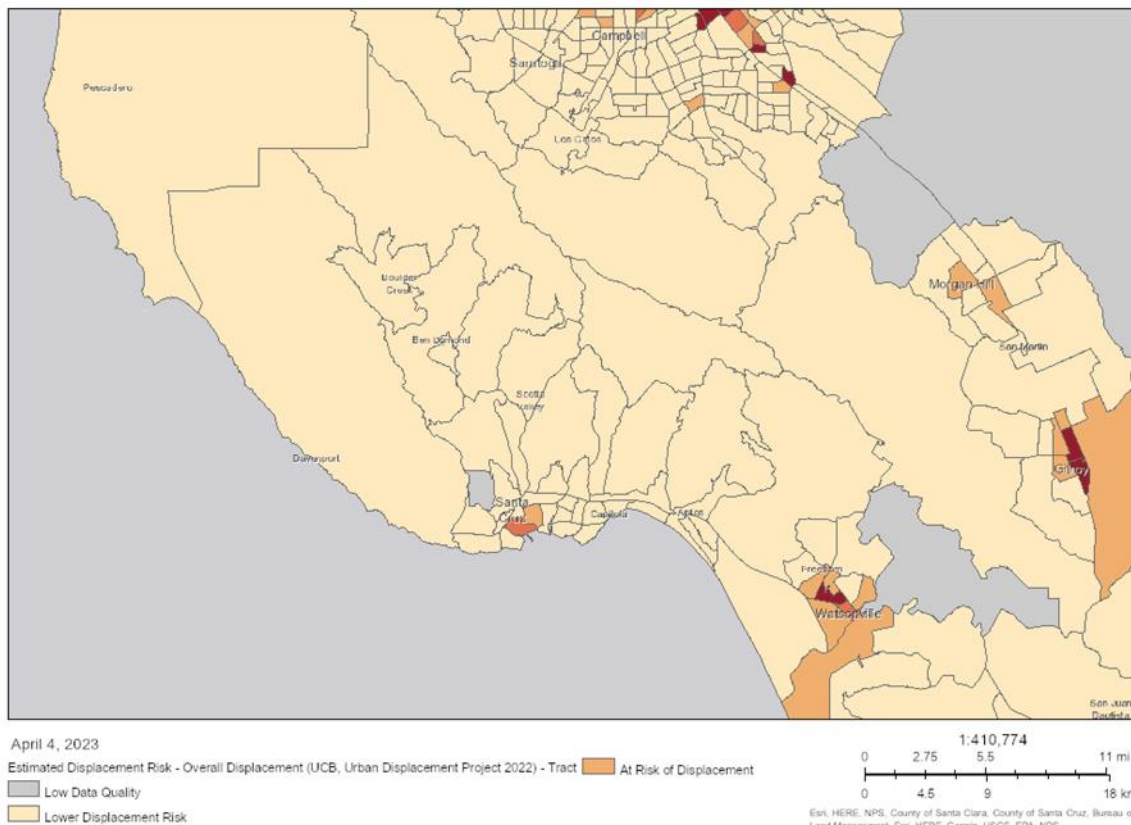
The University of California, Berkeley (UCB) conducted a study to determine the estimated displacement risk for households across California. The project defines displacement risk as “[a census tract with characteristics that are strongly correlated with more low-income population loss than gain](#).” In other words, UCB’s model estimates that areas at risk of displacement have more low-income households leaving the area than moving in.

Figure HE-A-13 presents displacement risk for all households in the county. All census tracts in unincorporated Santa Cruz County are designated as “lower displacement risk.” Both Santa Cruz and Watsonville have census tracts that are at higher risk of displacement.





Figure HE-A- 13: Estimated Displacement Risks for All Households by Census Tract, Santa Cruz County, 2022



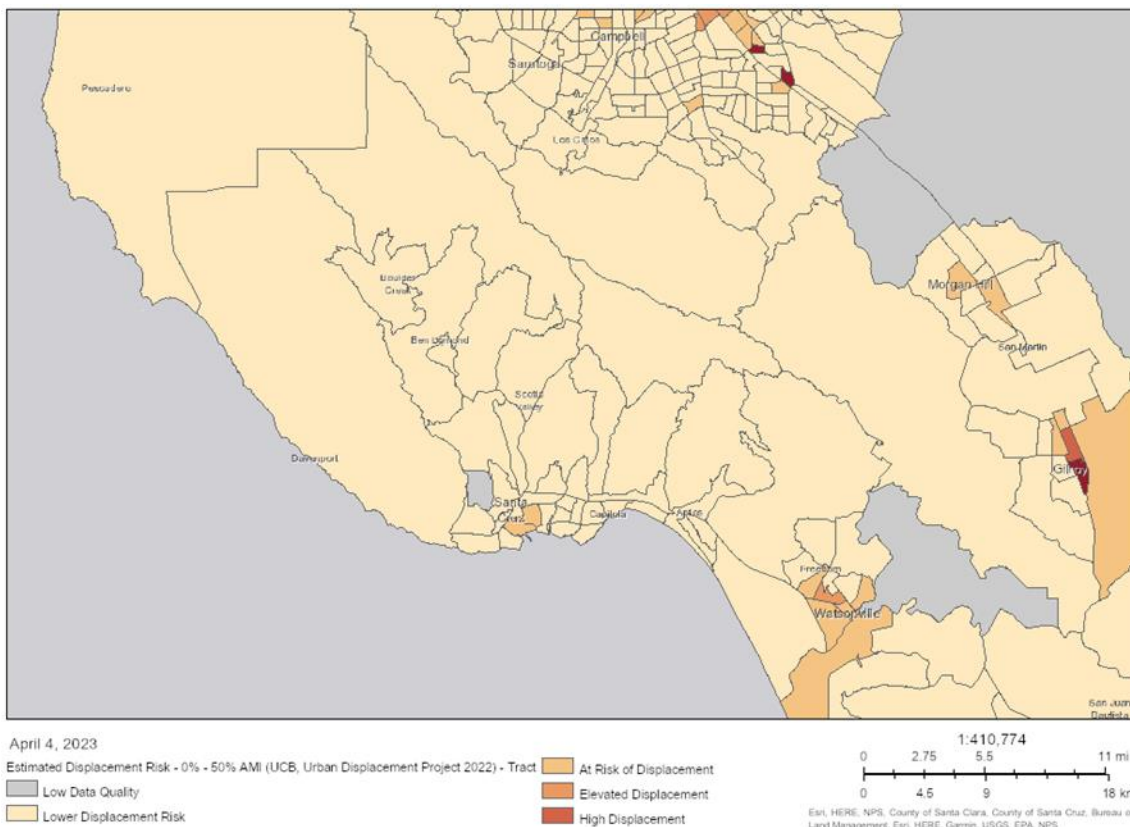
Source: California Department of Housing and Community Development AFFH Data Viewer.

Figures HE-A-14 and HE-A-15 show displacement risk for households with 0-50% area median income (AMI), which are referred to as very low-income households in the RHNA, and households with 50-80% AMI, referred to as low-income households in the RHNA, in Santa Cruz County. Curiously, the risk of displacement declines for very low-income households. This suggests that very low-income households may have better access to publicly subsidized units or rental assistance that is working to keep their households more stable. This is consistent with the significant number of deed-restricted affordable rental housing projects that have been built in the unincorporated area with County assistance in recent decades, as well as the more than 5,000 local households receiving monthly assistance from the local Housing Authority.





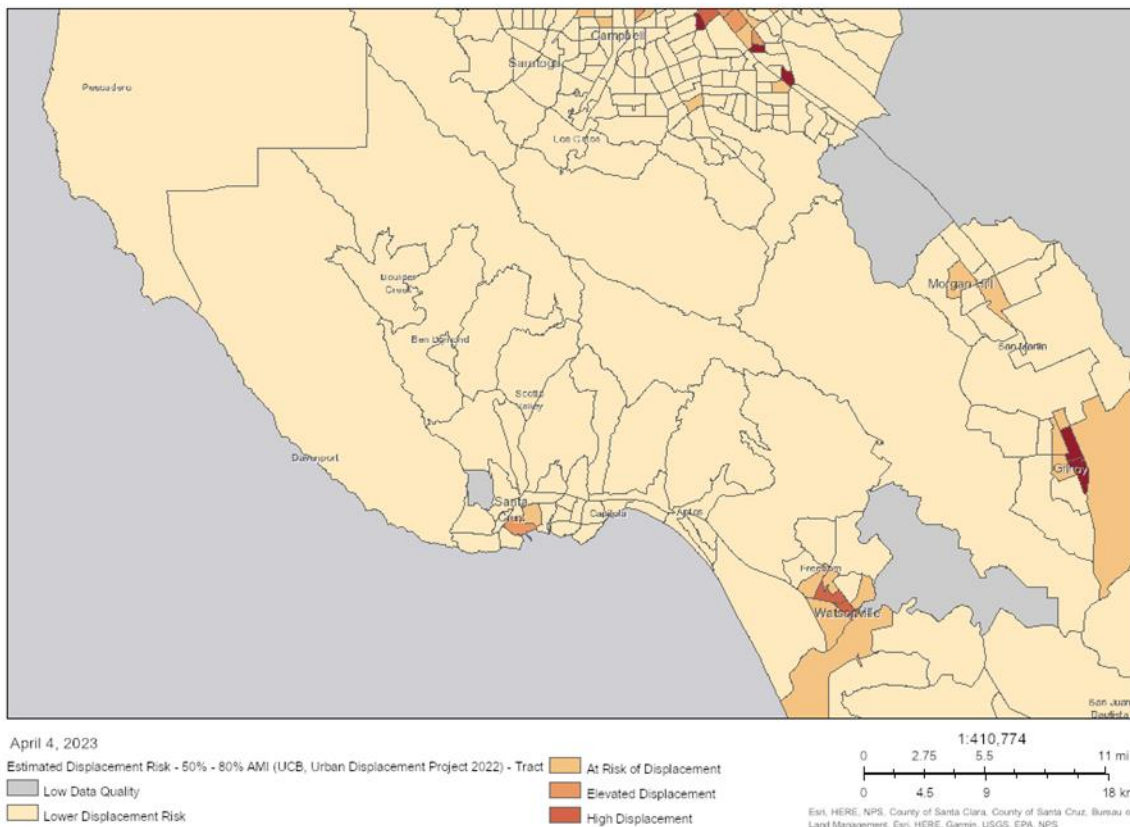
Figure HE-A-14: Estimated Displacement Risk for 0% - 50% AMI by Census Tract, Santa Cruz County, 2022



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



Figure HE-A- 15: Estimated Displacement Risk for 50%-80% AMI by Census Tract, Santa Cruz County, 2022

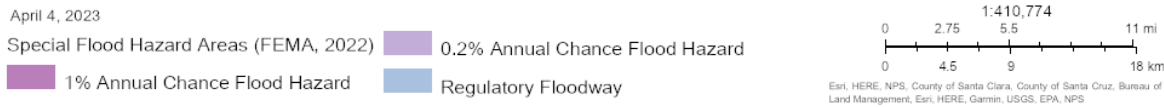
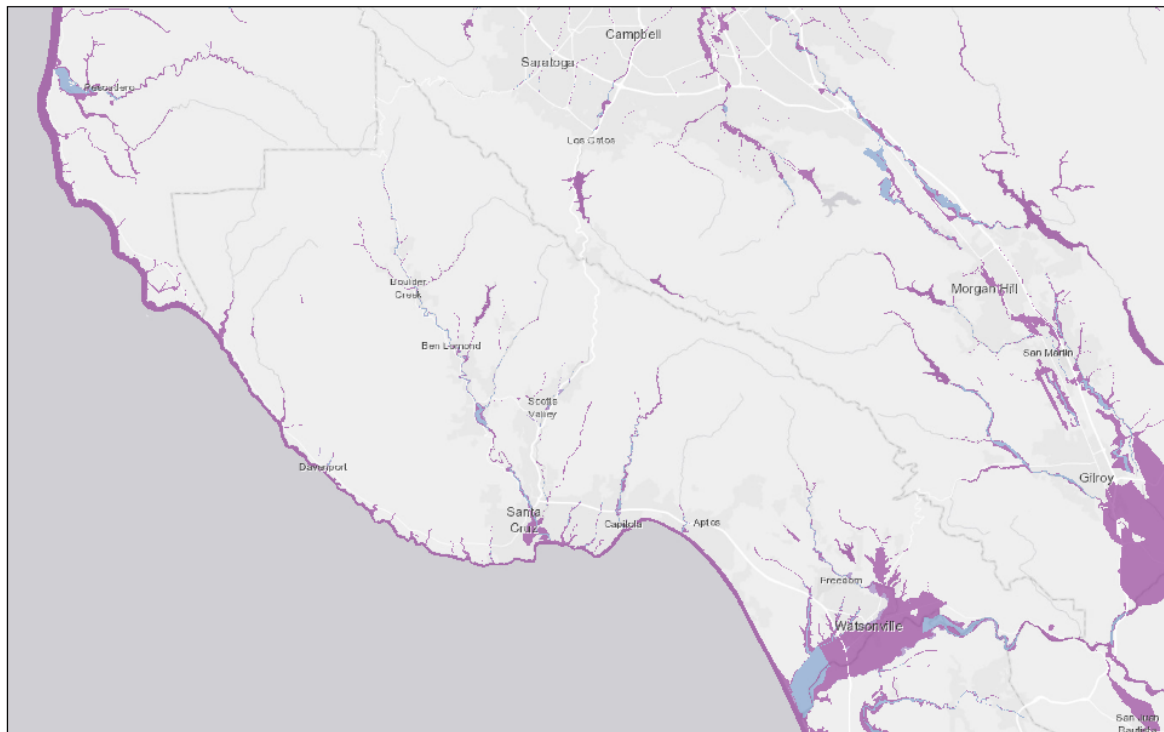


Source: California Department of Housing and Community Development AFFH Data Viewer.



Figure HE-A-16 shows Santa Cruz County’s special flood hazard areas as identified by FEMA in 2022. Unincorporated areas in the county with census tracts that have a 1% flood hazard designation include Interlaken (west of Kelly Lake) and Amesti (west of Pinto Lake). In the county as a whole, areas adjacent to the San Lorenzo River in Santa Cruz and the southeastern part of Watsonville are at the highest risk of experiencing flooding.

**Figure HE-A- 16: Special Flood Hazard Areas, Santa Cruz County, 2022**



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



## FAIR HOUSING ASSESSMENT

In 2018, Governor Brown signed Assembly Bill 686 (AB 686), which required all public agencies in the state to “administer programs and activities relating to housing and community development in a manner that affirmatively furthers fair housing (AFFH), and take no action inconsistent with this obligation” beginning January 1, 2019.<sup>7</sup> AB 686 also made changes to Housing Element law to incorporate requirements to AFFH as part of the Housing Element and General Plan to include an analysis of fair housing outreach and capacity, integration and segregation, access to opportunity, disparate housing needs, and current fair housing practices.

### Affirmatively Furthering Fair Housing

“Affirmatively furthering fair housing” means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws. The duty to affirmatively further fair housing extends to all of a public agency’s activities and programs relating to housing and community development. (Gov. Code, § 8899.50, subd. (a)(1).)”

SOURCE: California Department of Housing and Community Development Guidance, 2021, page 14.

## CONTRIBUTING FACTORS

The disparities in housing choice and access to opportunity discussed throughout this report stem from historical actions, the inability of the broader region to respond to housing demand, regional

---

<sup>7</sup> Public agencies receiving funding from the U.S. Department of Housing and Urban Development (HUD) are required to demonstrate their commitment to AFFH. The federal obligation stems from the fair housing component of the federal Civil Rights Act mandating federal fund recipients to take “meaningful actions” to address segregation and related barriers to fair housing choice.



barriers to open housing choice, and limited resources to respond to needs, despite efforts to increase resources. Specific issues and contributing factors are discussed below.

**Fair housing issue: Black and Hispanic households experience disproportionate housing needs among other households living in unincorporated Santa Cruz County. Both populations experience housing cost burden, high poverty rates, and are overrepresented in the homeless population.**

***Contributing Factors:***

- Typical of communities across the country, higher poverty rates among Black and Hispanic residents in unincorporated Santa Cruz County stem from decades of discrimination in employment, education, and housing markets. These residents have faced greater challenges building wealth through economic mobility and homeownership.
- Hispanic residents are more likely than others to work low wage jobs, including agricultural jobs, that make the county’s housing prices unaffordable to them, resulting in higher rates of cost burden and overcrowding. Although it is customary for Hispanic households to live in multigenerational settings, which may account for higher rates of perceived overcrowding, overcrowding is also an indicator of lack of access to affordable and right-sized housing.
- There is a concentration of voucher-holders in the southern portion of the county because this area offers the most affordable homes and/or because landlords in this area may be more willing to accept vouchers. As such, residents living in these areas have lower incomes and higher rates of poverty. Preference may be at play as well. A recent article in *Cityscape* found that Hispanic homebuyers—when controlled for demographics, loan characteristics, and finances—are more likely to purchase homes in neighborhoods with fewer non-Hispanic White homeowners and lower economic opportunity.<sup>8</sup>
- According to the 2022 Point-in-Time Count, Black or African American residents made up 12% of the homeless population (but only 1% of the general population) and Hispanic residents made up 39% of the homeless population (compared to 34% of the general population).

**Fair housing issue: Hispanic households are most likely to live in low resource areas and experience poor education outcomes.**

***Contributing Factors:***

- Hispanic residents living in the unincorporated area of Santa Cruz County are primarily concentrated in the southern portion of the county. According to the California Tax Credit

---

<sup>8</sup> Sanchez-Moyano, R. (2021). Achieving spatial equity through suburban homeownership? Neighborhood attributes of Hispanic homebuyers. *Cityscape: A Journal of Policy Development and Research*. Volume 23(3).



Allocation Committee’s (TCAC’s) opportunity maps<sup>9</sup>, both the southern and north coast rural, predominantly agricultural areas of the county, as well as some tracts in the San Lorenzo Valley, are “low resource” areas, with fewer economic opportunities, lower educational outcomes, lower median home prices, and more exposure to environmental hazards such as toxics, pesticides, or air pollution.<sup>10</sup>

- The prevalence of more affordable housing in this area of the county contributes to the concentration of poverty and low opportunity. Most of the affordable housing projects in this area were funded in part by the State’s Joe Serna, Jr. Farmworker Housing program, which must be located in areas where, according to the program regulations, “there is an urgent need for farmworker housing in the area where the housing development will be located based on local vacancy rates or evidenced by verification from the local government or as shown in a Department-approved market study.” The areas that meet this description in Santa Cruz County are primarily the Pajaro Valley, according to the County-assisted [2018 Farmworker Housing Study and Action Plan for Salinas Valley and Pajaro Valley \(Farmworker Study\)](#). The Pajaro Valley comprises most of the area in south county, outside of Watsonville, which is shown as low opportunity on the TCAC opportunity maps.

- Hispanic students experience some of the lowest proficiency standards in the county and highest rates of chronic absenteeism in the county and have significantly lower rates of educational attainment compared with their non-Hispanic white counterparts.

**Fair housing issue: Persons with disabilities have disproportionately high unemployment rates compared to residents without a disability.**

***Contributing Factors:***

- The unemployment rate for the County’s disabled residents is twice that of persons without a disability. The exact reasons for this disparity are unclear and are likely related to limited job opportunities, access to employment, and market discrimination.

**Fair housing issue: Persons with disabilities are most likely to file complaints of housing discrimination.**

***Contributing Factors:***

- Housing discrimination against residents with disabilities.

<sup>9</sup> <https://belonging.berkeley.edu/2023-ctcac-hcd-opportunity-map>

<sup>10</sup> Methodology for the 2023 CTCAC/HCD Opportunity Map, January 2023, <https://www.treasurer.ca.gov/ctcac/opportunity/2023/methodology.pdf>



- Lack of understanding of reasonable accommodation requirements by landlords and property owners.

## FAIR HOUSING ISSUES, CONTRIBUTING FACTORS, AND MEANINGFUL ACTIONS TO AFFIRMATIVELY FURTHER FAIR HOUSING

The County has adopted programs and actions that address the contributing factors identified in the AFFH analysis. While all contributing factors are important, higher priority was given to factors that limit fair housing choice and/or negatively impact fair housing.

The Table HE-A-4 below displays the identification of fair housing issues, contributing factors, actions taken to address the contributing factors, and priority level. The relevant programs are identified in the action column for each contributing factor.





Table HE-A-4: Fair Housing, Contributing Factors, and Proposed Actions			
Fair Housing Issue	Contributing Factor	Action	Priority
Black and Hispanic households experience disproportionate housing needs, including cost burden and high poverty rates, and are overrepresented in homeless population.	<p>Higher poverty rates among Black and Hispanic residents stem from decades of discrimination in employment, education, and housing markets.</p> <p>There is a concentration of voucher- holders in South County because the area offers the most affordable/available homes, which results in lower incomes and higher rates of poverty.</p> <p>Black or African American residents made 12% of homeless population (but only 1% of general population) and Hispanic residents made up 39% of homeless population (compared to 34% of general population).</p>	<ul style="list-style-type: none"> <li>• Implement Policy H-1.3: Minimum Density Standards for multi-family zones</li> <li>• Program H-1B Rezone sites to multi-family or mixed-use to accommodate RHNA</li> <li>• Program H-1C: By-right overlay zone</li> <li>• Program H1-D: Update Density Bonus Code with parcel assembly incentives, etc.</li> <li>• Program H-1E: Rezone sites to RF</li> <li>• Program H-1F: Update MF development standards</li> <li>• Program H-1G: Streamline parcel map procedures</li> <li>• Program H1-J: Rezone residential parcels per SB10</li> <li>• Program H-1K: Priority Processing</li> <li>• Program H-1L: Increase height limits in East Cliff Village Tourist Area</li> <li>• Program H-3A: Use Local Housing Funds to support affordable housing development</li> <li>• Program H-3G: Study of Local Coastal Program barriers to higher density housing and/or impacts on fair housing</li> <li>• Program H-4A: Implement CoC Strategic Plan</li> </ul>	High





Table HE-A-4: Fair Housing, Contributing Factors, and Proposed Actions			
Fair Housing Issue	Contributing Factor	Action	Priority
Hispanic households most likely to live in low resource areas and experience poor education outcomes.	<p>Hispanic residents are primarily concentrated in southern portion of County. The TCAC opportunity map rates this area in the “low” resource category.</p> <p>The prevalence of more affordable housing in this area contributes to the concentration of poverty and low opportunity.</p> <p>Hispanic students experience some of the lowest proficiency standards, high rate of chronic absenteeism, and lower rates of educational attainment.</p>	<p>All actions listed in row above; and</p> <p>Program H-4G: Prioritize use of County housing funds for extremely low income and special needs households, including farmworkers</p> <p>Program H-6A: Collaboration with regional stakeholders on farmworker housing</p> <p>Program H-6B: Community engagement with broad stakeholder group to increase support for new multi-family infill housing development</p> <p>Program H-6C: Collaboration with regional stakeholders to provide fair housing training to those involved with land use and infrastructure planning, development review and permitting</p>	High
Persons with disabilities are most likely to file complaints of housing discrimination.	<p>Housing discrimination against residents with disabilities.</p> <p>Lack of understanding of reasonable accommodation requirements by landlord and property owners.</p>	<p>Program H4- D Increase supply and awareness of affordable units for persons with disabilities.</p> <p>Program H2-I Support legal aid programs.</p> <p>Policy H-4.2 (AFFH) Reasonable Accommodation</p>	High
Persons with disabilities have disproportionately high unemployment rates compared to residents without a disability.	Unemployment rate for County's disabled residents is twice that of persons without a disability, likely related to job opportunities, access to employment, and market discrimination.	Program H2-I Support legal aid programs	Low to Moderate



## HISTORY OF SEGREGATION IN THE REGION

The United States' oldest cities, counties, and regions have a history of mandating segregated living patterns—and Santa Cruz County is no exception. Several local historians have chronicled the legacy of racism in the area and how it helped lay the foundation for discriminatory housing policies and practices that have produced segregatory living patterns and lack of access to housing choice in Santa Cruz County for non-White populations.

Local historian Phil Reader articulated that “[r]acism has always been a basic component in the socio-economic makeup of [Santa Cruz County].”<sup>11</sup> In the late 18<sup>th</sup> century, Spanish missionaries began the erasure of local Indigenous culture, history, and language in the area in the name of economic benefit and religion, as well as forcing local Indigenous people into slavery at the Santa Cruz Mission. When Mexico gained its independence from Spain, it secularized the missions and “...granted the former mission land to retired soldiers and their families” while “Indigenous ‘Californians’ were to continue working [the] land they once inhabited.”<sup>12</sup> According to Reader, “[f]ollowing the American takeover of California in 1848, there occurred a 25-year period of intense Hispanophobia during which the vast majority of the land found its way into the hands of the aggressive Yankees—most in a dubious manner.”<sup>13</sup> In the 1870s and 1880s, there was “...a highly organized attempt to rid the region of Chinese.”<sup>14</sup> Reader articulated that “[t]hroughout the remainder of the century one minority group after another became the subject of this cycle of racism.”<sup>15</sup>

In the early 20<sup>th</sup> century, robust efforts were underway throughout the country to bar households of color from homeownership through discriminatory lending practices and deed restrictions. In Santa Cruz County, “developers and realtors wrote racial covenants into the deeds of many new homes in Aptos, Scotts Valley and Santa Cruz [in the 1920s], which stated that the premises ‘shall not be

This history of segregation in the region is important not only to understand how residential settlement patterns came about—but, more importantly, to explain differences in housing opportunity among residents today. In sum, not all residents had the ability to build housing wealth or achieve economic opportunity. This historically unequal playing field in part determines why residents have different housing needs today.

<sup>11</sup> To Know My Name: A Chronological History of African Americans in Santa Cruz County, October 2018. <https://www.santacruzmah.org/blog/to-know-my-name-a-history-of-african-americans-in-santa-cruz-county>

<sup>12</sup> Historical Reconciliation in Santa Cruz, August 2017. <https://www.romeroinstitute.net/blog/historical-reconciliation>

<sup>13</sup> To Know My Name: A Chronological History of African Americans in Santa Cruz County, October 2018. <https://www.santacruzmah.org/blog/to-know-my-name-a-history-of-african-americans-in-santa-cruz-county>

<sup>14</sup> Ibid

<sup>15</sup> Ibid



rented, leased, or conveyed to, or occupied by, any person other than of the white or Caucasian race' with the exception of 'domestic servants of a different race domiciled with an owner or tenant.'"<sup>16</sup> Sandy Lydon, another local historian who wrote *The Japanese in the Monterey Bay Region: A Brief History*, described anti-Japanese sentiment in the county at the time and affirmed that "[i]n Santa Cruz county, local officials wrote real estate deeds which contained language such as 'Property not to be sold, transferred, leased, rented or mortgaged to any other than [the] Caucasian [sic] race, except servants' or 'no property transferred to other than Caucasians.'"<sup>17</sup> This decade also brought about the arrival of the Ku Klux Klan in Santa Cruz County with klaverns located in Watsonville, Santa Cruz, and several in Live Oak.<sup>18</sup>

Phil Reader articulated that there has always been an African American presence, albeit small, in Santa Cruz County. He noted that the county's Black population "...were spared the intensity of the racial hatred experienced by other minority groups"<sup>19</sup> because of their smaller size. However, in the early 20<sup>th</sup> century, the area's Black population began to bear the brunt of racism and housing discrimination in the county. Reader described that "...bigotry became a policy in many quarters as blacks were banned or discriminated against at local hotels, road houses, and inns. [African American] vacationers with their tourist dollars were unwelcome visitors at many recreational spots in the county. Finding housing and jobs became an impossible task, so many [African American] families left the area in anger and discouragement. Even churches, the supposed moral pillars of the community, now refused to accept Black parishioners."<sup>20</sup>

According to Reader, "in the decades following the Second world war, many of the new African American families moving into the area found housing difficult to obtain and, on several occasions, white residents attempted to block the integration of their neighborhoods, sometimes resorting to arson."<sup>21</sup> One local example occurred in 1951, where a Black pastor named Rev. William Brant made a down payment on a house in Live Oak. The night before he was set to move in, it was burned down by arsonists.<sup>22</sup>

The collective impacts of systematically denying access to housing to households of color are seen today in Santa Cruz County, primarily in the geographic segregation of the White and non-White populations and the disparate economic, health, and education outcomes experienced by those

---

<sup>16</sup> Blacked Out, May 2022. <https://savilasurf.com/blacked-out/>

<sup>17</sup> <https://www.romeroinstitute.net/blog/historical-reconciliation>

<sup>18</sup> To Know My Name: A Chronological History of African Americans in Santa Cruz County, October 2018. <https://www.santacruzmah.org/blog/to-know-my-name-a-history-of-african-americans-in-santa-cruz-county>

<sup>19</sup> Ibid

<sup>20</sup> Ibid

<sup>21</sup> Ibid

<sup>22</sup> Blacked Out, May 2022. <https://savilasurf.com/blacked-out/>



populations. According to UC Berkeley’s Roots of Structural Racism Project, segregation increased in the Santa Cruz-Watsonville metropolitan region from 1990-2019. However, the report found that the “Santa Cruz-Watsonville [region] saw the 16<sup>th</sup> highest increase in segregation out of 209 regions studied over that span.”<sup>23</sup> As the article’s authors lay out, “redlining and other exclusionary 20<sup>th</sup>-century American housing policies laid the groundwork for such divides and exacerbated them.”<sup>24</sup> These divides can be seen quite starkly in the county, where the northern end of the county is disproportionately White and higher income while the southern end of the county has a disproportionate share of people of color and lower income households. Populations living in the southern end of Santa Cruz County also experienced worst health outcomes during the COVID-19 pandemic relative to the rest of the county.<sup>25</sup>

Exclusionary housing policies, namely zoning, in the county continued to hinder the development of affordable housing into the late 20<sup>th</sup> century. One of the main findings in *No Place Like Home*, an affordable housing report commissioned by UC Santa Cruz in 2021, was the “imposition of exclusionary zoning since the 1970s, fueled by local anti-growth politics, in Santa Cruz and throughout California, helped prevent the provision of more affordable multifamily housing. This disparately impacted low-income, nonwhite renters, exacerbating spatial segregation along lines of race and class.”<sup>26</sup> The report specifies that these policies “made it more difficult for developers to assemble parcels, while also placing limits on the height of the buildings they could find parcels for, making it nearly impossible to build new multifamily housing.”<sup>27</sup>

In 1978, Santa Cruz County residents passed Measure J, an ordinance that created a growth management program for the county. The impetus behind the measure was to protect agricultural lands and rural character of the county and direct growth to its existing urban areas. While policies were implemented in the 1980s to increase density and produce affordable housing in the county, such as inclusionary zoning, there was pushback from some residents for directing growth into their communities. According to a former Santa Cruz County planning director Tom Burns, as a result, areas designated for growth got “suburbanized, not urbanized.”

A change in political leadership in the early 1990s saw the County revert back to favoring development of single-family homes on large lots. As a result, “the shift rendered county IZ [inclusionary zoning] measures ineffective and resulted in a steep reduction in the production of

---

<sup>23</sup> New Report Shows Santa Cruz County’s Demographic Division, June 2021. <https://www.goodtimes.sc/santa-cruz-demographic-division/>

<sup>24</sup> Ibid

<sup>25</sup> Ibid

<sup>26</sup> *No Place Like Home* report, August 2021. <https://transform.ucsc.edu/wp-content/uploads/2021/08/No-Place-Like-Home-Report-2021.pdf>

<sup>27</sup> Ibid



affordable, multifamily housing.”<sup>28</sup> The lack of production resulted in a “successful class action lawsuit in 2006...to ‘upzone’ and increase density in designated areas along transit corridors. Nonetheless, given the scope of the settlement, subsequent zoning revisions enabled very few affordable units to be built.”<sup>29</sup>

In his book *Color of Law: A Forgotten History of How Our Government Segregated America* (2017), researcher Richard Rothstein explores segregation patterns across California and argues that these patterns were the result of structural inequities in society as well as self-segregation (preference to live near similar people).<sup>30</sup> The timeline of major Federal Acts and court decisions related to fair housing choice and zoning and land use appears in Figure HE-A-17.

As shown in the timeline, exclusive zoning practices were common in the early 1900s. Courts struck down only the most discriminatory and allowed those that would be considered today to have a “disparate impact” on classes protected by the Fair Housing Act. For example, the 1926 case *Village of Euclid v. Amber Realty Co.* (272 U.S. 365) supported the segregation of residential, business, and industrial uses, justifying separation by characterizing apartment buildings as “mere parasite(s)” with the potential to “utterly destroy” the character and desirability of neighborhoods. At that time, multifamily apartments were the only housing options for people of color, including immigrants.

The Federal Fair Housing Act was not enacted until nearly 60 years after the first racial zoning ordinances appeared in U.S. cities. This coincided with a shift away from federal control over low-income housing toward locally-tailored approaches (block grants) and market-oriented choice (Section 8 subsidies)—the latter of which is only effective when adequate affordable rental units are available.

---

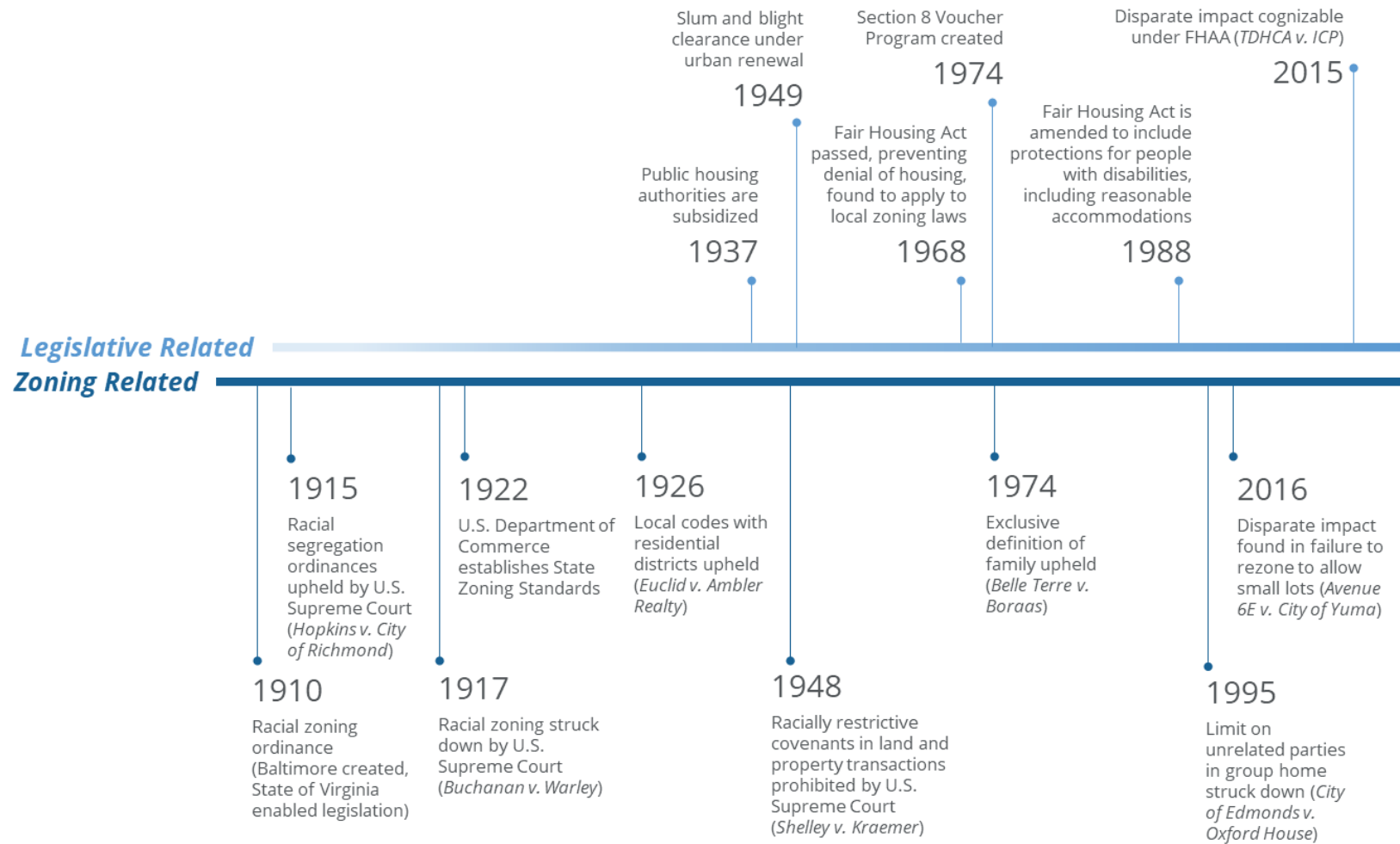
<sup>28</sup> Ibid

<sup>29</sup> Ibid

<sup>30</sup> Richard Rothstein, *The Color of Law: A Forgotten History of How our Government Segregated America*, New York: Liveright Publishing Corporation (2017),



Figure HE-A-17: Major Public and Legal Actions that Influence Fair Access to Housing



Source: Root Policy Research.



## POPULATION AND DEMOGRAPHIC TRENDS

This section provides an analysis population and demographic trends of unincorporated Santa Cruz County, Santa Cruz County as a whole, and the Monterey Bay Region. Population demographics are presented here as an introductory for the following section—integration and segregation.

### POPULATION GROWTH

Over the last 20 years, population growth in the unincorporated areas of Santa Cruz County has remained relatively stagnant, losing 4% of its population between 2000 and 2010 and growing by 3% between 2010 and 2020. Comparatively, Santa Cruz County as a whole has seen a stable rate of growth, maintaining a 3% population increase over the last two decades. The Monterey Bay region grew slightly between 2000 and 2010 before growing by 6% over the next decade. While the unincorporated areas and County as a whole have experienced slower population growth relative to the state over the last 20 years, the state of California has also experienced a population decline. According to the Public Policy Institute of California, since 2000, the state has experienced its slowest rates of population growth ever recorded.<sup>31</sup>

**Table HE-A-5: Total Population, 2000-2020**

	2000	2010	2020	Percent Change	
				2000-2010	2010-2019
<b>Unincorporated Santa Cruz County</b>	135,326	129,739	133,153	-4%	3%
<b>Santa Cruz County</b>	255,602	262,382	270,861	3%	3%
<b>Monterey Bay Region</b>	723,893	732,708	774,105	1%	6%
<b>State of California</b>	33,871,653	37,253,956	39,538,223	10%	6%

### RACE AND ETHNICITY

The demographic characteristics of unincorporated Santa Cruz County are less diverse when compared with the overall demographics of Santa Cruz County. While the non-Hispanic White population represents the largest proportion of the population for both unincorporated areas of the county and the county as a whole, the non-Hispanic White population is 13 percentage points higher in the unincorporated areas (69% compared to 56%). Similarly, while unincorporated Santa Cruz County has a slightly greater proportion of residents that identify as Other or Multiple

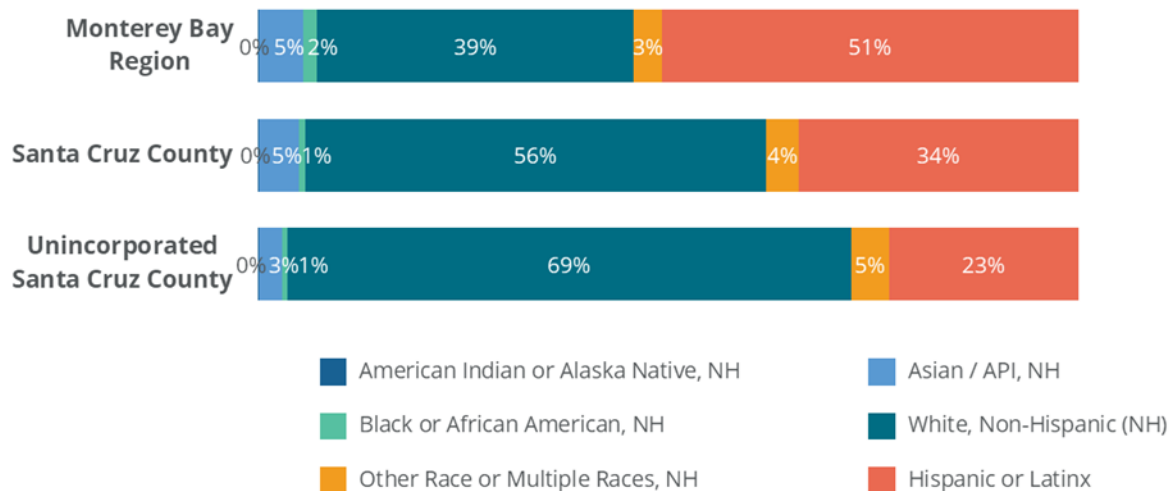
<sup>31</sup> <https://www.ppic.org/publication/californias-population/>





Races, it has smaller proportions of Hispanic residents (23% compared to 34%) and Asian residents (3% compared to 5%) compared to the county as a whole (Figure HE-A-18).

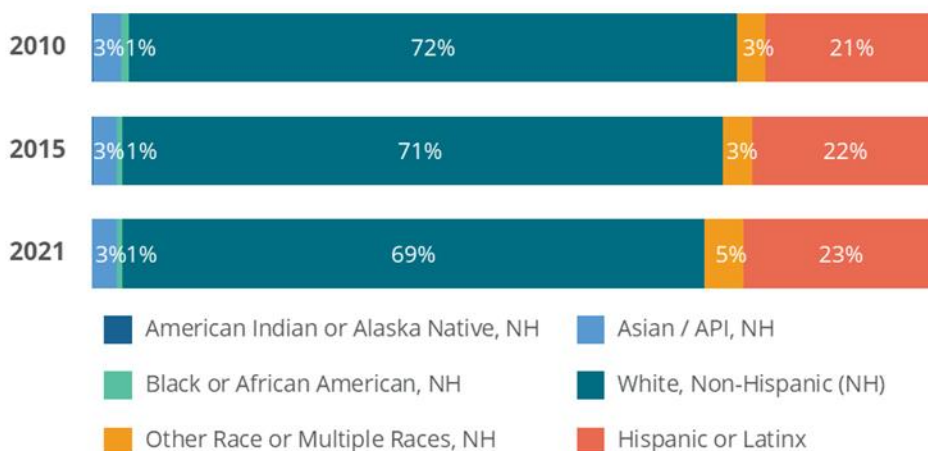
**Figure HE-A-18: Population by Race and Ethnicity and Jurisdiction, 2021**



Source: 2021 5-year ACS.

Since 2010, the share of the population in unincorporated Santa Cruz County that identifies as Hispanic or Latinx and Other or Multiple Races has slightly increased while the share of the non-Hispanic White population has slightly decreased (Figure HE-A-19).

**Figure HE-A-19: Population by Race and Ethnicity, Unincorporated Santa Cruz County, 2010-2021**

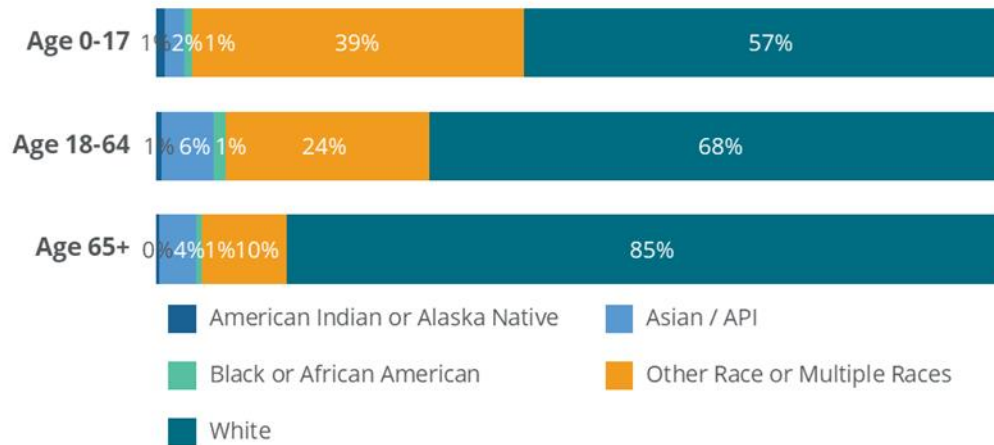


Source: 2010, 2015, and 2021 5-year ACS.



Older residents in the unincorporated areas of the county are less diverse, with 85% of the population older than 65 years identifying as White compared to only 57% of the population for children less than 18 years old (Figure HE-A-20).

**Figure HE-A-20: Senior and Youth Population by Race, Unincorporated Santa Cruz County, 2021**



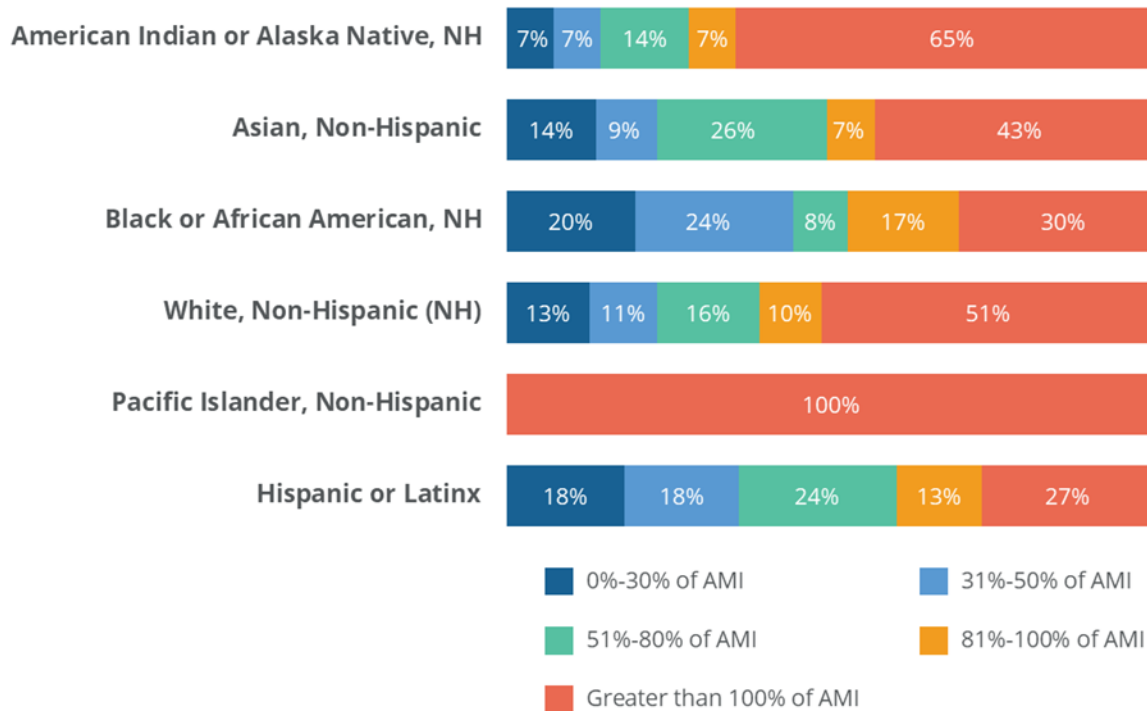
Source: 2021 5-year ACS.

Figure HE-A-21 presents area median income in unincorporated Santa Cruz County by race and ethnicity in 2021. Over half (51%) of non-Hispanic White residents and nearly half of Asian residents (43%) earn above 100% AMI. Conversely, a greater proportion of Black/African American (44%) and Hispanic/Latino (36%) residents earn between 0-50% AMI.

While Pacific Islander (100%) and American Indian/Alaska Native (65%) residents have the greatest proportion of those earning 100% AMI or more among all racial/ethnic groups in unincorporated Santa Cruz County, due to their small population size, interpretation of the data should be made with caution.



**Figure HE-A-21: Area Median Income by Race and Ethnicity, Unincorporated Santa Cruz County, 2021**

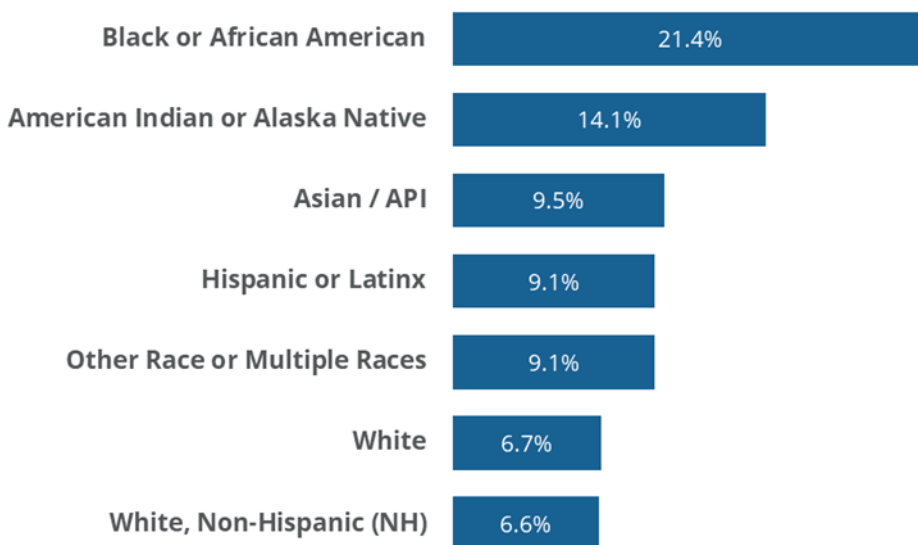


Source: CHAS, 2015-2019 5-year.

Racial and ethnic minority populations generally have higher rates of poverty compared to the non-Hispanic White population in unincorporated Santa Cruz County. As shown in Figure HE-A-22, Black or African American residents in the county's unincorporated areas have a significantly higher poverty rate than other groups with almost a quarter (21%) living in poverty. White and non-Hispanic White households experience poverty at a much lower rate (7%).



**Figure HE-A-22: Poverty Rate by Race and Ethnicity, Unincorporated Santa Cruz County, 2021**

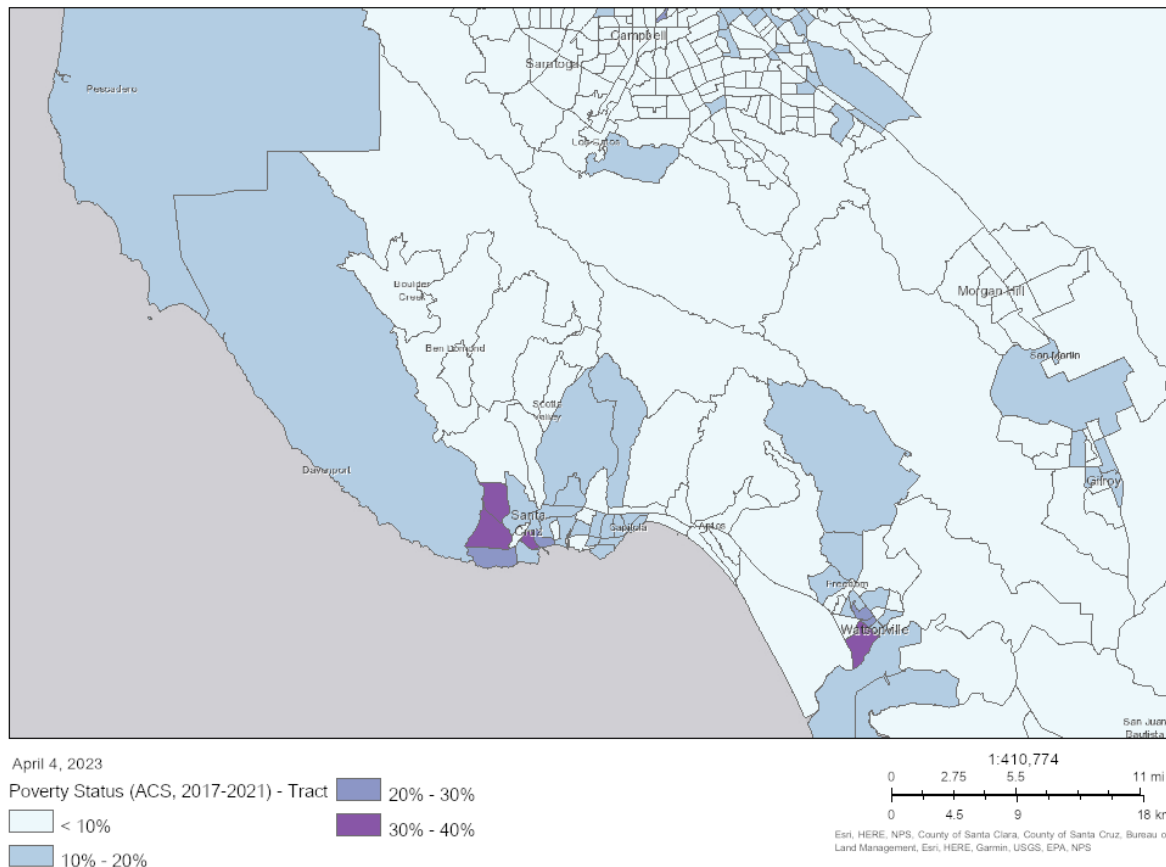


Source: 2021 5-year ACS.

Geospatially, Figure HE-A-23 shows concentrations of poverty in Santa Cruz County. The census tracts with the highest poverty rates in unincorporated Santa Cruz County are in the eastern part of Corralitos (east of Browns Valley Road, 17.7%), Twin Lakes (east of 17<sup>th</sup> Avenue, north of Portola Drive, and south of the Union Pacific rail line, 16.3%), and in Pleasure Point (east of Rodeo Gulch, north of Portola Drive, and south of the Union Pacific rail line, 15.1%).



Figure HE-A-23: Poverty Status by Census Tract, Santa Cruz County, 2021



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

## AGE CHARACTERISTICS

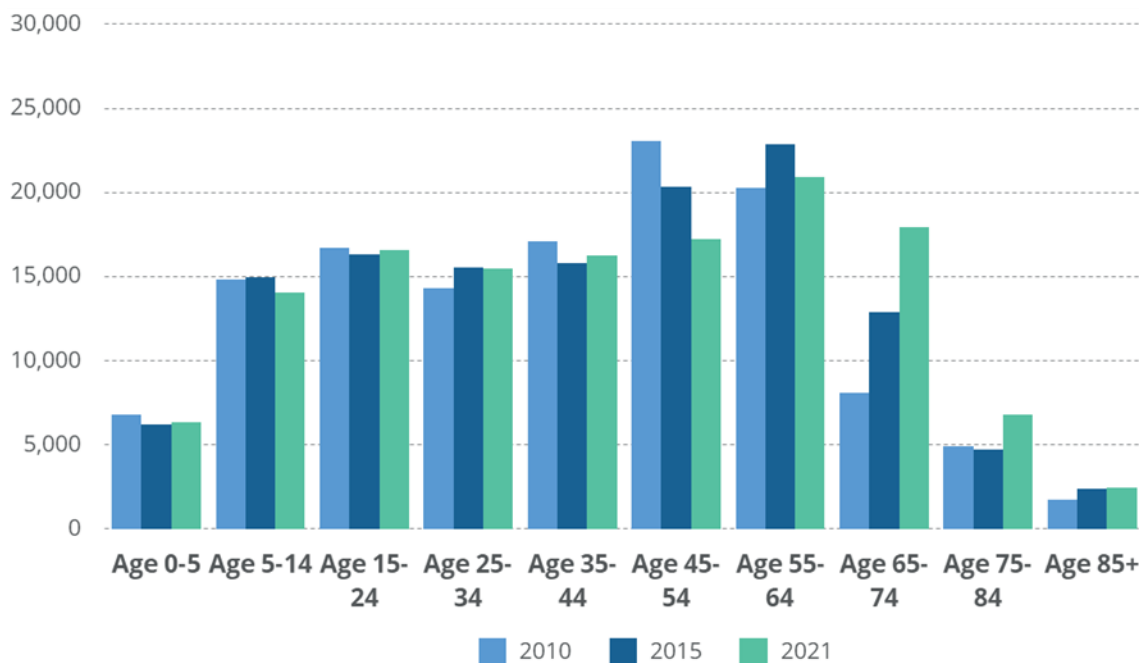
Housing preferences among different age groups and household types can shed light on the housing needs for the community overall. When seeking housing, households may prioritize factors such as size, accessibility, and price. For instance, younger and middle-aged households may seek homes that can accommodate a growing household size, whereas older adults may seek to downsize to an apartment with assistive care services or a smaller more affordable single-family home. People living with disabilities may seek homes that are accessible and include universal design or visitability features. These trends illustrate the factor life stages play in determining the types of housing needed in the county and region.

Figure HE-A-24 illustrates the distribution of age groups between 2010 and 2021 in unincorporated Santa Cruz County. The largest shift in age occurred for the 65 to 74 year old age cohort, with an increase of nearly 10,000 residents between 2010 and 2021. Conversely, unincorporated Santa Cruz County saw the cohort of residents aged 45 to 54 years decline, with



a decrease of nearly 6,000 residents over the same time period. Other age groups have remained relatively stable—a positive trend. The increase in older residents in unincorporated Santa Cruz County suggests that the County should encourage the development of housing types that help seniors age in place.

**Figure HE-A-24: Age Distribution, Unincorporated Santa Cruz County, 2010-2021**



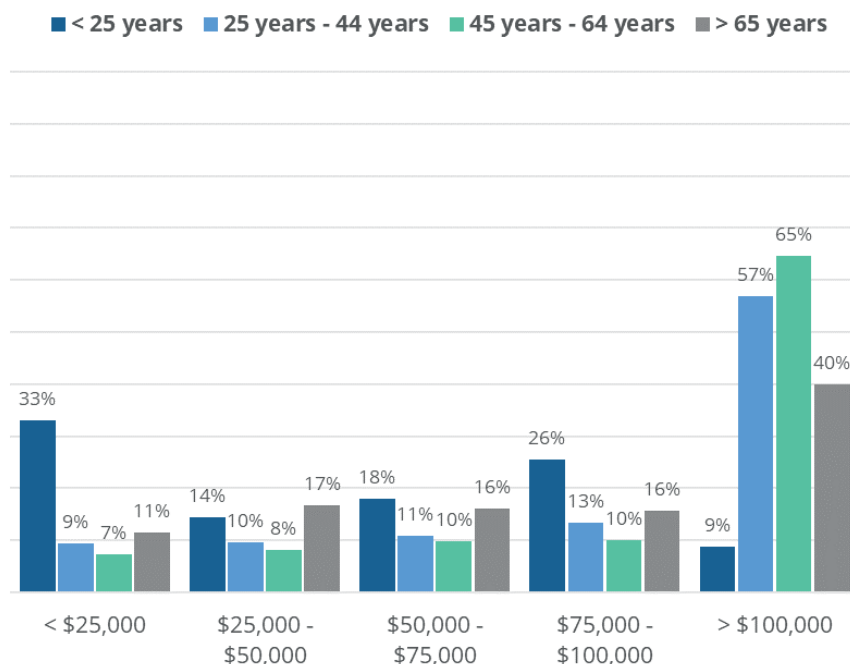
Source: 2010, 2015, and 2021 5-year ACS.

Figure HE-A-25 shows the household income distribution by the age of householder in Santa Cruz County. Nearly half of householders 25 years and younger earn less than \$50,000 in unincorporated Santa Cruz County—33% have incomes under \$25,000 and 14% have incomes between \$25,000 and \$50,000.

Almost six in 10 households in the 25 to 44 years cohort (57%) and nearly two-thirds of households in the 45 to 64 years cohort earn incomes of \$100,000 or more and are least likely to be low income. Additionally, 40% of seniors in unincorporated Santa Cruz County have a household income of \$100,000 or more.



Figure HE-A-25: Household Income by Age of Householder, Unincorporated Santa Cruz County, 2021



Source: 2021 5-year ACS.

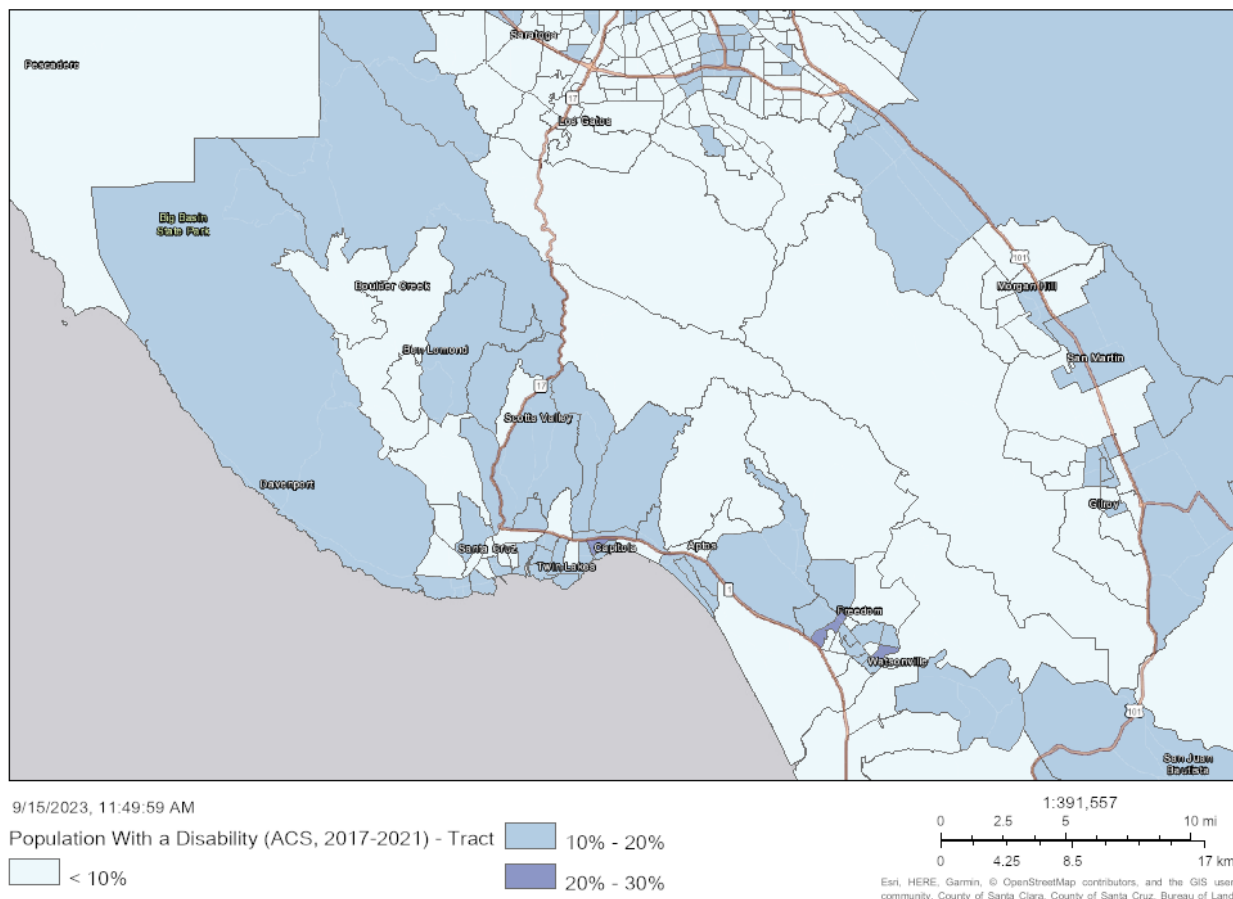
### DISABILITY STATUS

**Persons with disabilities.** Eleven percent of unincorporated Santa Cruz County’s population has a disability. The population with a disability is concentrated in the incorporated cities of Watsonville and Capitola—the only areas in Santa Cruz County to contain census tracts with 20% to 30% of the population with a disability. The census tracts in Watsonville with a high concentration of people with a disability contain Montecito Manor, an assisted living facility, and a hospital, indicating that the concentration can be explained through the availability of resources for older adults. The tract with the concentration in Capitola contains a mobile home park that may offer accessible, affordable units to those with a disability and Pacific Coast Manor, an assisted living facility. Tracts north of Cabrillo Highway and along the coastline around Santa Cruz have concentrations of 10% to 20% of people with a disability (see Figure HE-A-26).





Figure HE-A-26: Percent of the Population with a Disability by Census Tract, Santa Cruz County, 2021



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

**Disability and Tenure.** Household members with a disability (have an ambulatory limitation, hearing or vision impairment, cognitive limitation, or independent living limitation) are more likely to be owners than renters. In each disability category, over 60% are owners. See Figure HE-A27 below, “Disability Status by Tenure and AMI, Unincorporated Santa Cruz County, 2020”. About one in five (20%) of household members with an ambulatory limitation, cognitive limitation, and independent living limitations are under 30% AMI. Renters with a disability are more likely to have income under 30% AMI, while owners with a disability are more likely to have income above 80% AMI. Renters with a disability with fixed income are particularly vulnerable to housing instability due to rent or utility increases. They may also face more difficulty in finding accessible units due to budget and supply constraints.



Figure HE-A-27: Disability Status by Tenure and AMI, Unincorporated Santa Cruz County, 2020

	Renter		Owner		All	
	n	%	n	%	n	%
<b>Household member has an ambulatory limitation</b>	<b>1,790</b>	<b>100%</b>	<b>3,825</b>	<b>100%</b>	<b>5,615</b>	<b>100%</b>
<30% AMI	595	33%	530	14%	1,125	20%
30-50% AMI	415	23%	550	14%	965	17%
50-80% AMI	355	20%	610	16%	965	17%
>80% AMI	425	24%	2,135	56%	2,560	46%
<b>Household member has a hearing or vision impairment</b>	<b>1,335</b>	<b>100%</b>	<b>4,635</b>	<b>100%</b>	<b>5,970</b>	<b>100%</b>
<30% AMI	485	36%	395	9%	880	15%
30-50% AMI	290	22%	420	9%	710	12%
50-80% AMI	180	13%	1,055	23%	1,235	21%
>80% AMI	380	28%	2,765	60%	3,145	53%
<b>Household member has a cognitive limitation</b>	<b>1,875</b>	<b>100%</b>	<b>3,005</b>	<b>100%</b>	<b>4,880</b>	<b>100%</b>
<30% AMI	670	36%	315	10%	985	20%
30-50% AMI	350	19%	280	9%	630	13%
50-80% AMI	400	21%	640	21%	1,040	21%
>80% AMI	455	24%	1,770	59%	2,225	46%
<b>Household member has a self-care or independent living limitation</b>	<b>1,485</b>	<b>100%</b>	<b>3,460</b>	<b>100%</b>	<b>4,945</b>	<b>100%</b>
<30% AMI	480	32%	450	13%	930	19%
30-50% AMI	275	19%	360	10%	635	13%
50-80% AMI	375	25%	550	16%	925	19%
>80% AMI	355	24%	2,100	61%	2,455	50%

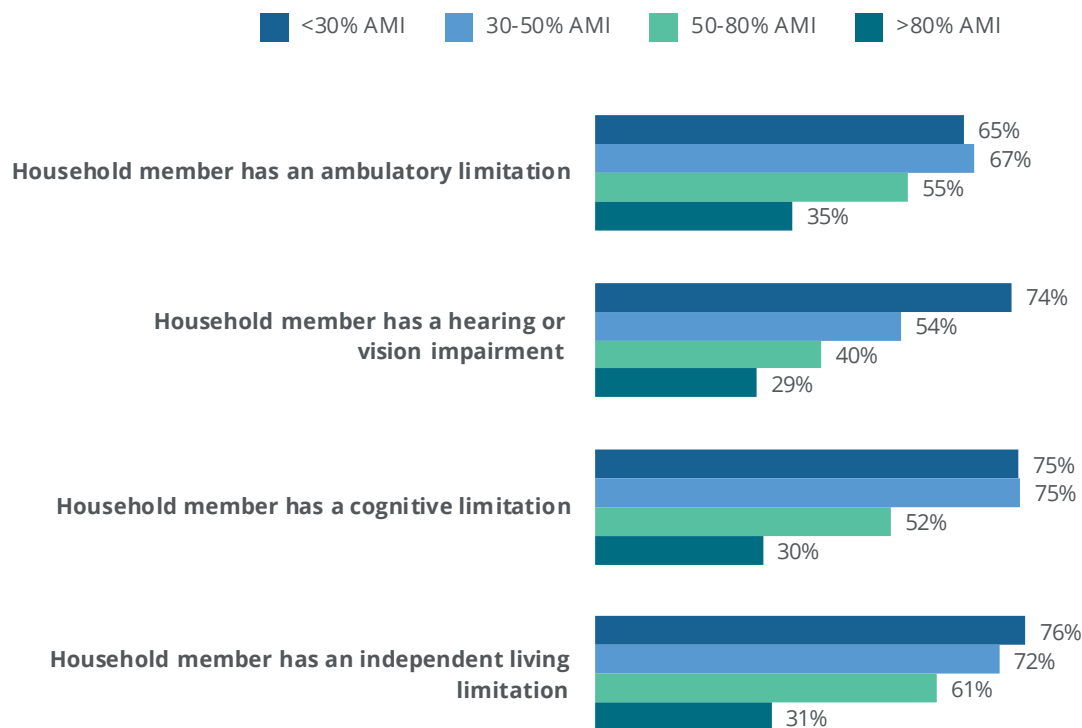
Source: 2016-2020 CHAS and Root Policy Research.

**Overpayment and housing situation.** CHAS data provided by HUD does not provide detail into the specific proportions of households with a disability who face the housing problems of cost burden, severe cost burden, overcrowding, severe overcrowding, and substandard living conditions, but does detail the percent of those with at least one of the listed housing problems. Out of all disability statuses, those with an independent living limitation under 30% AMI have the highest rate of housing problems at 76%. This is followed by households with a cognitive limitation under 30% AMI at 75% and households with a hearing or vision impairment under 30% AMI at 74%. As income increases, housing problems decrease across disability types. However, around 30% of those with a disability and with income above 80% AMI face at least one housing problem across disability types. See



Figure HE-A-28, “Percent with One or More Housing Problems by Disability Type and AMI, Unincorporated Santa Cruz County, 2020.”

Figure HE-A-28: Percent of Disabled Households with One or More Housing Problems, by Disability Type and AMI, Unincorporated Santa Cruz County, 2020



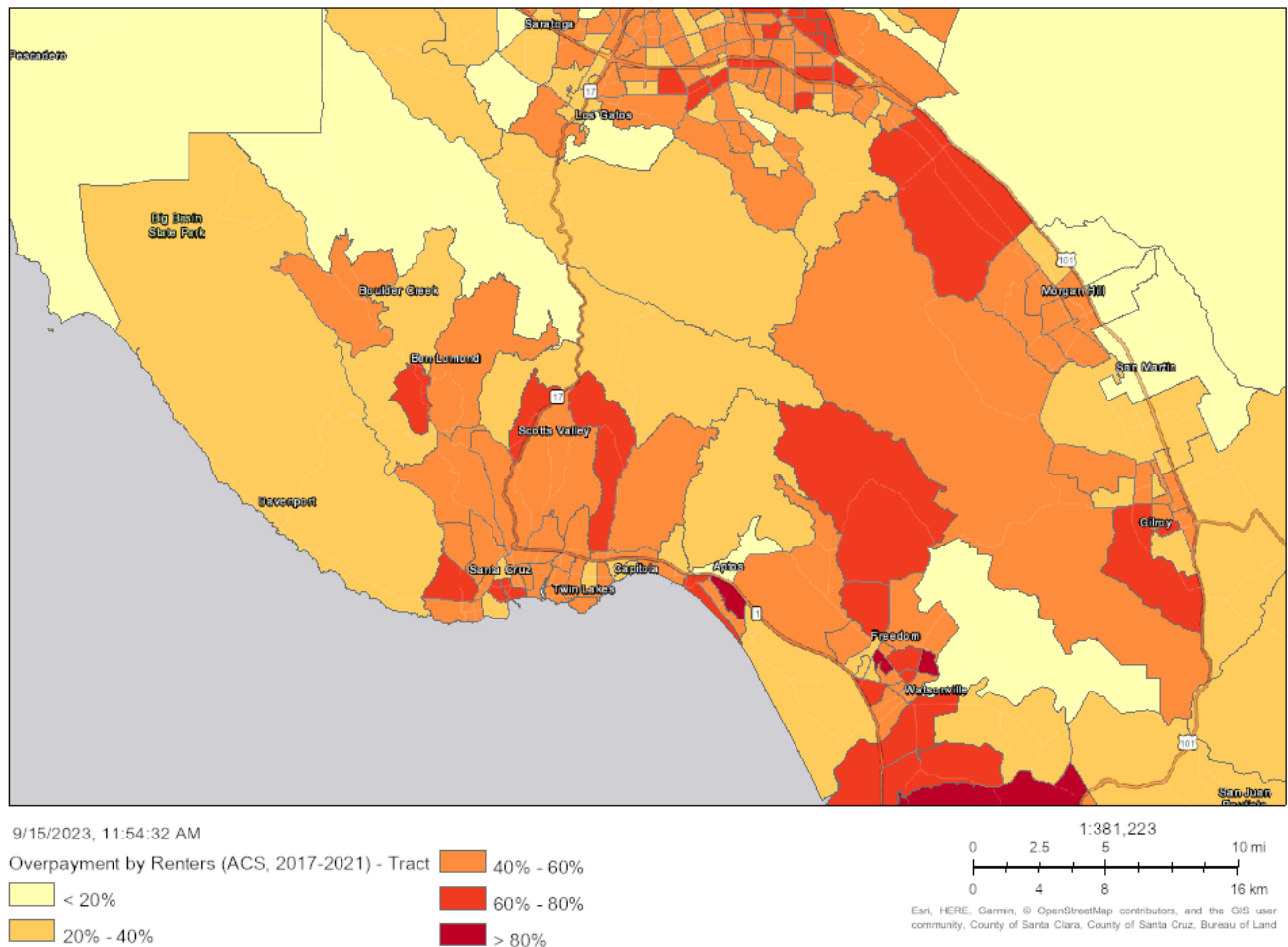
Note: Housing problems include cost burden, severe cost burden, overcrowding, severe overcrowding, and substandard housing conditions. Refer to Figure ?-?. Disability Status by Tenure and AMI, Unincorporated Santa Cruz County, 2020” for total n by disability type and AMI.

Source: 2016-2020 CHAS and Root Policy Research.

Using the HCD AFFH mapping tool, census tracts with a concentration of people with a disability and cost burdened households can be compared. Not every census tract that has a high concentration of people with disabilities also has a high concentration who are cost burdened, but there are, however, census tracts along the coast outside of the City of Santa Cruz (neighborhoods know as Live Oak and Pleasure Point) and directly to the north of Highway One (Soquel) that have both a 10% to 20% concentration of the population with a disability and 40% to 60% of the renter population who are cost burdened. See Figure HE-A-29 below titled “Overpayment by Renters, Santa Cruz County, 2021”.



Figure HE-A-29: Overpayment by Renters, Santa Cruz County, 2021



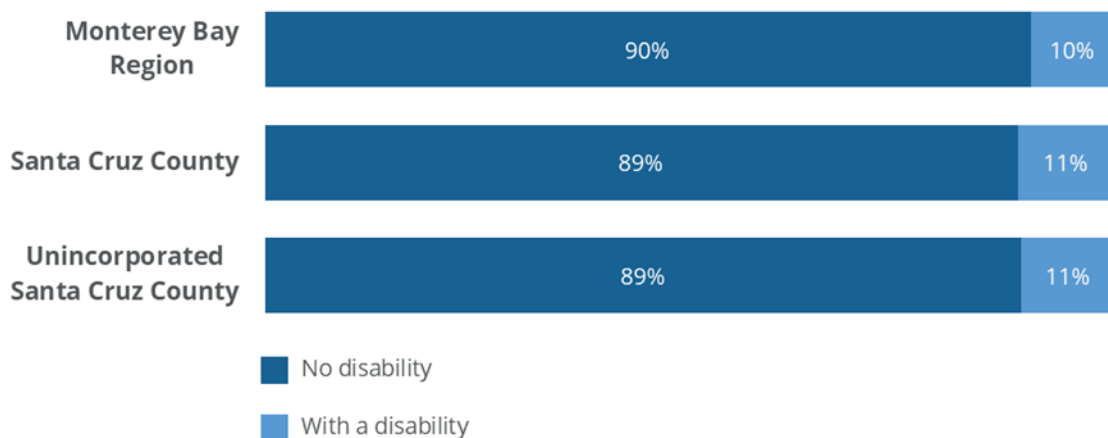
Source: HCD AFFH Data Viewer and Root Policy Research.

**Disproportionate impacts.** Renters with a disability in unincorporated Santa Cruz County are more likely to be ELI. With low income comes intensified cost burden, overcrowding, and substandard housing conditions that threaten housing stability. ELI renters with a disability face the additional burden of finding an accessible unit nearby transportation or other services. This is an especially difficult task with a limited budget and tight rental market. ELI residents may take on a higher cost burden to meet their housing needs, thus sacrificing financial stability to live in adequate accommodations.

The share of the population living with at least one disability is 11% in unincorporated Santa Cruz County. This is the same population share as that of all of Santa Cruz County, and slightly higher than that of the Monterey Bay Region (10%). See Figure HE-A-30.



Figure HE-A-30: Share of Population by Disability Status and Jurisdiction, 2021

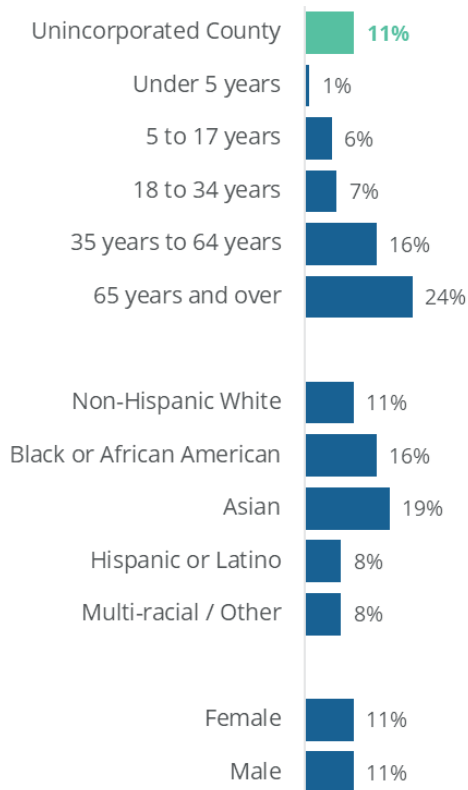


Source: 2021 5-year ACS.

Figure HE-A-31 below shows persons living with disabilities by characteristic including age, race/ethnicity, and sex in unincorporated Santa Cruz County. Nearly a quarter (24%) of residents over the age of 65 are living with a disability. Other groups in unincorporated areas of the county that have higher rates of disability are Asian residents (19%), Black or African American residents (16%), and residents between the ages of 35 and 64 (16%). These groups also tend to be older, with 75% of all Asian residents in unincorporated Santa Cruz County older than 35 (29% older than 65) as well as 59% of Black/African American residents (13% older than 65).



Figure HE-A-31: Disability Status by Characteristic, Unincorporated Santa Cruz County, 2021



Source: 2021 5-year ACS.

### FAMILIAL STATUS

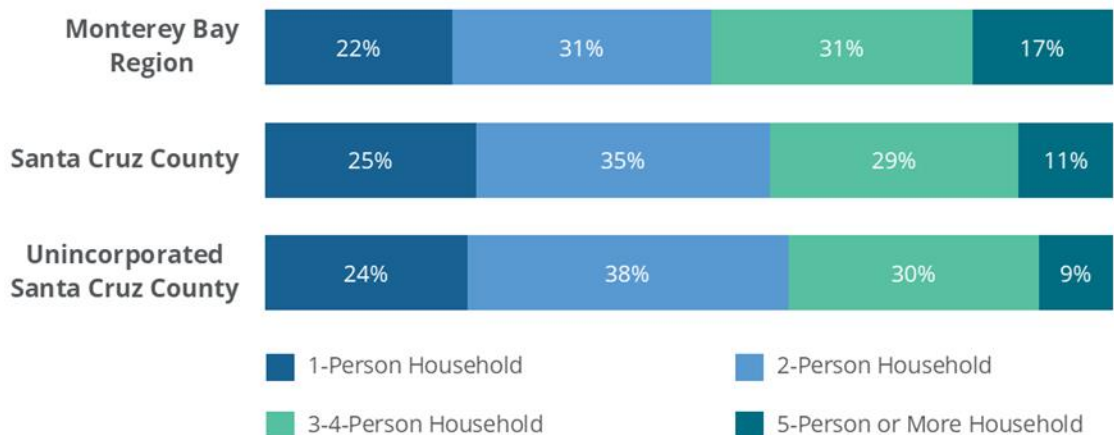
Household size and composition are important to consider in planning for adequate housing supply in order to meet the County’s RHNA. As discussed below, the county and region are characterized by small households without children. This may be driven, in part, by the challenges younger families face finding affordable and right-sized housing, as well as by the number of colleges and universities in the region (ie, UCSC, CalState Monterey Bay, Cabrillo College, among others), and the many younger tech workers living in small households in northern Santa Cruz County, closer to Silicon Valley. Family households often require housing units with more than one bedroom to avoid overcrowding, and families with children typically prefer housing located near high quality schools.

Figure HE-A-32 shows the share of households in Santa Cruz County, its unincorporated areas, and the Monterey Bay region. Unincorporated Santa Cruz County has the greatest share of



households with two or fewer people (62%) compared to Santa Cruz County (60%) and the Monterey Bay region (53%). Proportionally, the Monterey Bay region almost has twice as many large households (5 or more persons) as the unincorporated areas of the county.

Figure HE-A-32: Share of Households by Size and Jurisdiction, 2021



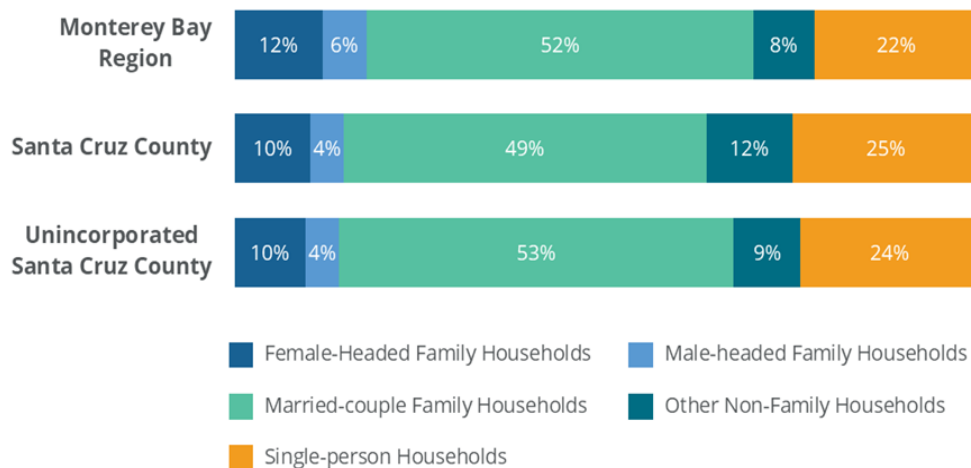
Source: 2021 5-year ACS.

Figure HE-A-33 below shows the share of households by type and jurisdiction in 2021. Compared to the county overall, unincorporated Santa Cruz County has a larger share of married couple family households: 53% of households in the county’s unincorporated are married compared to 49% of households in Santa Cruz County.





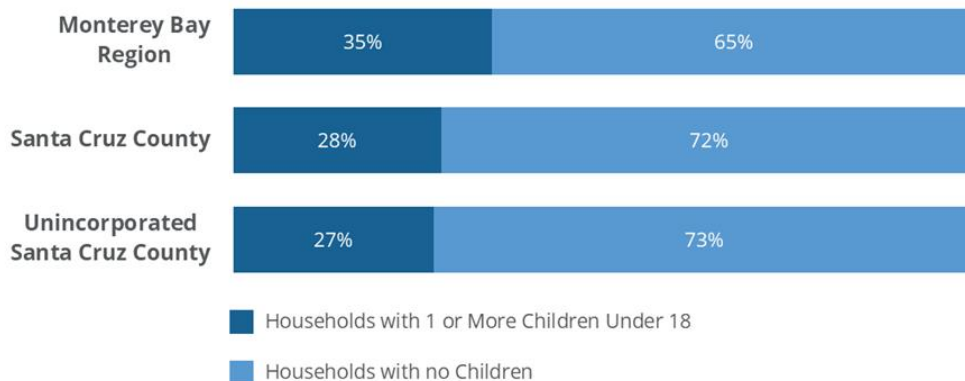
Figure HE-A-33: Share of Households by Type and by Jurisdiction, 2021



Source: 2021 5-year ACS.

Figure HE-A-34 presents the share of households by children and by jurisdiction in 2021. As shown below, unincorporated Santa Cruz County has a significant share of households with no children—almost three in four households do not have children. This is similar to the county as a whole and higher than the region overall, in which 65% of households have no children.

Figure HE-A-34: Share of Households by Presence of Children and by Jurisdiction, 2021



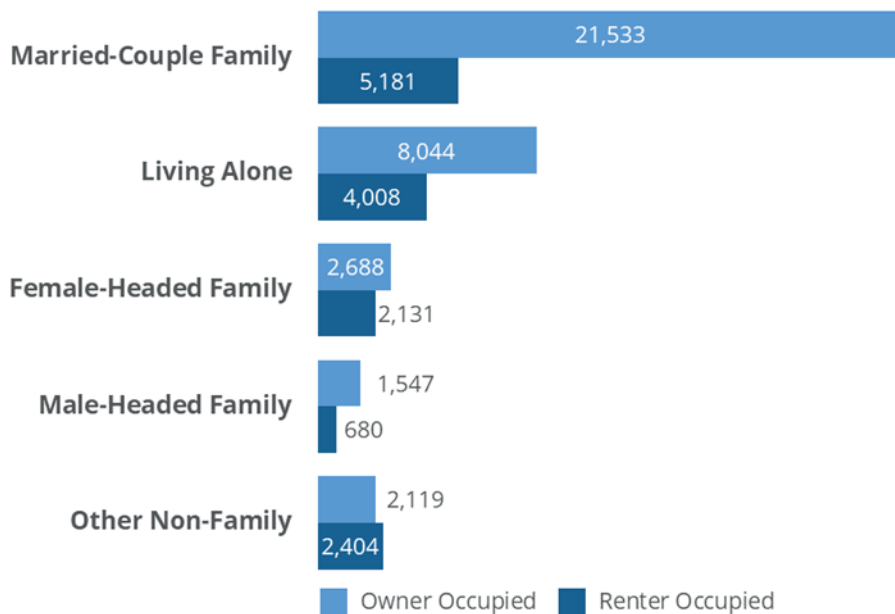
Note: Children represent those under the age of 18 years.  
Source: 2021 5-year ACS.

Figure HE-A-35 illustrates tenure by household type (e.g., married couple, living alone). Married couple families in unincorporated Santa Cruz County are significantly more likely to own their home than rent—81% of these families own their homes compared to just 19% who rent. Residents living alone and single parent households are also more likely to own their home,



though these trends are not as pronounced as that of married couple families. Non-family households are the only household type to have a greater share of renters than owners.

**Figure HE-A-35: Housing Type by Tenure, Unincorporated Santa Cruz County, 2021**

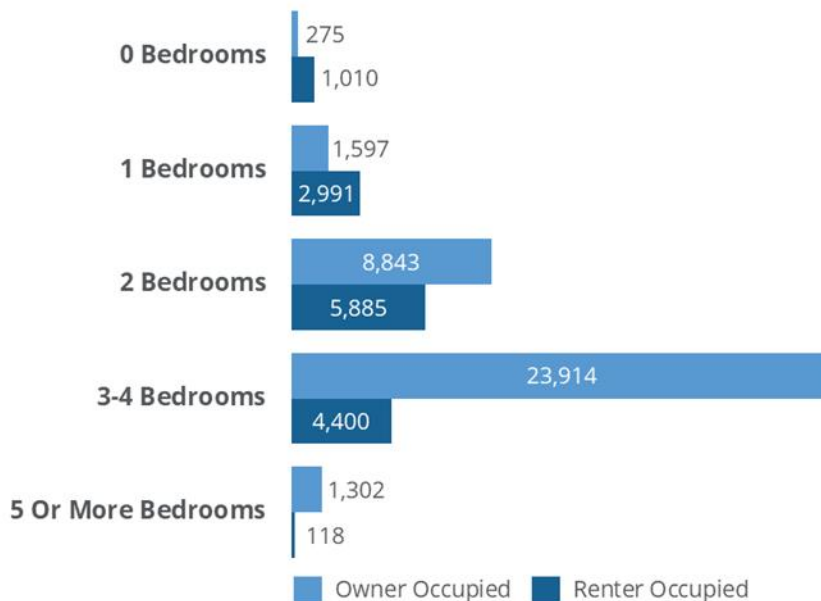


Source: 2021 5-year ACS.

Figure HE-A-36 below presents unincorporated Santa Cruz County’s housing units by the number of bedrooms and by tenure in 2021. The majority of housing units with three to four bedrooms are occupied by owners: nearly 24,000 of these units are owner-occupied compared to only 4,400 that are occupied by renters. This is likely the result of high housing prices—larger housing units often increase dramatically in price and, given renters’ comparatively lower household income, owners are more likely to access these units without experiencing cost burden or overpaying for housing. It is also more common for developers to build homes for sale with three or more bedrooms, whereas multi-family rental projects tend to have more units with two or fewer bedrooms.



**Figure HE-A-36: Housing Units by Number of Bedrooms and Tenure, Unincorporated Santa Cruz County, 2021**



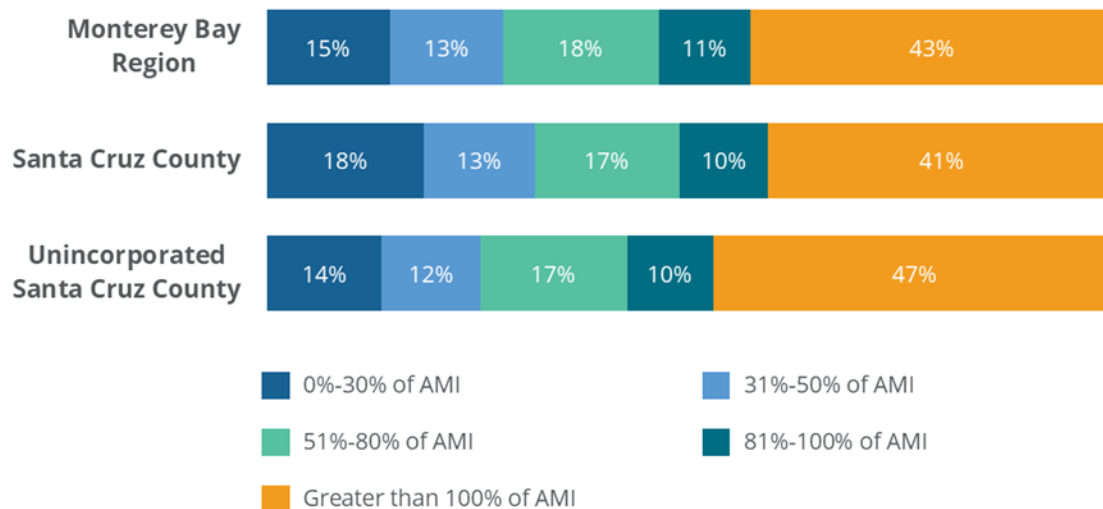
Source: 2021 5-year ACS.

### HOUSEHOLD INCOME

Figure HE-A-37 presents the share of households by area median income in 2021 for unincorporated Santa Cruz County, the county as a whole, and the region. All geographies have a significantly high share of households with incomes above 100% AMI—unincorporated Santa Cruz County has the greatest share at 47%. Conversely, the unincorporated areas of the county have the smallest proportion of households with the lowest incomes (14%). Households earning between 81-100% AMI comprise the smallest proportions of households in all three geographies, followed by those earning between 31 – 50% AMI.



**Figure HE-A-37: Share of Households by Area Median Income (AMI) and Geography, 2019**



Source: 2015-2019 CHAS data.

Geographic Area	Total Households
Monterey Bay Region	241,110
Santa Cruz County	95,820
Unincorporated Santa Cruz County	49,645

Source: 2015-2019 CHAS estimates, from <https://www.huduser.gov/portal/datasets/cp.html>

Table HE-A-6 below shows the change in household income in Santa Cruz County by household characteristics between 2010 and 2021. Over this time period, overall median income for all county households grew by nearly half (47%), an increase of nearly \$31,000. By household type and characteristic:

- Family households kept pace with all households in the county—between 2010 and 2021, median income among families grew by \$38,715 (or 48%). This is significantly higher than income growth, in dollars, for non-family households with an increase of only \$17,670.
- Household incomes increased the most for seniors (80%); Black or African American households (69%); and multi-racial households (66%).



- Asian households were the only group to have median household incomes decline between 2010 and 2021; however, the decline was minimal. Household income for Asian residents decreased by two percent (2%) or slightly less than \$2,000.

By household type, married-couple households experienced the greatest increase in median household income between 2010 and 2021 (\$43,838) while single parents and residents living alone experienced the smallest increase (<\$12,500) over the same time period.

Table HE-A-6: Change in Median Household Income by Characteristic, Santa Cruz County, 2010 and 2021

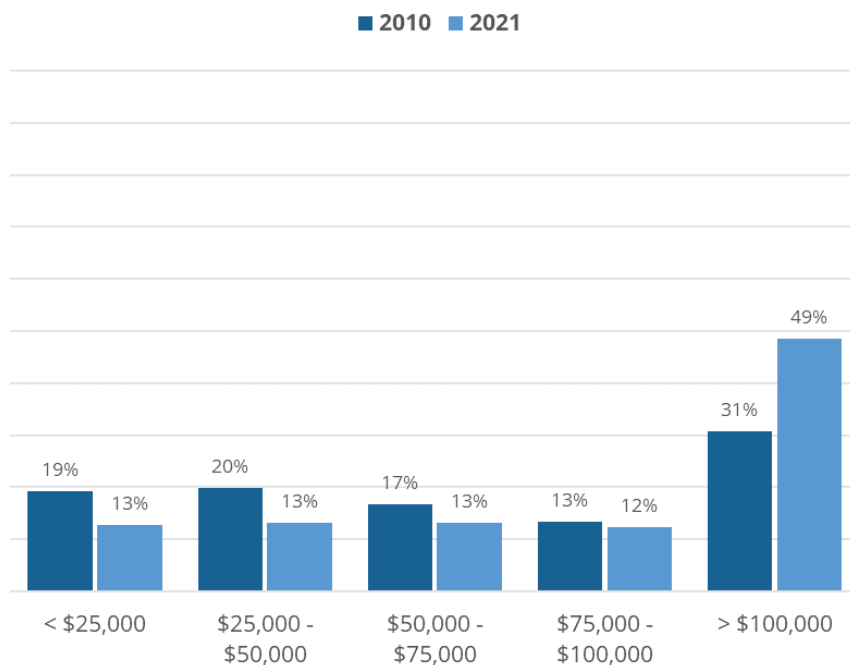
Household Characteristics	2010	2021	Income Change 2010-2021	
			\$ Change	Pct. Change
<b>All households</b>	<b>\$65,253</b>	<b>\$96,093</b>	<b>\$30,840</b>	<b>47%</b>
Family Households	\$80,264	\$118,979	\$38,715	48%
Non-family Households	\$41,621	\$59,288	\$17,667	42%
<b>Race/Ethnicity</b>				
Non-Hispanic White	\$70,834	\$107,361	\$36,527	52%
Black or African American	\$49,625	\$83,642	\$34,017	69%
American Indian or Alaska Native	\$58,239	\$79,000	\$20,761	36%
Asian	\$80,296	\$78,482	<b>-\$1,814</b>	<b>-2%</b>
Multi-racial / Other Race	\$52,525	\$87,021	\$34,496	66%
Hispanic or Latino	\$49,260	\$78,502	\$29,242	59%
<b>Age of Householder</b>				
25 years - 44 years	\$68,945	\$103,331	\$34,386	50%
45 years - 64 years	\$81,604	\$120,967	\$39,363	48%
65 years and over	\$41,915	\$75,429	\$33,514	80%
<b>Household Type</b>				
With Children	\$72,739	\$111,266	\$38,527	53%
Without Children	\$83,638	\$121,873	\$38,235	46%
Married couple	\$94,642	\$138,480	\$43,838	46%
Single Parents	\$46,237	\$58,734	\$12,498	27%
Living Alone	\$34,302	\$46,675	\$12,373	36%

Note: Data unavailable for unincorporated Santa Cruz County.  
Source: 2010 and 2021 5-year ACS.

Figure HE-A-38 expands on the analysis above and shows population changes by household income in Santa Cruz County between 2010 and 2021. In 2010, 69% of the county’s population made less than \$100,000; however, in 2021, now just over half of the county’s population makes less than \$100,000. Lower income households are likely leaving the county due to increased housing costs and the lack of availability of affordable housing.



Figure HE-A-38: Population Change by Household Income, Santa Cruz County, 2010 and 2021



Note: Data not available for unincorporated Santa Cruz County.

Source: 2010 and 2021 5-year ACS.

## INTEGRATION AND SEGREGATION

California’s HCD requires jurisdictions to complete an analysis of segregation and integration patterns and trends as well as racially or ethnically concentrated areas of affluence. This section discusses integration and segregation of the population by protected classes including race and ethnicity, disability status, familial status, and income status and concludes with an analysis of racially and ethnically concentrated areas of poverty.

### DEFINITIONS

**Integration** generally means a condition in which there is not a high concentration of persons of a particular race, color, religion, sex, familial status, national origin, or having a disability or a particular type of disability when compared to a broader geographic area.



**Segregation** generally means a condition in which there is a high concentration of persons of a particular race, color, religion, sex, familial status, national origin, or having a disability or a type of disability in a particular geographic area when compared to a broader geographic area.”<sup>32</sup>

## FORMS OF SEGREGATION

**Neighborhood level segregation (within a jurisdiction):** Segregation of race and income groups can occur from neighborhood to neighborhood *within* a city. For example, if a local jurisdiction has a population that is 20% Latinx, but some neighborhoods are 80% Latinx while others have nearly no Latinx residents, that jurisdiction would have segregated neighborhoods.

**Jurisdiction level segregation (between jurisdictions in a region):** Race and income divides also occur between jurisdictions in a region. A region could be very diverse with equal numbers of white, Asian, Black, and Latinx residents, but the region could also be highly segregated with each city comprised solely of one racial group.<sup>33</sup>

There are many factors that have contributed to the generation and maintenance of segregation. Historically, racial segregation stemmed from explicit discrimination against people of color, such as restrictive covenants, redlining, and discrimination in mortgage lending. This history includes many overtly discriminatory policies made by federal, state, and local governments (Rothstein 2017).

Segregation patterns are also affected by policies that appear race-neutral, such as land use decisions and the regulation of housing development.

Segregation has resulted in vastly unequal access to public goods such as quality schools, neighborhood services and amenities, parks and playgrounds, clean air and water, and public safety (Trounstine 2015). This generational lack of access for many communities, particularly people of color and lower income residents, has often resulted in poor life outcomes, including lower educational attainment, higher morbidity rates, and higher mortality rates (Chetty and Hendren 2018, Ananat 2011, Burch 2014, Cutler and Glaeser 1997, Sampson 2012, Sharkey 2013).

The following section examines segregation patterns in Santa Cruz County as well as zoning and land use policies that may contribute to such patterns. The remaining portion of the section provides an analysis of segregation and integration in Santa Cruz County by protected class including racial and ethnic groups; age; disability status; familial status; and household income status. The section concludes with an analysis of racially or ethnically concentrated areas of poverty as well as areas of affluence.

---

<sup>32</sup> California Department of Housing and Community Development AFFH Guidance, 2021, page 31.

<sup>33</sup> Ibid





## HISTORICAL SEGREGATION PATTERNS IN SANTA CRUZ COUNTY

### *Land Use and Zoning*

It is difficult to address segregation patterns without an analysis of both historical and existing land use policies that impact segregation patterns. Land use regulations influence what kind of housing is built in a city or neighborhood (Lens and Monkkonen 2016, Pendall 2000). These land use regulations in turn impact demographics: they can be used to affect the number of houses in a community, the number of people who live in the community, the wealth of the people who live in the community, and where within the community they reside (Trounstine 2018). Given disparities in wealth by race and ethnicity, the ability to afford housing in different neighborhoods, as influenced by land use regulations, is highly differentiated across racial and ethnic groups (Bayer, McMillan, and Reuben 2004).

### *HOLC Redlining*

The Home Owners' Loan Corporation (HOLC) was created in the New Deal Era to establish a neighborhood ranking system—now known as redlining. Local real estate developers and appraisers in over 200 cities assigned grades to residential neighborhoods which set the rules for decades of discriminatory real estate practices. Banks also incorporated the ranking system in their lending criteria—in fact, many banks backed by the federal government refused to lend to residents in areas with the lowest grade. The grade system includes the following:<sup>34</sup>

- A (Best): Always upper- or upper-middle-class White neighborhoods that HOLC defined as posing minimal risk for banks and other mortgage lenders, as they were "ethnically homogeneous" and had room to be further developed.
- B (Still Desirable): Generally, nearly or completely White, U.S.-born neighborhoods that HOLC defined as "still desirable" and sound investments for mortgage lenders.
- C (Declining): Areas where the residents were often working-class and/or first or second generation immigrants from Europe. These areas often lacked utilities and were characterized by older building stock.
- D (Hazardous): Areas here often received this grade because they were "infiltrated" with "undesirable populations" such as Jewish, Asian, Mexican, and Black families. These areas were more likely to be close to industrial areas and to have older housing.

HOLC maps are typically only available for urban areas, which were developing when the HOLC maps were created. No HOLC maps were created for Santa Cruz County.

<sup>34</sup> Adapted from HCD AFFH Data Viewer.

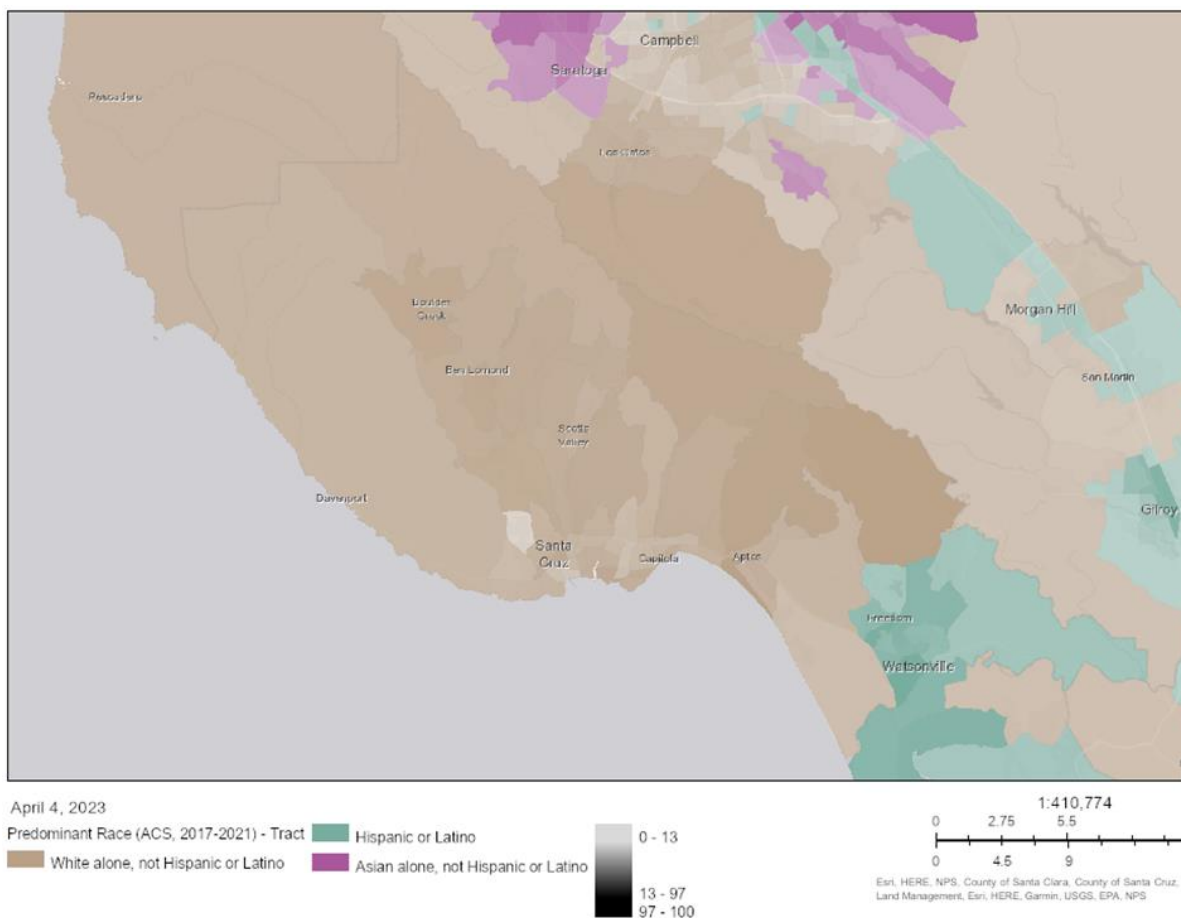


## RACIAL AND ETHNIC SEGREGATION

Geospatially, almost all of unincorporated Santa Cruz County is comprised of White majority census tracts—ranging from slim majorities (less than 10%) to predominant majorities (greater than 50%) (Figure HE-A-39). However, Hispanic majority census tracts are found in the communities of Interlaken, Freedom, Amesti—all located adjacent to Watsonville. These patterns are likely attributed to the county’s larger population of White and Hispanic households compared to other racial and ethnic groups.

Hispanic households are primarily concentrated in the southern portion of the county. This reflects at least in part the availability of agricultural employment in the agricultural economies of Santa Cruz and Monterey counties.

Figure HE-A-39: Predominant Race, Santa Cruz County by Census Tract, 2021



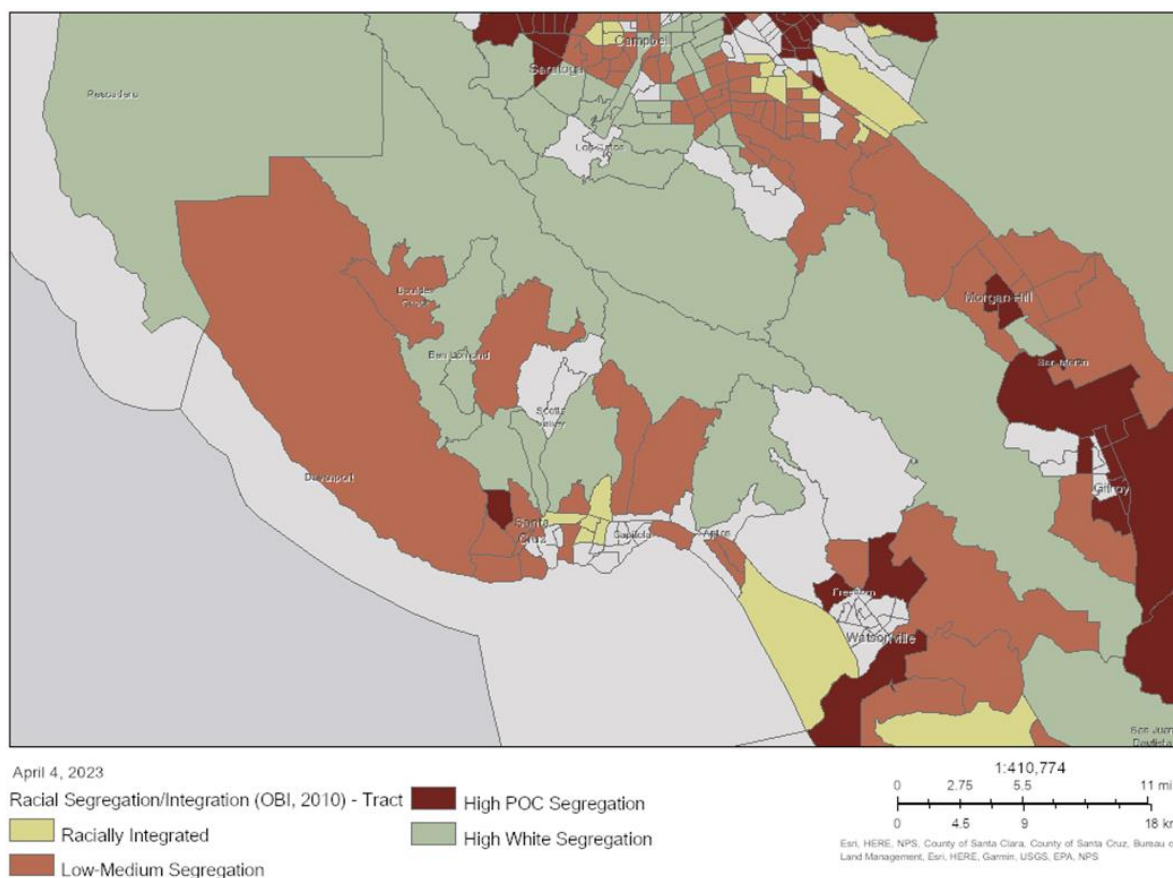
Source: California Department of Housing and Community Development AFFH Data Viewer.



Figures HE-A-40 and HE-A-41 below compare areas of racial segregation in Santa Cruz County in 2010 and 2020. The northern part of the unincorporated county mainly consists of census tracts with High White Segregation and Low-Medium segregation, while the southern part of unincorporated Santa Cruz County mainly consists of Low-Medium Segregation and High People of Color (POC) Segregation—located in Freedom and Amesti. Census tracts that are racially integrated are located in Live Oak, and Census tracts south of La Selva Beach, west of Highway 1, and north of the Santa Cruz and Monterey counties boundary line.

Between 2010 and 2020, the demographic composition of most of the Census tracts in the unincorporated county did not change dramatically. However, Census tracts east of Scotts Valley, north of Capitola and Aptos, and the Census tract including Ben Lomond, have all shifted from High White Segregation census tracts in 2010 to Low-Medium Segregation Census tracts in 2020.

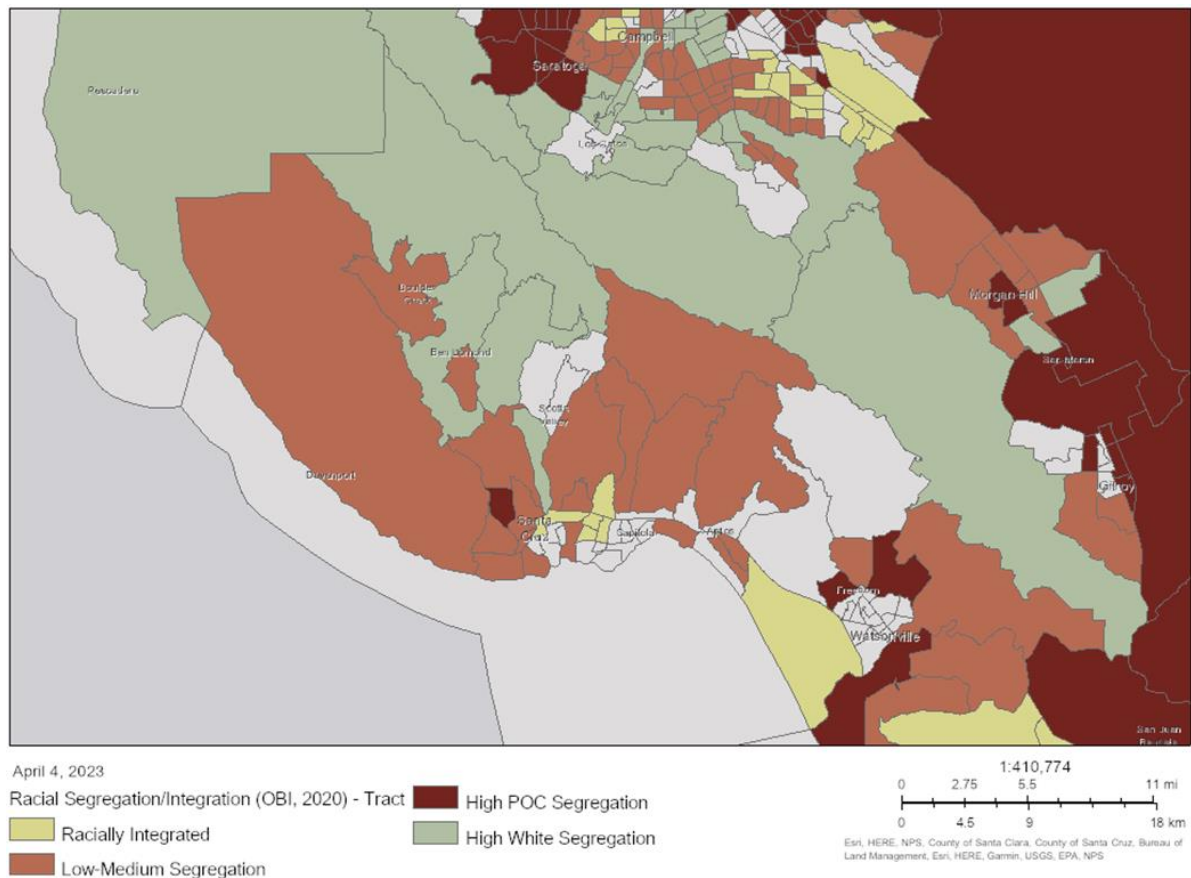
Figure HE-A-40: Racial Segregation by Census Tract, Santa Cruz County, 2010



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



Figure HE-A-41: Racial Segregation by Census Tract, Santa Cruz County, 2020



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

## REGIONAL RACIAL SEGREGATION

Another way to measure segregation is by using a dissimilarity index:

- At the regional level, this index measures how evenly any two groups are distributed across cities or counties relative to their representation in a region overall. For cities, the index measures how evenly the two groups are distributed across neighborhoods relative to their representation in a city overall. The dissimilarity index can be interpreted as the share of one group that would have to move to create perfect integration for these two groups.
- The dissimilarity index ranges from 0 to 1. Higher values indicate that groups are more unevenly distributed (e.g., they tend to live in different neighborhoods). Values below 0.4 indicate low segregation, values between 0.4-0.54 indicate moderate segregation, and values greater than 0.55 indicate high segregation.



- Dissimilarity index values are unreliable for a population group if that group represents approximately less than 5% of the jurisdiction’s total population.

Table HE-A-7 provides the dissimilarity index values indicating the level of segregation in the Santa Cruz-Watsonville region between White residents and residents who are Black, Latinx, or Asian/Pacific Islander between 2000 and 2020. The figure also provides the dissimilarity index between White residents and all residents of color in the county.

In the Santa Cruz-Watsonville region, the highest level of segregation is between Hispanic/Latinx and White residents. The county’s Latinx/White dissimilarity index of 0.583 means that 58.3% of Latinx (or white) residents would need to move to a different neighborhood to create perfect integration between Latinx residents and White residents, indicating a high level of segregation among these residents. Dissimilarity index values for Asian and Black or African American and White residents indicate a low level segregation among these groups; however, the level of segregation has increased between White residents and these groups, as well as people of color collectively, over the last twenty years.

**Table HE-A-7: Racial Dissimilarity Index Values for Segregation in the Santa Cruz-Watsonville Region, 2010-2020**

Race	2000	2010	2020
<b>Asian/Pacific Islander vs. White</b>	0.248	0.274	0.352
<b>Black/African American vs. White</b>	0.257	0.242	0.336
<b>Latinx vs. White</b>	0.565	0.554	0.583
<b>People of Color vs. White</b>	0.480	0.477	0.531

*Note: The boundaries of the “Santa Cruz-Watsonville Region” in the HUD AFFHT Mapping Tool are the same as Santa Cruz County. The values in this figure represent all of Santa Cruz County, not just the unincorporated county.*

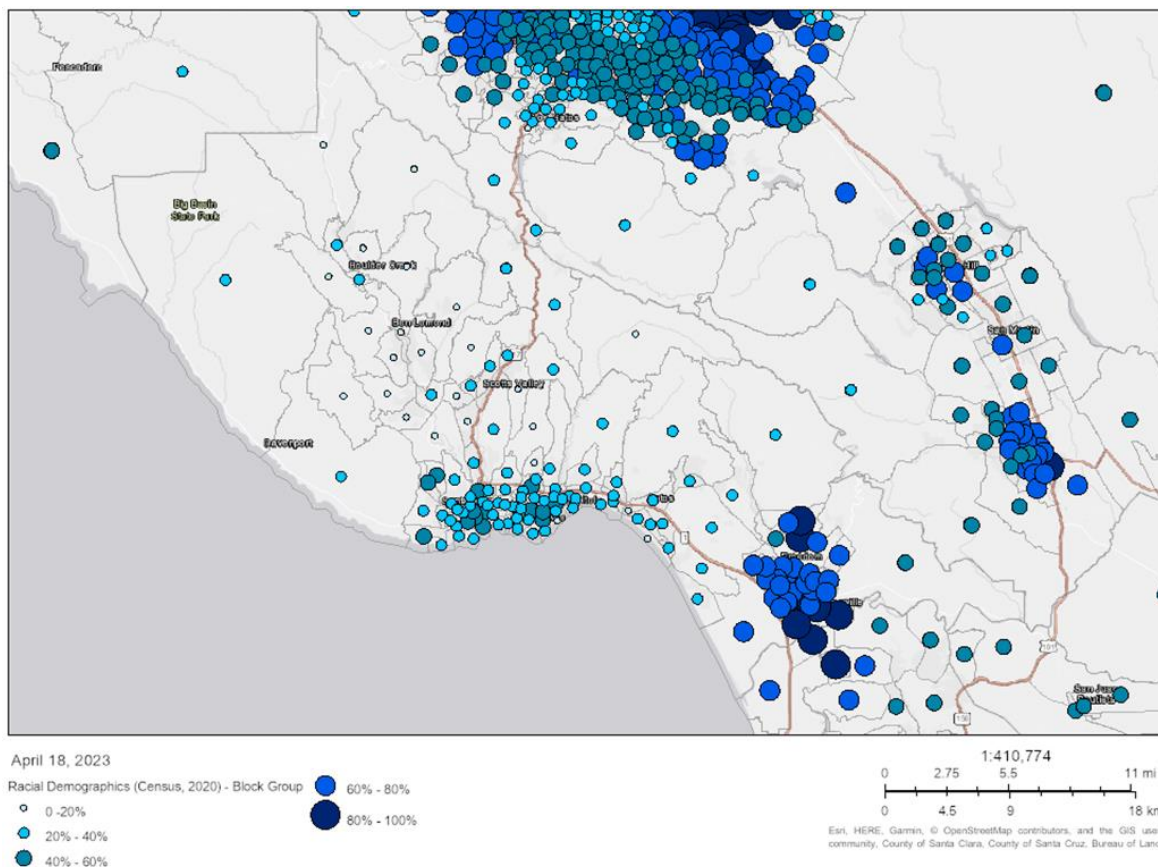
*Source: HUD AFFH Mapping Tool.*

Racial dot maps can be used to explore the racial demographic differences between different jurisdictions in the region (Figure HE-A-42). The map below shows the percent of the population that identifies as Non-White and/or Hispanic, showing that non-White households are significantly more concentrated in the southern part of the county.





**Figure HE-A-42: Percent Non-White Population by Block Group, Santa Cruz County, 2020**



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

## DISABILITY STATUS

The share of the population living with at least one disability is 11% in unincorporated Santa Cruz County. This is the same share as all of Santa Cruz County and slightly lower than the Monterey Bay Region (10%) (Figure HE-A-43).

There are a handful of Census tracts in the unincorporated areas of the county that have a 10% to 20% share of the population living with a disability (Figure HE-A-44). Capitola and Watsonville are the only communities in the entire county that have Census tracts that have a 20% to 30% share of the population living with a disability.

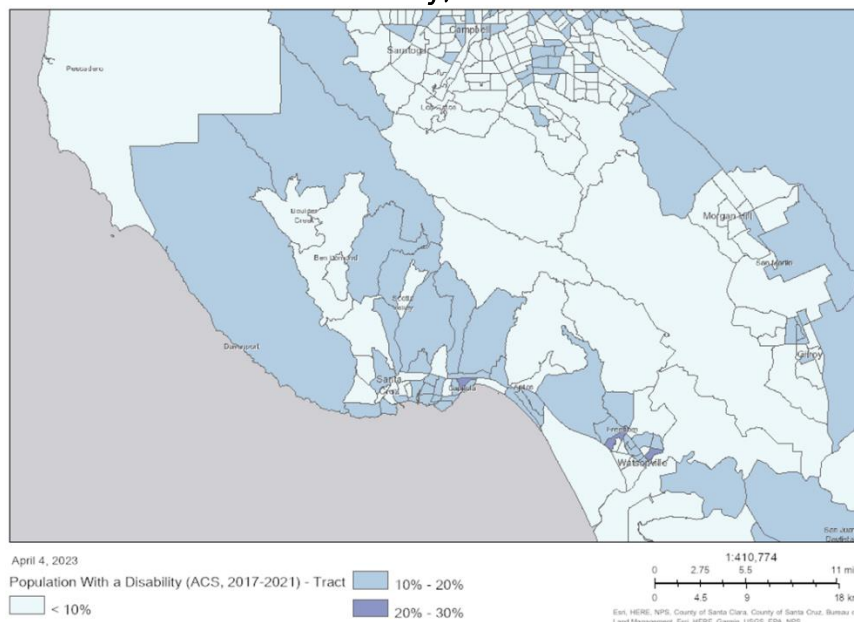


Figure HE-A-43: Share of Population by Disability Status and Jurisdiction, 2021



Source: 2021 5-year ACS.

Figure HE-A-44: Percent of Population with a Disability by Census Tract, Santa Cruz County, 2021



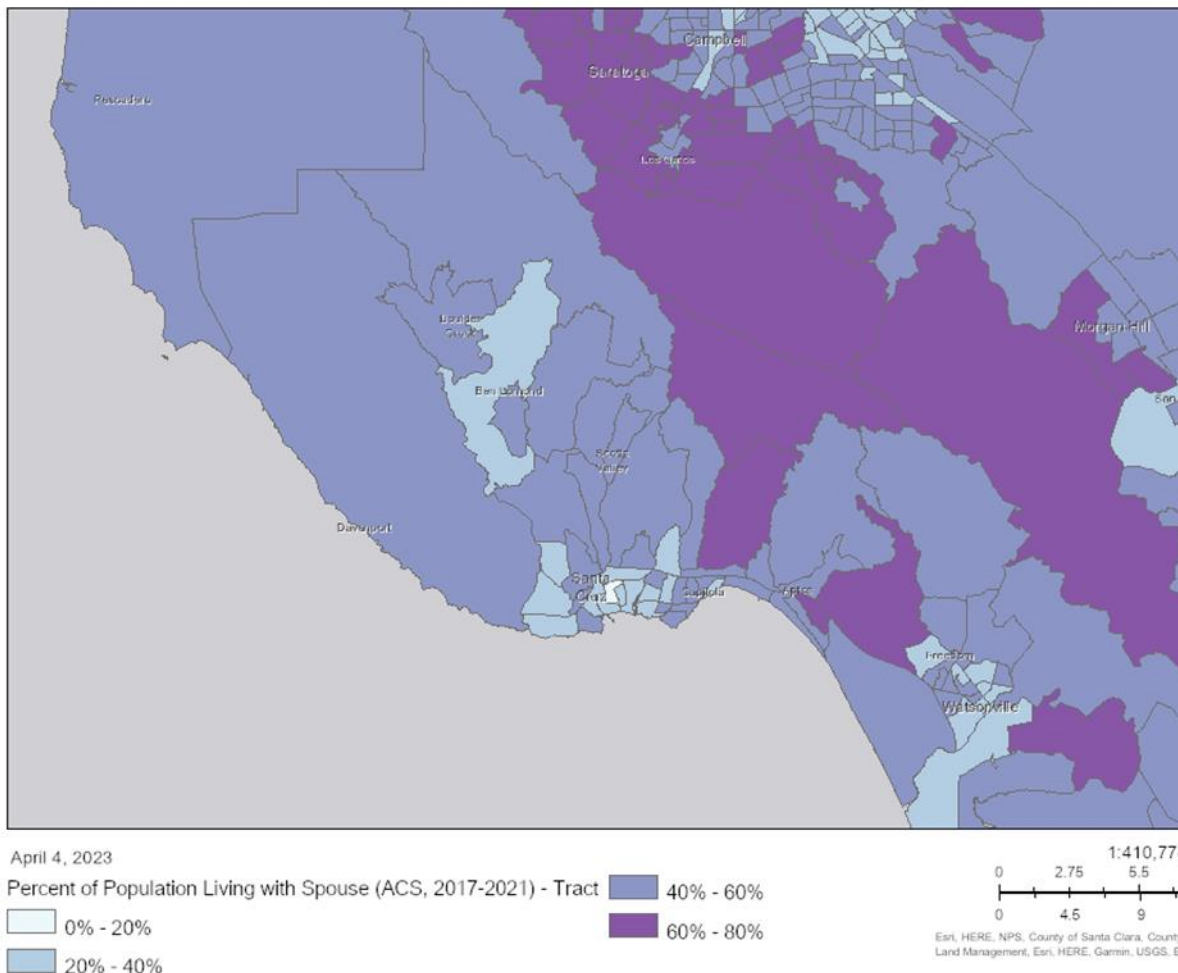
Source: California Department of Housing and Community Development AFFH Data Viewer.

## FAMILIAL STATUS

Figures HE-A-45 through HE-A-48 show maps of the geographic distribution of household types, including married couple households; married households with children; children living in female headed households; and individuals living alone. Figure A-51 shows that most of the census tracts in unincorporated Santa Cruz County have between 40-60% of their respective populations living with a spouse. However, census tracts with 60-80% of the population living with a spouse are found in Rio Del Mar, Aptos Hills-Larkin Valley, Corralitos, and Day Valley.



Figure HE-A-45: Percent of Population Living with a Spouse by Census Tract, Santa Cruz County, 2021



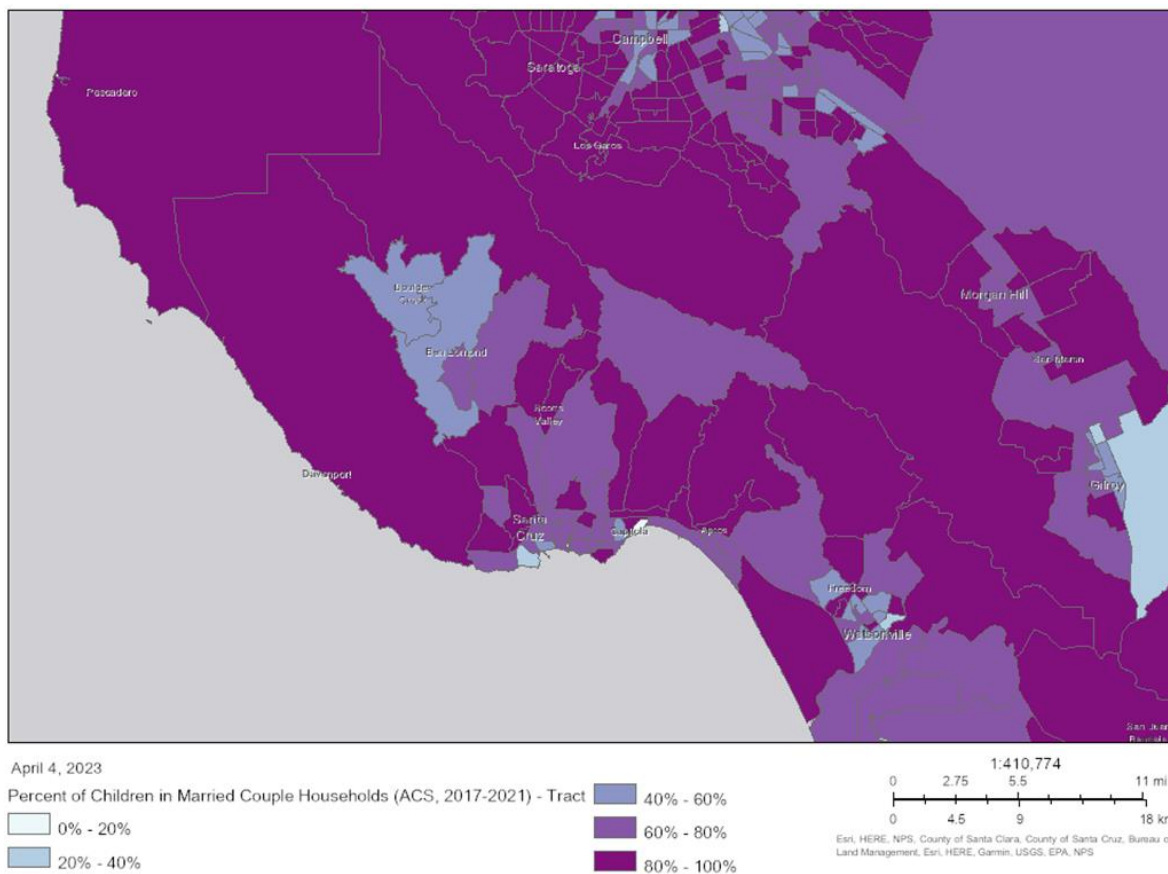
Source: California Department of Housing and Community Development AFFH Data Viewer.

Figure HE-A-46 shows the percentage of children in married couple households in 2021. Overall, most of the census tracts in unincorporated Santa Cruz County are comprised of children living in married couple households. Only Freedom, parts of Felton, and communities north of Ben Lomond and south of Redwood Grove on Highway 9 are located in census tracts with a significantly smaller proportion of children (20-40%) in married-couple households.





Figure HE-A-46: Percent of Children in Married Couple Households by Census Tract, Santa Cruz County, 2021

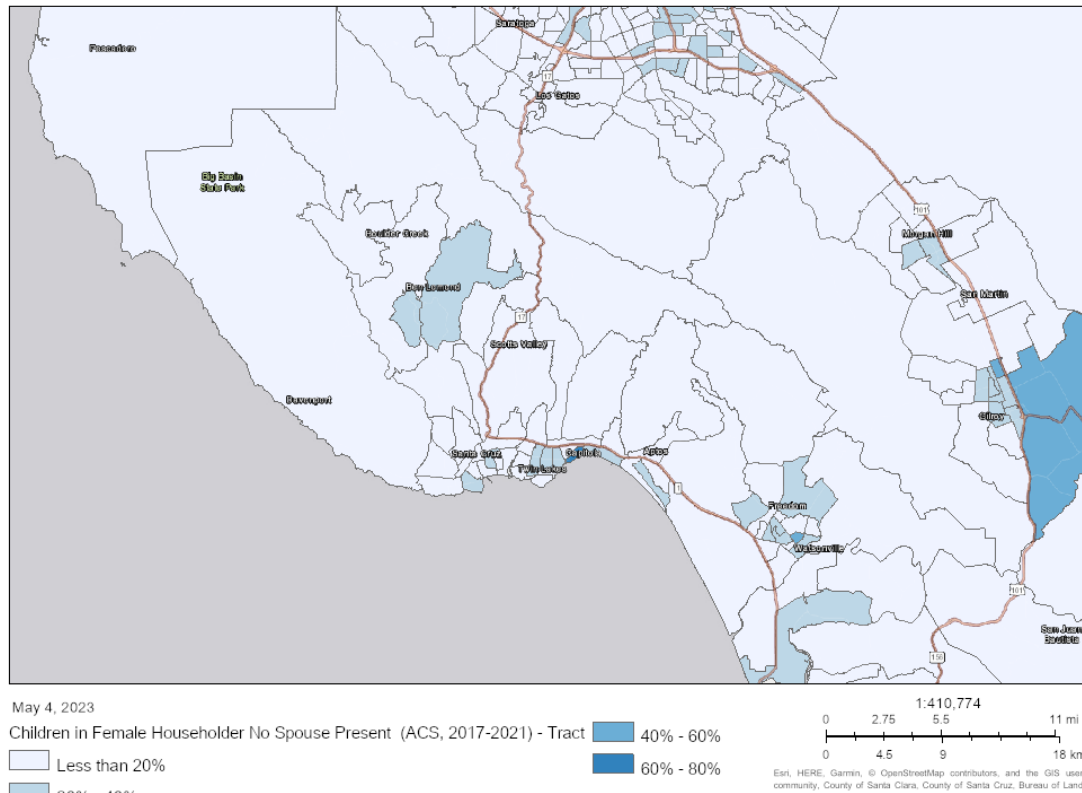


Source: California Department of Housing and Community Development AFFH Data Viewer.

Figure HE-A-47 maps the concentration of children living in households with a female householder. Given that the county’s households are largely dominated by married couples, only a few census tracts have more than 20% of children living in a female-headed household. In unincorporated Santa Cruz County, the following communities are in census tracts with concentrations greater than 20%: Ben Lomond (34%), Aptos (31%), Twin Lakes (28%), Interlaken (22%), Rio Del Mar (22%), Freedom (21%), Live Oak (21%), and Lompico and Zayante (21%).



Figure HE-A-47: Children in Female Householder Households No Spouse Present by Census Tract, Santa Cruz County, 2021

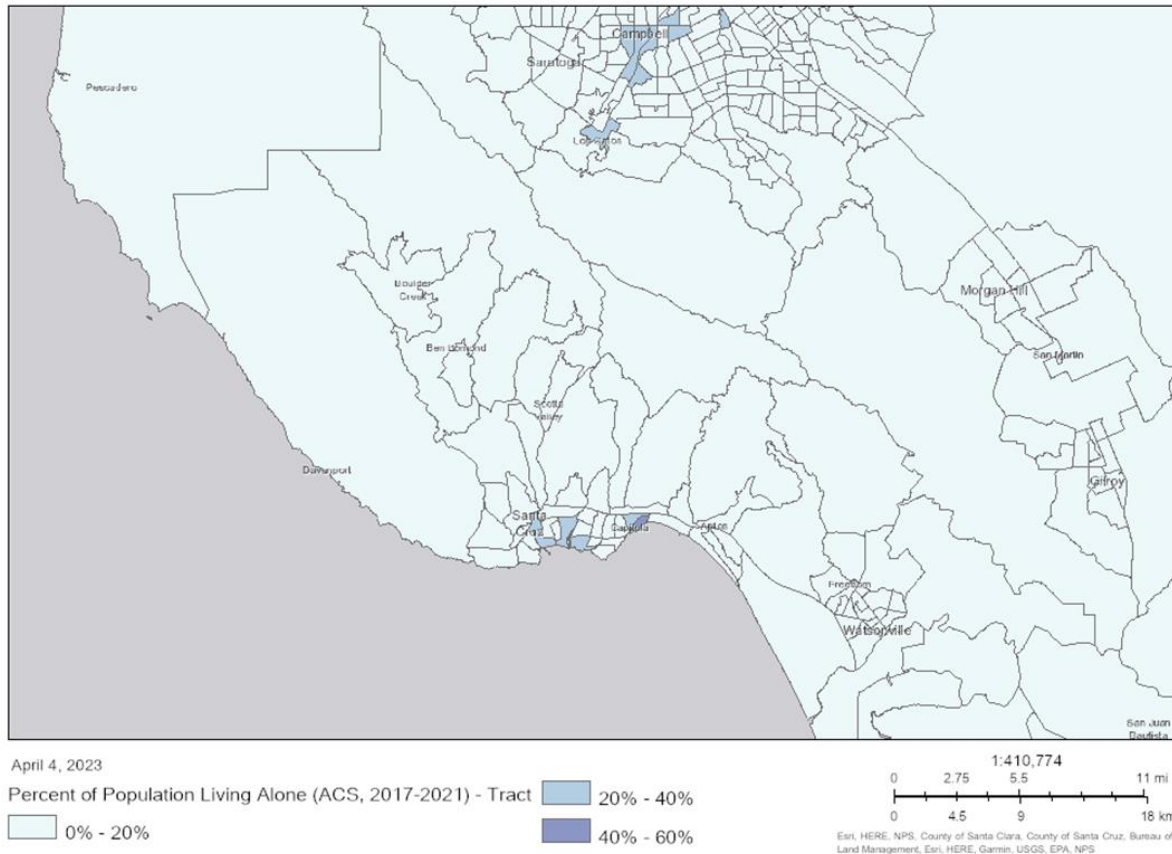


Source: California Department of Housing and Community Development AFFH Data Viewer.

Figure HE-A-48 below shows where people who are living alone are concentrated in Santa Cruz County. In unincorporated Santa Cruz County, Twin Lakes (28%) is the only community with a concentration of people living alone.



Figure HE-A-48: Percent of Population Living Alone by Census Tract, Santa Cruz County, 2021



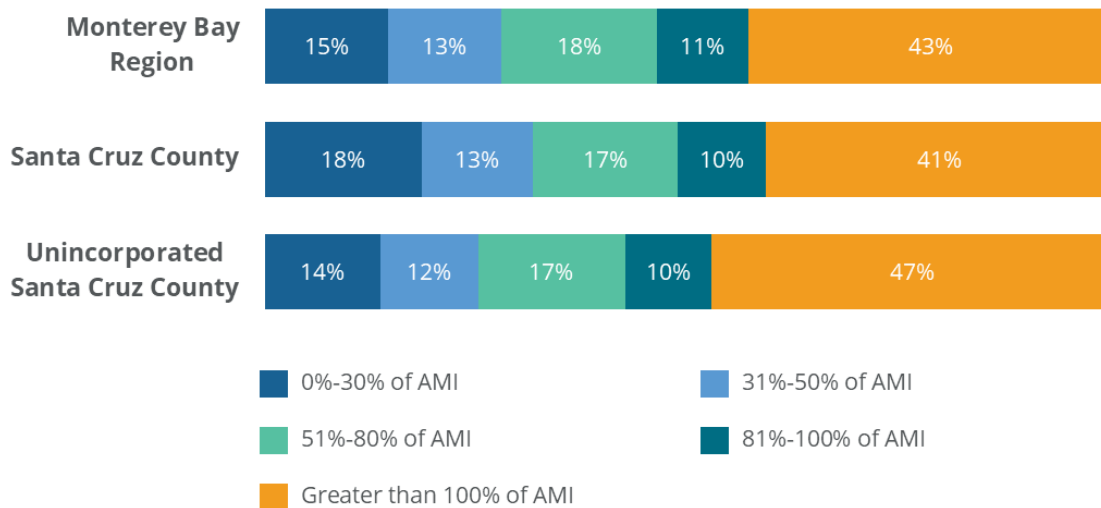
Source: California Department of Housing and Community Development AFFH Data Viewer.

## HOUSEHOLD INCOME

The household income distribution by income level (percent of AMI) in unincorporated Santa Cruz County, according to HUD/Census estimates for the 2015-2019 period, was similar to that of the entire county (Figure HE-A-49). As noted previously, all geographies have a significantly high share of households with incomes above the median (100% AMI). Unincorporated Santa Cruz County has the greatest share, at 47%. Conversely, the unincorporated County has the smallest proportion of extremely low-income households (14%).



Figure HE-A-49: Share of Households by Area Median Income, Santa Cruz County, 2019

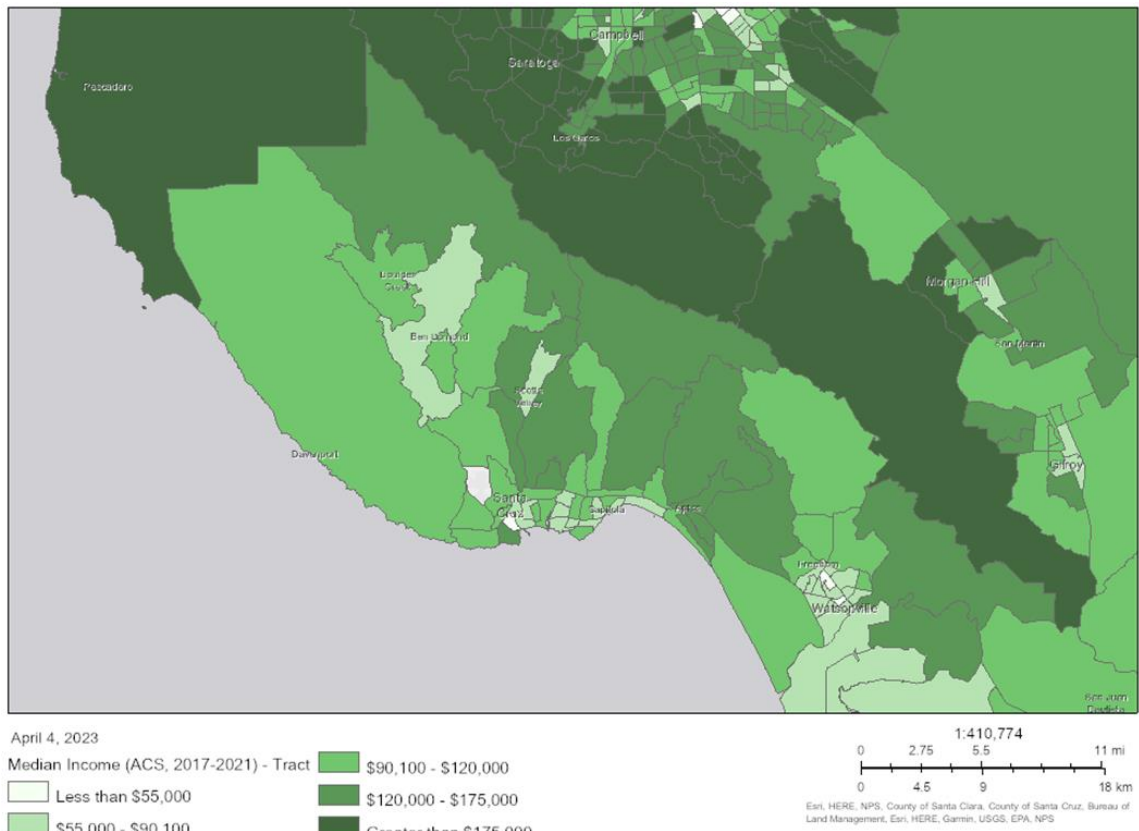


Source: 2015-2019 CHAS. *For total household counts for each region, see Figure HE-A-37 above.*

According to 2021 5-year ACS data, the median household income in Santa Cruz County is \$96,476. Figure HE-A-50 below shows that unincorporated areas with the highest median household income include census tracts that include the area east of Scotts Valley/Highway 17 and west of N. Rodeo Gulch Road (\$174,085) Day Valley (\$157,870), the area northeast and east of Interlaken (\$155,417), area west of Highway 17 including Pasatiempo (\$153,818), and Rio Del Mar (\$150,387). There are ten census tracts in unincorporated Santa Cruz County with household median income below the county median—the areas with the lowest median income include Twin Lakes (\$60,952), Live Oak (\$64,353 and \$79,300), Pleasure Point (\$75,500), and the census tract east of Boulder Creek and north of Ben Lomond that incorporates the western part of Felton (\$79,426).



Figure HE-A-50: Median Household Income by Census Tract, Santa Cruz County, 2021

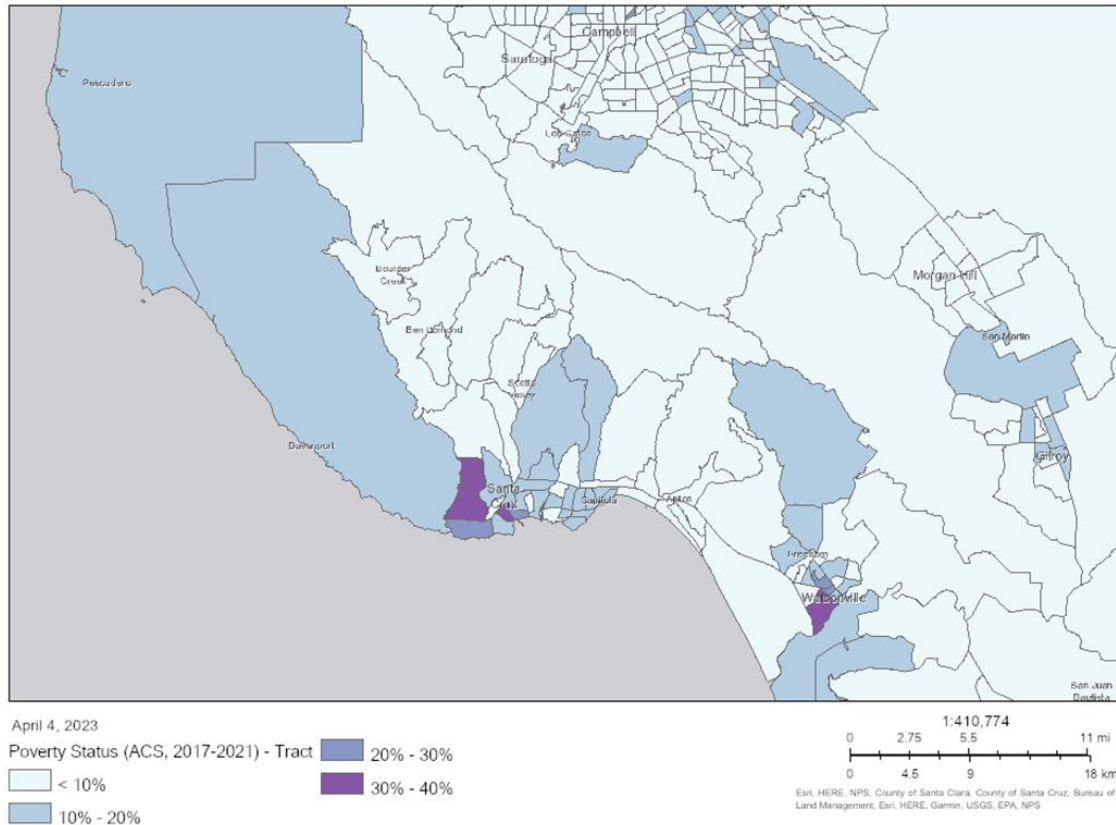


Source: California Department of Housing and Community Development AFFH Data Viewer.

Figure HE-A-51 below shows poverty status by census tract in Santa Cruz County. While the majority of census tracts in the county have poverty rates at less than 10%, there are a handful of census tracts with higher concentrations of poverty. In unincorporated Santa Cruz County, the census tracts with the highest concentrations of poverty are located in Corralitos (17.7%), Twin Lakes (16.3%), Pleasure Point (15.1% and 14.4%), Amesti (14.2%), Live Oak (13.2%), and Freedom (11.4%).



Figure HE-A-51: Poverty Status by Census Tract, Santa Cruz County, 2021



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

## RACIALLY OR ETHNICALLY CONCENTRATED AREAS OF POVERTY AND AFFLUENCE

Racially Concentrated Area of Poverty or an Ethnically Concentrated Area of Poverty (R/ECAP) and Racially Concentrated Areas of Affluence (RCAAs) represent opposing ends of the segregation spectrum from racially or ethnically segregated areas with high poverty rates to affluent predominantly White neighborhoods. Historically, HUD has paid particular attention to R/ECAPs as a focus of policy and obligations to AFFH. Recent research out of the University of Minnesota Humphrey School of Public Affairs argues for the inclusion of RCAAs to acknowledge current and past policies that created and perpetuate these areas of high opportunity and exclusion.<sup>35</sup>

<sup>35</sup> Goetz, E. G., Damiano, A., & Williams, R. A. (2019). Racially Concentrated Areas of Affluence: A Preliminary Investigation. *Cityscape: A Journal of Policy Development and Research*, 21(1), 99–124





### R/ECAPs

HCD and HUD's definition of a Racially/Ethnically Concentrated Area of Poverty is:

A census tract that has a non-White population of 50 percent or more (majority-minority) or, for non-urban areas, 20 percent, AND a poverty rate of 40 percent or more; OR A census tract that has a non-White population of 50 percent or more (majority-minority) AND the poverty rate is three times the average tract poverty rate for the County, whichever is lower.

### RCAAs

HCD and HUD's definition of an RCAA is a census tract 1) with a percentage of its total White population that is 1.25 times higher than the average percentage of the Council of Government's (COG's) region's White population; and 2) has a median income that is 2 times higher than the COG AMI. Generally, these are understood to be neighborhoods in which there are both high concentrations of non-Hispanic White households and high household incomes.

It is important to note that R/ECAPs and RCAAs are not areas of focus because of racial and ethnic concentrations alone. This study recognizes that racial and ethnic clusters can be a part of fair housing choice if they occur in a non-discriminatory market. Rather, R/ECAPs are meant to identify areas where residents may have historically faced discrimination and continue to be challenged by limited economic opportunity, and conversely, RCAAs are meant to identify areas of particular advantage and exclusion.

Santa Cruz County does not have any census tracts with racially or ethnically concentrated areas of poverty (R/ECAPs).

Figure HE-A-53, in the following section, shows the census tracts in Santa Cruz County that meet the definition of an RCAA.

**Regional R/ECAP analysis.** Although unincorporated Santa Cruz County does not contain any R/ECAP census tracts, there are a handful of such tracts in adjacent regions of the state, with those closest to Santa Cruz located in California's large, agricultural Central Valley region. As identified through the HCD AFFH Data Viewer, the closest census tracts with high rates of segregation and poverty are Los Banos, approximately 85 miles to the east, in Merced County, and Mendota, in



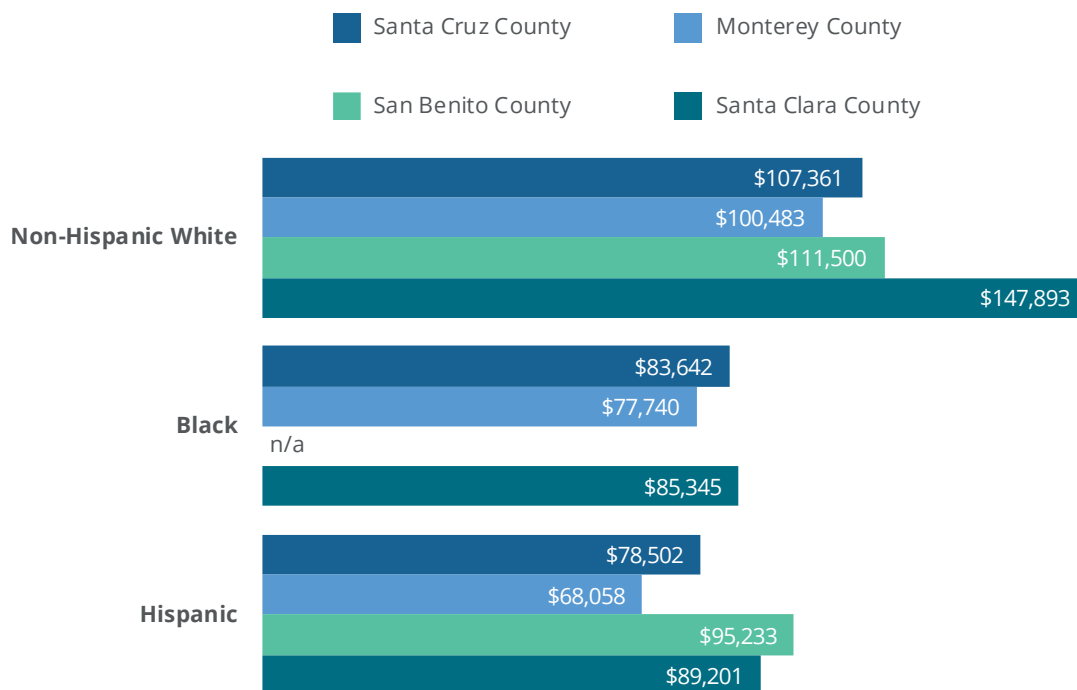
Fresno County, approximately 125 miles southeast, and Modesto, in Stanislaus County, approximately 108 miles to the northeast. These tracts have high concentrations of public housing and use of Housing Choice Vouchers, indicating that the existing housing resources in these communities are an important asset to those in poverty and in racial and ethnic minority groups.

The lack of segregation by both race and poverty in Santa Cruz County suggests that housing resources are more widely dispersed. As shown in Figure HE-A-78 later in this report, Housing Choice Vouchers (HCVs) are used in at least 5% of the rental stock in populated areas. Census tracts outside of Watsonville and the city of Santa Cruz have the highest concentration of HCVs, at 15%-30%. Census tracts between Watsonville and Santa Cruz have a rental stock with 5% to 15% HCV usage.

**Regional RCAA analysis and income levels.** Where R/ECAPs are the regional outcome of repeated displacement, RCAAs are the result of focused investment that stems from a history of wealth and social capital. The median household income of non-Hispanic White residents in Santa Cruz County is \$107,631 (median income of unincorporated Santa Cruz County is not available), compared to \$83,642 for Black households and \$78,502 for Hispanic households. Non-Hispanic White households across the region (in Monterey, San Benito, and Santa Clara Counties) have substantially higher median income than Black and Hispanic households (Figure HE-A- 52).

Figure HE-A-52: Median Income by Race, Santa Cruz, Monterey, San Benito, and Santa Clara Counties, 2021

Source: 2021 5-year ACS and Root Policy Research





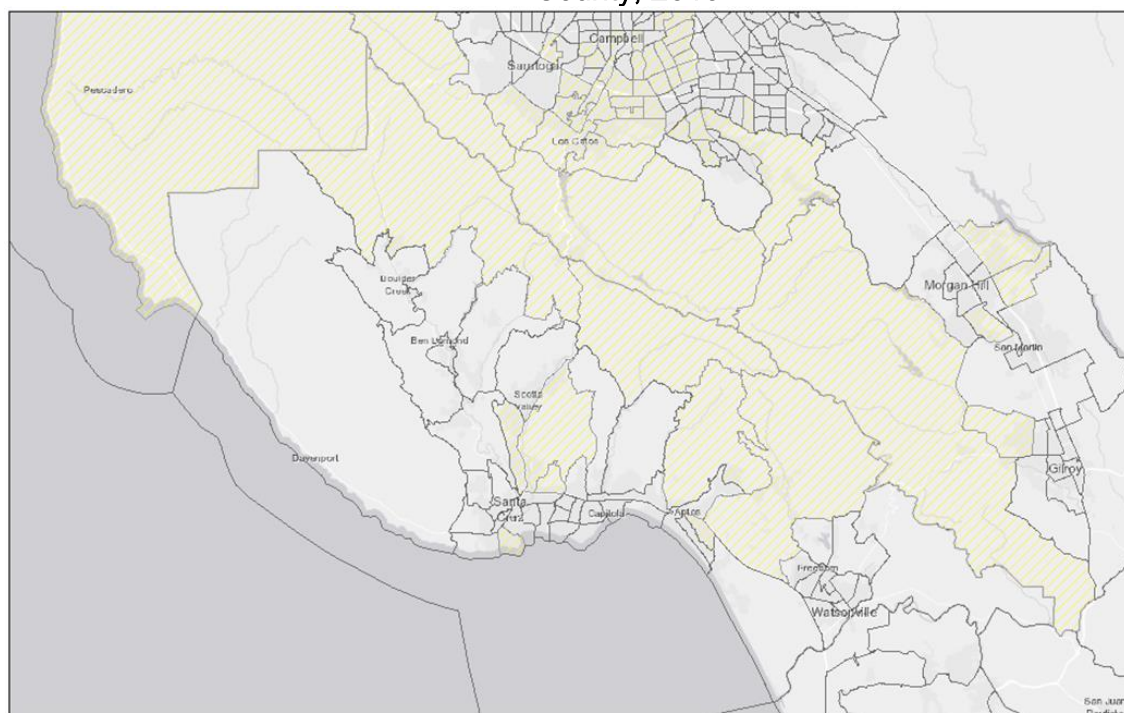


Those higher income levels provide more homeownership opportunities in neighborhoods with good schools and room to budget for quality childcare, higher education, and other additional advantages.

Figure HE-A-53 below shows a regional map of RCAAs. There are a few RCAAs in Santa Cruz County. In the unincorporated areas of the county, RCAAs are located along the northern border of the county adjacent to Santa Clara County, as well as in Rio Del Mar, Aptos Hills-Larkin Valley, Day Valley, Pasatiempo, and the census tract east of Scotts Valley and Highway 17.

Again, using HCV usage as a reflection of affordable housing opportunities, the areas with lower or no HCV usage overlap with RCAAs in the region. This emphasizes the exclusionary nature and history of RCAAs. As previously discussed, in the early 20<sup>th</sup> century, real estate agents and developers in Santa Cruz County “wrote racial covenants into the deeds of many new homes in Aptos, Scotts Valley, and Santa Cruz, which stated that the premises ‘shall not be rented, leased, or conveyed to, or occupied by, any person other than of the white or Caucasian race.’”<sup>36</sup>

**Figure HE-A-53: Racially Concentrated Areas of Affluence by Census Tract, Santa Cruz County, 2019**



April 3, 2023  
Racially Concentrated Areas of Affluence (HCD, 2019) - Tract  
□ Not a RCAA  
▨ RCAA

1:410,774  
0 2.75 5.5 11 mi  
0 4.5 9 18 km  
Esri, HERE, NPS, County of Santa Clara, County of Santa Cruz, Bureau of Land Management, Esri, HERE, Garmin, USGS, EPA, NPS

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

<sup>36</sup> [Blacked Out, May 2022. https://salivasurf.com/blacked-out/](https://salivasurf.com/blacked-out/)



## ACCESS TO OPPORTUNITY

AB 686 (2018) requires communities to provide a comprehensive analysis of access to opportunity as part of the AFFH—this analysis is important for all jurisdictions as it allows jurisdictions to identify the link between place-based characteristics (e.g., education, employment, transportation, and the environment) and life trajectories. This section explores access to opportunity for protected classes in Santa Cruz County as well as the region. Opportunity areas discussed here include access to high quality education, equal opportunity for employment, transportation access, and healthy environments.

### ACCESS TO OPPORTUNITY

“**Access to opportunity** is a concept to approximate place-based characteristics linked to critical life outcomes. Access to opportunity oftentimes means both improving the quality of life for residents of low-income communities, as well as supporting mobility and access to ‘high resource’ neighborhoods. This encompasses education, employment, economic development, safe and decent housing, low rates of violent crime, transportation, and other opportunities, including recreation, food and healthy environment (air, water, safe neighborhood, safety from environmental hazards, social services, and cultural institutions).”<sup>37</sup>

TCAC in collaboration with HCD developed a series of opportunity maps that help to identify areas of the community with good or poor access to opportunity for residents. These maps were developed to align funding allocations with the goal of improving outcomes for low income residents—particularly children.

The opportunity maps highlight areas of highest resource, high resource, moderate resource, low resource, and high segregation and poverty. TCAC provides opportunity maps for access to opportunity in education, employment, and the environment.

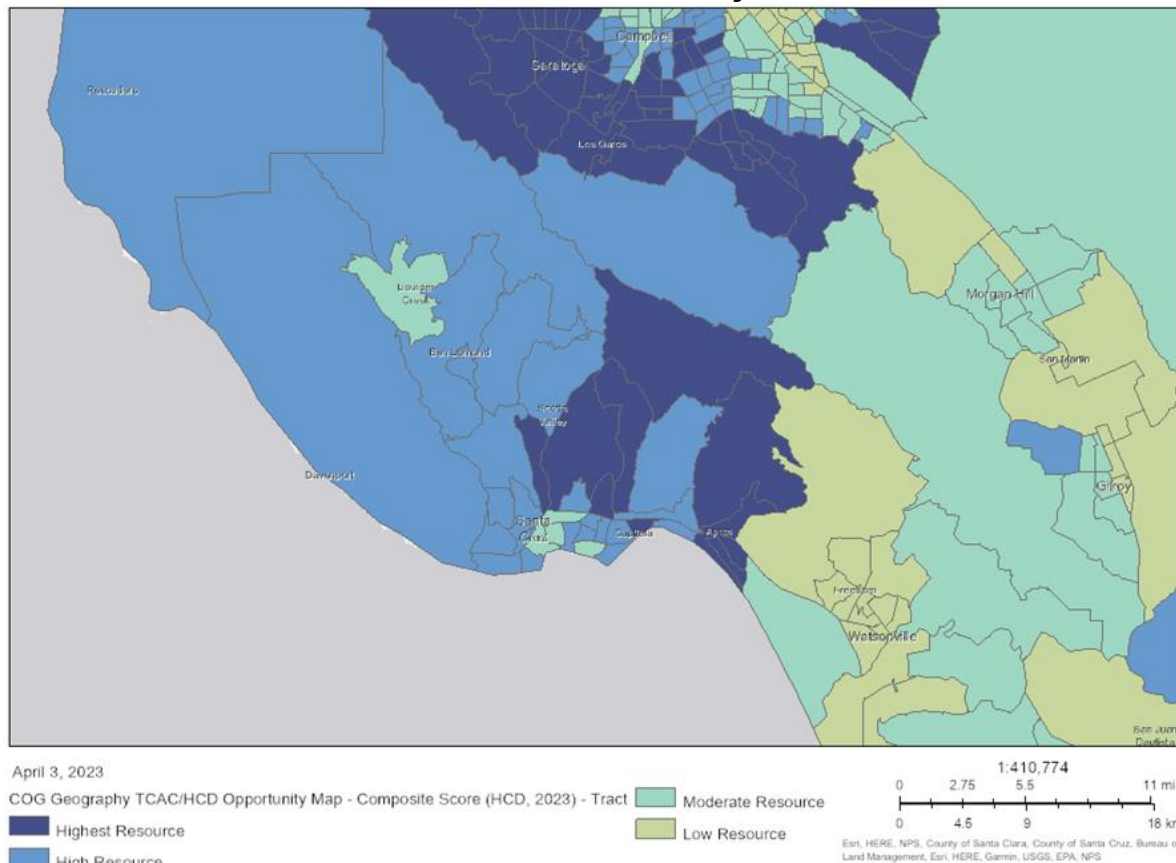
According to the TCAC maps, access to opportunity in Santa Cruz County is closely linked by where in the county residents live. In the northern part of the county, from Rio Del Mar, Corralitos, and Day Valley to the west, almost every census tract is designated as a high or highest resource area. Conversely, census tracts east of Rio Del Mar, Corralitos, and Day Valley are exclusively designated as low or moderate resource areas (Figure HE-A-54).

---

<sup>37</sup> California Department of Housing and Community Development Guidance, 2021, page 34.



**Figure HE-A-54: TCAC/HCD Opportunity Map by Census Tract, Composite Score for Santa Cruz County, 2023**



## EDUCATION

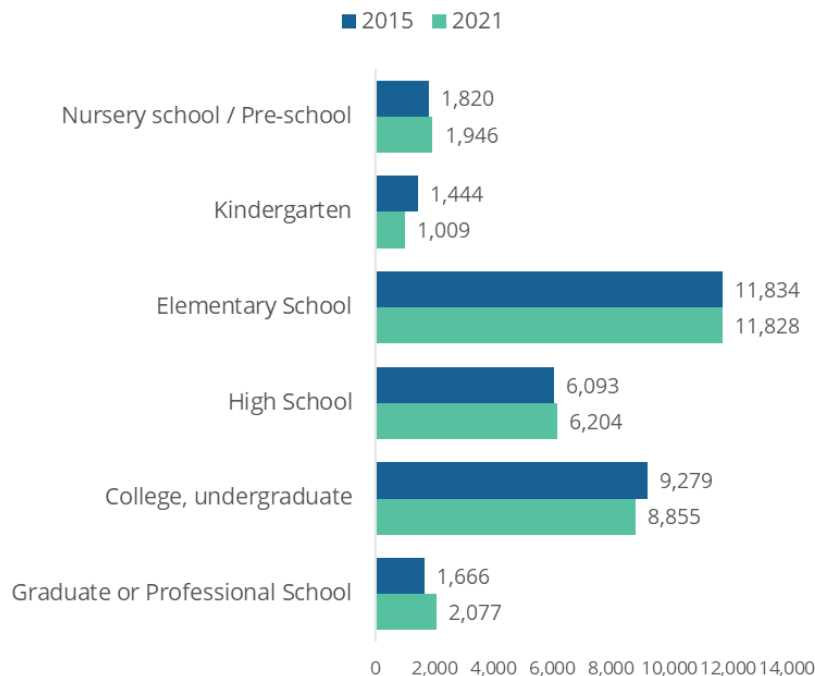
TCAC’s education score is based on math proficiency, reading proficiency, high school graduation rates, and student poverty rates. Other indicators of equal access to quality schools include school enrollment, educational attainment, student dropout rates, and student attendance.

Figure HE-A-55 shows school enrollment in 2015 and 2021 in unincorporated Santa Cruz County by grade including: nursery school/pre-school, elementary school, high school, college, and graduate and professional school. School enrollment has increased for most grades while kindergarten (435 students) and college (424 students) have lost students over this time period. While the number of students lost in each grade is similar, the number of kindergarteners has declined by 30% while college students have declined by 5% in unincorporated county. This could indicate that families with young children are finding it difficult to afford housing in the



unincorporated areas of the county. Students enrolled in graduate or professional school have increased by 26% since 2015.

Figure HE-A-55: School Enrollment by Grade, Unincorporated Santa Cruz County, 2015 and 2021

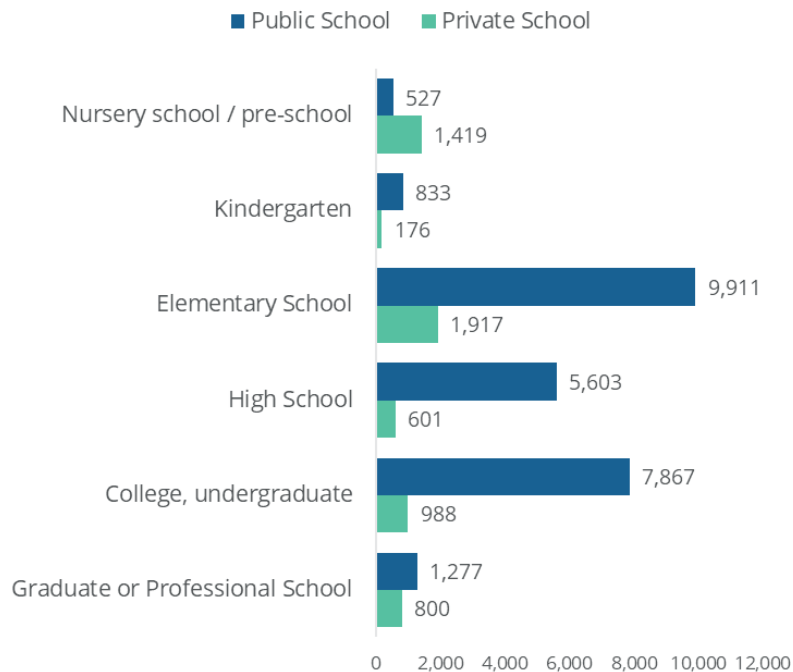


Source: 2015 and 2021 5-year ACS.

Nearly all students in unincorporated Santa Cruz County attend public schools—in 2021, enrollment in public school was 84% compared to only 16% attending private schools (Figure HE-A-56). Students enrolled in elementary school and college are significantly more likely to attend public schools. Higher enrollment numbers for public colleges could be attributed to the rising costs of secondary education—public institutions often offer in-state residents a cheaper alternative than private schools. Children in nursery school or pre-school were the only group to have higher rates of private school enrollment though this is likely due to the limited number of options for public nursery and pre-schools.



Figure HE-A-56: Public vs. Private School Enrollment, Unincorporated Santa Cruz County, 2021



Source: 2021 5-year ACS.

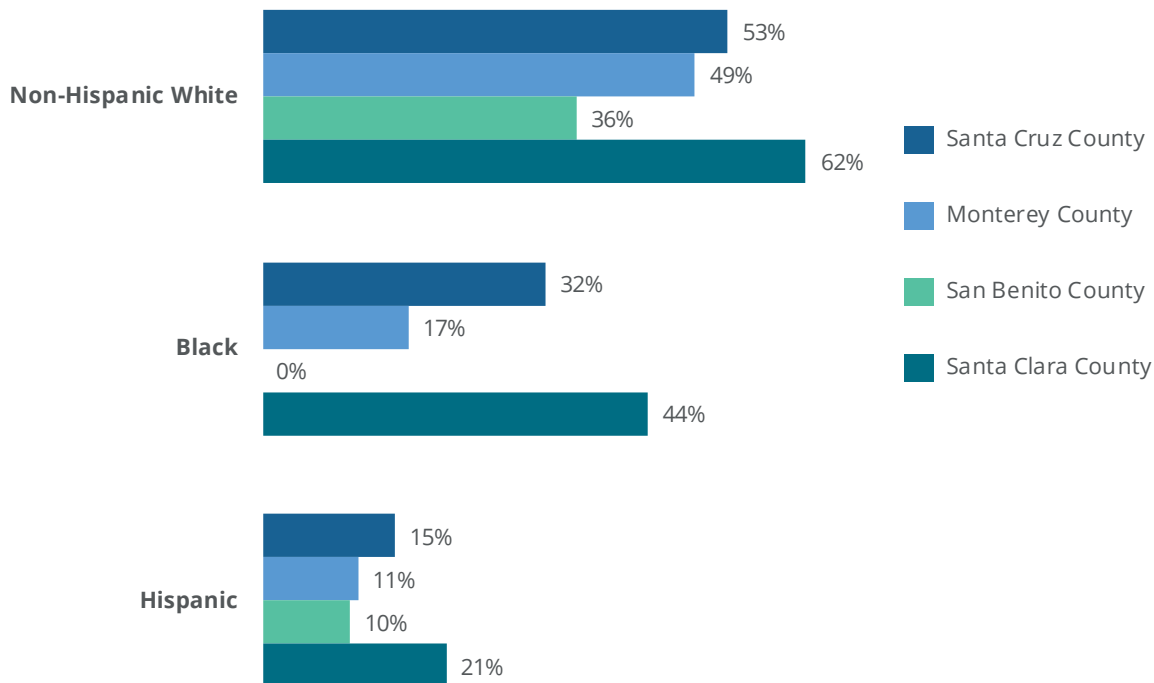
**Regional education analysis.** The TCAC/HCD Opportunity Maps measure fourth-grade reading and math proficiency from the 2018-2019 school year, high school graduation rate, and student poverty. The census tracts with the lowest opportunity scores are along Cabrillo Highway by Watsonville and extends into Monterey County by Castroville. Census tracts in Aptos are marked as highest resource and are directly next to low resource census tracts. Note that Aptos is also an RCAA. Regionally, there is overlap between RCAAs in Monterey and Santa Clara Counties and tracts with high and highest resource ratings.

Income for residents with a bachelor’s degree in Santa Cruz County rose from \$52,801 to \$72,216 from 2015 to 2021—a 37% increase. Compared to Monterey, San Benito, and Santa Clara Counties, Santa Cruz had the highest growth in income for those with a bachelor’s degree (Figure HE-A-57 and Figure HE-A-58). Non-Hispanic White residents have the highest proportion of those with at least a bachelor’s degree across Santa Cruz, Monterey, San Benito, and Santa Clara Counties. The connection between race, income, and education is showcased when comparing RCAA and



opportunity maps. Education gains a higher income, higher income allows for access to high opportunity neighborhoods in the region.

Figure HE-A-57: Percent with Bachelor's Degree or Higher by Race, Santa Cruz, Monterey, San Benito, and Santa Clara Counties, 2021



Note: Population 25 and older. Total number of Non-Hispanic White residents with a high school degree or higher (n=114,384); total number of Black residents with a high school degree or higher (n=1,833); total number of Hispanic residents with a high school degree or higher (n=50,401) in Santa Cruz County.

Source: 2021 5-year ACS and Root Policy Research.



**Figure HE-A-58: Median Income of Residents with a Bachelor's Degree, Santa Cruz, Monterey, San Benito, and Santa Clara Counties**



Note: Population 25 years and older.

Source: 2021 5-year ACS and Root Policy Research.

Figure HE-A-59 illustrates school enrollment in 2015 and 2021 by age group. During this time, school enrollment among different age groups have not changed much—though enrollment among students between five years and nine years decreased by approximately 13% (929 students). Again, these trends suggest families with young children are facing greater barriers living in unincorporated areas in the county.



**Figure HE-A-59:  
School Enrollment by  
Age, Unincorporated  
Santa Cruz County,  
2015 and 2021**

Source:  
2015 and 2021 5-year ACS.

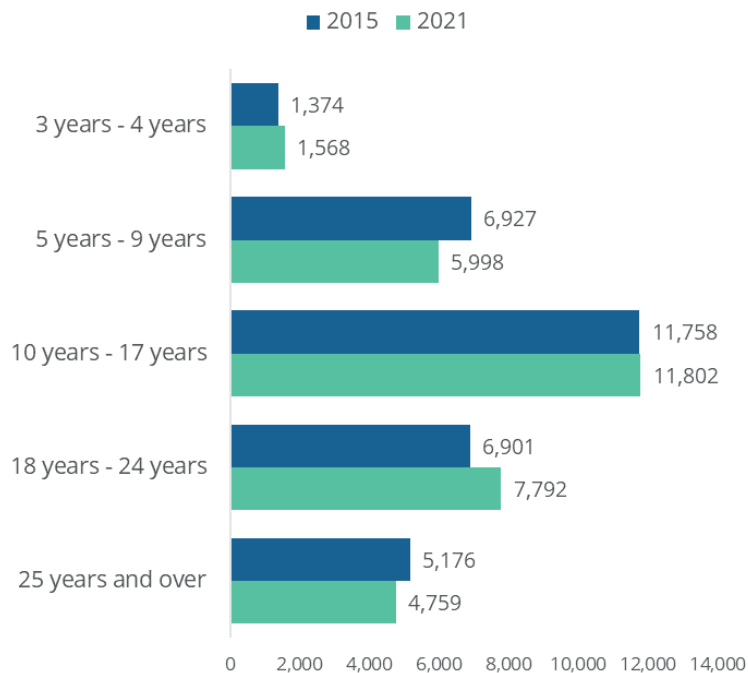


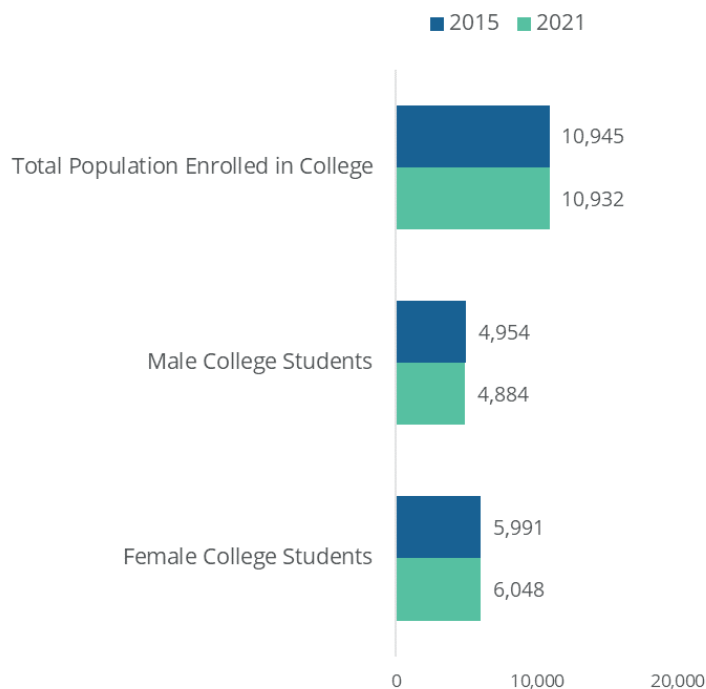
Figure HE-A-60 shows Santa Cruz County’s total population enrolled in college as well as the number of male and female college students in 2015 and 2021. Unincorporated Santa Cruz County’s total population of college students has remained stable, as well as the proportion of female (55%) and male (45%) students.





**Figure HE-A-60:  
College Enrollment,  
Unincorporated Santa  
Cruz County, 2015 and  
2021**

Source:  
2015 and 2021 5-year ACS.



### EDUCATIONAL ATTAINMENT

Educational attainment among different demographics sheds light on equal access to quality schools—educational attainment is analyzed here by race and ethnicity, as well as age. The analysis concludes with a discussion on median earnings by education level.

Table HE-A-8 presents educational attainment by race and ethnicity in unincorporated Santa Cruz County in 2015 and 2021. By a significant margin, non-Hispanic white populations have the highest rate of high school graduates (97%) and those with bachelor’s degrees or higher (51%) in unincorporated Santa Cruz County in 2021. Since 2015, the rates for non-Hispanic White residents with high school diplomas remained the same while those with bachelor’s degrees or higher increased by five percentage points.

Other racial and ethnic groups have much lower rates of high school graduates and those with bachelor’s degrees or higher, particularly residents who identify as other or multiple races (75% and 25%, respectively) and Hispanic/Latino residents (72% and 22%, respectively).



Table HE-A-8: Educational Attainment by Race and Ethnicity, Unincorporated Santa Cruz County, 2015 and 2021

	2015		2021	
	High School Graduate or Higher	Bachelor's Degree or Higher	High School Graduate or Higher	Bachelor's Degree or Higher
<b>Total population</b>	<b>40,688</b>	<b>173,902</b>	<b>40,168</b>	<b>179,985</b>
White, non-Hispanic	97%	46%	97%	51%
Black	82%	47%	84%	43%
American Indian or Alaska Native	86%	27%	78%	27%
Asian	92%	53%	89%	47%
Native Hawaiian and Other Pacific Islander	100%	29%	95%	11%
Other or Multiple Races	69%	20%	75%	25%
Hispanic or Latino	64%	16%	72%	22%

Source: 2015 and 2021 5-year ACS.

According to the County’s 2022 State of the Workforce Report, there are stark geospatial disparities in educational attainment in Santa Cruz County. According to the report, residents living in the southern portion of the county are more likely to be younger and more racially/ethnically diverse, less educated, and are more likely to have a lower-paying job compared to residents that live in the northern part of the county. Additionally, the report found that while 42% of residents living in the northern part of the county have bachelor’s degrees, just 17% of residents living in the southern part of the county have bachelor’s degrees. Moreover, nearly 3 in ten residents (28%) living in the southern portion of the county don’t have a high school diploma, which is almost six times higher than residents living in the northern part of the county (5%).

Data from the Santa Cruz County Office of Education show similar trends related to educational proficiency when broken down by race and ethnicity. While test scores had been improving across all groups of students in the county since 2015, that progress was disrupted by the COVID-19 pandemic. According to the County’s Office of Education, “a performance drop between 3% to 7% (greatest on math) is seen from 2019 to 2022 across all groups. The performance gap of 30% to 40% persists between advantaged and disadvantaged students.”<sup>38</sup>

In 2022, 65% of white students across the county met or exceeded English Language Arts (ELA)/Literacy standards — the same rate as in 2015. Additionally, 63% of students designated as not economically disadvantaged and 57% of English-only learners met or exceeded ELA/Literacy standards in the county, which were one and two percentage point declines, respectively, since 2015.

<sup>38</sup> Santa Cruz County of Education Data Portal, <https://dataportal.santacruzcoe.org/>



The percentage of Hispanic/Latino students that met or exceeded English Language Arts/Literacy standards was significantly lower than white students in Santa Cruz County. In 2022, 28% of Hispanic/Latino students met or exceed English Language Arts testing standards—an increase of one percentage point since 2015. Similarly, 26% of economically disadvantaged students and 24% of Ever-EL students<sup>39</sup> met or exceeded ELA/Literacy standards in 2022—the same proportion for both groups of students in 2015.

As noted above, math proficiency scores have declined across all student groups between 2015 and 2022. However, disparities among students by race and ethnicity, among other groups, in math proficiency remained stark in the county. While 51% of white students met or exceeded math proficiency standards in 2022 (53% in 2015), just 15% of Hispanic/Latino students met or exceeded those same standards (17% in 2015). Similarly, 48% of economically advantaged students (52% in 2015) and 42% of English-only learners (47% in 2015) met or exceeded math proficiency standards in 2022 compared to just 14% of economically disadvantaged students (16% in 2015) and 13% of Ever EL students (15% in 2015).

Table HE-A-9 presents educational attainment by age group in Unincorporated Santa Cruz County in 2015 and 2021. While the proportion of residents remained the same for those who have not graduated high school and those who have over the time period, residents with a bachelor’s degree increased by five percentage points.

**Table HE-A-9: Educational Attainment by Age Group, Unincorporated Santa Cruz County, 2015 and 2021**

	2015		2021	
	18 years - 24 years	25 years +	18 years - 24 years	25 years +
<b>Total population</b>	<b>12,835</b>	<b>173,902</b>	<b>13,051</b>	<b>102,830</b>
Less than High School Graduate	11%	9%	11%	8%
High School Graduate	29%	15%	29%	15%
Some College or Associate's Degree	52%	35%	51%	32%
Bachelor's Degree or higher	8%	41%	8%	46%

Source: 2015 and 2021 5-year ACS.

Table HE-A-10 presents the median income earnings by educational attainment for the population 25 years and older in Santa Cruz County in 2021. Those with bachelor’s degrees and graduate or professional degrees have the highest median earnings among all groups. The greatest increases in median income by percent change between 2015 and 2021 were

<sup>39</sup> Ever EL students are those students that currently are or were formally designated as English language learners.



experienced by residents with a bachelor's degree (37%), residents with a high school degree (36%), and those without a high school degree (35%).

**Table HE-A-10: Median Income Earnings by Educational Attainment for Population 25 Years and Older, Santa Cruz County, 2015 and 2021**

	2015	2021	% change
Less than High School Graduate	\$ 19,958	\$ 26,933	35%
High School Graduate	\$ 26,829	\$ 36,437	36%
Some College or Associate's Degree	\$ 37,079	\$ 44,770	21%
Bachelor's Degree	\$ 52,801	\$ 72,216	37%
Graduate or Professional Degree	\$ 67,913	\$ 85,956	27%

Source: 2015 and 2021 5-year ACS.

### CHRONIC ABSENTEEISM

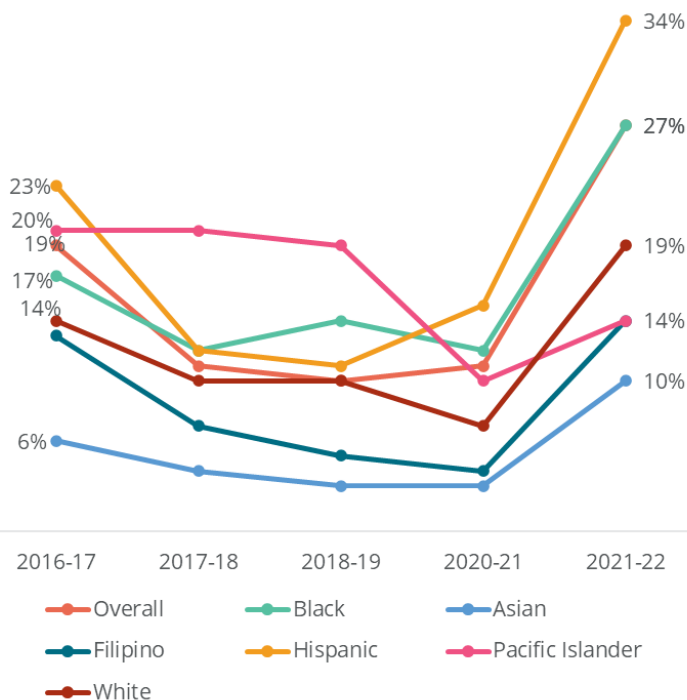
Figure HE-A-61 illustrates data on chronic absenteeism from 2017-2022. During the 2021-2022 academic year, 1 in 3 Hispanic students in Santa Cruz County was chronically absent from school—an increase of 11 percentage points since the 2016-17 academic year. Black students in Santa Cruz County matched the county rate for chronic absenteeism during the 2021-22 school year (27%). Asian students had the lowest rate of chronic absenteeism (10%).

Figure HE-A-62 presents data on suspension rates from the 2015-16 academic year to the 2021-22 academic year for all Santa Cruz County students. Over this time period, Hispanic students have experienced a four-fold increase in suspension rates while Black students have seen their rate double. Pacific Islander students have seen their suspension rate decline while the rate for Asian students has remained stable over this time period.



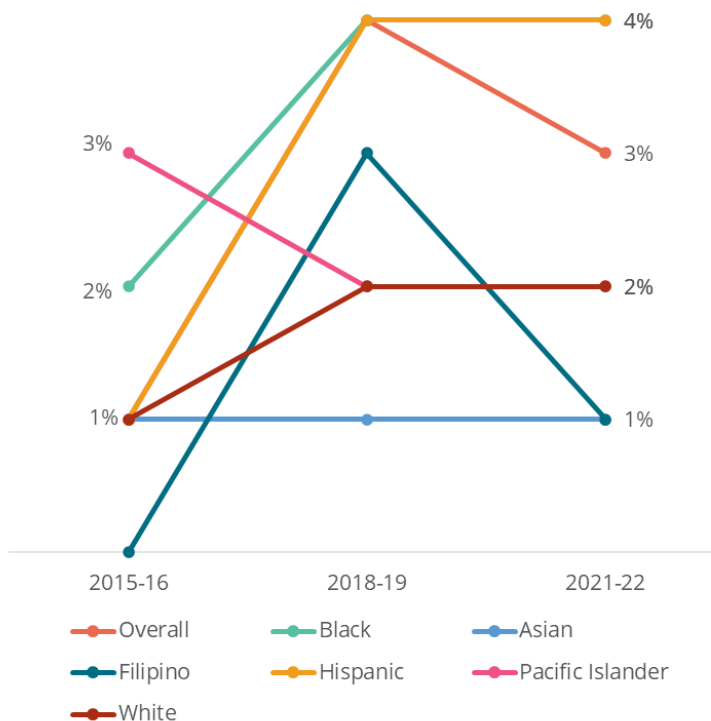
**Figure HE-A-61:  
Chronic Absenteeism  
of Students by  
Race/Ethnicity, Santa  
Cruz County, 2016-  
2022**

Source:  
Santa Cruz County Office of  
Education.



**Figure HE-A-62:  
Suspension Rates of  
Students by  
Race/Ethnicity, Santa  
Cruz County, 2016-  
2022**

Source:  
Santa Cruz County Office of  
Education.



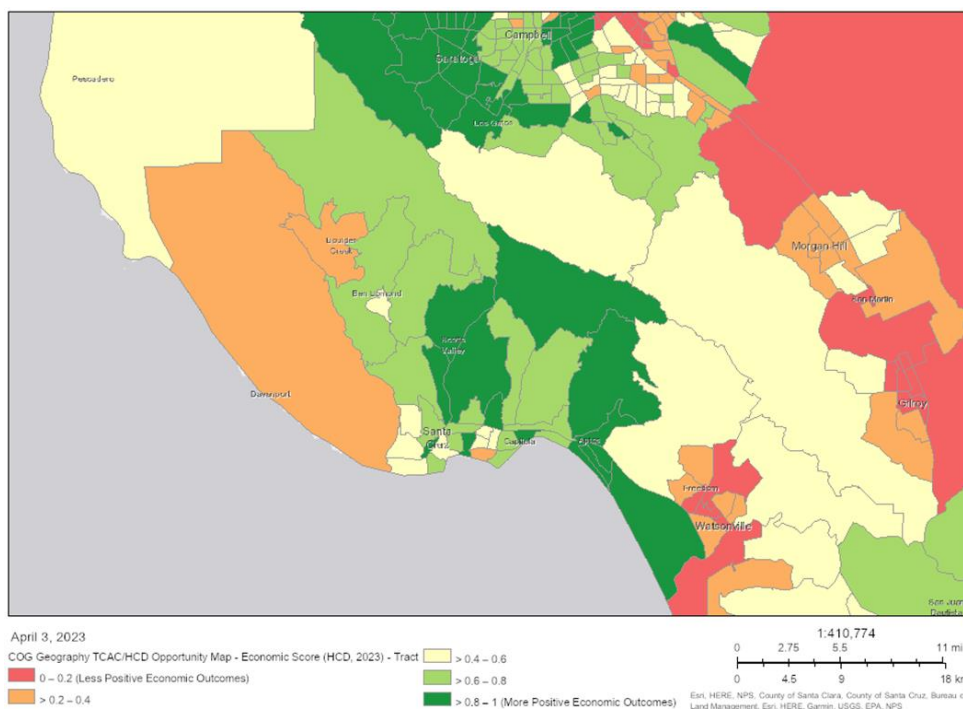


## ECONOMIC AND EMPLOYMENT OPPORTUNITIES

Access to employment and job opportunities is critical for the long-term wellbeing of households in unincorporated Santa Cruz County as employment can significantly impact housing needs. Employment and income are determinates of households' ability to purchase and keep housing that meets their needs. Limited access to employment can induce negative housing effects, particularly overpaying for housing and/or living in overcrowded conditions. TCAC economic opportunity scores are determined by poverty; adult education; employment; job proximity; and median home values and range from 0 to 1—lower scores indicate less positive outcomes while higher scores indicate more positive outcomes.

**Regional economic analysis.** Figure HE-A-63 shows a map of TCAC/HCD Opportunity Map scores in the region. While Santa Cruz County has pockets of high scores (showing positive economic outcomes) around the city of Santa Cruz, Scotts Valley, and Aptos, the southern part of the county in Freedom and Watsonville contain tracts with less positive economic outcomes. In Santa Clara County to the east, the northwest and southwest are similarly divided; where Morgan Hill and San Martin in the south experience less positive economic outcomes and Los Gatos, Sunnyvale, Cupertino experience more positive economic outcomes. Surrounding counties have more pockets of less positive economic outcomes surrounded by high positive outcomes, whereas Santa Cruz has a dividing line between more and less positive outcomes east of Freedom Boulevard and Aptos.

**Figure HE-A-63: TCAC Opportunity Areas Economic Score by Census Tract, Santa Cruz County, 2023**



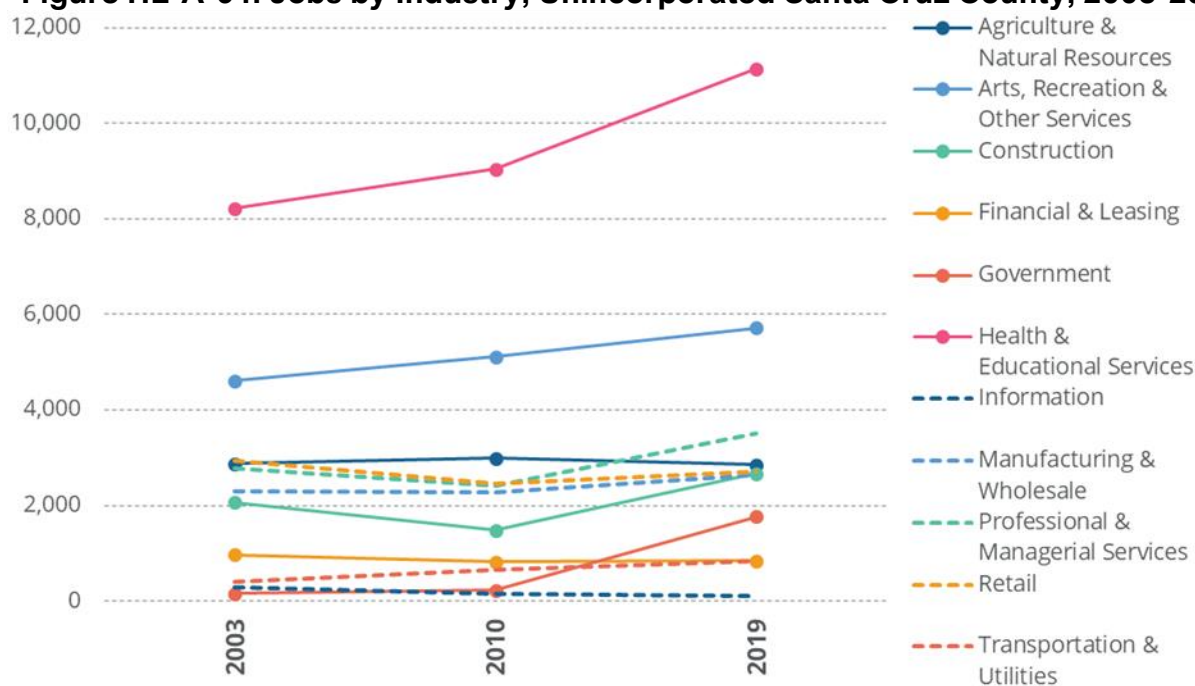


Source: California Department of Housing and Community Development AFFH Data Viewer.

## EMPLOYMENT

Figure HE-A-64 illustrates the number of jobs available in unincorporated Santa Cruz County by industry. In 2019, the top three industries by number of jobs in 2019 were: 1) health and educational services; 2) arts, recreation and other services; and 3) professional and managerial services. The health/education and arts/recreation industries have been the top employers in unincorporated Santa Cruz County since 2003. Between 2010 and 2019, the agricultural and natural resources industry lost jobs—making the industry the fourth largest.

**Figure HE-A-64: Jobs by Industry, Unincorporated Santa Cruz County, 2003-2019**



Source: 2003-2019 LEHD data.

High unemployment rates have a significant impact on the affordability needs of households. Understanding unemployment rates—especially by demographic—is critical when identifying and addressing barriers to employment. Figure HE-A-65 illustrates unemployment rates in Santa Cruz County by select characteristics including age; race/ethnicity; poverty and disability status; and gender in 2015 and 2021. In 2015, the overall unemployment rate in Santa Cruz County was 7.6%. Groups with the highest rates of unemployment include:

- Workers between 16 years and 19 years (18%);
- American Indian/Alaska Native workers (13%); and



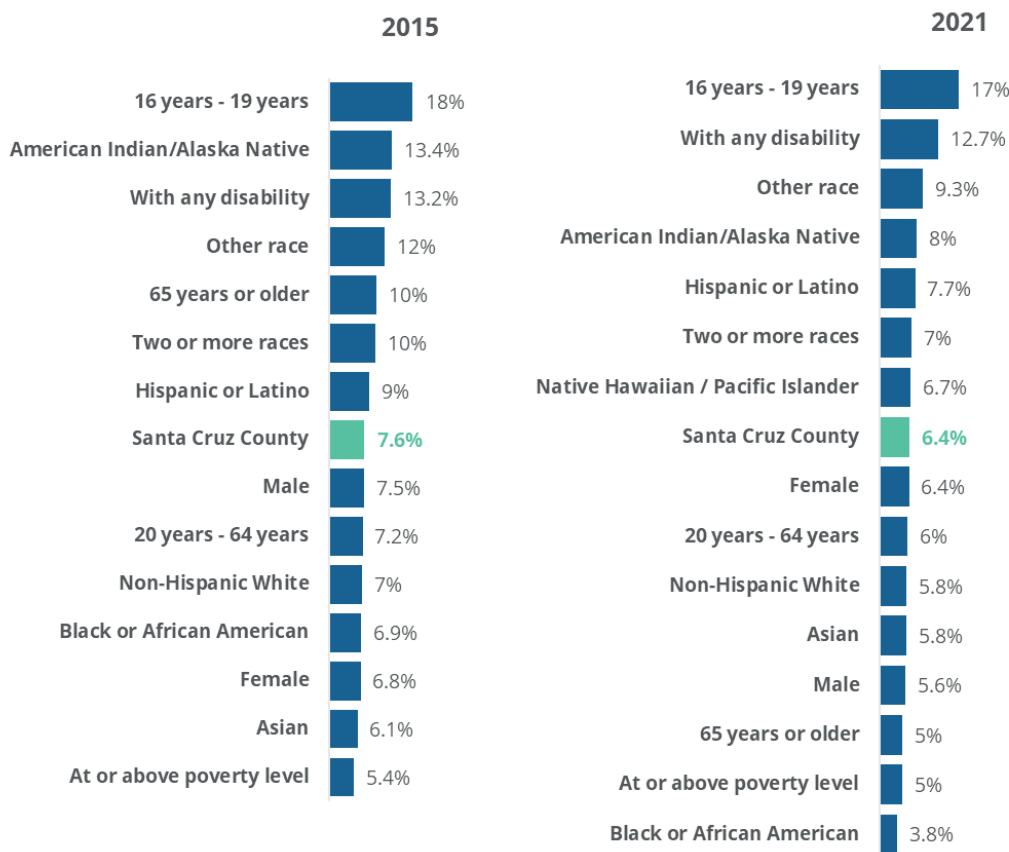


- Workers with any disability (13%).

Higher unemployment rates for young workers are expected—many individuals in this age group are finishing or continuing their education. Higher unemployment rates for workers living with a disability and American Indian/Alaskan Native workers suggest they face greater barriers accessing and maintaining employment.

In 2021, Santa Cruz County’s unemployment rate was 6.4%. Unemployment declined for all groups included in the analysis—though unemployment rates remain high for workers living with a disability (almost 13%). Workers identifying as American Indian or Alaska Native experienced a significant decline in their unemployment rate over this time period.

**Figure HE-A-65: Unemployment Rates by Characteristic, Santa Cruz County, 2015 and 2021**



Note: 2015 data Native Hawaiian and Pacific Islander residents are not included due to small sample size.

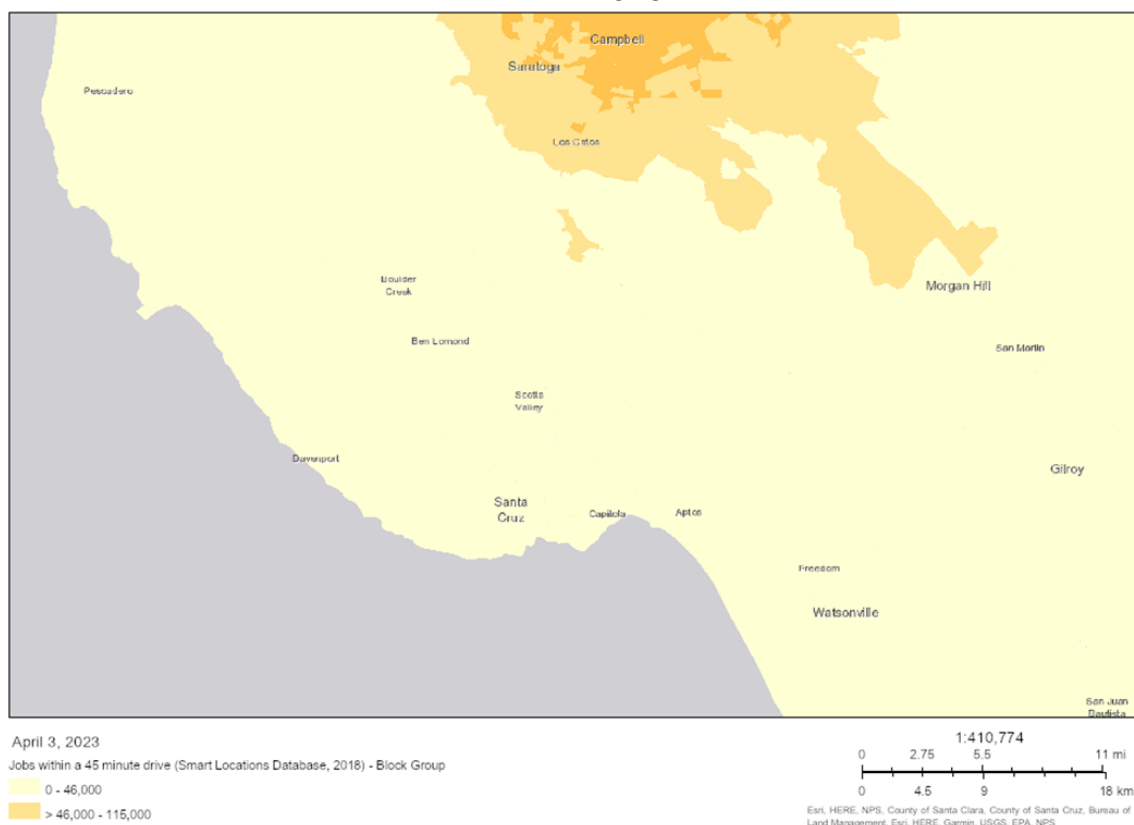
Source: 2015 and 2021 5-year ACS.





Figure HE-A-66 displays a map of the number of jobs within a 45-minute transit ride in the region. Comparatively, Santa Cruz and Santa Clara Counties have the most jobs within a 45-minute transit ride. Incorporated areas around Watsonville, Santa Cruz, and Capitola have access to between 10,000 and 50,000 jobs while some tracts around El Camino Real and San Jose in Santa Clara County have access to more than 100,000 jobs within a 45-minute transit ride. Rural areas in the region have less access to transit and thus to surrounding jobs, which can be a challenge for those who cannot afford car or car maintenance or cannot drive due to a disability.

**Figure HE-A-66: Jobs Within a 45 Minute Drive by Block Group, Santa Cruz County, 2018**



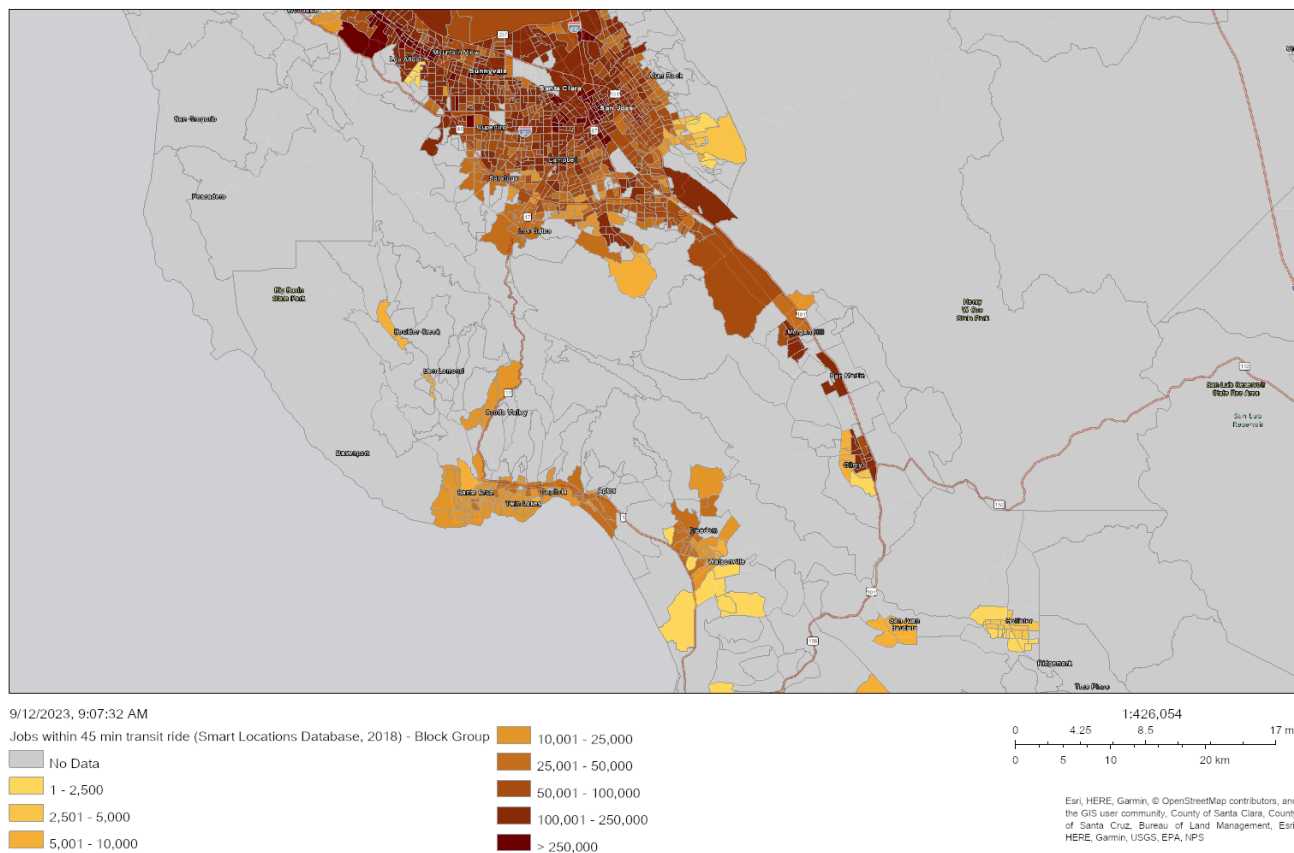
Source: California Department of Housing and Community Development AFFH Data Viewer.

Figure HE-A-67 displays a map of the number of jobs within a 45-minute car ride in the region. Santa Cruz County has less than 46,000 jobs available with a 45-minute travel time compared to More than 115,000 in Santa Clara and San Mateo Counties. Transit systems offer faster access to jobs in Santa Cruz County given its proximity to job centers in Santa Clara and San Mateo Counties. For those in rural areas without access to transit, the commute may be longer than 45 minutes. When factoring commute time and cost of transportation, the additional travel cost may tip a home from affordable to unaffordable.



Although there are some exceptions, TCAC economic opportunity scores and number of jobs available by transit are positively correlated in the region. This suggests that transit plays a vital role to the region’s economy and enhances the economic opportunities of those who are able to utilize the service.

Figure HE-A-67: Jobs Within a 45 Minute Transit Ride by Block Group, 2018



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

### Mode of Transportation to Work

Most workers in Santa Cruz County drive to work alone—in 2021, over half (66%) of the county’s workers drove a car, truck or van alone to work. This is significantly greater than those who carpooled (9%) or took public transportation (2%).

Modes of transportation to work vary by characteristic. Table HE-A-11 shows the mode of transportation residents took to work in 2021 by characteristics including tenure, race/ethnicity, household income, and the number of vehicles available.

Renters in Santa Cruz County are much more likely to take public transportation to work than owners: more than half of renters (58%) used public transit to get to their place of work compared



to only 42% of owners in 2021. Hispanic or Latino residents use public transportation at a comparatively higher rate than that of other non-White residents with 34% of residents using the county’s transportation system. However, non-Hispanic White residents are more likely than any other race or ethnicity to utilize public transit at 50%.

Households with incomes below \$25,000 utilize Santa Cruz County’s public transit options far more than households with higher incomes. Over half (58%) of low-income households use public transportation to get to work; only one in five residents with incomes above \$75,000 use public transit. Notably, county residents with three or more vehicles available are almost twice as likely to take public transit compared to residents with no vehicle.

**Table HE-A-11: Means of Transportation to Work by Characteristic, Santa Cruz County, 2021**

Characteristic	Drove to Work Alone	Carpooled to Work	Public Transit
<b>Tenure</b>			
Renters	40%	48%	58%
Owners	60%	52%	42%
<b>Race/Ethnicity</b>			
Non-Hispanic White	59%	39%	50%
Black or African American	1%	2%	2%
Asian	4%	5%	10%
Hispanic or Latino	33%	51%	34%
Multi-racial / Other Race	22%	36%	21%
<b>Household Income</b>			
Less than \$24,999	26%	32%	58%
\$25,000 - \$49,999	25%	31%	13%
\$50,000 - \$74,999	16%	15%	9%
\$75,000 or more	34%	23%	20%
<b>Vehicles Available</b>			
No vehicle	1%	2%	19%
1 vehicle	13%	13%	22%
2 vehicles	37%	38%	23%
3 or more vehicles	50%	47%	36%
<b>Total workers in Santa Cruz County</b>	<b>66%</b>	<b>9%</b>	<b>2%</b>

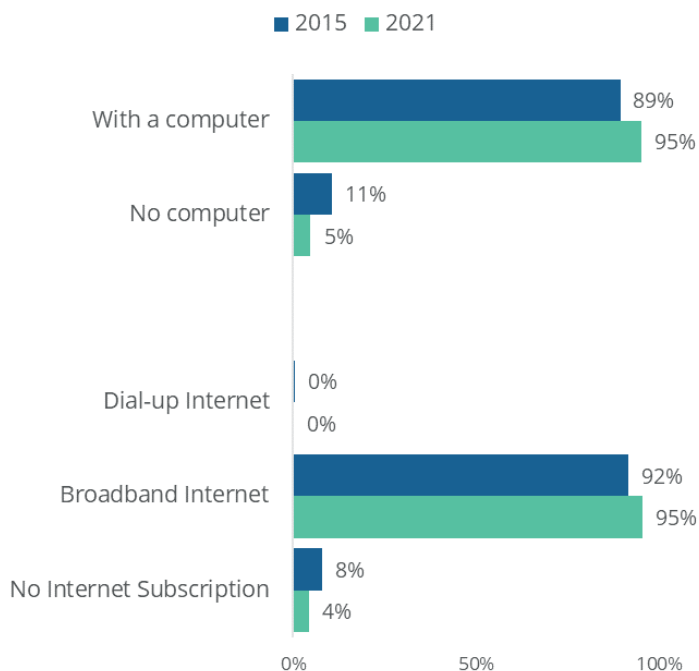
Note: American Indian/Alaska Native workers and Native Hawaiian/Pacific Islander workers are omitted due to small sample sizes.

Source: 2021 5-year ACS.

Access to high quality broadband and internet services can indicate whether there are disparities in accessing employment opportunities—especially for workers with and seeking out remote positions. Figure HE-A-68 provides the percentage of households with and without a computer in 2015 and 2021. Overall, the proportion of county residents with a computer and access to broadband internet has increased by six and three percentage points, respectively.



**Figure HE-A-68: Presence of a Computer and Internet Subscription in Households, Santa Cruz County, 2015 and 2021**



Source: 2021 5-year and 2015 1-year ACS.  
Note: 5-year estimates are not available by ACS prior to 2017.

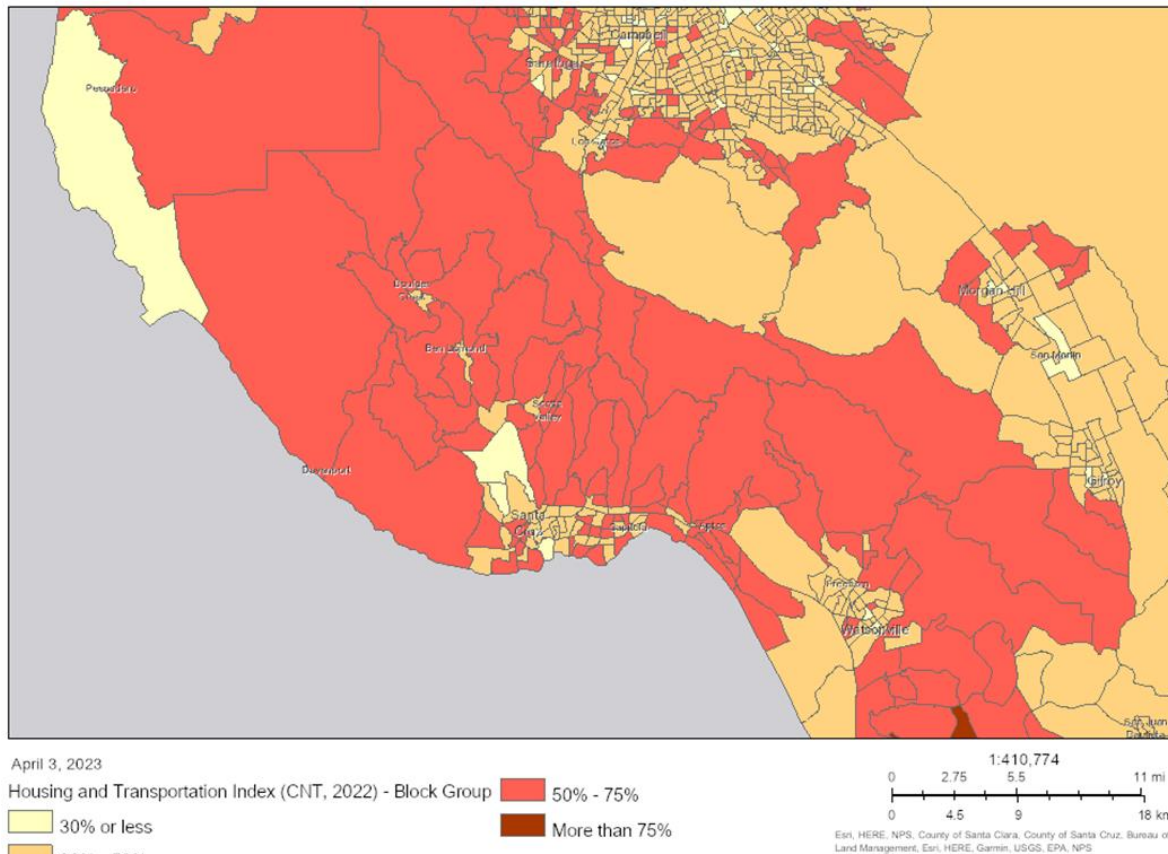
### TRANSPORTATION

According to the American Association of Retired People (AARP) Public Policy Institute, households in Santa Cruz County pay an average of \$15,895 in transportation costs per year.<sup>40</sup> Figure HE-A-69 shows the percentage of income spent on housing and transportation by block group in Santa Cruz County. The majority of the county spends between 50-75% of their income on housing and transportation. Boulder Creek and Ben Lomond are the only unincorporated areas not adjacent to incorporated cities that spend 50% or less of their income on housing and transportation.

<sup>40</sup> [AARP Livability Index, Santa Cruz County, 2022.](#)



**Figure HE-A-69: Housing and Transportation Index by Block Group, Santa Cruz County, 2022**



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

According to the Santa Cruz County Regional Transportation Commission (SCCRTC), an estimated 50% of residents in Santa Cruz County are considered “transportation disadvantaged,” which include seniors, people with disabilities, low-income persons, and youth.<sup>41</sup> The SCCRTC was awarded two Sustainable Transportation Planning grants in 2022, one of which will be focused on transportation equity and addressing transportation disparities in the county. The County will create an action plan that “will provide...the tools and information needed to prioritize transportation investments that will improve access, safety, health, mobility, housing and job access, for marginalized, segmented, and otherwise disadvantaged communities in Santa Cruz County.”<sup>42</sup>

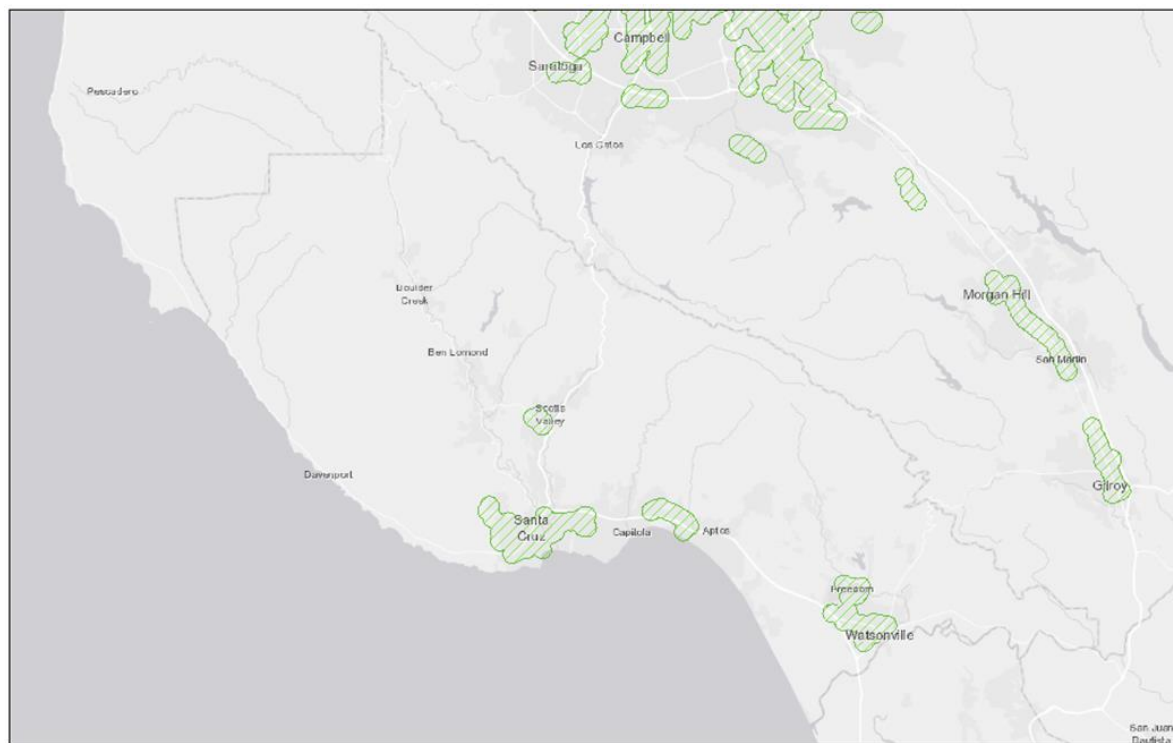
<sup>41</sup> <https://scrtc.org/meetings/elderly-disabled/>

<sup>42</sup> <https://scrtc.org/rtc-awarded-786800-for-two-sustainable-transportation-planning-grants/>



Figure HE-A-70 maps high quality transit areas in Santa Cruz County. The only high-quality transit areas located in unincorporated Santa Cruz County are in Aptos along Soquel Drive and Live Oak along Capitola Drive and Soquel Avenue.

**Figure HE-A-70: High Quality Transit Areas in Santa Cruz County**



April 3, 2023

 1/2 Mile from High Quality Transit Area

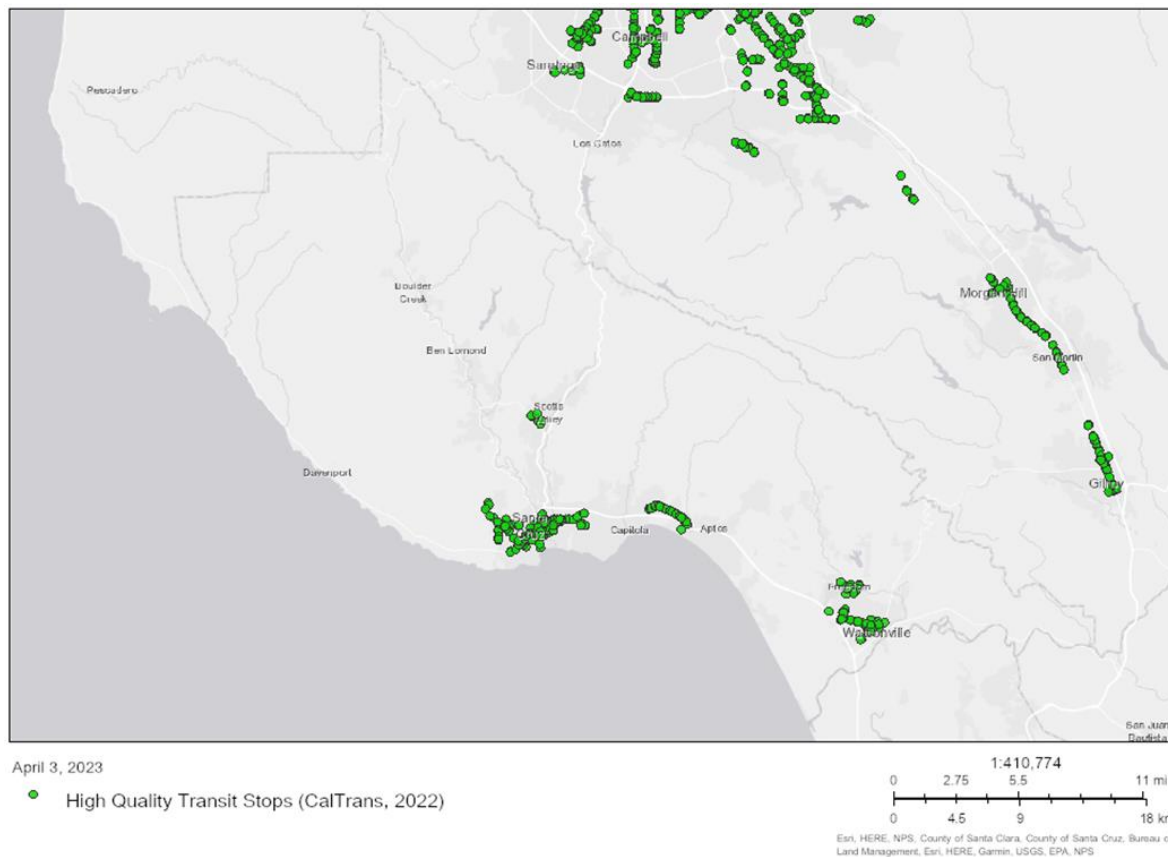


Source: California Department of Housing and Community Development AFFH Data Viewer.

Similarly, Figure HE-A-71 maps high quality transit stops in Santa Cruz County. Along with high quality transit stops in Aptos and Live Oak, there is only one other high-quality transit stop in unincorporated Santa Cruz County, located on Buena Vista Drive in Freedom.



Figure HE-A-71: High Quality Transit Stops in Santa Cruz County, 2022



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

## ENVIRONMENT

This section presents an overview of environment outcomes in unincorporated Santa Cruz County. The TCAC environmental opportunity score considers the CalEnviroScreen 4.0, which models the exposure of an area to several different variables, including but not limited to, drinking water contaminants, pesticide use, groundwater threats, air quality, and children’s exposed to lead-based paint.<sup>43</sup> This section also analyzes other factors such as fire hazard areas, special flood hazard areas, and healthy places indexes across Santa Cruz County to understand if there are any environmental disparities throughout the county.

Figure HE-A-72 shows the CalEnviroScreen 4.0 for Santa Cruz County. The map shows that all of the unincorporated areas in the northern part of the county experience positive environmental outcomes. However, unincorporated areas in the southern part of the county experience worst environmental outcomes, particularly the census tract that includes La Selva Beach and Pajaro

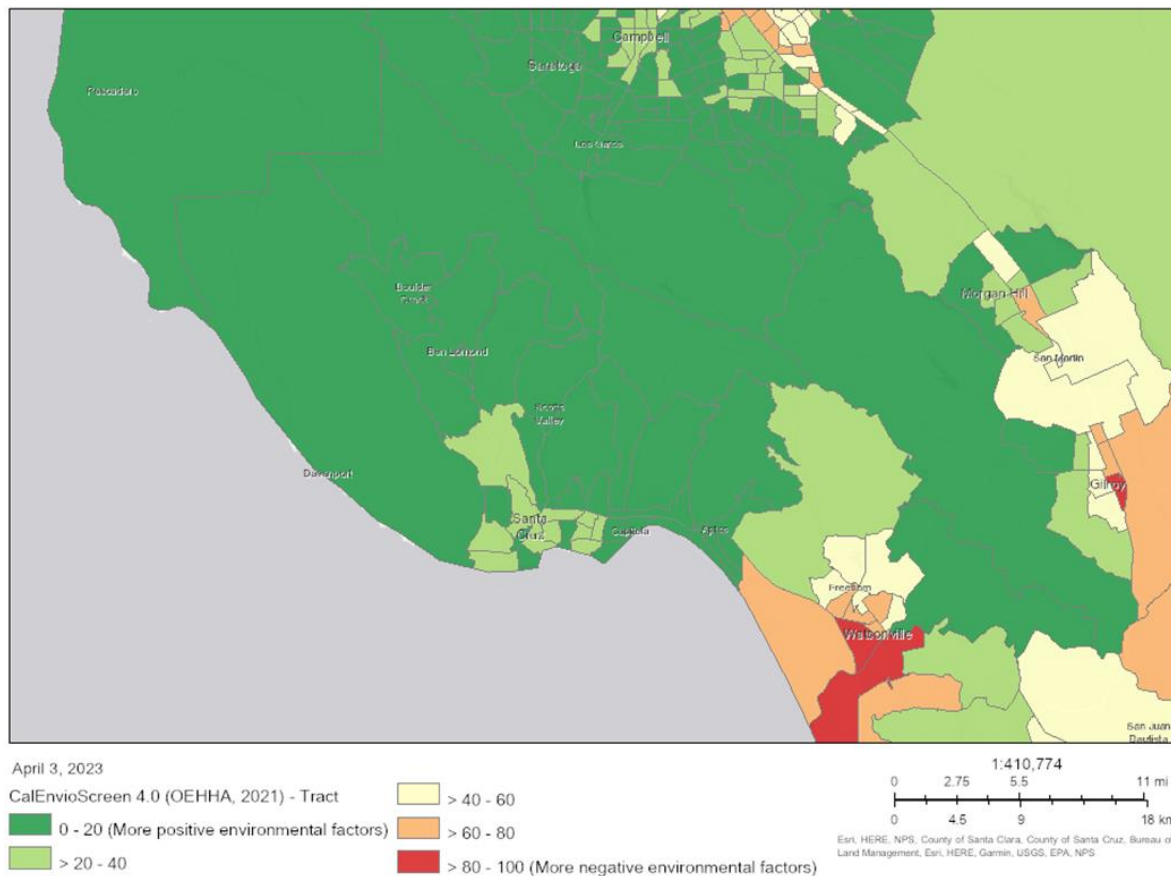
<sup>43</sup> <https://belonging.berkeley.edu/2023-ctcac-hcd-opportunity-map>





Dunes (score of 69), followed by the communities of Interlaken (53), Freedom (53), and Amesti (45).

**Figure HE-A-72: CalEnviroScreen 4.0 by Census Tract, Santa Cruz County, 2021**

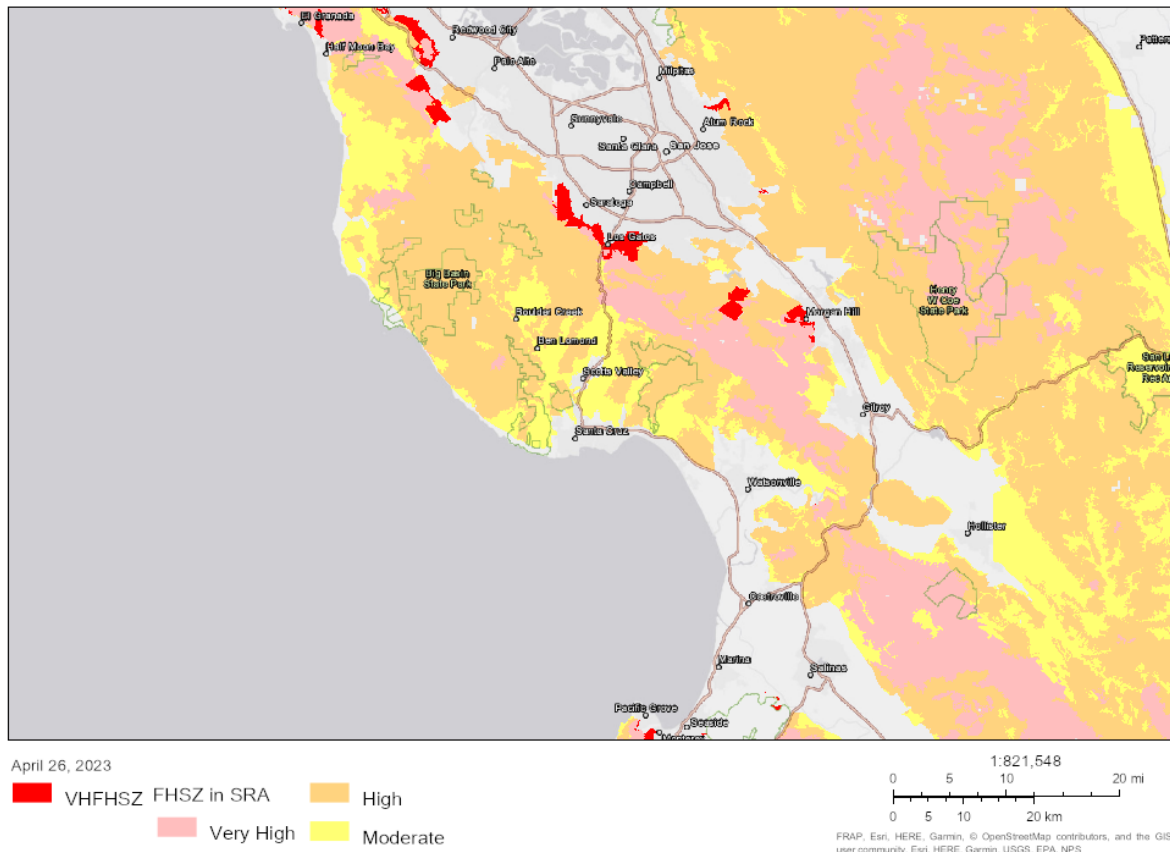


Source: California Department of Housing and Community Development AFFH Data Viewer.

Figure HE-A-73 shows CalFire-designated fire hazard severity zones in Santa Cruz County. Aside from areas along the coast and the unincorporated communities around Watsonville, the majority of unincorporated areas in county have a fire hazard designation between moderate to very high. The areas in unincorporated Santa Cruz County with very high fire hazard designations are located in Bonny Doon and Corralitos.



Figure HE-A-73: Fire Hazard Severity Zones (CalFire) in Santa Cruz County

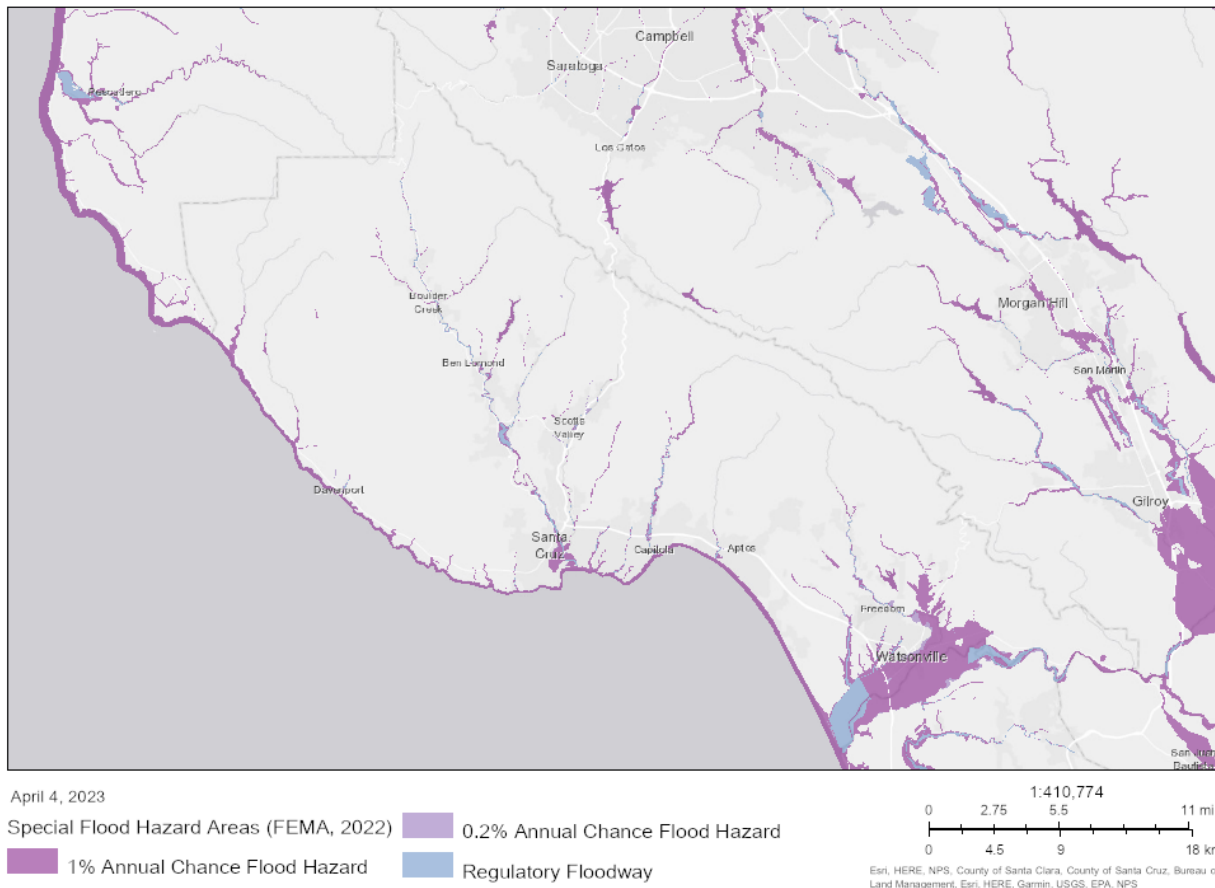


Source: California Department of Housing and Community Development AFFH Data Viewer.

Figure HE-A-74 shows Santa Cruz County’s special flood hazard areas as identified by FEMA in 2022. Unincorporated areas in the county with census tracts that have a 1% flood hazard designation include Interlaken (west of Kelly Lake) and Amesti (west of Pinto Lake). In the county as a whole, areas adjacent to the San Lorenzo River in Santa Cruz and the southeastern part of Watsonville are at the highest risk of experiencing flooding.



Figure HE-A-74: Special Flood Hazard Areas, Santa Cruz County, 2022



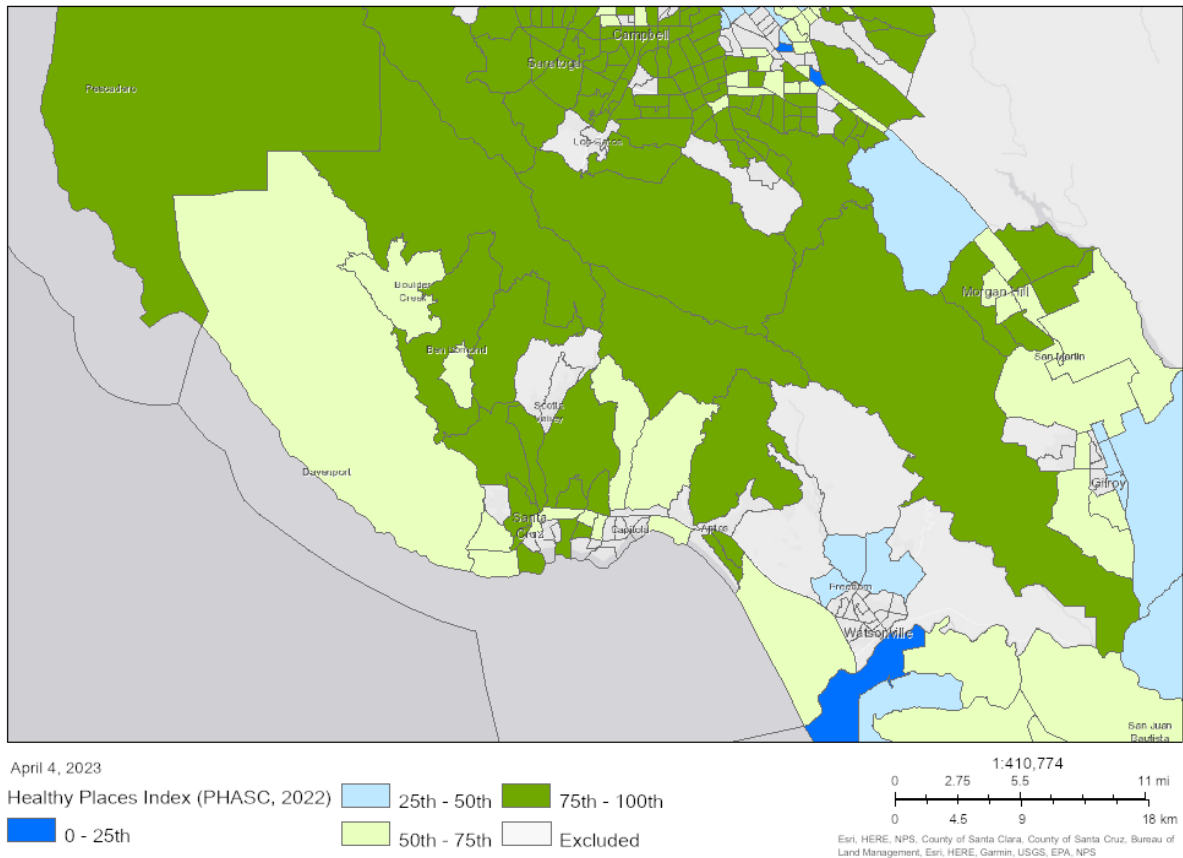
Source: California Department of Housing and Community Development AFFH Data Viewer.

Figure HE-A-75 illustrates Santa Cruz County’s Healthy Places Index (HPI), which maps data on social conditions that impact health—education, job opportunities, clean air and water, and other indicators that are positively associated with life expectancies.<sup>44</sup> In unincorporated Santa Cruz County, the northern portion of the county includes areas considered the healthiest places to live (75<sup>th</sup>-100<sup>th</sup> percentile), along with a handful of census tracts considered moderately healthy (50<sup>th</sup>-75<sup>th</sup> percentile). According to the Index, areas in the southern portion of the county, specifically Freedom, Amesti, and Interlaken, are considered the least healthiest places to live (25<sup>th</sup>-50<sup>th</sup> percentile) in unincorporated Santa Cruz County.

<sup>44</sup> <https://www.healthyplacesindex.org/>.



Figure HE-A-75: Healthy Places Index, Santa Cruz County, 2022



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

## DISPROPORTIONATE HOUSING NEEDS

This section identifies and discusses disparate housing needs among protected classes in Santa Cruz County and the region overall. Housing needs examined here include: cost burden and severe cost burden; overcrowding; housing problems and substandard housing conditions; homelessness; and risks of displacement.

The section also includes an in-depth analysis of housing needs among special needs populations including:

- Households with children (married couples and single parents);
- Large households;
- Extremely Low Income (ELI) households;
- Low to moderate income households;



- Seniors;
- Persons with a disability; and
- Persons and households experiencing homelessness.

## HOUSING NEEDS AMONG SPECIAL POPULATIONS

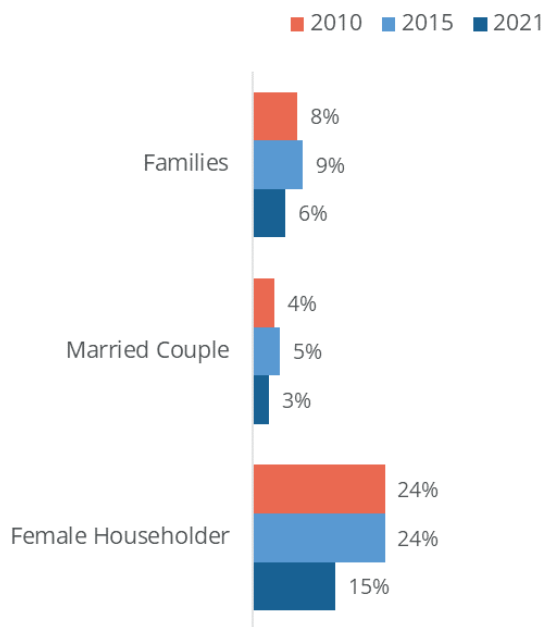
### HOUSEHOLDS WITH CHILDREN

Households with children often have unique housing and community development needs—families often need housing with more than one bedroom and prefer housing located near quality schools. In addition to high housing costs, low to moderate income families, as well as single parents, face greater barriers in finding affordable housing options, especially given childcare costs.

Figure HE-A-76 shows the poverty status for family households overall, as well as by married couples with children and single mothers, between 2010 and 2021. Poverty rates among family and married-couple households have decreased by 25% since 2010. Most notably, the number of single mothers experiencing poverty decreased by nearly 40%. However, the poverty rate of single mothers is five times greater than married couples with children and more than twice that of families overall in the county.

**Figure HE-A-76:  
Poverty Status by  
Family Households,  
Santa Cruz County,  
2010-2021**

Source: 2010, 2015, and 2021 5-year ACS.

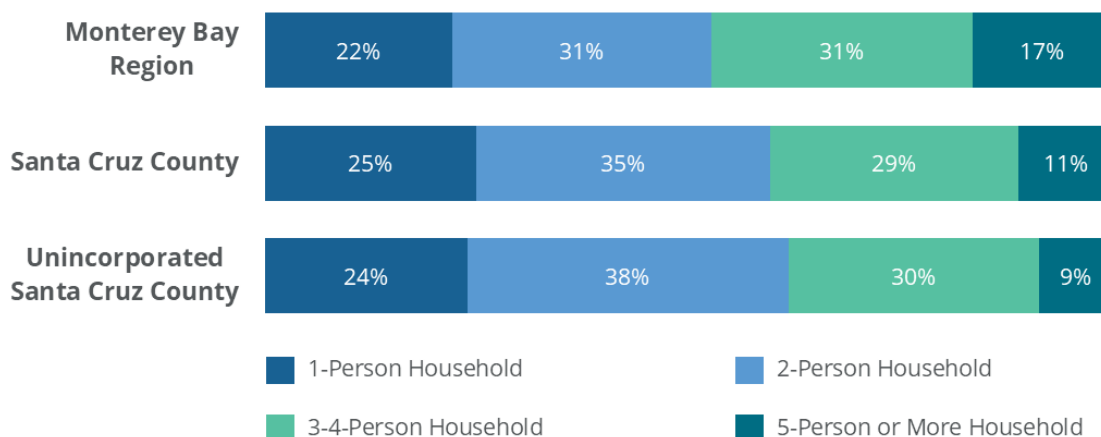


### LARGE HOUSEHOLDS

Nine percent of households in unincorporated Santa Cruz County have five or more members—a smaller share than both the county as a whole and region (Figure HE-A-77).



Figure HE-A-77: Share of Population by Disability Status and Jurisdiction, 2021



Source: 2021 5-year ACS.

According to HUD AFFH data<sup>45</sup>, there are nearly 9,500 large households in Santa Cruz County. Of these households, nearly two thirds (65%) have one or more housing problems.<sup>46</sup> Comparatively, just 39% of households with five or fewer people and 52% of non-family households experience one or more housing problems. However, large households experience severe cost burden at a lower rate (16%) than both households with five or fewer people (17%) and non-family households (29%).

**Large households.** Large households are defined as five or more people. Overcrowding and cost burden are challenges for this group, especially large households with children under 18.

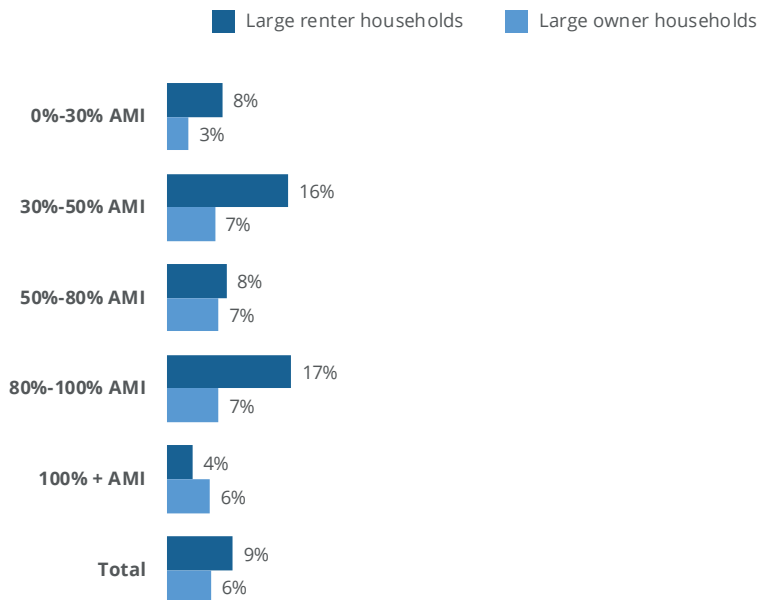
**Tenure.** There are 1,291 large renter households and 2,140 large owner households in unincorporated Santa Cruz County—equivalent to 9% of all renters and 6% of all owners. Sixteen percent of renters with income 30% to 50% AMI and 17% of renters with income 80% to 100% are large households—the largest of all income and tenure groups. With the exception of households above 100% AMI, renter households have higher proportions of large households (Figure HE-A-78).

<sup>45</sup> HUD does not provide data for unincorporated Santa Cruz County so data for the Santa Cruz-Watsonville region (Santa Cruz County) was used.

<sup>46</sup> The four housing problems are incomplete kitchen or plumbing facilities, overcrowding (more than one person per room), and cost burden (greater than 30%).



**Figure HE-A-78: Large Households by Tenure, Unincorporated Santa Cruz County, 2020**



Note: Large households are made up of five people or more. Total large renter households (n=1,291) and total large owner households (n=2,140).

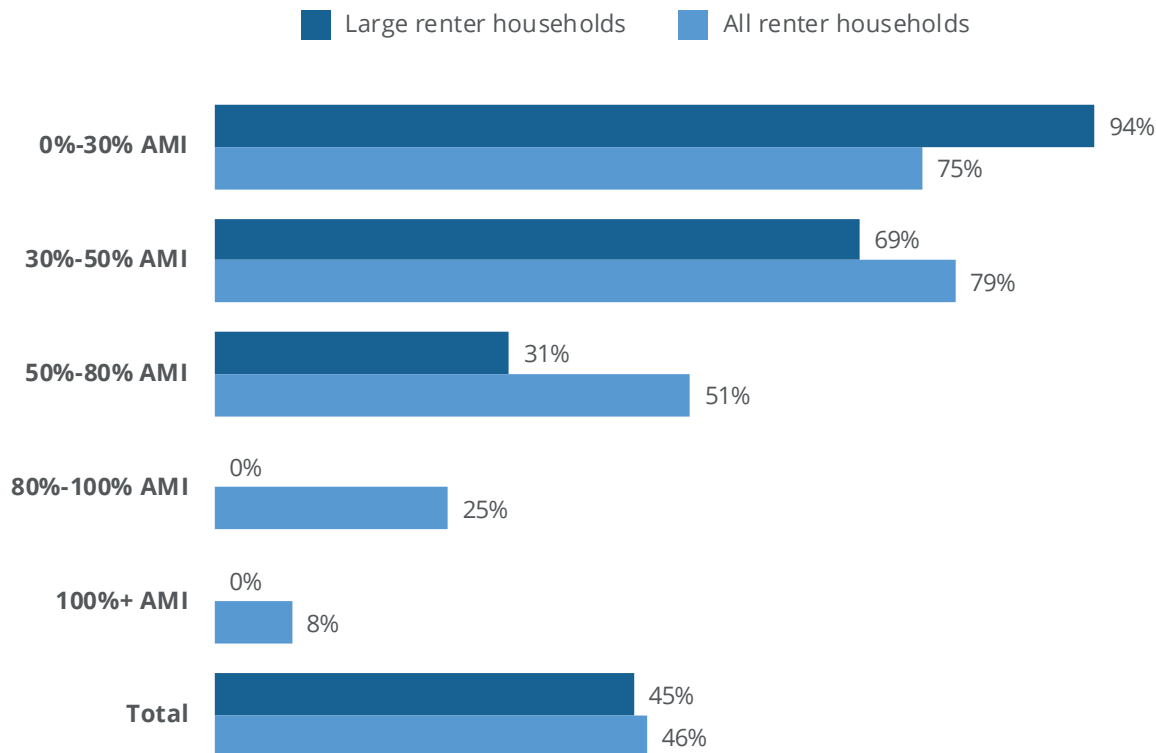
Source: 2016-2020 CHAS.

**Overpayment.** Overall, 45% of all large renter households are cost burdened, spending over 30% of their income on housing costs. Cost burden varies by AMI and household size. Ninety-four percent of large ELI renter households are cost burdened compared to 75% of all ELI renter households. As income increases for large households, the cost burden decreases to levels below total renters (Figure HE-A-79).





Figure HE-A-79: Cost Burden, Large Renter Households and All Renter Households, Unincorporated Santa Cruz County, 2020



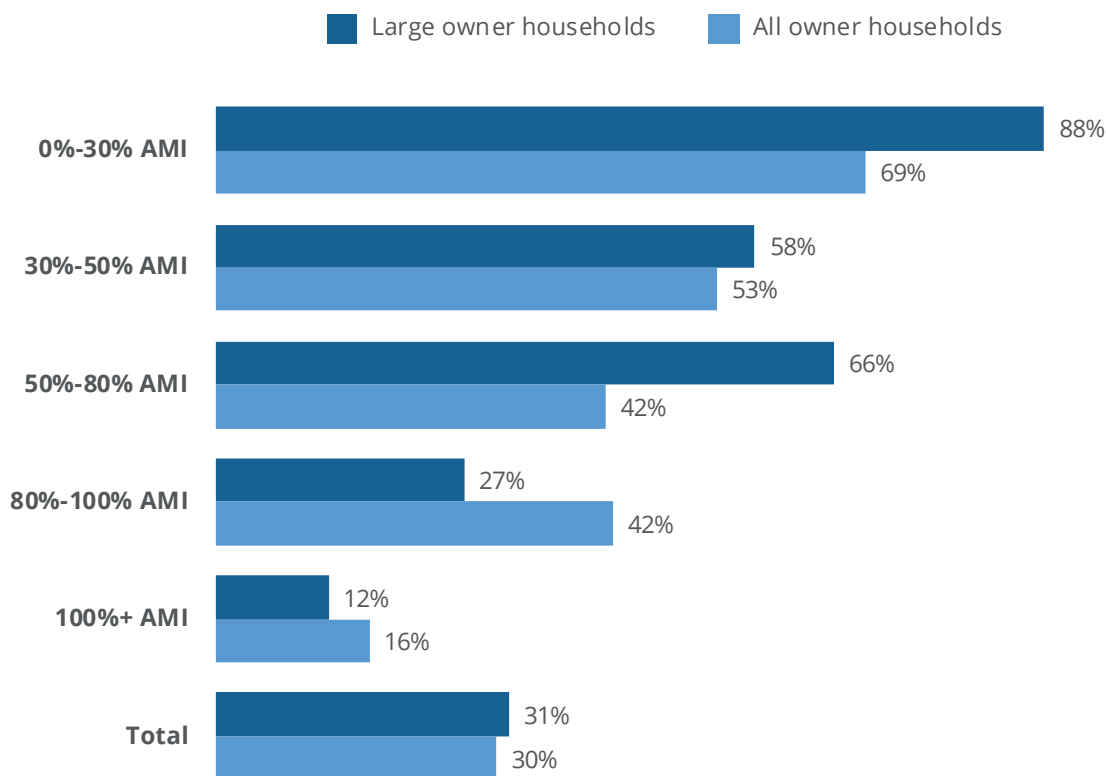
Note: For total large renter households by AMI, 0-30% AMI, n=235; 30-50% AMI, n=395; 50-80% AMI, n=271; 80-100% AMI, n=245; >100% AMI, n=145. For total renter households by AMI, 0-30% AMI, n=3,115; 30-50% AMI, n=2,430; 50-80% AMI, n=3,350; 80-100% AMI, n=1,470, >100% AMI, n=4,046.

Source: 2016-2020 CHAS and Root Policy Research.



Eighty-eight percent of large ELI owner households are cost burdened compared to 69% of all ELI owner households, again showing that large ELI households face intensified housing cost burdens (Figure HE-A-80).

Figure HE-A-80: Cost Burden, Large Owner Households and All Owner Households, Unincorporated Santa Cruz County, 2020



Note: For total large owner households by AMI, 0-30% AMI, n=85; 30-50% AMI, n=200; 50-80% AMI, n=410; 80-100% AMI, n=245; >100% AMI, n=1,200. For total owner households by AMI, 0-30% AMI, n=2,811; 30-50% AMI, n=3,060; 50-80% AMI, n=5,805; 80-100% AMI, n=3,470, >100% AMI, n=20,310.

Source: 2016-2020 CHAS and Root Policy Research.



*Housing situation.* The majority of large households are married-couple families (79% of large renter households and 78% of large owner households). Nineteen percent of large renter households and 20% of large owner households were families with no spouse (single parent households). Households smaller than five were more likely to be nonfamily households (HE-A-81).

**Figure HE-A-81:  
Large Households by  
Type and Tenure,  
Unincorporated Santa  
Cruz County, 2020**

Household Type	Large Renter Household		Large Owner Household	
	n	%	n	%
Family, no spouse	320	19%	560	20%
Family, married couple	1,245	76%	2,155	78%
Nonfamily	80	5%	35	1%
<b>Total</b>	<b>1,645</b>	<b>100%</b>	<b>2,750</b>	<b>100%</b>

Source:  
2016-2020 CHAS and Root Policy  
Research.

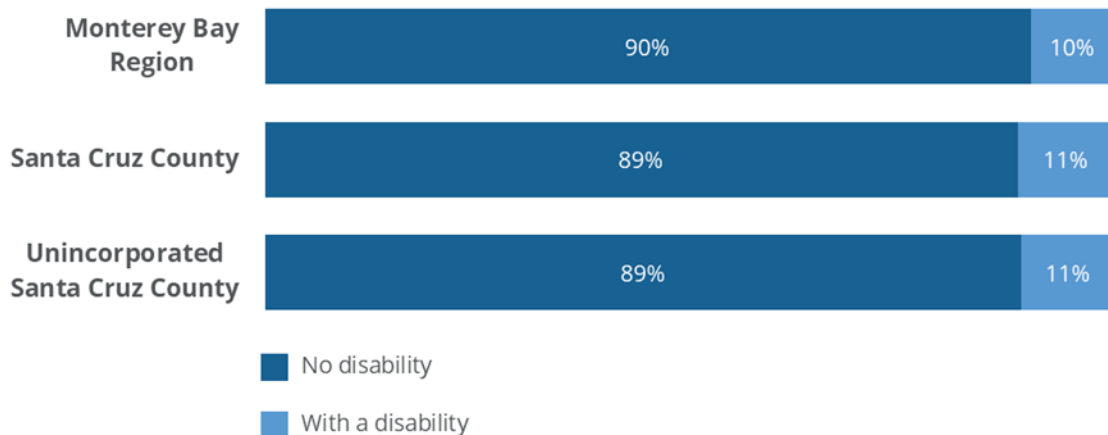
*Disproportionate impacts.* Households larger than five confront difficulties in finding housing that is both affordable and that can accommodate the household size. Given that 19% of large household renters and 20% of large household owners are family households do not have a spouse according to 2020 CHAS data, a single income would be a barrier to finding such large, affordable units. Larger households are prone to overcrowding to accommodate their budget and size. According to 2021 ACS data, there are 7,518 owner-occupied housing units with four bedrooms or more but only 851 renter-occupied housing units with four bedrooms or more in unincorporated Santa Cruz County. Given that there are an estimated 1,291 large renter households to only 851 four-bedroom units for rent, large renter households will face more difficulty simply finding a large enough space for their household.

## PERSONS WITH A DISABILITY

Eleven percent (11%) of Santa Cruz County’s population has at least one disability—the same proportion as the county’s unincorporated areas (Figure HE-A-82).



Figure HE-A-82: Share of Population by Disability Status and Jurisdiction, 2021



Source: 2021 5-year ACS.

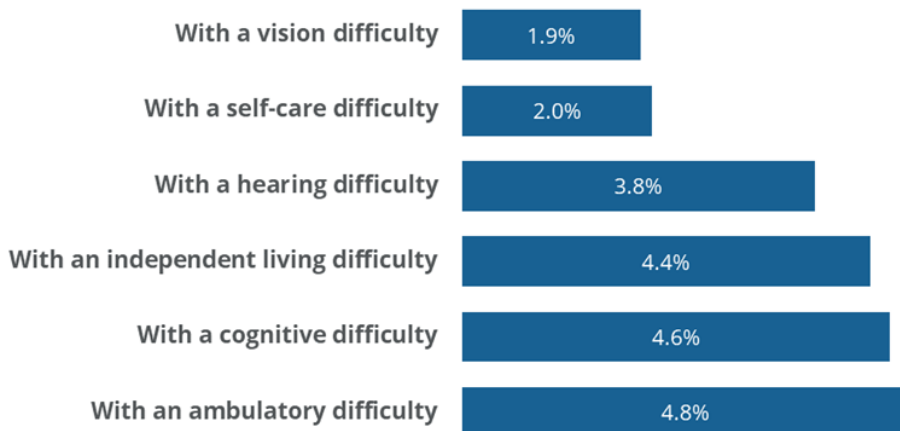
The most common disability type experienced by residents living with a disability in Santa Cruz County’s unincorporated areas are ambulatory difficulties, followed by cognitive and independent living disabilities. Self-care and vision difficulties are less common across unincorporated areas in the county (Figure HE-A-83).

**Disability**

“Disability types include hearing difficulty, vision difficulty, cognitive difficulty, ambulatory difficulty, self-care difficulty, and independent living difficulty.”



**Figure HE-A-83: Disability by Type the Population 18 Years and Over, Unincorporated Santa Cruz County, 2021**



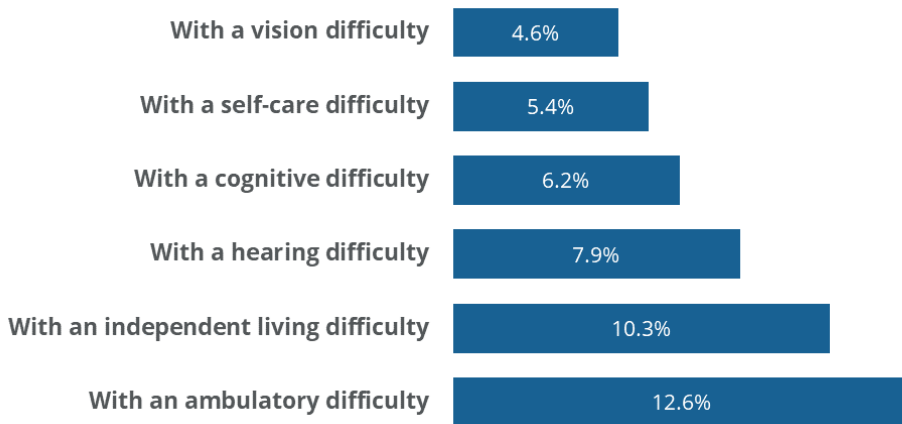
Source: 2021 5-year ACS.

Figure HE-A-84 shows disability type for seniors over the age of 65 years in Santa Cruz County’s unincorporated areas. Common disabilities among seniors vary from the overall population—ambulatory and independent living difficulties comprise the greatest share of disability types among seniors at 12.6% and 10.3%, respectively.

The comparatively higher proportion of seniors with an independent living difficulty are likely due to housing barriers seniors often face. Many seniors and/or persons with a disability live on fixed incomes (e.g., SSI or SSDI)—with high housing costs, residents are unlikely able to afford outside assistance, placing them at a greater risk for displacement, long-term housing instability, and/or homelessness.



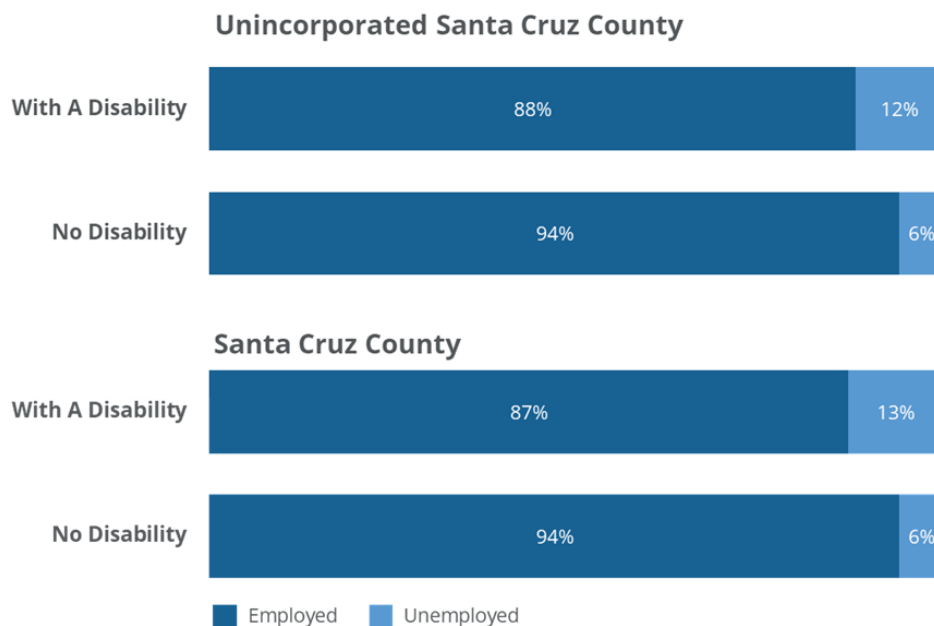
**Figure HE-A-84: Disability by Type the Population 18 Years and Over, Unincorporated Santa Cruz County, 2021**



Source: 2021 5-year ACS.

Unemployment rates are disproportionately high among residents with a disability—disabled residents have an unemployment rate of 12% compared to only 6% for residents without a disability. Employment disparities are slightly higher for the county overall—13% of disabled residents are unemployed compared to 6% of residents without a disability (Figure HE-A-85). This data indicate a greater need for supportive services and resources in Santa Cruz County, particularly resources to connect residents with a disability to employment opportunities.

**Figure HE-A-85: Employment by Disability, Santa Cruz County, 2021**



Source: 2021 5-year ACS.

Seniors



Seniors—individuals 65 years and older—often experience a combination of factors that make it more difficult to access and/or keep their housing. Many seniors live on fixed incomes, are more likely to have a disability, chronic health conditions, need repairs or accessibility improvements in their unit, and/or experience reduced mobility. Importantly, seniors who rent and own are vulnerable to displacement and housing instability—as housing costs rise, seniors often struggle to make their monthly payments and face greater barriers affording in-home care.

As shown in Figure HE-A-86, Santa Cruz County has a senior population of approximately 17%—most of which are non-Hispanic White, do not have a disability, are not in the labor force, and own their home. Most notably, seniors are significantly more likely to own their home than rent—in Santa Cruz County, 80% of seniors are owners compared to only 20% who rent. **In 2021, the median home value of housing occupied by seniors in Santa Cruz County was \$820,800**—far above what most households and first-time homebuyers can afford.

**Figure HE-A-86:**  
**Seniors by**  
**Characteristic, Santa**  
**Cruz County, 2021**

*Note: Seniors includes the population 65 years and over.*

*Source: 2021 5-year ACS.*

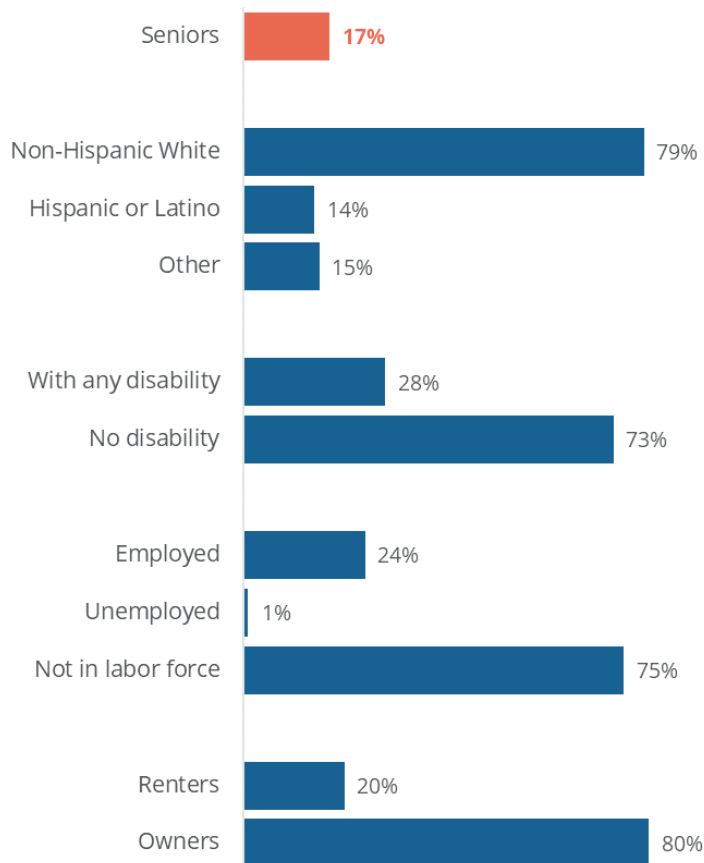


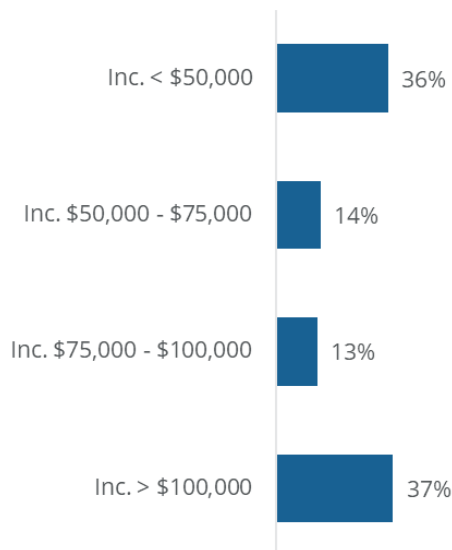
Figure HE-A-87 shows the share of seniors in Santa Cruz County by household income. The largest share of seniors have incomes below \$50,000 (36%) or above \$100,000 (37%). More than a quarter (27%) have incomes between \$50,000 and \$75,000. According to 2021 5-year ACS data, **16% of seniors in the county have incomes below the poverty level.**





**Figure HE-A-87:  
Seniors by Household  
Income, Santa Cruz  
County, 2021**

Source: 2021 5-year ACS.



Given housing prices and costs in the county, seniors on fixed incomes are likely to face greater housing and affordability challenges than households relying on their salaries or wages. A significant share of seniors in the county rely on their Social Security income (SSI) to cover their housing and living expenses (Table HE-A-12), which pays out an average of \$23,200 annually. Conversely, nearly half of the senior population in the county (47%) lives off their earnings, which average approximately \$91,300 annually.

**Table HE-A-12: Income in the Past Year for Seniors, Santa Cruz County, 2021**

Income	Percent of Seniors	Mean Earnings
With earnings	47%	\$91,286
With Social Security Income	85%	\$23,215
With Supplemental Social Security	7%	\$10,430
With cash public assistance	1%	\$6,944
With retirement income	54%	\$36,835
With Food Stamps / SNAP Benefits	6%	-

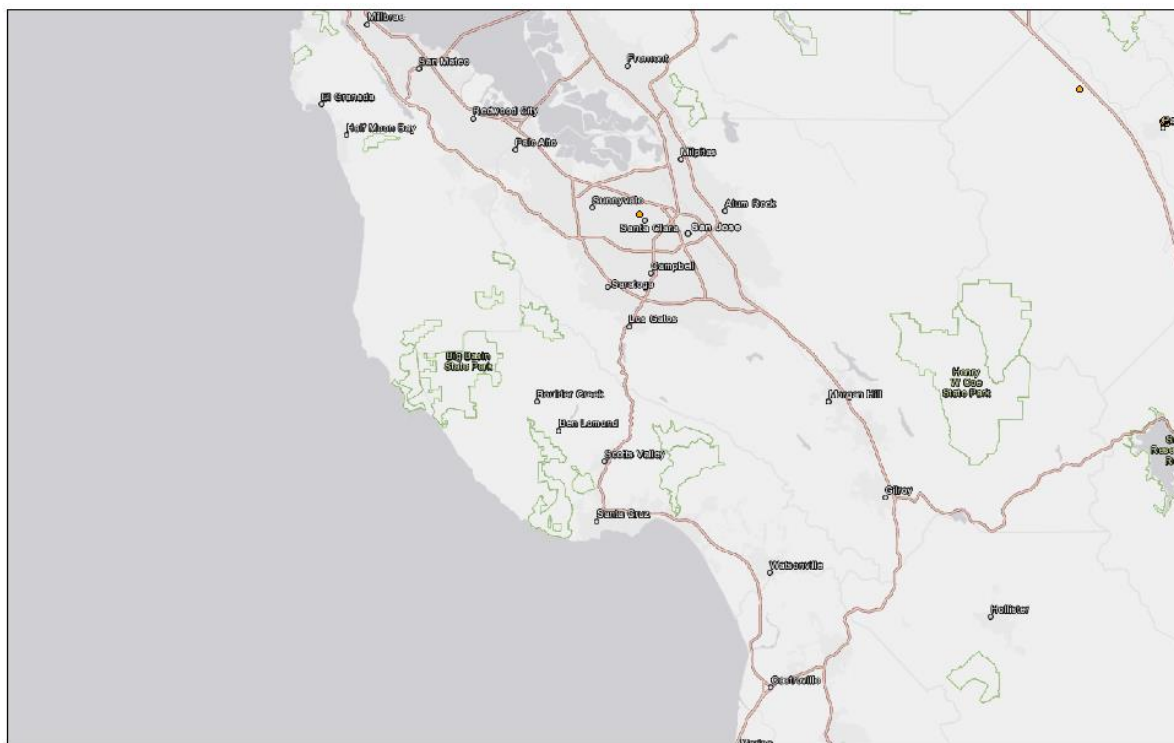
Source: 2021 5-year ACS.



### LOW AND EXTREMELY LOW INCOME HOUSEHOLDS

In a high-cost housing market, low income households often need access to public housing, deeply subsidized housing, and/or housing choice vouchers (e.g., Section 8). Figure HE-A-88 shows there is no public housing located in the county.

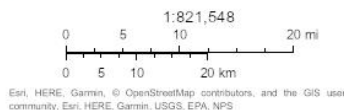
**Figure HE-A-88: Public Housing Buildings, Santa Cruz County, 2021**



April 27, 2023

Public Housing Buildings (HUD, 2021)

● ≤7

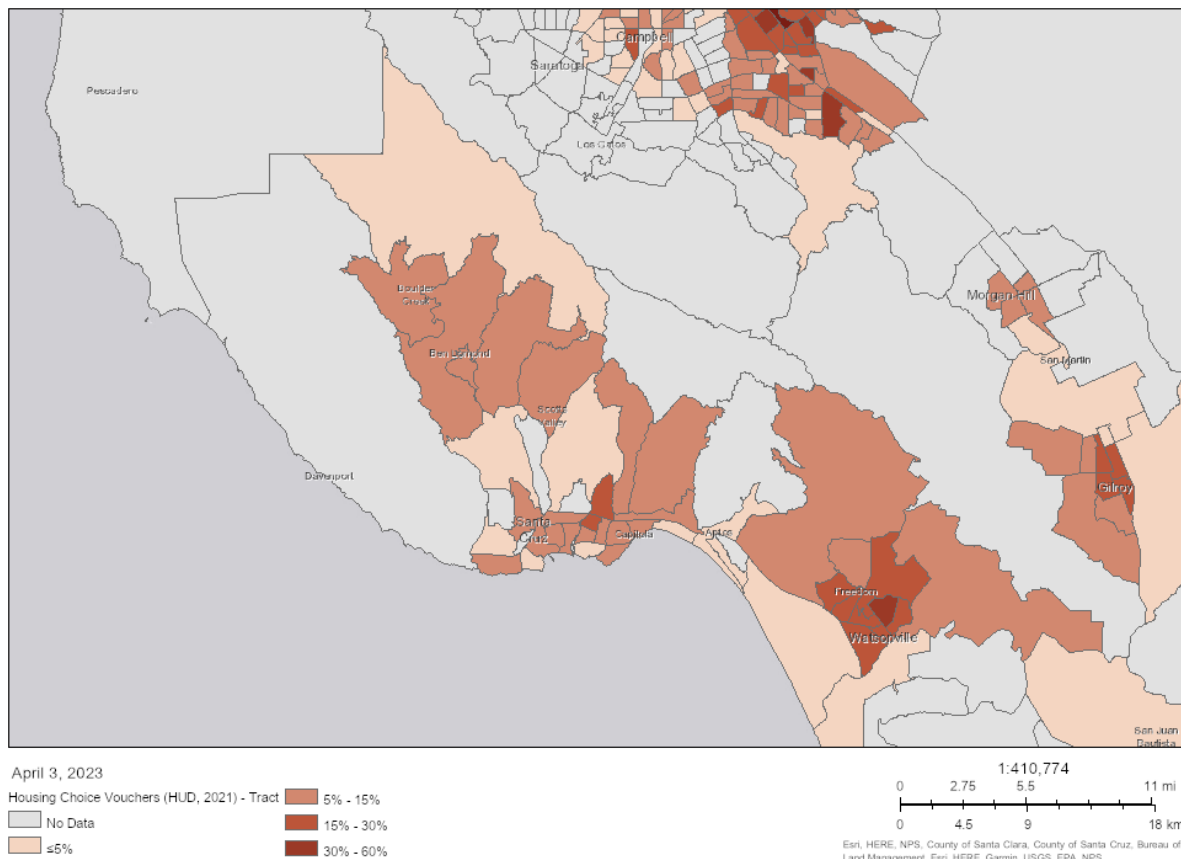


Source: California Department of Housing and Community Development AFFH Data Viewer.

Figure HE-A-89 shows census tracts in Santa Cruz County by percentage of housing choice voucher utilization. The census tract with the highest utilization of households with housing choice vouchers in unincorporated Santa Cruz County is located in Live Oak, north of Highway 1 and east of De Laveaga Park and Golf Course (28.16% utilization rate). Other census tracts in unincorporated Santa Cruz County with relatively higher HCV utilization rates are located northwest of the Watsonville Municipal Airport in Freedom (22.64%), south of Highway 1 and east of Soquel Avenue in Live Oak (20.16%), and east of Green Valley Road and north of Corralitos Creek in Interlaken (18.85%).



Figure HE-A-89: Housing Choice Vouchers as a Percentage of Renter Occupied Units, Santa Cruz County, 2021



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

### Extremely Low Income (ELI) households

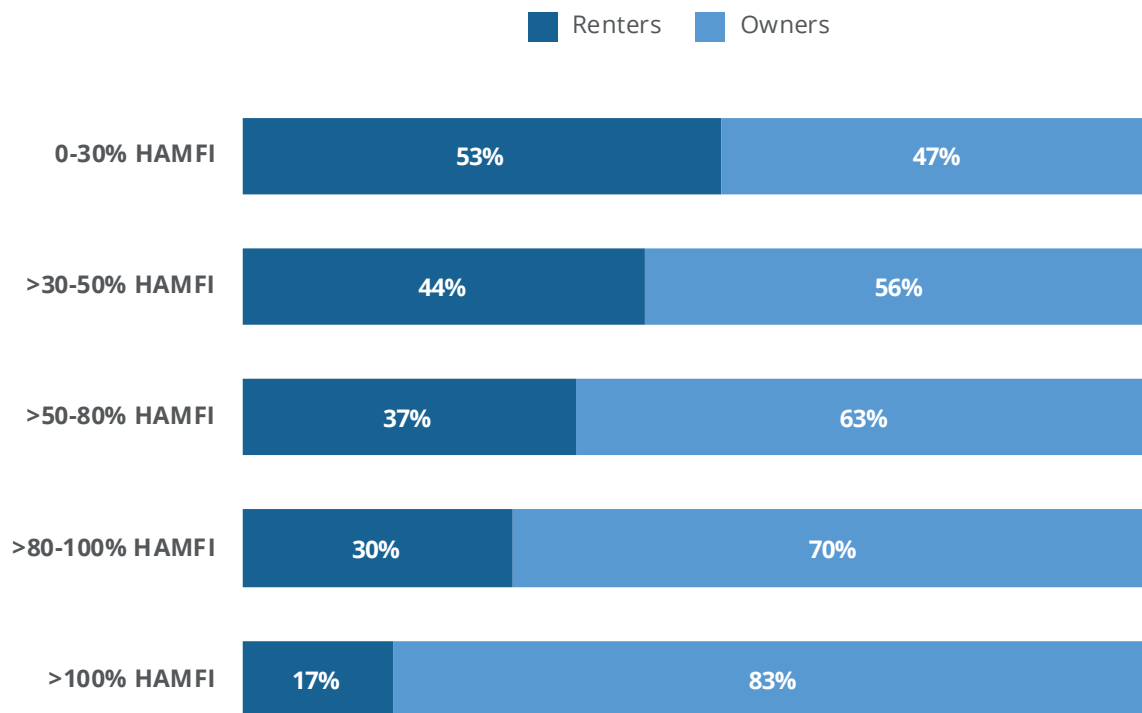
Government Code Section 65583(a) defines extremely low-income households as earning 30% or below of the AMI. For RHNA purposes, ELI units have historically been considered a subset of the very low-income unit RHNA. The extremely low-, very low-, and low-income groups are referred to collectively as lower-income units or households. Figure HE-A-79 presents the share of households by income level in 2019 for unincorporated Santa Cruz County, the county as a whole, and the region. Unincorporated Santa Cruz County has the smallest proportion of extremely low-income households relative to the county as a whole and region. According to CHAS data, there are 6,735 extremely low-income households in unincorporated Santa Cruz County—the majority of which are renters (53%).



HUD also defines extremely low income (ELI) households as those with income of up to 30% of AMI. The following section describes housing characteristics of these households, such as tenure, overpayment, housing situation, disproportionate impacts and needs, and existing resources.

**Tenure.** ELI households are more likely to be renters than owners. Over half (53%) of ELI households are renters while only 17% of households with income above 100% AMI are renters. Homeownership rates increase with income. Where only 47% of ELI households are homeowners, the ownership rate escalates to 56% for 30% to 50% AMI, 63% for 50% to 80% AMI, 70% for 80% to 100% AMI, and 83% more households with income more than 100% AMI (HE-A-90).

**Figure HE-A-90: HAMFI by Tenure, Unincorporated Santa Cruz County, 2020**

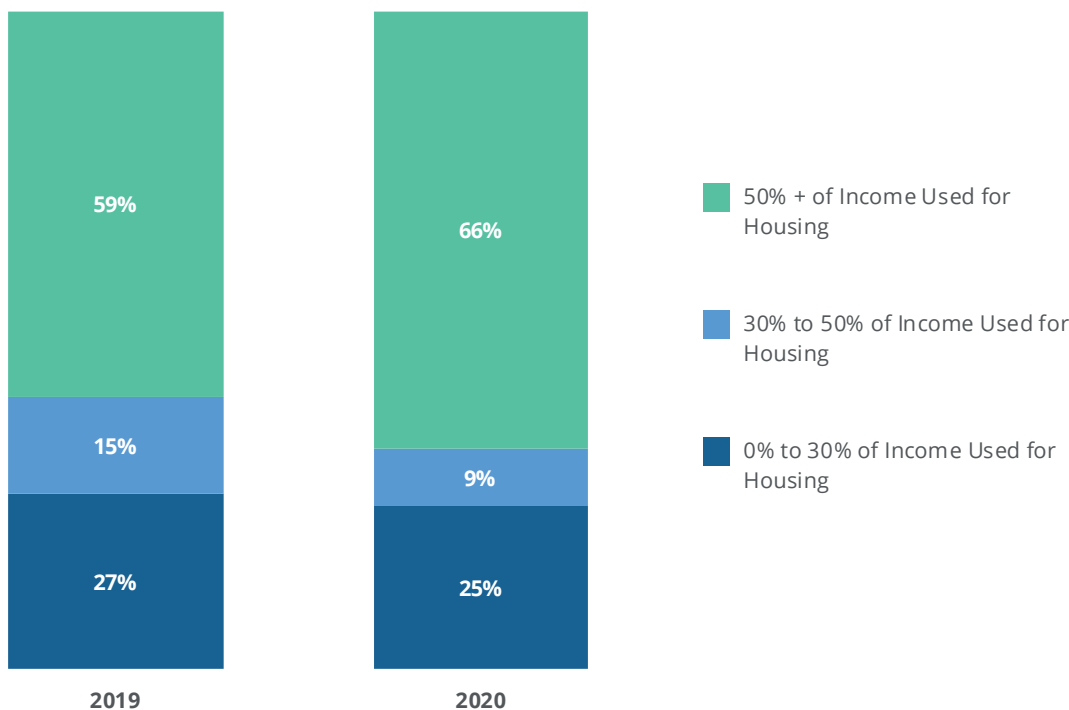


Note: For 0-30% HAMFI, n=5,926; 30-50% HAMFI, n=5,490; 50-80% HAMFI, n= 9,155; 80-100%, n=4,940; >100% HAMFI, n=24,356. Source: 2016-2020 CHAS and Root Policy Research.



**Overpayment.** As previously discussed, lower income households face higher rates of cost burden compared to households with higher incomes. This trend has increased post-pandemic, as shown when comparing 2019 and 2020 CHAS data. In 2019, 59% of ELI households were extremely cost burdened, paying over 50% of their income towards housing costs. In 2020, this increased by seven percentage points to 66%. The percent of ELI households in an affordable unit (paying less than 30% of household income towards housing) also decreased from 27% in 2019 to 25% in 2020. This trend indicates that rising housing costs are disproportionately impacting ELI households and intensifying cost burden. Households paying more than half of their income towards housing are at high risk for displacement and subsequent homelessness (HE-A-91).

**Figure HE-A-91: Cost Burden for ELI Households, Unincorporated Santa Cruz County, 2019 and 2020**



Note: For 2019, total ELI households, n=6,735; for 2020, total ELI households, n=5,926.

Source: 2015-2019 and 2016-2020 CHAS, and Root Policy Research.

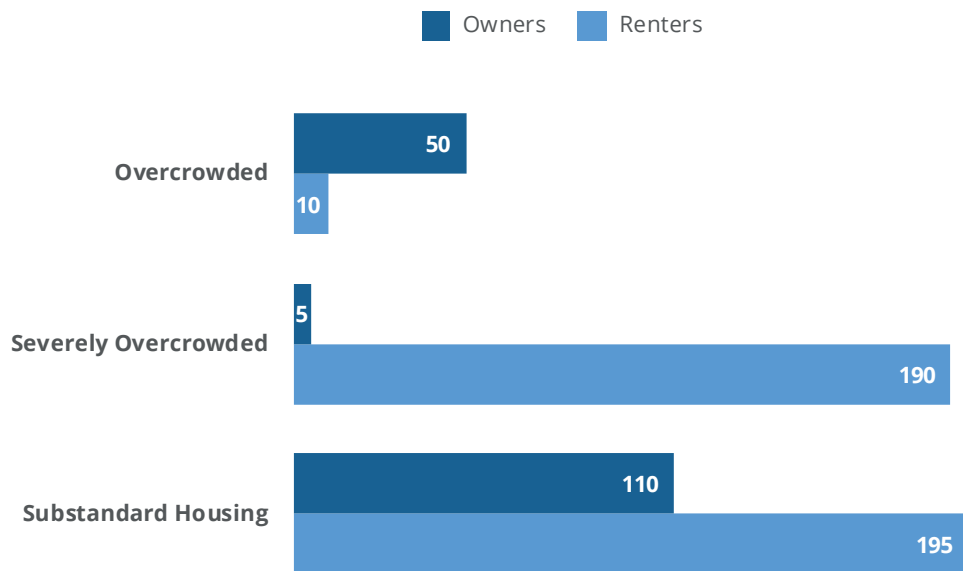
**Housing situation.** Although overcrowding and substandard housing issues are infrequent experiences among ELI residents in unincorporated Santa Cruz County, according to available CHAS data, ELI renters are more likely to face severe overcrowding (more than 1.5 people per bedroom)



and substandard housing conditions (lack complete kitchen or plumbing). Only five total ELI owners in unincorporated Santa Cruz County are estimated to have severely overcrowded conditions compared to 190 ELI renters. 110 ELI owners live in substandard conditions (lack adequate kitchen or plumbing) compared to 195 ELI renters.

Compared to other income levels, ELI renters were more likely to report severe cost burden, substandard housing, and severe overcrowding. Similarly, ELI owners are more likely to report severe cost burden and substandard housing, although ELI owners reported severe overcrowding less often compared to ELI renters.

**Figure HE-A-92: Housing Problems for ELI Households by Tenure, Unincorporated Santa Cruz County, 2020**

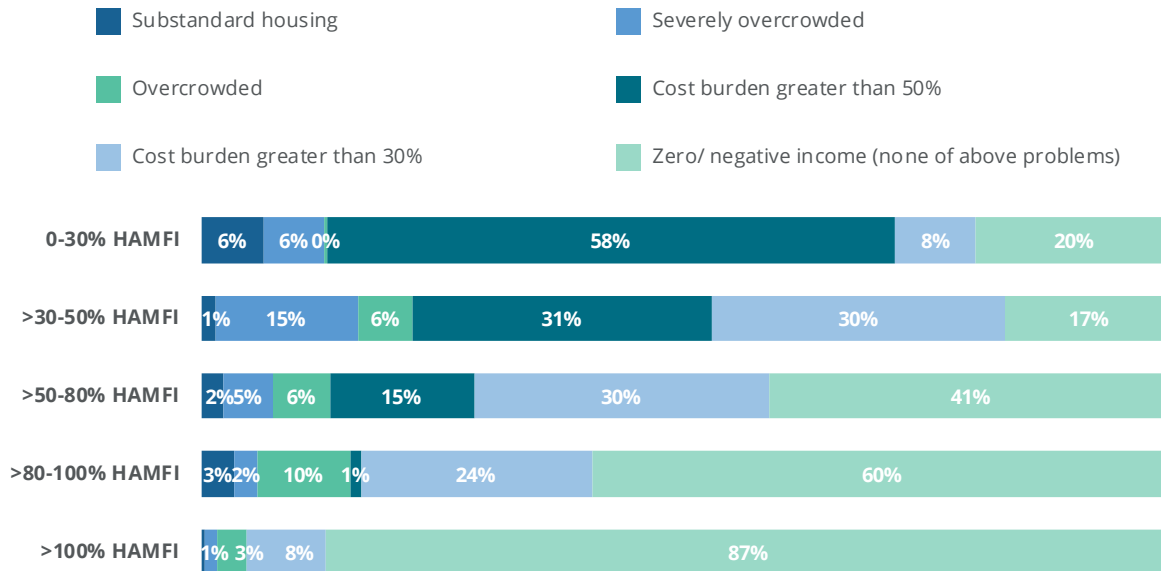


Note: Total ELI renter households with housing problems (n=3,140) and total ELI owner households with housing problems (n=2,580).

Source: 2016-2020 CHAS and Root Policy Research.



**Figure HE-A-93: Housing Problems for Renter Households, Unincorporated Santa Cruz County, 2020**



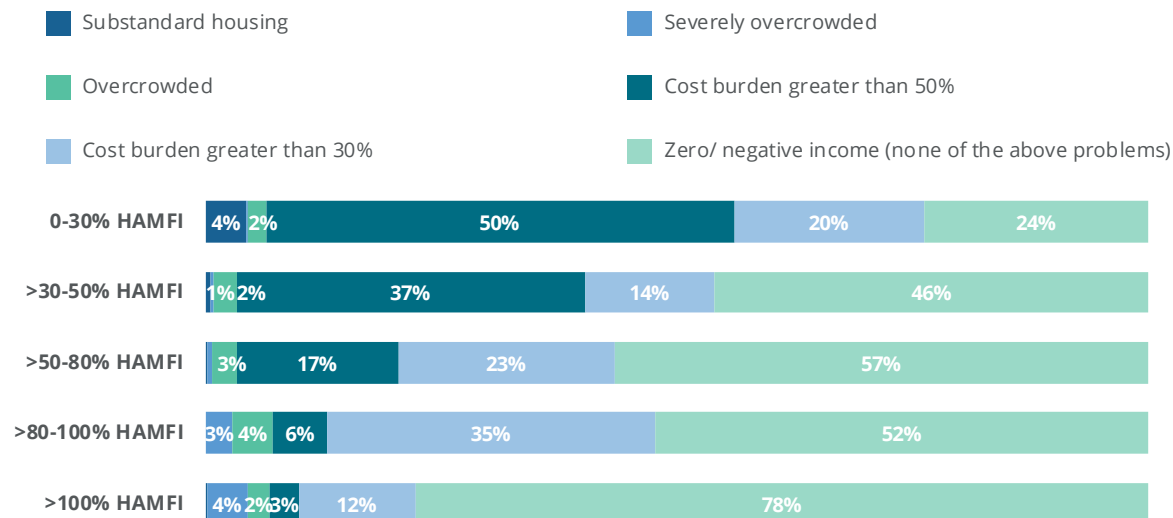
Note: For 0-30% HAMFI, n=3,040; 30-50% HAMFI, n=2,415; 50-80% HAMFI, n= 3,350; 80-100% HAMFI, n=1,465; >100% HAMFI, n=4,051.

Source: 2016-2020 CHAS and Root Policy Research.





Figure HE-A-94: Housing Problems for Owner Households, Unincorporated Santa Cruz County, 2020



Note: For 0-30% HAMFI, n=2,580; 30-50% HAMFI, n=3,076; 50-80% HAMFI, n=5,829; 80-100% HAMFI, n=3,535; >100% HAMFI, n=21,130. Source: 2016-2020 CHAS data, and Root Policy Research.

**Disproportionate impacts.** Cost burden, overcrowding, and substandard housing conditions strain the housing stability of ELI households in unincorporated Santa Cruz County. Cost burden disproportionately looms over ELI households and creates financial barriers to housing stability and choice. As data has shown, ELI renters are more likely to live in substandard and severely overcrowded conditions while facing the highest rate of severe cost burden. This signals that these households are forced to select the most affordable option, regardless of condition, to find and remain in housing. Severe cost burden also leaves these households more susceptible to falling behind in rent and prohibits them from establishing a savings safety net. There are 2,345 cost burdened ELI renters— this is more than the number of all cost burdened renters 30% AMI and above combined.

**Resources.** Rental and mortgage assistance are vital resources for ELI households who are cost burdened by housing expenses. The Community Action Board of Santa Cruz County offers rental assistance for low-income residents. The Housing Authority of the County of Santa Cruz offers the Project-Based Voucher and Housing Choice Voucher programs, however, there are currently waitlists associated with these programs. The Catholic Charities Emergency Food and Shelter Program offers emergency rent and utility assistance through FEMA funding and can cover up to three months of rent. The County funds rental assistance programs that include security deposits, short- and long-term subsidies with ESG, Low and Moderate Housing Asset Fund, and HOME

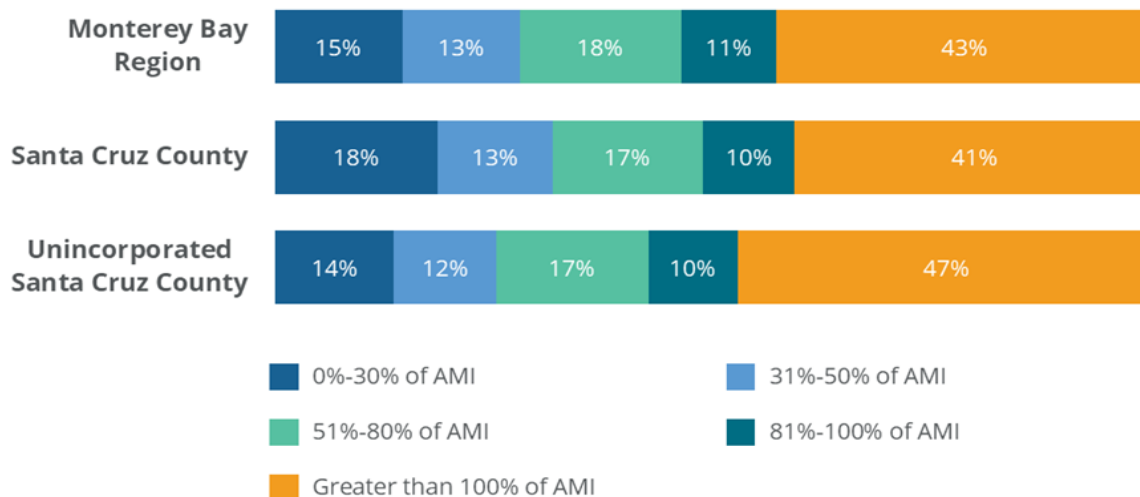


funds. These programs are administered through local agencies such as the Housing Authority of Santa Cruz, Families in Transition, and Community Action Board.

Per the 6<sup>th</sup> Cycle RHNA, Santa Cruz County will provide 1,492 units for very low-income households (households making less than or equal to 50%). Assuming that half of these units are targeted for extremely low-income populations, the County projects providing 746 units for extremely low-income households.



**Figure HE-A-95: Share of Households by Area Median Income, Unincorporated Santa Cruz County, 2021**



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

Geographic Area	Total Households
Monterey Bay Region	241,110
Santa Cruz County	95,820
Unincorporated Santa Cruz County	49,645

Source: CHAS estimates, 2015-2019, from <https://www.huduser.gov/portal/datasets/cp.html>

## PERSONS AND HOUSEHOLDS EXPERIENCING HOMELESSNESS

According to the County’s 2023 Point-in-Time (PIT) Count, 1,804 people were experiencing homelessness in Santa Cruz County in 2023, a 22% decrease compared to 2022 (2,299 individuals identified during the 2022 count). Nearly 80% of the residents identified during the 2023 PIT Count were experiencing unsheltered homelessness (1,426 individuals). Homelessness in the unincorporated areas of the county also decreased over the same time period, with 249 people identified during the 2023 Count and 396 identified during the 2022 Count (a 37% decrease). All individuals identified as experiencing homelessness in the unincorporated areas of the county over both years were unsheltered (Table HE-A-13).

### Geographic Concentration of Homelessness and Contributing Factors

The County’s Housing for Health Division of the Human Services Department was recently awarded a Community Development Block Grant that will fund a Street Outreach pilot program



targeting unsheltered persons experiencing homelessness in the unincorporated area of the County. The program will focus on linking people with available health, housing, human services, and other community resources with the goal of helping people move into their own homes. In unincorporated urban areas such as Live Oak, Soquel, Aptos, Rio Del Mar and Freedom many homeless residents sleep along the Highway 1 corridor and along creeks. People experiencing homelessness often lack information on available community resources. Among people experiencing homelessness, those living in encampments are more likely to struggle with chronic physical health and behavioral health conditions. They are more likely to have limited to no income and interactions with law enforcement and the criminal justice system.

Factors that contribute to homelessness in Santa Cruz County, including the unincorporated regions, often involve a significant housing affordability gap, health issues, lack of supportive connections, and a loss of hope and sense of purpose. Coordinated Entry is a systemic approach to connecting people experiencing homelessness with available assistance in the community. It is an important way to ensure fair and equitable access to limited housing resources and is a Federal and State requirement.

In April 2023, the Santa Cruz County Housing for Health Partnership (H4HP) launched a redesigned Coordinated Entry System. The new system uses service provider “Connectors” applying housing problem solving techniques and an assessment and planning tools to assist as many people experiencing homelessness as possible. The approach recognizes that there isn’t an immediate housing resource available for each person, so focuses on providing individual assistance to help people gain access to an array of potential supports that help lead people experiencing homelessness onto pathways to housing.

Connectors meet their participants where they reside throughout the County, including the unincorporated regions. Anyone in need of this assistance can complete a Connection Services Request form or contact the County’s Housing for Health office, and will be referred to Connectors with caseload availability.

While the overall number of people experiencing homelessness in the county decreased over the last year, the number of families experiencing homelessness (and people within those families) increased. In 2023, 76 families (263 people) were identified as experiencing homelessness compared to 50 families (158 people) experiencing homelessness in 2022. Moreover, in 2023, just 65% of families experiencing homelessness were sheltered, compared to 91% of families experiencing homelessness in 2022.

People who identify as Black or African American (6% of the homeless population compared to 1% of the total population), American Indian or Alaskan Native (4%, 1%), White (81%, 69%), and



Hispanic (44%, 35%) are overrepresented in the homeless population compared to their share of the general population (Figure HE-A-96 and Figure HE-A-97).

**Homeless regional analysis.** As previously noted, the 2023 Santa Cruz County Point-in-Time (PIT) count identified 1,804 individuals experiencing homelessness in Santa Cruz County, with 79% of this population experiencing unsheltered homelessness. To the east, Santa Clara County reported 10,028 residents experiencing homelessness in 2022, 77% of which were unsheltered. Twenty-five percent of residents experiencing homelessness in Santa Clara County reported their entrance into homelessness was instigated by losing their job compared to 35% in Santa Cruz County. These high percentages are revealing, and suggest that immediate intervention after a job loss, such as rental assistance or job resource centers could play a pivotal role in preventing homelessness in the region.

To the south, San Benito and Monterey Counties collectively counted 2,404 residents experiencing homelessness, with 68% of these residents experiencing unsheltered homelessness—slightly lower than unincorporated Santa Cruz County. Residents experiencing homelessness in San Benito, Monterey, Santa Cruz, and Santa Clara Counties are disproportionately Black. In Santa Clara County, 14% of the homeless population is Black despite making up 2% of the county population. In San Benito and Monterey Counties, 7.7% are Black despite making up 2% of the population. The disproportionate need indicates that Black residents in the region face displacement at higher rates and have more difficulty finding and accessing resources following such displacement.

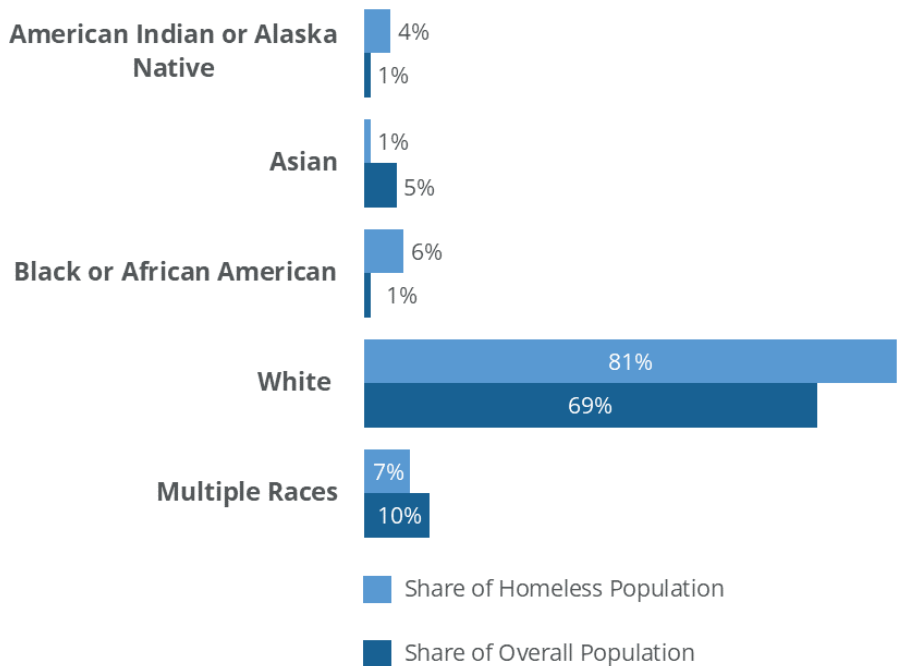
**Table HE-A-13:  
Homelessness by  
Shelter Status,  
Unincorporated Santa  
Cruz County, 2022 and  
2023**

	2022	2023	Percent Change
Sheltered	0	0	0%
Unsheltered	396	249	-37%

Source: 2023 PIT Count.

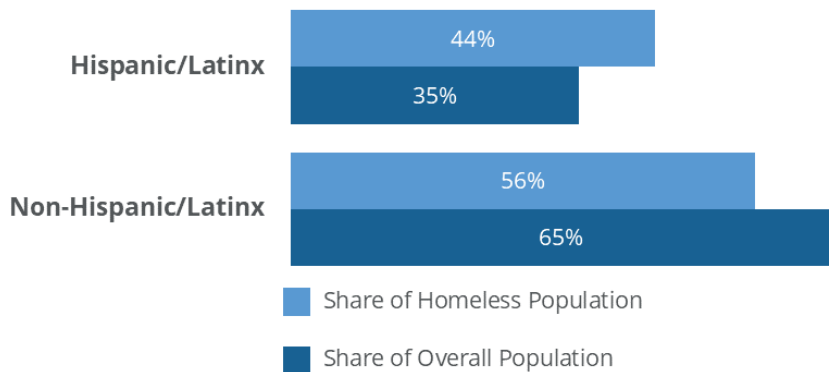


**Figure HE-A-96: Share of General and Homeless Populations by Race, Santa Cruz County, 2022**



Source: 2023 PIT Count.

**Figure HE-A-97: Share of General and Homeless Populations by Ethnicity, Santa Cruz County, 2022**

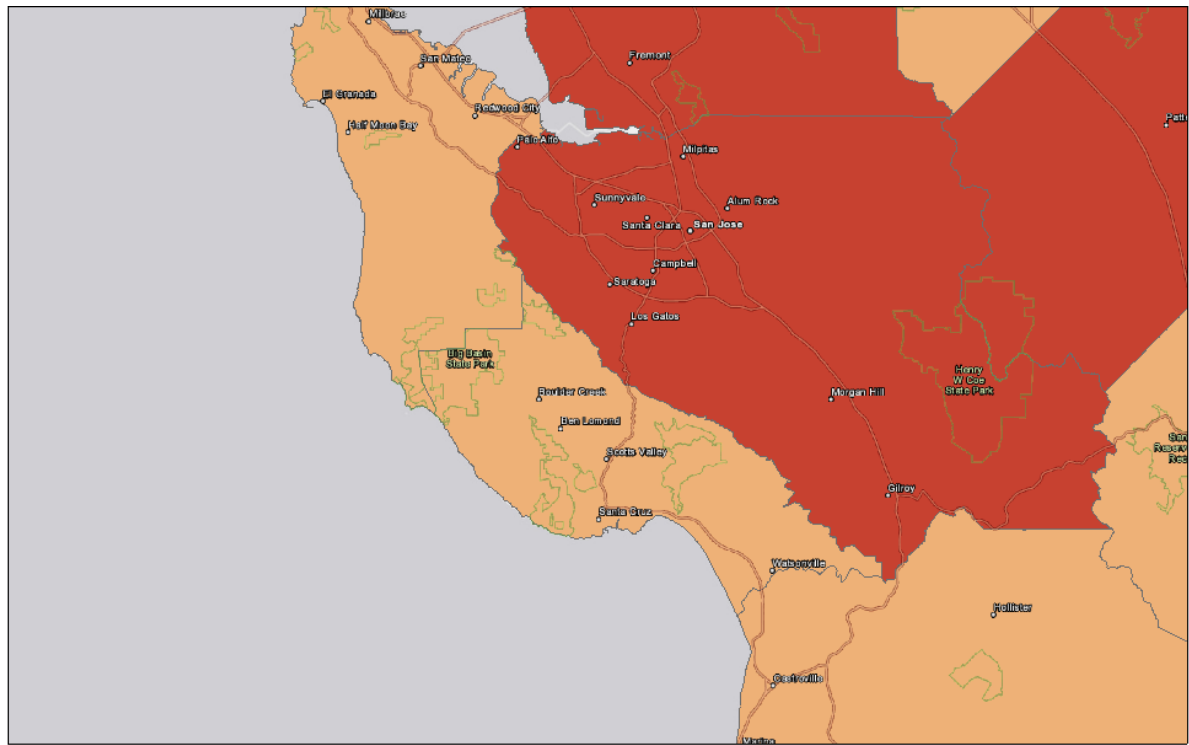


Source: 2023 PIT Count.

Figure HE-A-98 maps Santa Cruz County’s PIT counts with adjacent counties.



Figure HE-A-98: Point in Time (PIT) Count, Santa Cruz County, 2021



April 27, 2023

Point In Time Count (HUD, 2021) - CoC Level ■ Up to 5,000 People  
■ Up to 1,000 People

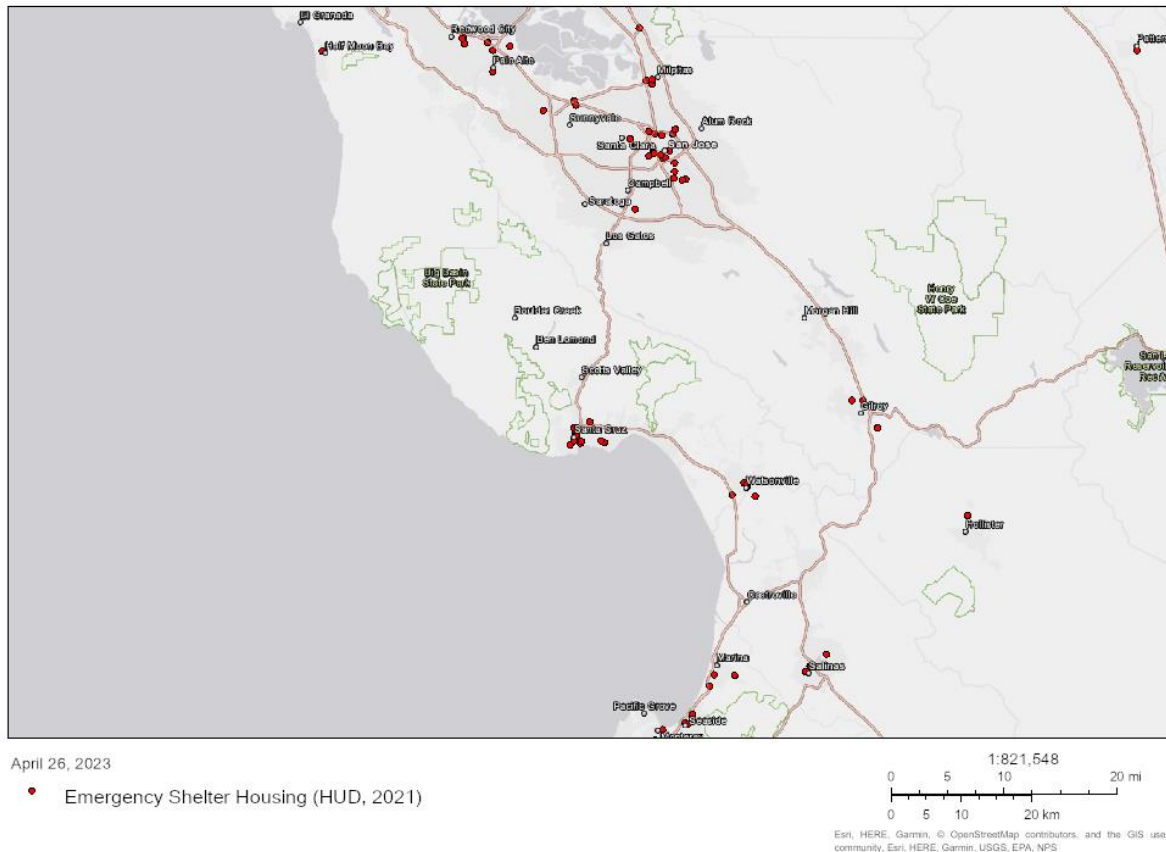
1:821,548  
0 5 10 20 mi  
0 5 10 20 km  
Esri, HERE, Garmin, © OpenStreetMap contributors, and the GIS user community, Esri, HERE, Garmin, USGS, EPA, NPS

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

Figure HE-A-99 shows the location of Santa Cruz County’s emergency shelter housing. There are only two emergency shelters in unincorporated Santa Cruz County—both located in Twin Lakes. The 2022 PIT Count identified 27 individuals residing at the two shelters out of a total of 37 beds available.



Figure HE-A-99: Emergency Shelters, Santa Cruz County, 2021



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

### FARMWORKER HOUSING NEEDS

According to the 2018 Farmworker Housing Study and Action Plan for Salinas Valley and Pajaro Valley<sup>47</sup>, at that time there were an estimated 91,433 individuals employed in agriculture in this bi-county region. Employers identified laborers from other countries as pivotal to their operations to fill in labor gaps in temporary agricultural work. Two-thirds of workers interviewed for this study were from Mexico, and 13% identified as indigenous Mixtec, Triqui, or Zapotec. Despite the importance of the migrants' work, the study found that these populations live in extreme overcrowding and substandard housing conditions.

***Farmworker overcrowding and housing conditions.*** The survey revealed that farm workers in Monterey and Santa Cruz Counties live in a household with seven people, on average. This is much higher than the average Hispanic People Per Dwelling (PPD) in Monterey County at 4.38 and 4.33 in Santa Cruz County. The overall PPD in Monterey County is 3.23 and 2.60 in Santa Cruz County. In

<sup>47</sup> <https://www.co.monterey.ca.us/home/showpublisheddocument/63729/636609425727870000>





addition, the survey found that farmworkers shared a bathroom with an average of five people. To alleviate extreme overcrowding, the report estimated that an additional 33,159 units would be needed for farmworkers.

Beyond issues of overcrowding, farmworker respondents also reported issues with mold, lack of heat, noise, and bathroom issues. These conditions do not allow farmworkers to relax and find solace in their homes after an intense day of physical labor. Many respondents were also worried about their children's health and safety living in conditions with mold, leaky pipes, and kitchens without refrigerators to keep food fresh and deter rodents.

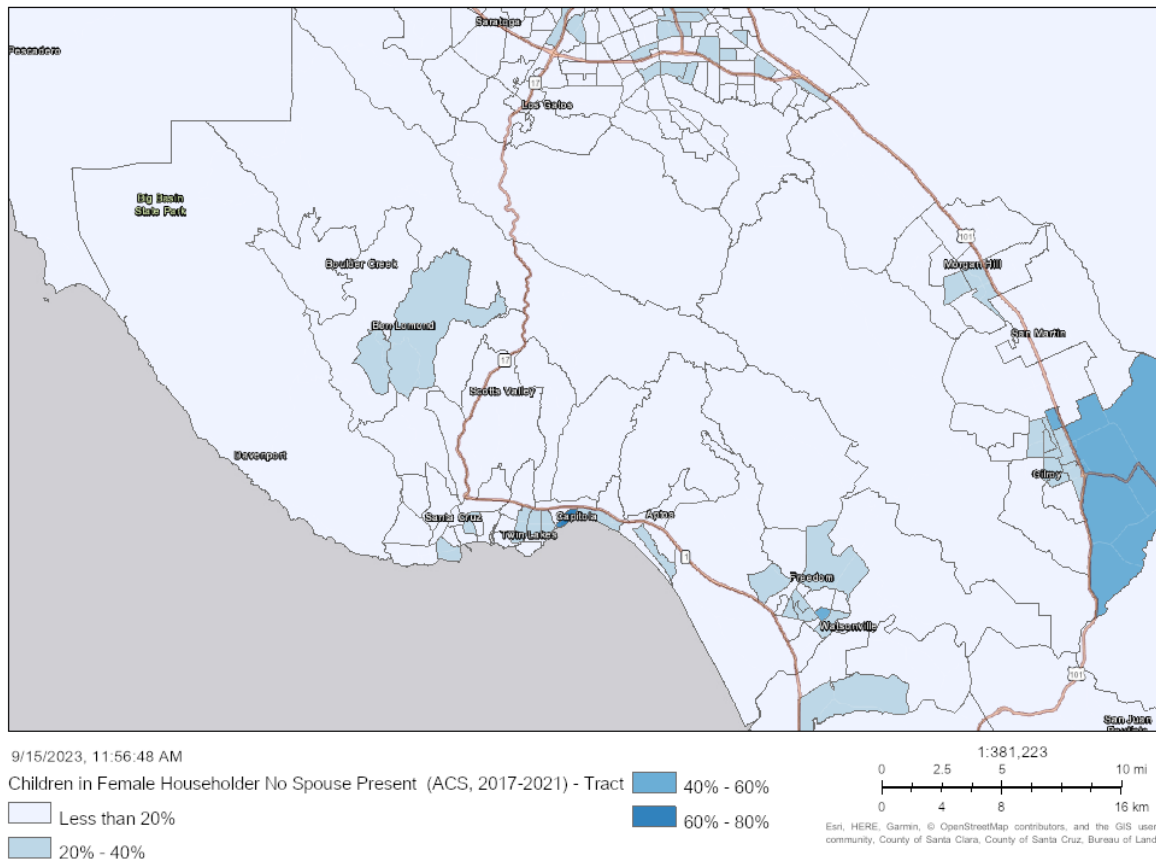
***Farmworker housing situations.*** About 40% of farmworker respondents lived in houses, 30% in apartments, 19% in rented rooms without a kitchen, and 12% lived in other dwellings such as travel trailers, motels, or barracks. Eleven percent of farmworkers were owners—25% of which owned a mobile home.

### FEMALE HEADED HOUSEHOLDS

**Female headed households.** According to 2021 ACS data, there are 11,181 female headed households with no spouse. Of these, 12% have children compared to 6% of male headed households with no spouse in unincorporated Santa Cruz County. Figure xx shows a map of the percent of children in female headed households in Santa Cruz County. The only concentrations above 40% are in central Capitola and west Watsonville in incorporated Santa Cruz County. Tracts above 20% are in the city of Santa Cruz, Twin Lakes, and to the north of Watsonville (Figure HE-A-100).



Figure HE-A-100: Percent of Children in Female Householder, No Spouse/ Partner Present Households



Source: HCD AFFH Data Viewer.

**Overpayment.** Census tracts with higher concentrations of children in a female headed household relative to surrounding tracts align with areas with concentrations of cost burden. This is because female headed households generally fall into lower income strata. In Santa Cruz County, female households with children have a median income of \$48,718, according to 2021 ACS data. For a family of four, this equates to 35% AMI. As previously discussed, 69% of renters under 30% AMI and over half (53%) of renters between 30% and 50% AMI are cost burdened. Given that female headed households with children generally fall into very low and low income limits, it can be assumed that the majority are cost burdened.

**Housing situation.** In incorporated Santa Cruz County, 58% of female headed households are renters compared to only 19% of married couple households, according to 2021 ACS data. This again emphasizes that female headed households are more likely to face cost burden, as many overlap with ELI renters.



**Disproportionate impacts.** As female-headed households tend to be lower income renters, they face many of the same problems experienced by ELI households in unincorporated Santa Cruz County. These include disproportionate cost burden, overcrowding, and substandard housing conditions relative to higher income residents. Parents on a single income face the additional burden of finding and paying for childcare. Families who are cost burdened by housing likely have little leftover for childcare, putting working single parents in an impossible choice between childcare, a full-time job, and housing.

### Disproportionate Housing Needs

#### Disproportionate Housing Needs

“Disproportionate housing needs generally refers to a condition in which there are significant disparities in the proportion of members of a protected class experiencing a category of housing need when compared to the proportion of members of any other relevant groups, or the total population experiencing that category of housing need in the applicable geographic area. For purposes of this definition, categories of housing need are based on such factors as cost burden and severe cost burden, overcrowding, homelessness, and substandard housing conditions.”

Disproportionate housing needs experienced by protected classes can be determined by the number of households experiencing housing problems. The Department of Housing and Urban Development (HUD) defines housing problems as having one or more of the following variables:

- Incomplete kitchen facilities;
- Incomplete plumbing facilities;
- Overcrowding (more than one person per room); and
- Cost burden (>30% AMI).

Severe housing problems are defined as having one of the following variables:

- Incomplete kitchen facilities;
- Incomplete plumbing facilities;
- Severe overcrowding (more than 1.5 persons per room); and
- Severe cost burden (>50% AMI).



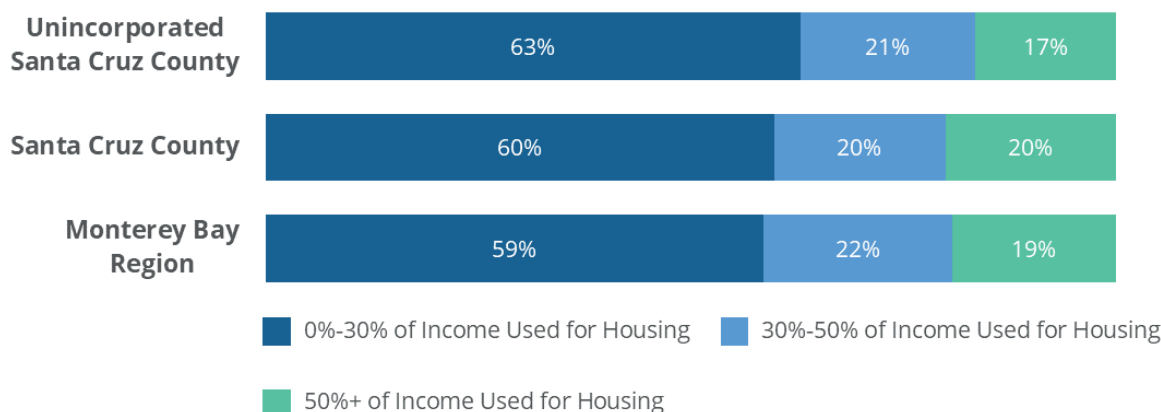
## COST BURDEN AND SEVERE COST BURDEN

Cost burden or overpayment is measured as households spending more than 30 percent of their gross income on housing (including utilities); severe cost burden or overpayment is measured as households spending 50 percent or more of their gross income for housing.

According to HUD, cost burden is defined as the ratio of housing costs to household income. For renters, cost burden is determined by gross rent (or contract rent) plus utility costs. Owner cost burden is determined through select monthly owner costs—mortgage payment, utilities, HOA fees, insurance, and property taxes.

Figure HE-A-101 shows cost burdened households for unincorporated Santa Cruz County, as well as Santa Cruz County and the Monterey Bay Region. Unincorporated Santa Cruz County has the smallest proportion of cost burdened households relative to the other comparison geographies with just 38% of its households experiencing cost burden. Of those households, 17% experience severe cost burden.

**Figure HE-A-101: Cost Burdened Households, 2021**



Source: 2021 5-year ACS.

**Cost burden by tenure.** Lower income renter households face the highest rates of cost burden. 2,345 renter households with income less than 30% AMI are cost burdened, spending more than 30% of their income on housing costs. This equates to three-quarters (75%) of all renter households with income less than 30% AMI who are cost burdened. Cost burden remains high for renter households with income between 30% and 50% AMI— 1,915 households (79%) within this income bracket pay more than 30% of their income towards housing costs (Figure HE-A-102). The steep ratio leaves lower income households



vulnerable to falling behind in rent and losing their housing with just one emergency and leaves little room for basics, such as food, childcare, and transportation costs.

Figure HE-A-102: Renter Cost Burden by AMI, Unincorporated Santa Cruz County, 2020

	0-30% HAMFI		>30-50% HAMFI		>50-80% HAMFI		>80-100% HAMFI		>100% HAMFI	
	n	%	n	%	n	%	n	%	n	%
30% to 50% Cost Burden	275	9%	985	41%	1,200	36%	350	24%	331	8%
More than 50% Cost Burden	2,070	66%	930	38%	495	15%	15	1%	0	0%
<b>Total Cost Burdened</b>	<b>2,345</b>	<b>75%</b>	<b>1,915</b>	<b>79%</b>	<b>1,695</b>	<b>51%</b>	<b>365</b>	<b>25%</b>	<b>331</b>	<b>8%</b>
<b>Total Households</b>	<b>3,115</b>	<b>100%</b>	<b>2,430</b>	<b>100%</b>	<b>3,350</b>	<b>100%</b>	<b>1,470</b>	<b>100%</b>	<b>4,046</b>	<b>100%</b>

Source: 2016-2020 CHAS and Root Policy Research.

A similar pattern is reflected for lower income owner households. 1,945 owner households with income less than 30% AMI are cost burdened, equating to 69% of owners within this income bracket. As with renters, as income increases, cost burden decreases for owner households. The rate of cost burden for households with income 30% to 50% AMI drops to 53%, followed by 42% for those 50% to 80% and 80% to 100% AMI, and 16% for those more than 100% AMI (Figure HE-A-103).

Figure HE-A-103: Owner Cost Burden by AMI, Unincorporated Santa Cruz County, 2020

	0-30% HAMFI		>30-50% HAMFI		>50-80% HAMFI		>80-100% HAMFI		>100% HAMFI	
	n	%	n	%	n	%	n	%	n	%
30% to 50% Cost Burden	605	22%	445	15%	1,380	24%	1,265	36%	2,680	13%
More than 50% Cost Burden	1,340	48%	1,190	39%	1,035	18%	205	6%	655	3%
<b>Total Cost Burdened</b>	<b>1,945</b>	<b>69%</b>	<b>1,635</b>	<b>53%</b>	<b>2,415</b>	<b>42%</b>	<b>1,470</b>	<b>42%</b>	<b>3,335</b>	<b>16%</b>
<b>Total Households</b>	<b>2,811</b>	<b>100%</b>	<b>3,060</b>	<b>100%</b>	<b>5,805</b>	<b>100%</b>	<b>3,470</b>	<b>100%</b>	<b>20,310</b>	<b>100%</b>

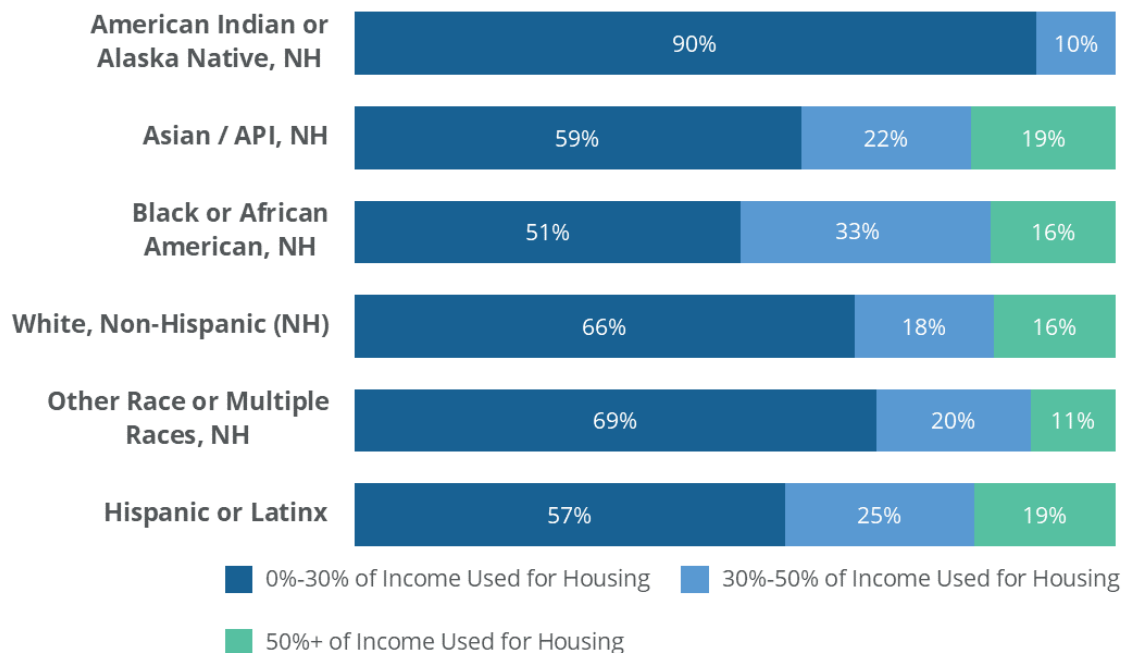
Source: 2016-2020 CHAS and Root Policy Research.

There are disparities in housing cost burden in unincorporated Santa Cruz County by race and ethnicity. Black or African American households (49%) experience the highest rates of cost burden in unincorporated areas of the county, followed by Hispanic households (43%). Other/Multiple Race (31%) and Non-Hispanic White households experience the lowest cost burden (Figure HE-A-104). Large family households—considered households with five or more persons—experience cost burden at a similar rate to other household types (Figure HE-A-105).



As noted previously, Hispanic households are primarily situated in the southern portion of the county due to the demand for farm labor. A 2022 Good Times Santa Cruz article highlighted a 2018 report<sup>48</sup> that focused on the laborsheds in the Salinas and Pajaro valleys, finding that "...many farmworkers live in crowded, unsafe and deteriorating housing because of low wages and the seasonal nature of their work."<sup>49</sup> The article also noted that "[f]amilies of eight live in a room designed for one. Seasonal workers rent corners of living rooms and hallways. And these cramped homes were reportedly littered with mold, insects and rodents, as well as broken-down bathrooms, kitchens, roofs, and plumbing."<sup>50</sup> The report articulated a goal of building 5,300 permanent, affordable housing units for farmworkers in the both the Salinas and Pajaro valleys over the next five years, although no significant progress has been made thus far.<sup>51</sup> Since the report was produced, the County has passed County Code amendments aimed at increasing the supply of agricultural employee housing.

**Figure HE-A-104: Overpayment (Cost Burden) by Race and Ethnicity, Unincorporated Santa Cruz County, 2021**



Source: 2021 5-year ACS.

<sup>48</sup> [Farmworker Housing study and action plan for Salinas valley and Pajaro valley \(cirsinc.org\)](https://www.cirsinc.org/farmworker-housing-study-and-action-plan-for-salinas-valley-and-pajaro-valley)

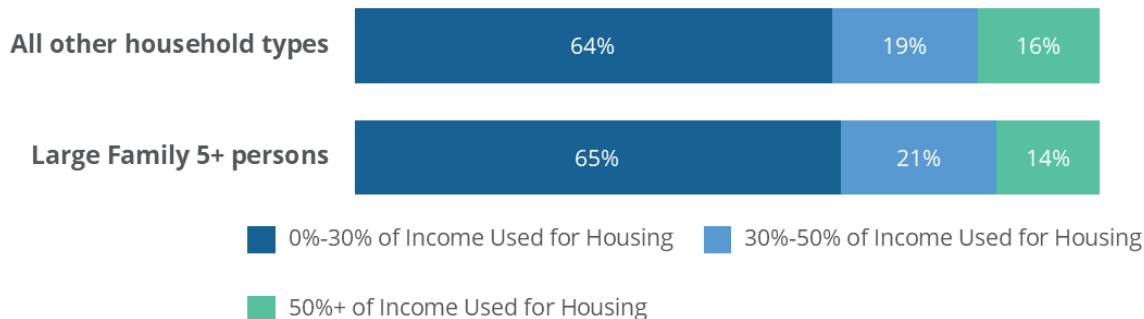
<sup>49</sup> <https://www.goodtimes.sc/how-the-push-for-farmworker-housing-is-hindered-by-persistent-myths/>

<sup>50</sup> Ibid.

<sup>51</sup> Ibid.



**Figure HE-A-105: Overpayment (Cost Burden) by Family Size, Unincorporated Santa Cruz County, 2021**

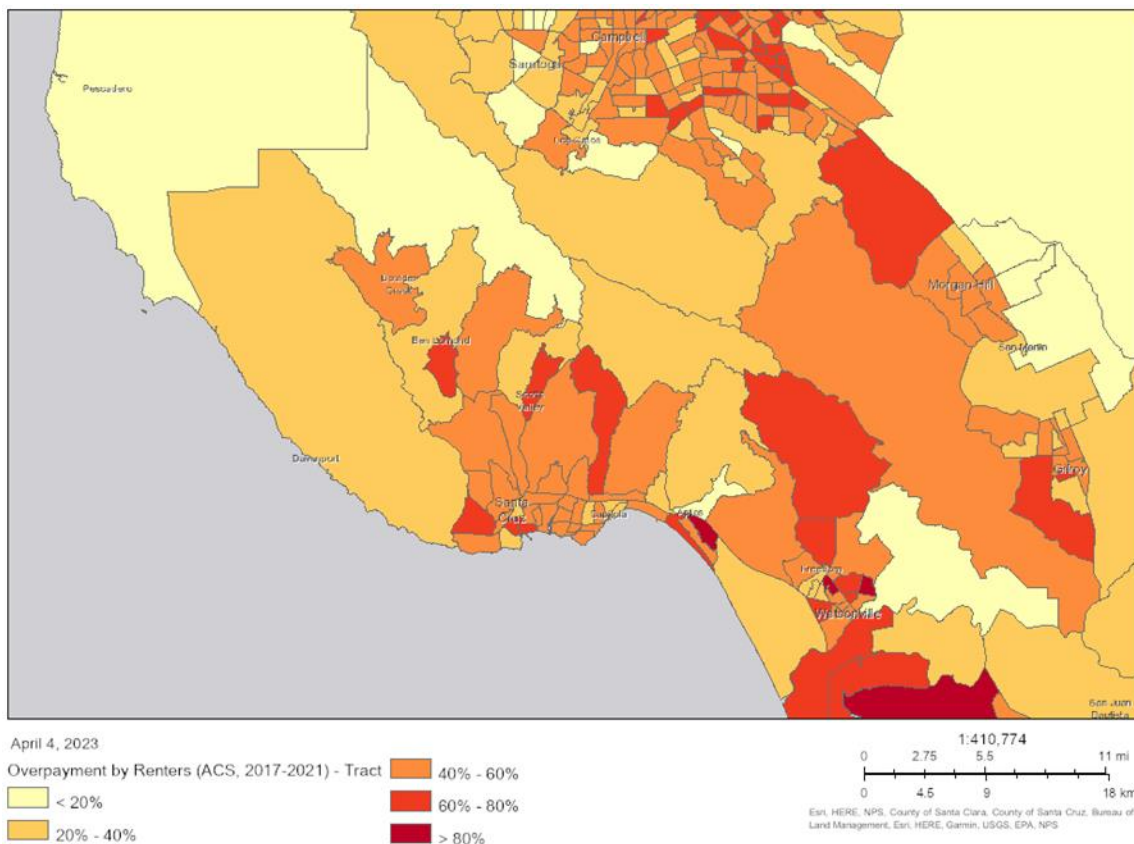


Source: 2021 5-year ACS

Figure HE-A-106 shows the geographic distribution of cost burdened renters in 2021 in Santa Cruz County. Areas in unincorporated Santa Cruz County with the greatest concentration of cost burdened renters are located in Rio Del Mar, Amesti, Corralitos, Ben Lomond, and the census tract north of Soquel.



**Figure HE-A-106: Overpayment by Renters by Census Tract, Santa Cruz County, 2021**



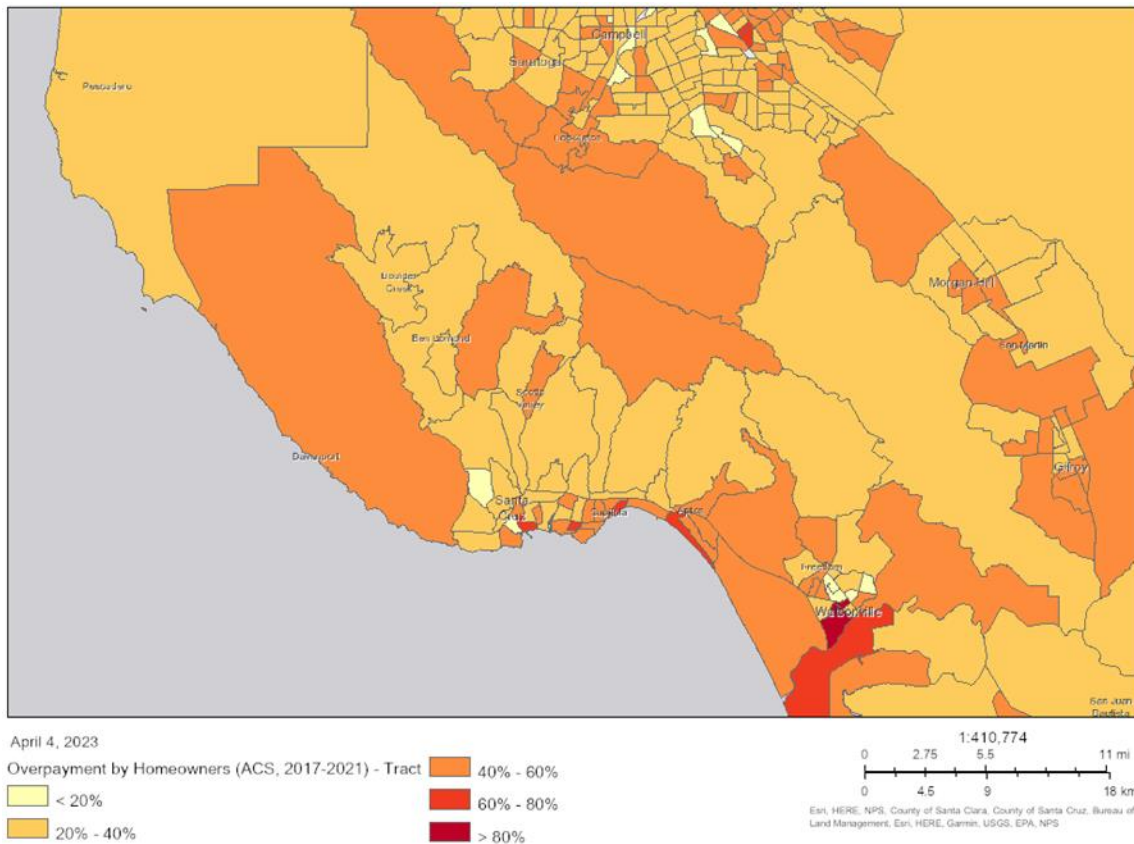
Source: California Department of Housing and Community Development AFFH Data Viewer.

Figure HE-A-107 shows the distribution of cost burdened owner households in Santa Cruz County in 2021. Areas in unincorporated Santa Cruz County with the greatest concentration of cost burdened owners are located in Rio Del Mar, Twin Lakes, Pleasure Point, Aptos Hills-Larkin Valley, Aptos, Monte Toyon, and the census tract northeast of Interlaken.





**Figure HE-A-107: Overpayment by Homeowners by Census Tract, Santa Cruz County, 2021**



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

## OVERCROWDING

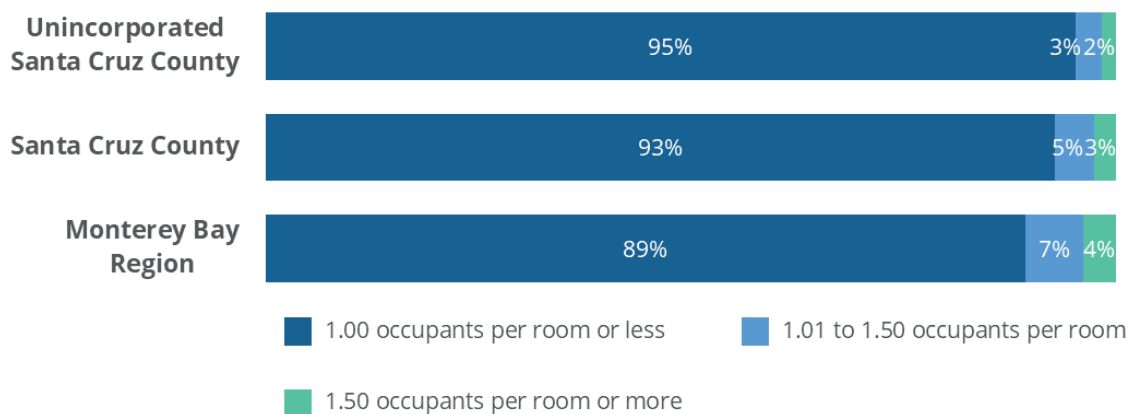
Understanding the prevalence of overcrowded households within a community helps determine the need for affordable and adequately sized housing units. Overcrowding is defined as a household with more than one occupant per room excluding bathrooms and kitchens. Units with more than 1.5 persons per room are considered severely overcrowded.

Overcrowding may occur due to a lack of affordable housing that meets the needs of households. Cultural norms and customs can also be a factor of overcrowding.

The vast majority of households (95%) in unincorporated Santa Cruz County are not overcrowded—indicated by more than one occupant per room (Figure HE-A-108). However, renter households are nearly five times as likely to be overcrowded than owner-occupied households (Figure HE-A-109).

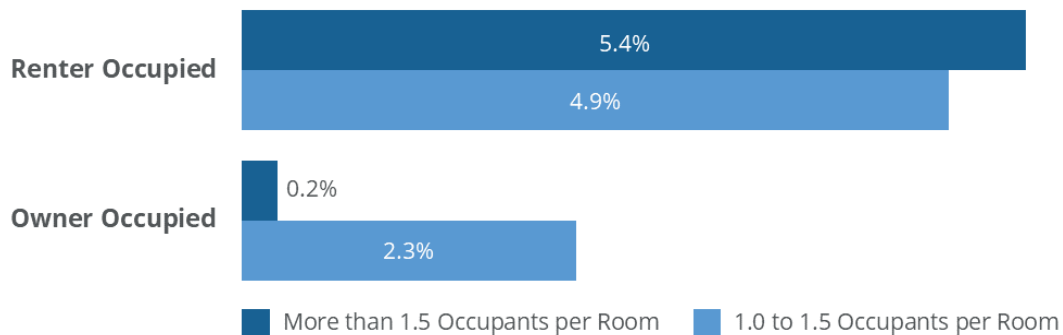


**Figure HE-A-108: Occupants per Room by Jurisdiction, 2019**



Source: 2019 CHAS.

**Figure HE-A-109: Occupants per Room by Tenure, Unincorporated Santa Cruz County, 2019**

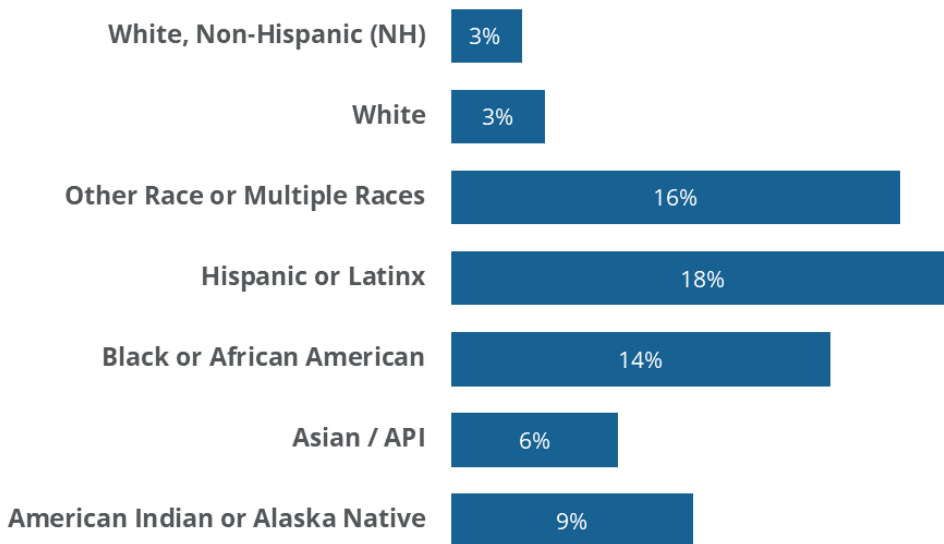


Source: 2019 CHAS.

Racial and ethnic minorities are more likely than non-Hispanic White households to experience overcrowding. Hispanic (18% of households), Other/Multiple Race (16%), and Black or African American households (14%) experience the highest rates of overcrowding (Figure HE-A-110). Households earning between 31-50% AMI are most likely to be overcrowded among households by area median income (Figure HE-A-111).

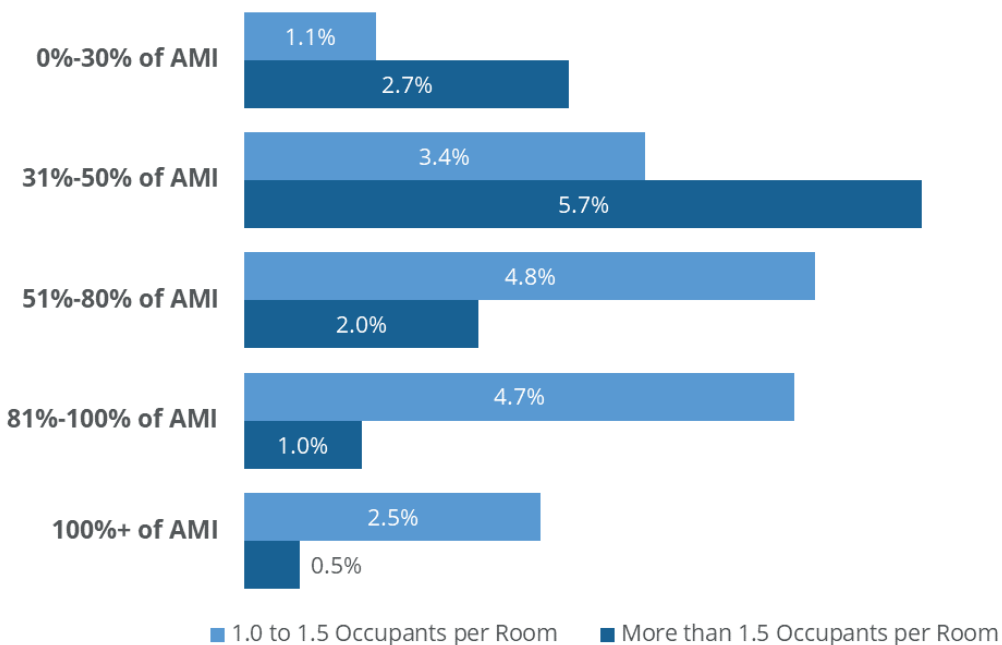


**Figure HE-A-110: Overcrowding by Race and Ethnicity, Unincorporated Santa Cruz County, 2021**



Source: 2021 ACS 5-year estimates

**Figure HE-A-111: Occupants per Room by AMI, Unincorporated Santa Cruz County, 2019**

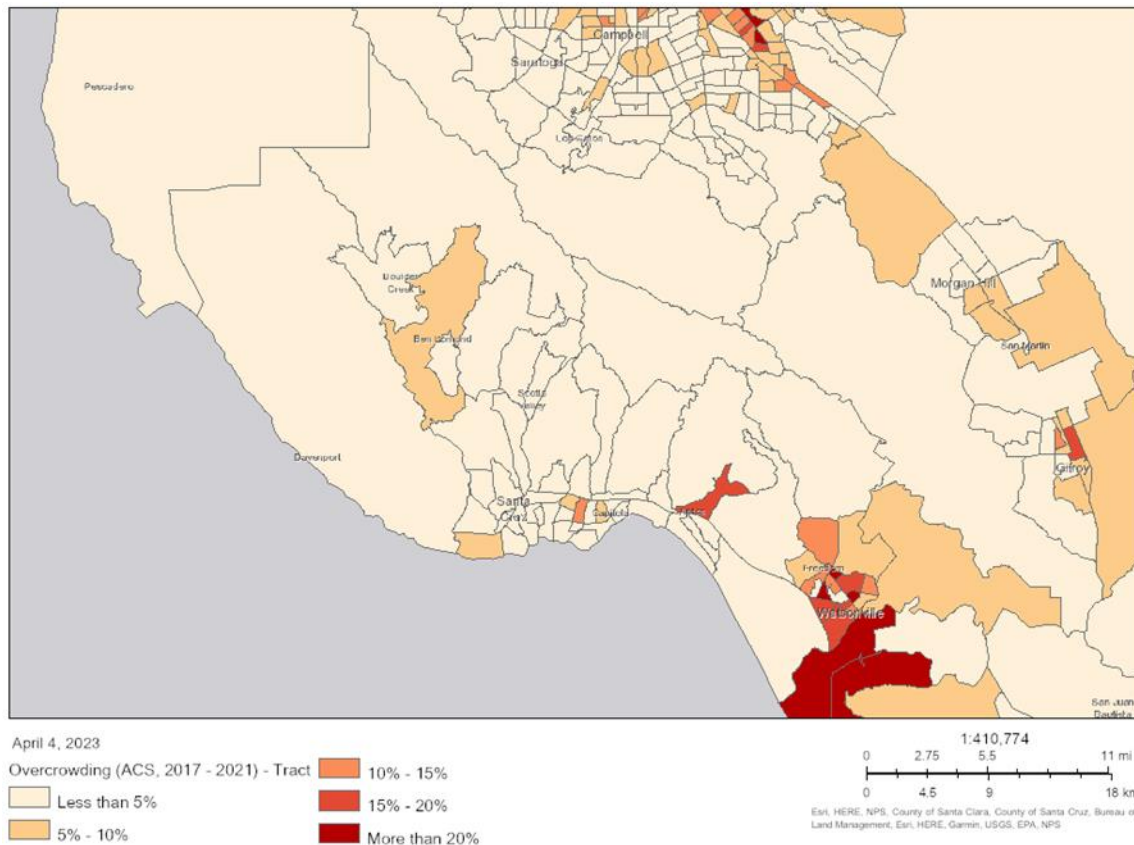


Source: 2019 CHAS



Figure HE-A-112 shows the geographic distribution of overcrowded households across Santa Cruz County. Areas in unincorporated Santa Cruz County with the greatest concentration of overcrowding are located in Aptos, Amesti, and Live Oak. This could suggest that households in these areas are living in smaller housing than needed (or with other people) due to high housing costs.

**Figure HE-A-112: Overcrowding by Census Tract, Santa Cruz County, 2021**

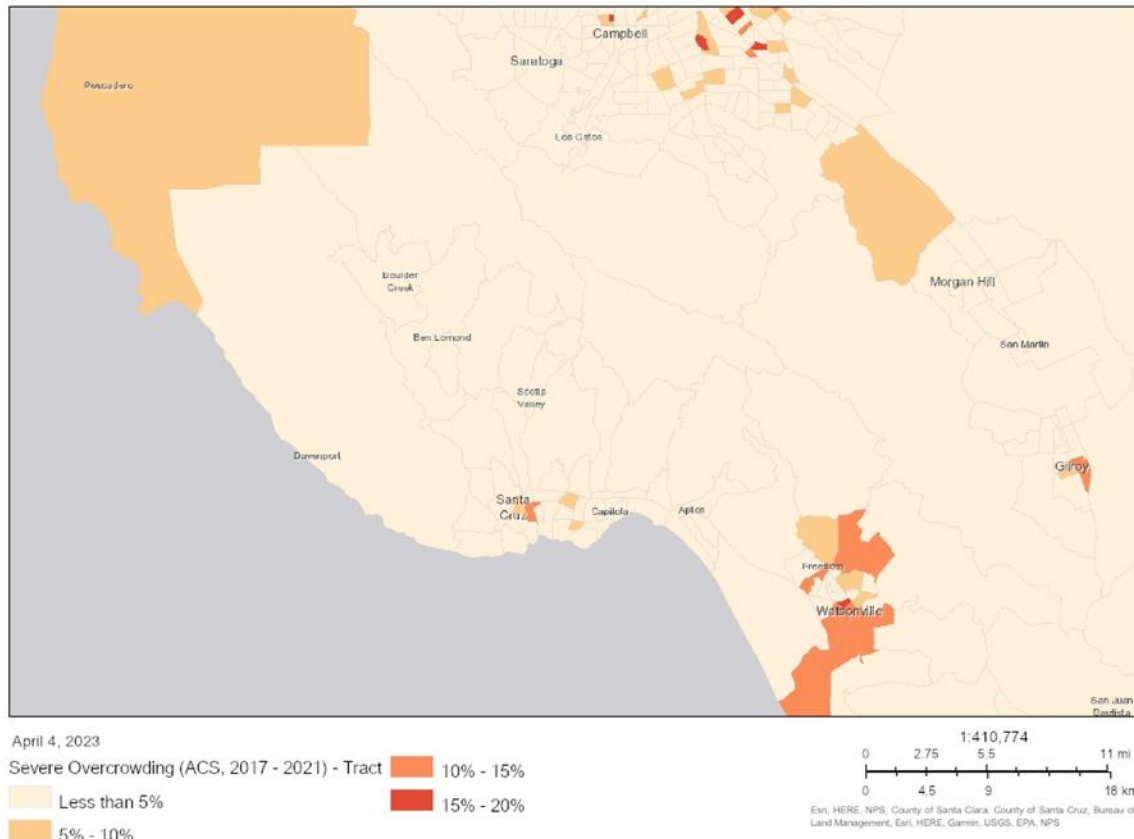


Source: California Department of Housing and Community Development AFFH Data Viewer.

Figure HE-A-113 presents severely overcrowded households in Santa Cruz County. Areas in unincorporated Santa Cruz County with the greatest concentration of severe overcrowding are located in Interlaken, Twin Lakes, and Live Oak.



Figure HE-A-113: Severe Overcrowding by Census Tract, Santa Cruz County, 2021



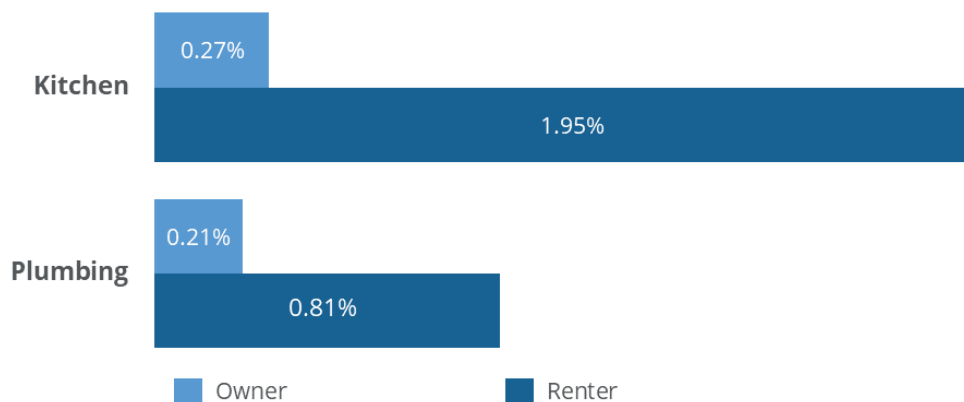
Source: California Department of Housing and Community Development AFFH Data Viewer.

### SUBSTANDARD HOUSING CONDITIONS

Data on housing condition are very limited, with the most consistent data available across jurisdictions found in the American Community Survey (ACS)—which captures units in substandard condition as self-reported in Census surveys. In unincorporated Santa Cruz County, renter households are more likely to have substandard kitchen facilities compared to owner households. Generally, the available data reflect relatively few households lacking complete kitchen facilities or indoor plumbing. For renters, almost 2% are lacking kitchen facilities, while fewer than 1% report lacking plumbing. For owners, fewer than 1% of those surveyed lacked either kitchen or plumbing facilities (Figure HE-A-114).



**Figure HE-A-114: Percent of Units Lacking Complete Kitchen and Plumbing Facilities, Unincorporated Santa Cruz County, 2021**



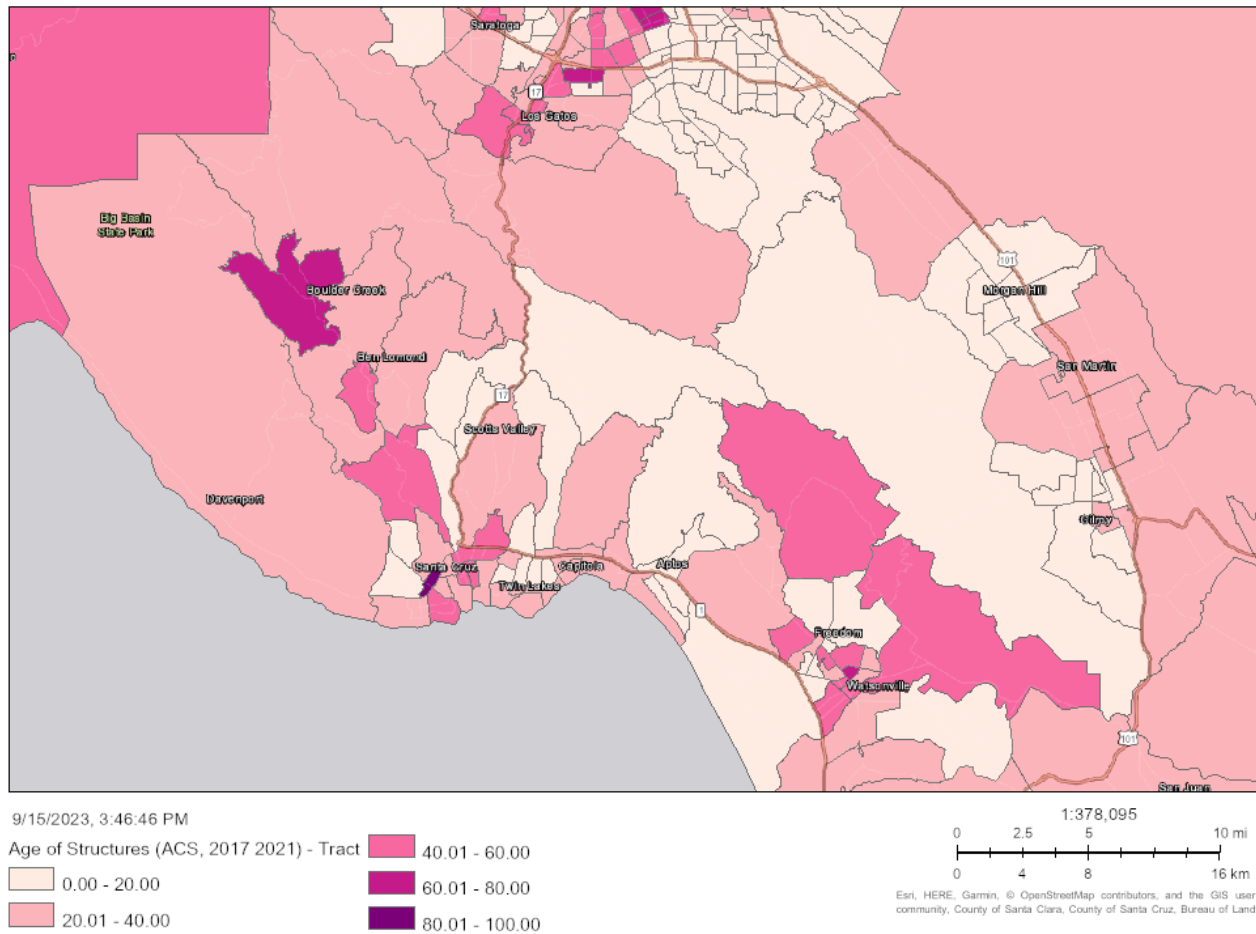
Source: California Department of Housing and Community Development AFFH Data Viewer.

**Substandard housing regional analysis.** Regionally, substandard housing is not widespread. There are sporadic census tracts with 5% to 10% of units lacking complete kitchen or plumbing in Santa Clara County, such as in the San Jose and Sunnyvale areas. The map likely shows an undercount of substandard housing in rural areas with high numbers of migrant farmworkers. As previously discussed, farmworkers in the region frequently reported that plumbing was insufficient or that they shared a bathroom or kitchen with several other occupants, which reflects overcrowding rather than a lack of plumbing.

Unincorporated Santa Cruz County has relatively newer housing stock compared to surrounding counties and to most of its local cities, with 0% to 20% of units built prior to 1960 in certain tracts of the unincorporated area, as shown in the lightest pink shade in Figure HE-A-115, below. Many rural areas in Monterey, San Benito, and Santa Clara Counties also have the lowest percentage of units built prior to 1960. While homes built prior to 1960 may be in worse condition and have increased risk of the presence of lead, they are often more affordable than newer units, depending on size, amount of land included within the parcel boundaries, and current condition of the home. The newer housing stock in unincorporated areas and in rural areas in the region suggests that substandard housing is not a common problem for residents. The prevailing high home prices and land values drive in the area drive a high level of remodeling, renovation, and demolition/rebuilding activity throughout the region, which often occurs property transfers from an older homeowner to heirs, or is otherwise transferred.



Figure HE-A-115: Percent of Total Units Built Prior to 1960 by Census Tract, 2021



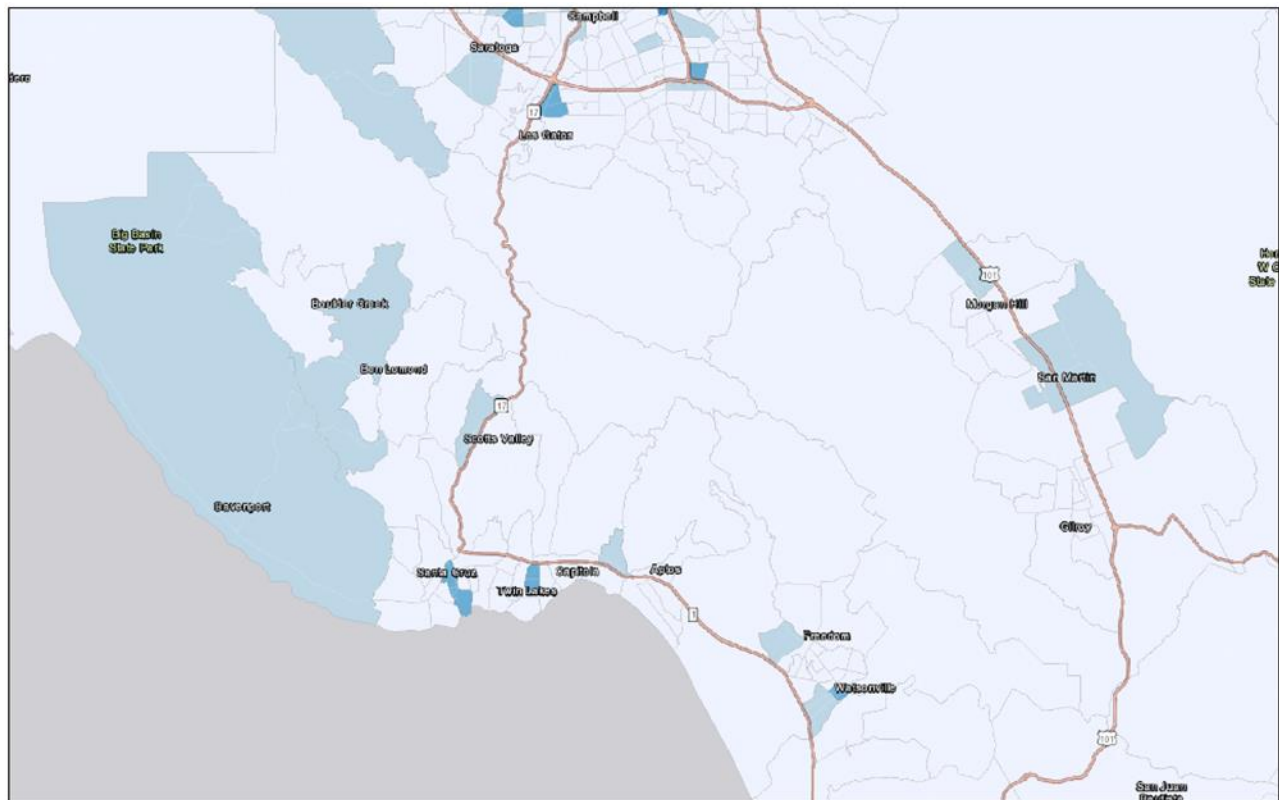
Source: AFFH HCD Data Viewer.

Figure HE-A-116 illustrates geographic concentrations of housing units that lack complete kitchen facilities in Santa Cruz County. Areas in unincorporated Santa Cruz County with the greatest concentration of units lacking complete kitchen facilities include the rural areas of Davenport, Felton, one Census tract in Aptos, and Freedom. The following figure, Figure HE-A-117, illustrates geographic concentrations of housing units that lack complete plumbing facilities in Santa Cruz County. Areas in unincorporated Santa Cruz County with the greatest concentration of units lacking complete plumbing facilities are located in Davenport and one census tract in Aptos.





**Figure HE-A-116: Percent of Units Lacking Complete Kitchen Facilities by Census Tract, Santa Cruz County, 2021**



9/15/2023, 3:37:07 PM

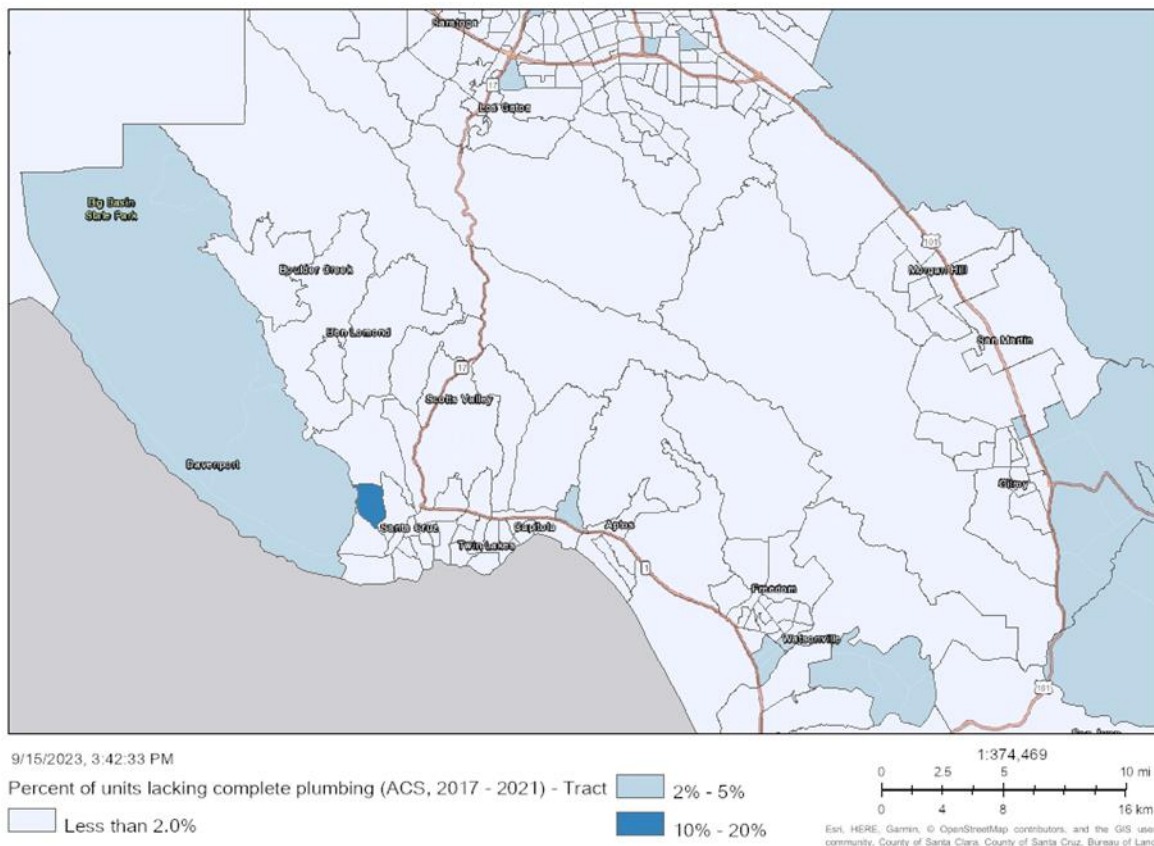


Source: California Department of Housing and Community Development AFFH Data Viewer.





**Figure HE-A-117: Percent of Units Lacking Complete Plumbing by Census Tract, Santa Cruz County, 2021**



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

### Remodeling and Home Improvement Activity

County building permit data for the ten-year period of 2013-2023 is summarized in Table HE-A-14 below. This data includes only the renovation work for which permits were obtained. A significant additional amount of home repair and renovation activity is likely to have occurred during this time period for which either permits are not required, or permits were not sought by the homeowner.



Table HE-A-14: County Building Permits Issued for Residential Remodels, Renovations, Additions, and Residential Property Improvements, July 1, 2013 – June 30, 2023		
Residential Remodels, Additions, Renovations, Replacement, and Property Improvements	# permits	Valuation
Deck	673	\$2,928,515.60
Remodel	1,137	\$20,661,923.43
Replacement Structure	155	\$29,776,772.74
Room Addition	251	\$10,232,113.24
Room Addition Remodel	849	\$60,112,631.66
Swimming Pool, Spa, Barrier, etc.	153	\$3,725,819.98
<b>Subtotal</b>	<b>3,218</b>	<b>\$127,437,777</b>
<b>Annual Average, 2013-2023</b>	<b>322</b>	<b>\$12,743,778</b>

Source: County of Santa Cruz CDI, Unified Permit Center

As shown in the above table, HE-A-14 the County issued more than 3,200 permits for various types of home improvement, renovation, additions, and home replacement in the past 10 years. The work permitted by these permits had a total valuation of nearly \$127.5 million. This equates to an annual average of 322 permits for this type of work and an annual average valuation of \$12.7 million in home improvement activity, not including a significant volume of “over the counter” permits issued during this period for work such as reroofing, window replacement, etc., for which no valuation is calculated.

In addition, the CZU fire in August 2020 destroyed 911 homes, 3 multi-family residences, and 3 mixed-use structures in Santa Cruz County in the Boulder Creek, Ben Lomond and Felton communities. 86 residences were damaged. Damaged residences required repairs including electrical, plumbing, and septic reconnections, etc.

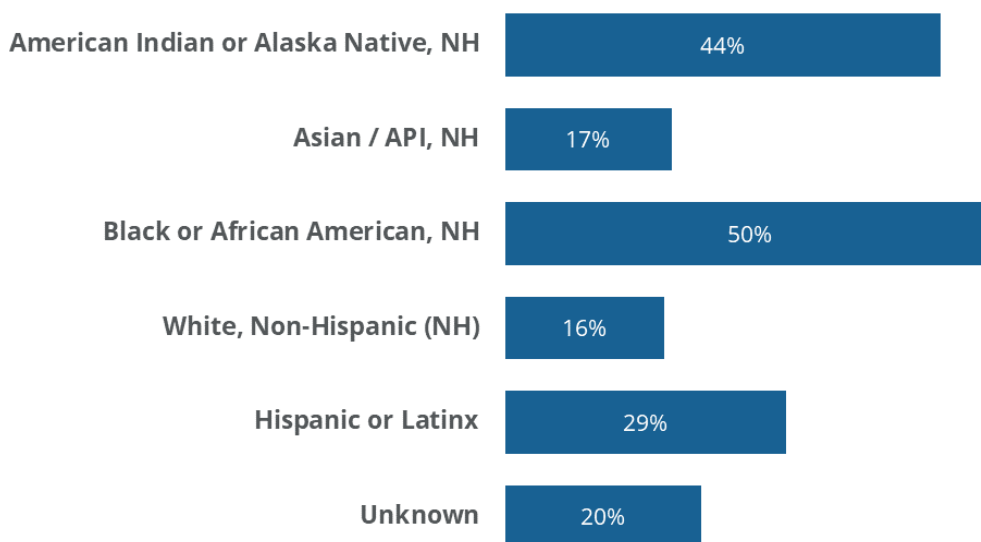
The Recovery Permit Center was established by the County as a stand-alone disaster recovery permit center dedicated to fire rebuild efforts to facilitate review and approval of repair and replacement permits. Since 2020, the Recovery Permit Center has issued 233 replacement dwelling permits, 29 electrical permits, and 83 repair permits. To date, 678 dwellings have not been replaced. The Recovery Permit Center continues to issue permits as property owners submit applications. Of the 233 dwellings replaced thus far, the Recovery Permit Center has issued 142 septic repair permits for replacement dwellings. These permits were for existing dwellings with substandard septic systems. Otherwise, the Recovery Permit Center has issued three septic expansion permits for additions to replacement dwellings and 88 reconnection permits for replacement dwellings without any required repairs.



## ACCESS TO MORTGAGE LOANS

In many communities, disparities by race and ethnicity are prevalent for home mortgage applications, particularly in denial rates. While the number of mortgage applications made by Black or African American households in Santa Cruz County was relatively low (16 applications) in 2021, 50% of these households were denied mortgage loans. American Indian or Alaskan Native and Hispanic households also have higher denial rates for mortgage loan applications (44% and 29%, respectively) in the county (Figure HE-A-118).

**Figure HE-A-118: Mortgage Application Denial Rate by Race and Ethnicity, Santa Cruz County, 2021**



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

## FAIR HOUSING ENFORCEMENT AND OUTREACH CAPACITY

This section discusses fair housing legal cases and inquiries, fair housing protections and enforcement, and outreach capacity.



## FAIR HOUSING LEGAL CASES AND INQUIRIES

California fair housing law extends beyond the protections in the Federal Fair Housing Act (FHA). In addition to the FHA protected classes—race, color, ancestry/national origin, religion, disability, sex, and familial status—California law offers protections for age, sexual orientation, gender identity or expression, genetic information, marital status, military or veteran status, and source of income (including federal housing assistance vouchers).

Formerly the California Department of Fair Employment in Housing (DFEH), the California Civil Rights Department (CRD) was established in 1980 and is now the largest civil rights agency in the United States. According to their website, CRD's mission is, "to protect the people of California from unlawful discrimination in employment, housing and public accommodations (businesses) and from hate violence and human trafficking in accordance with the Fair Employment and Housing Act (FEHA), Unruh Civil Rights Act, Disabled Persons Act, and Ralph Civil Rights Act".<sup>52</sup>

CRD receives, evaluates, and investigates fair housing complaints. CRD plays a particularly significant role in investigating fair housing complaints against protected classes that are not included in federal legislation and therefore not investigated by HUD. CRD's website provides detailed instructions for filing a complaint, the complaint process, appealing a decision, and other frequently asked questions.<sup>53</sup> Fair housing complaints can also be submitted to HUD for investigation.

Additionally, Santa Cruz County's primary fair housing assistance provider is the California Rural Legal Aid Society. Other organizations that provide fair housing legal assistance include Senior Citizens Legal Services (for residents 55 years of age and above), the Santa Cruz Lawyer's Referral Service (\$40 for ½ hour legal consultation), and Small Claims by Monterey College of Law, which is a free service (Table HE-A-14).

The Santa Cruz County Office of the District Attorney, Consumer and Environmental Affairs Division also provides limited landlord-tenant self-help information on its website, including information on tenant rights, security deposits, and evictions.

In 2004, Santa Cruz County was sued to provide additional sites as part of that cycle housing element inventory. The case, *Saldana v. County of Santa Cruz, Santa Cruz County Superior Court; U.S. Dist. Court, N.D. (2004)*, challenged the failure of the housing element to identify sufficient and adequate

---

<sup>52</sup> <https://calcivilrights.ca.gov/>

<sup>53</sup> <https://calcivilrights.ca.gov/complaintprocess/>



sites for multifamily housing to accommodate the County’s share of the regional need for affordable housing. The Petitioners prevailed, and the Court ordered the County to bring the element into compliance, resulting in rezoning of sites where affordable housing has been developed.

**Table HE-A-15: Fair Housing Assistance Organizations, Santa Cruz County**

Name	Service Area	Address	Phone	Website
<b>California Rural Legal Aid Society</b>	Statewide	21 Carr Street, Watsonville, CA 95076	(831) 724-2253	<a href="https://crla.org/">https://crla.org/</a>
<b>Senior Citizens Legal Services</b>	Santa Cruz and San Benito Counties	317 Soquel Avenue, Santa Cruz, CA	(831) 426-8824	<a href="https://www.seniorlegal.org/">https://www.seniorlegal.org/</a>
<b>Lawyer's Referral Service of Santa Cruz County</b>	Santa Cruz County	P.O. Box 1311, Santa Cruz, CA 95061	(831) 425-4755	<a href="https://lawyerreferralsantacruz.org/">https://lawyerreferralsantacruz.org/</a>
<b>Small Claims Advisory by Monterey College of Law</b>	Monterey Bay region	1861 Bay Road, East Palo Alto, CA 94303	(831) 582-3600	<a href="https://www.monterey.courts.ca.gov/self-help">https://www.monterey.courts.ca.gov/self-help</a>

From 2006 to 2020, 155 fair housing complaints in Santa Cruz County were filed with the U.S. Department of Housing and Urban Development (HUD)—with nearly three quarters of the complaint on the basis of disability (Table HE-A-17). Ninety complaints occurred in the county between 2013 and 2022 — with 14 complaints coming from unincorporated county communities (Figure HE-A-119). Of the complaints filed in unincorporated Santa Cruz County, nearly 60% of the FHEO cases filed with HUD were on the basis of disability, with 29% on the basis of national origin. Over this same time period, fair housing inquiries from unincorporated county communities were primarily submitted by Soquel (11 inquiries), Aptos (6 inquiries), Live Oak (3 inquiries), and Freedom (2 inquiries).



**Table HE-A-16:  
Fair Housing  
Complaints Filed with  
HUD by Basis, Santa  
Cruz County, 2006-  
2020**

	2006-2020 Total	
	Cases	% of Total
Disability	115	58%
Race/Color	14	7%
Familial Status	15	8%
National Origin	12	6%
Religion	2	1%
Sex	12	6%
Retaliation	28	14%
<b>Total cases</b>	<b>155</b>	<b>100%</b>

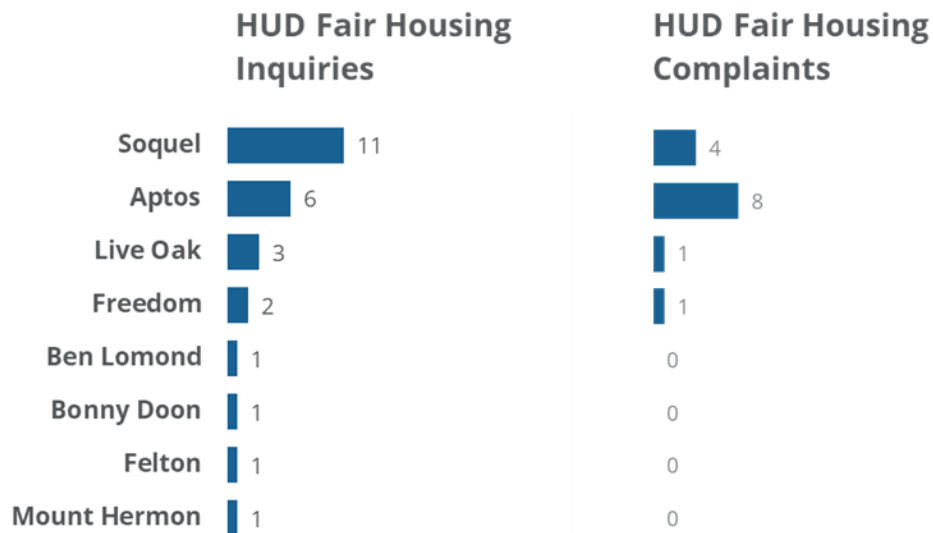
Note:

Because cases can be filed with one or more bases, the total number of cases (n=155) reflected in the figure is less than the number of cases by basis in the "Cases" column (n=198). The "% of Total" percentages are calculated using n=198 as the denominator.

Source:

HUD, 2020 and Root Policy Research.

**Figure HE-A-119: HUD Fair Housing Inquiries and Cases by City, Unincorporated Santa Cruz County, January 2013-November 2022**

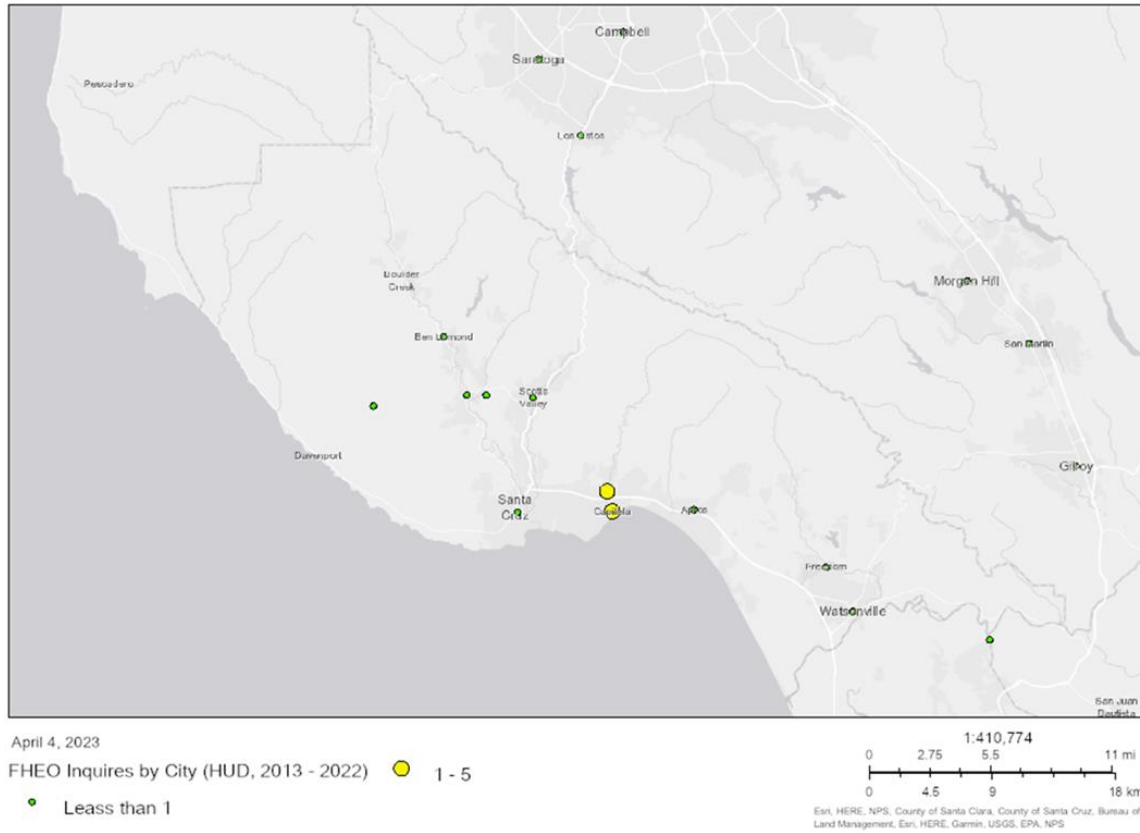


Note: If an unincorporated community is not reflected above, no inquiries or cases were submitted by residents of that community to HUD during the time period noted above.

Source: HUD Region 9, 2022 and Root Policy Research.



Figure HE-A-120: FHEO Inquiries by City to HUD, Santa Cruz County, 2013-2022



Source: California Department of Housing and Community Development AFFH Viewer.



**Table HE-A-17: FHEO Inquiries by Bias, January 2013-November 2022**

Jurisdiction	Disability	Familial Status	National Origin	Race	Religion	Sex	No Basis Given	Total	
								Inquiries	% of Total
Aptos	0	0	0	0	0	0	6	6	23%
Ben Lomond	0	0	0	0	0	0	1	1	4%
Bonny Doon	0	0	0	0	0	0	1	1	4%
Felton	0	0	0	0	0	0	1	1	4%
Freedom	1	0	0	0	0	0	1	2	8%
Live Oak	0	0	0	0	0	1	2	3	12%
Mount Hermon	0	0	0	0	1	0	0	1	4%
Soquel	0	1	2	3	0	0	6	11	42%
<b>Total cases</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>18</b>	<b>26</b>	<b>100%</b>

Note: No inquiries were made by residents in Amesti, Aptos Hills-Larkin Valley, Boulder Creek, Brookdale, Corralitos, Davenport, Day Valley, Interlaken, La Selva Beach, Lompico, Pajaro Dunes, Paradise Park, Pasatiempo, Pleasure Point, Rio del Mar, Seacliff, Twin Lakes, or Zayante. No inquiries were made on the basis of Retaliation or Color during this time period.

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

**Table HE-A-18: FHEO Cases by Bias, January 2013-November 2022**

Jurisdiction	Disability	Familial Status	National Origin	Race	Total	
					Cases	% of Total
Aptos	4	0	3	1	8	57%
Freedom	1	0	0	0	1	7%
Live Oak	1	0	0	0	1	7%
Soquel	2	1	1	0	4	29%
<b>Total cases</b>	<b>8</b>	<b>1</b>	<b>4</b>	<b>1</b>	<b>14</b>	<b>100%</b>

Note: No cases were submitted by residents in Amesti, Aptos Hills-Larkin Valley, Ben Lomond, Bonny Doon, Boulder Creek, Brookdale, Corralitos, Davenport, Day Valley, Felton, Interlaken, La Selva Beach, Lompico, Mount Hermon, Pajaro Dunes, Paradise Park, Pasatiempo, Pleasure Point, Rio del Mar, Seacliff, Twin Lakes, or Zayante. No cases were submitted on the basis of Color, Religion, Retaliation, or Sex.

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

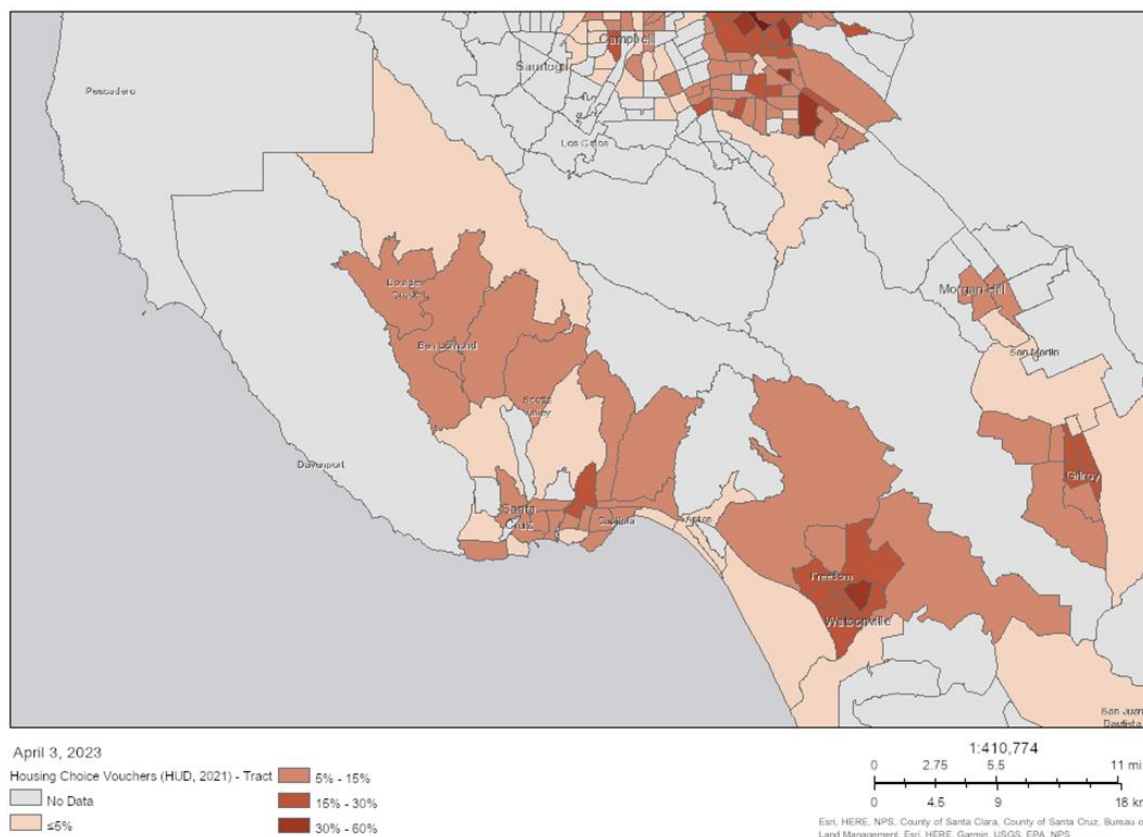




There are no public housing units in Santa Cruz County. However, data provided by HUD shows there are three former public housing properties in unincorporated Santa Cruz County—one in Live Oak and two in Pleasure Point. Collectively, these three properties have 57 units.

Figure HE-A-121 shows census tracts in Santa Cruz County by percentage of housing choice voucher utilization. The census tract with the highest utilization of households with housing choice vouchers in unincorporated Santa Cruz County is located in Live Oak, north of Highway 1 and east of De Laveaga Park and Golf Course (28.16% utilization rate). Other census tracts in unincorporated Santa Cruz County with relatively higher HCV utilization rates are located northwest of the Watsonville Municipal Airport in Freedom (22.64%), south of Highway 1 and east of Soquel Avenue in Live Oak (20.16%), and east of Green Valley Road and north of Corralitos Creek in Interlaken (18.85%).

**Figure HE-A-121: Housing Choice Vouchers by Census Tract, Santa Cruz County**



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

Nationally, the National Fair Housing Alliance (NFHA) reported a significant increase in the number of housing discrimination complaints in 2021, even with complaint data being reported by seven fewer agencies compared to the previous year. In 2021, there were 31,216 housing complaints, an 8.7% increase compared to the number of complaints filed in 2020. The report goes on to say that “[h]ad



all fair housing agencies been able to submit their data, undoubtedly the number of reported fair housing complaints would have been even higher.”<sup>54</sup>

NFHA identified the following trends in 2022 that are relevant for Santa Cruz County:

- Housing discrimination complaints in 2021 represented the greatest number of complaints in the last 25 years.
- In 2021, there were over 25,000 rental complaints reported across all agencies—an increase of approximately 4,600 complaints over the previous year. NFHA attributed the increase to lower availability of housing, greater housing demand, and the continuing effects of the COVID-19 pandemic.
- Additionally, there were approximately 1,400 complaints related to real estate sales in 2021—an increase of 660 complaints from the previous year. NFHA cited the Joint Center for Housing Studies at Harvard University, which described that “the events of the past year reinforced racial and ethnic disparities in American society, with unequal access to homeownership being the most persistent.”<sup>55</sup>
- Similar to 2020, NFHA found that 73% of all fair housing complaints in 2022 were processed by private fair housing organizations, rather than state, local, and federal government agencies—reinforcing the need for local, active fair housing organizations and increased funding for such organizations.

### OURTREACH AND CAPACITY

Santa Cruz County could provide better access to fair California fair housing information on their websites and resources for residents experiencing housing discrimination. Suggestions for improvement include creating a fair housing webpage on the County’s website which provides general information about the Fair Housing Act from HUD, information about housing discrimination and tenants’ rights, and local resources and fair housing legal assistance contacts for county residents. The City of Santa Cruz has a fair housing page on its website the county could look to replicate. For the updated of the 2023 Housing Element, the County convened two focus groups aimed at addressing fair housing and other issues.

### COMPLIANCE WITH STATE LAW

Santa Cruz County is compliant with the following state laws that promote fair and affordable housing. The county has not been alleged or found in violation of the following:

---

<sup>54</sup> <https://nationalfairhousing.org/resource/2022-fair-housing-trends-report/>

<sup>55</sup> <https://nationalfairhousing.org/wp-content/uploads/2022/11/2022-Fair-Housing-Trends-Report.pdf> (page 13).



- Housing Accountability Act (Gov Code Section 65589.5) requiring adoption of a Housing Element and compliance with RHNA allocations;
- No Net Loss Law (Gov Code Section 65863) requiring that adequate sites be maintained to accommodate unmet RHNA allocations, including among income levels;
- Least Cost Zoning Law (Gov Code Section 65913.1);
- Excessive Subdivision Standards Law (Gov Code Section 65913.2); and
- Limits on Growth Controls Law (Gov Code Section 65302.8).

## SITES INVENTORY ANALYSIS

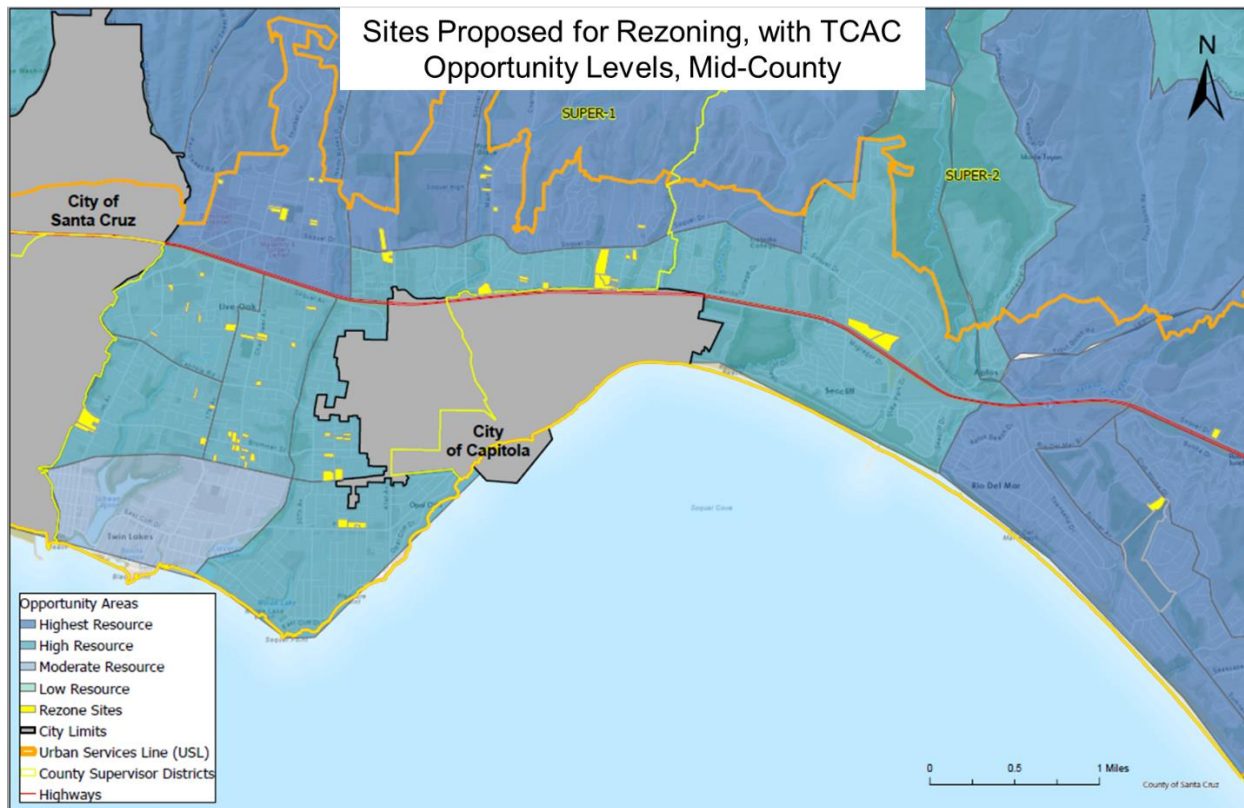
AB 686 requires an analysis of sites identified to meet RHNA obligations for their ability to affirmatively further fair housing.

### ANALYSIS OF EXISTING AND PROPOSED HOUSING SITES BY CENSUS TRACT

The County's proposed sites inventory, a required part of every housing element, consists of a list of properties located within unincorporated Santa Cruz County that can accommodate the County's RHNA. The inventory includes 1) a list of existing sites that can accommodate approximately 3,812 housing units under the sites' current zoning and land use designations, and 2) an additional list of proposed sites that could accommodate another 1,971 housing units, if rezoned as recommended in the inventory. Table HE-A-18 shows the distribution of the existing housing sites across Census Tracts, with a total number of housing units projected per tract, in addition to the proportion of the population that identifies as Hispanic, the non-White share of the population, the share of low- and moderate-income households, the number of R/ECAPs and RCAAs, TCAC's composite opportunity score, and the Urban Displacement designation for all Census Tracts in the unincorporated areas of the county. Table HE-A-19 shows the distribution of proposed housing sites, recommended for rezoning, across Census Tracts. The maps below show proposed housing sites with the TCAC opportunity map layer in the background.



Figure HE-A-122: Mid-County Proposed Housing Sites with TCAC Opportunity Map

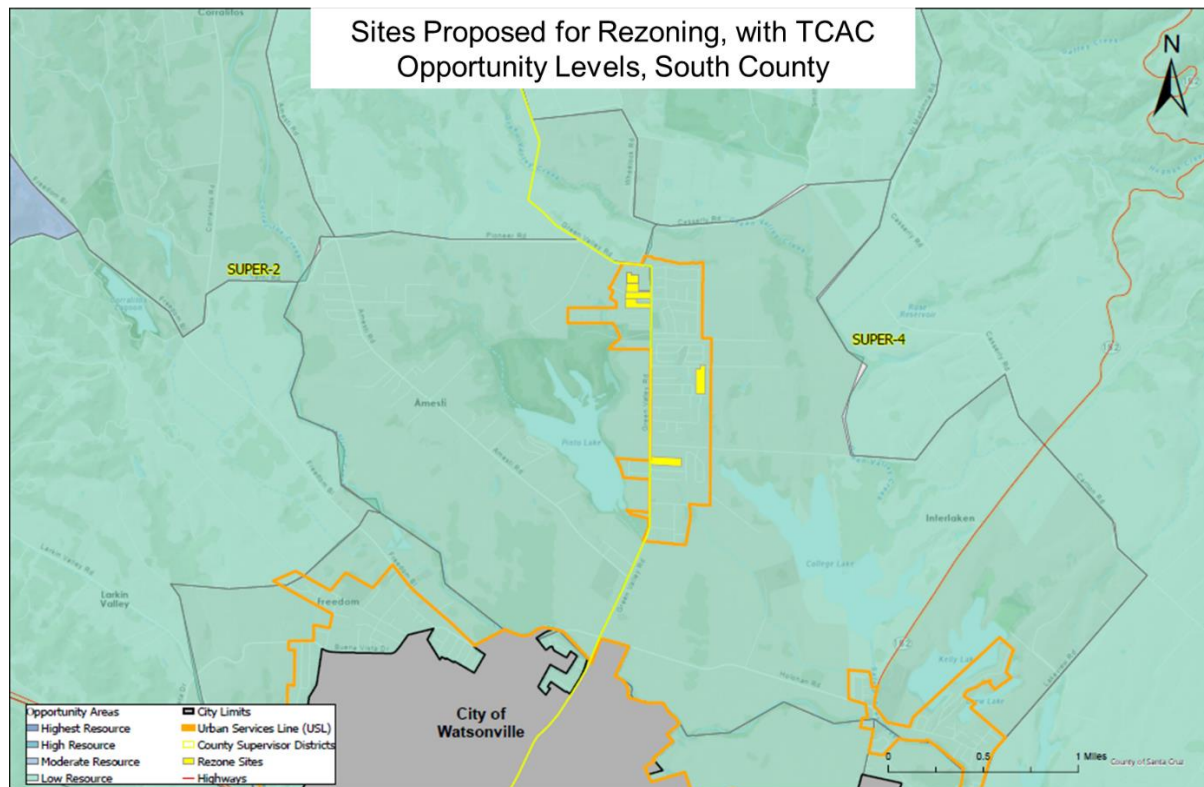


Source: County of Santa Cruz GIS, TCAC Opportunity Map

The above map shows the sites proposed to be rezoned in yellow, with the TCAC opportunity map in the background. Incorporated cities are shown in grey, the urban services line in orange, and county supervisorial district boundaries in yellow lines. The darkest shade of blue on the map indicates census tracts that are ranked as “Highest Resource” areas on the TCAC opportunity index while medium blue/teal color is “High Resource” and the lighter blue is Moderate Resource. Only the Twin Lakes tract, at lower left, is in the Moderate category, where no sites are proposed for rezoning. There are no tracts on this slide in the “Low” category. A similar map is provided below for South County.



Figure HE-A-123: South County Proposed Housing Sites with TCAC Opportunity Map



Source: County of Santa Cruz GIS, TCAC Opportunity Map

This map includes the same data as the map above but for the southern part of the county, most of which is in the agricultural Pajaro Valley, where most of the County’s active commercial agricultural land is located. The orange boundaries show the portion of this area within the USL, where water and sewer lines exist. There are only 6 parcels in South County proposed for rezoning, all of which are in the TCAC “Low Resource” category, like most of South County, shaded in light green/aqua on this map. That “Low” designation is due in part to the rural/agricultural nature of this unincorporated area, which does not have much transit or urban/suburban resources such as schools, jobs, and other goods and services, although it is just half a mile from the City of Watsonville, which has many of those resources. The County is actively working and has committed millions of dollars to improve transportation infrastructure and parks in this area, and access to County services, which addresses some of the shortcomings reflected in the TCAC score, for sites within the USL. One of these proposed housing sites is proposed for an affordable housing project where nearly half of the units would be reserved for farmworker households. The project proponent plans to seek State Joe Serna, Jr. funding for this project. This location was selected because it is one of the few areas of the



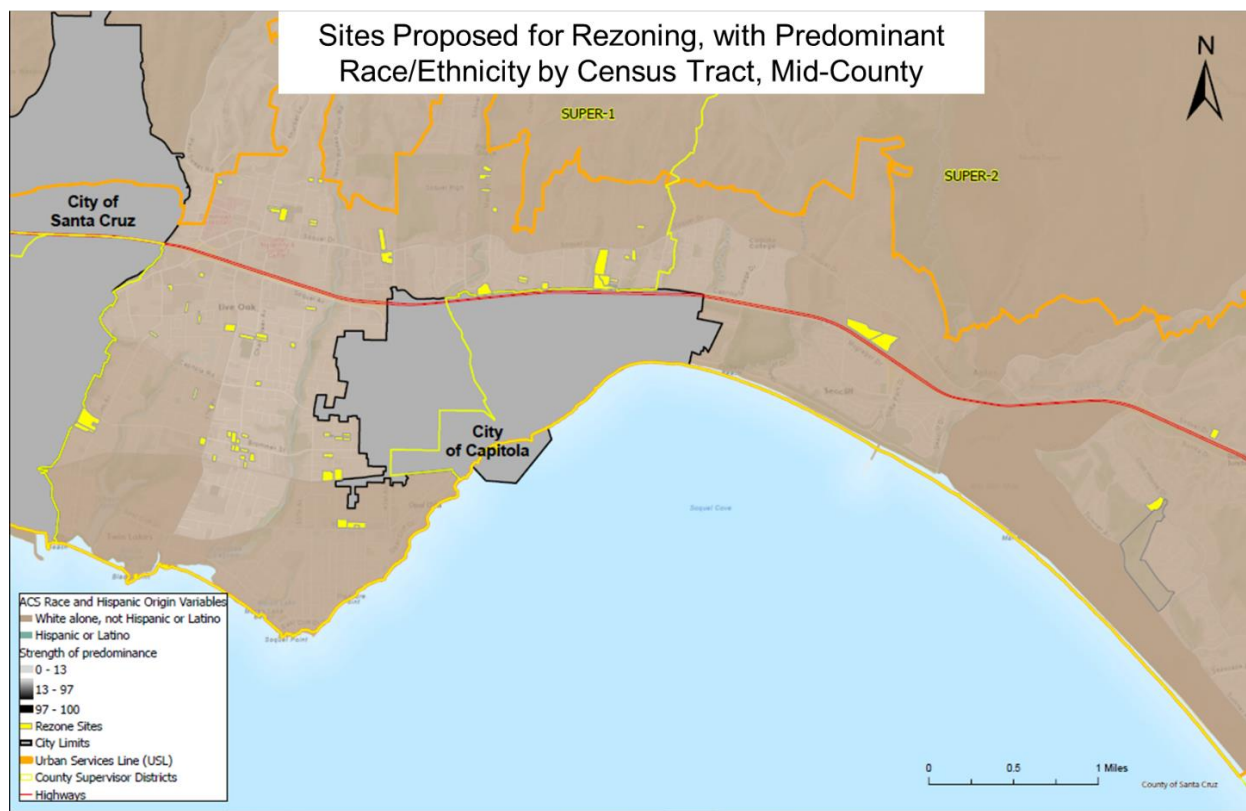


County that qualifies for Joe Serna funds as well as tax credits, and is in an active farming area which needs more farmworker housing.

There are no sites proposed for rezoning in north county (San Lorenzo Valley and the North Coast/Bonny Doon area) because this area, other than the incorporated cities of Santa Cruz and Scotts Valley, is outside the urban services line, and consists primarily of state and federal parks or open space lands, timber production and agricultural land, and rural housing not connected to water or sewer services. Much of that part of the county is in high fire hazard areas or on steep slopes, and a large part of this area was burned during the CZU fire of 2020 which destroyed over 1,000 structures.

The maps below provide the same depiction of proposed housing sites, with demographic data in the background instead of the TCAC Opportunity Map.

Figure HE-A-124: Mid-County Proposed Housing Sites with Predominant Race/Ethnicity



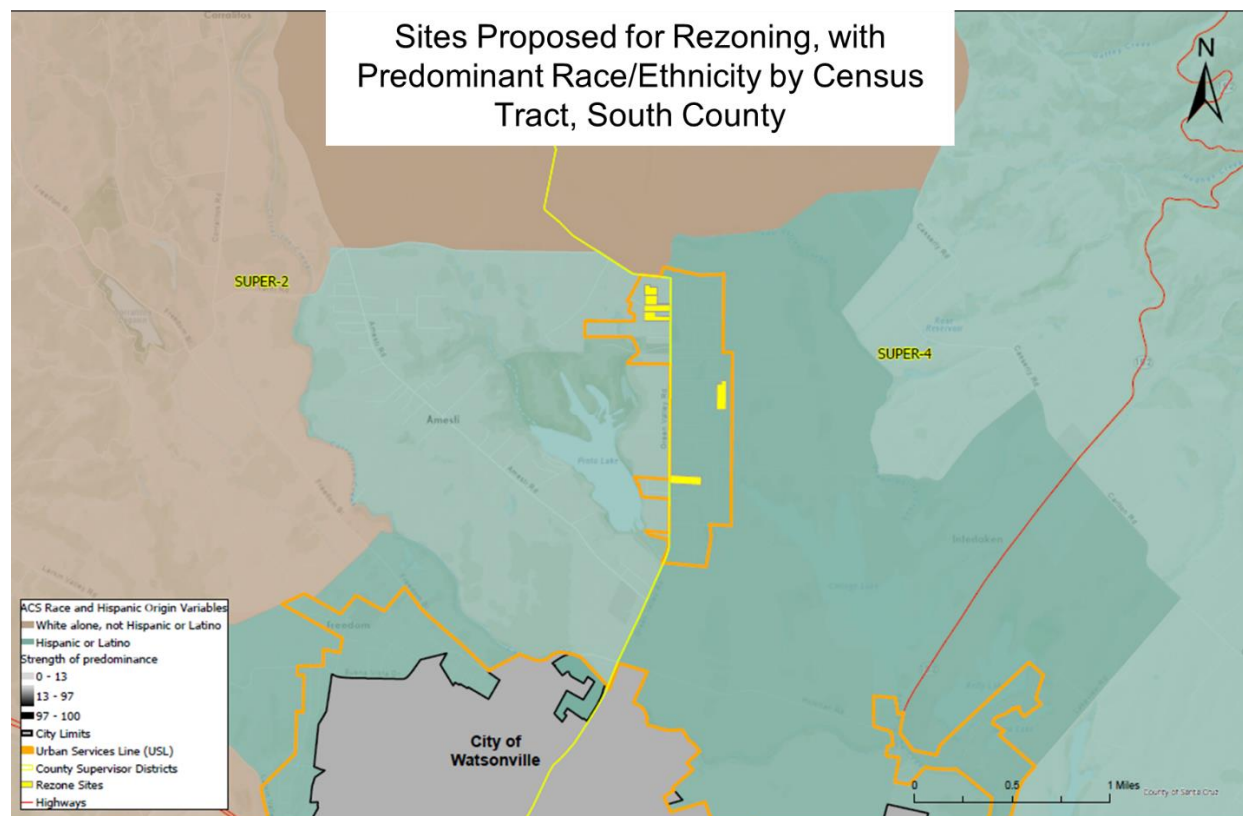
Source: Census ACS Race and Hispanic Origin Variables by tract, 2017-2021, and County of Santa Cruz GIS

This map shows the same rezoning sites and other features on the map as the prior slides. The color of the map shows the predominant race or ethnicity of each census tract. The beige/brown color reflects a predominance of those who responded to the Census as “White alone, not Hispanic or Latino”. The darker the shading, the more predominant that group is in each tract.



Lighter color reflects a more diverse population. The vast majority of proposed housing sites are located in tracts where “White alone, not Hispanic or Latino” is the predominant race or ethnicity. The map below shows the same type of data for South County, where only 6 parcels in total, comprising 3 sites, are proposed for rezoning.

Figure HE-A-125: South County Proposed Housing Sites with Predominant Race/Ethnicity



Source: Census ACS Race and Hispanic Origin Variables by tract, 2017-2021, and County of Santa Cruz GIS

The greenish blue color indicates those tracts where respondents identifying as Hispanic or Latino were the predominant group. Four parcels (one site) are proposed for rezoning in the Amesti tract, shown in lighter green within District 2, and two parcels are proposed for rezoning in the darker green tract in District 4, including the proposed site for an affordable farmworker housing development described above. The County had no tracts where any other race or ethnic group, other than White or Hispanic/Latino, was predominant.



**Table HE-A-19: Unincorporated Santa Cruz County Existing Housing Sites by Census Tract Summary**

Census Tract	AFFH Data							RHNA Proposed Units		
	Pct. Hispanic	Pct. Non-White	Pct. Low/Mod Income	R/ECAP	RCAA	TCAC Opportunity Areas	Urban Displacement	Low	Moderate	Above Moderate
Census Tract 1107	76%	83%	60%	0	0	Low	Lower	0	0	47
Census Tract 1203.01	13%	20%	32%	0	0	High	Lower	57	0	0
Census Tract 1203.02	12%	15%	36%	0	0	High	Lower	88	0	0
Census Tract 1204	9%	15%	41%	0	0	Moderate	Lower	20	0	0
Census Tract 1205	12%	25%	29%	0	1	High	Lower	41	16	0
Census Tract 1206	9%	18%	30%	0	0	High	Lower	10	0	0
Census Tract 1207	4%	18%	36%	0	0	High	Lower	22	0	2
Census Tract 1208	11%	21%	29%	0	1	Highest	Lower	0	0	51
Census Tract 1211	23%	30%	33%	0	0	Highest	Lower	83	5	18
Census Tract 1212	6%	18%	28%	0	1	Highest	Lower	0	0	17
Census Tract 1213	32%	38%	45%	0	0	Highest	Lower	515	26	185
Census Tract 1214.01	28%	38%	45%	0	0	High	Lower	84	4	35
Census Tract 1214.02	39%	46%	66%	0	0	High	Lower	90	23	127
Census Tract 1214.03	16%	27%	62%	0	0	High	Lower	212	57	77
Census Tract 1215.01	8%	16%	60%	0	0	Moderate	Lower	161	1	17
Census Tract 1215.02	32%	45%	60%	0	0	Moderate	Lower	18	0	42
Census Tract 1216.01	19%	24%	47%	0	0	High	Lower	11	0	8
Census Tract 1216.02	17%	20%	47%	0	0	High	Lower	95	20	19
Census Tract 1217.02	30%	39%	61%	0	0	High	Lower	0	0	20
Census Tract 1220.01	12%	20%	42%	0	0	High	Lower	75	19	57
Census Tract 1220.02	4%	10%	26%	0	1	Highest	Lower	51	0	35
Census Tract 1220.04	8%	20%	42%	0	0	High	Lower	161	0	74
Census Tract 1220.05	25%	35%	43%	0	0	High	Lower	250	3	35
Census Tract 1221	12%	27%	52%	0	0	High	Lower	40	0	21
Census Tract 1222.02	16%	24%	24%	0	1	Highest	Lower	0	0	53
Census Tract 1222.03	16%	28%	27%	0	0	Highest	Lower	30	0	6
Census Tract 1222.04	23%	26%	27%	0	0	Highest	Lower	42	0	46
Census Tract 1222.05	3%	7%	27%	0	0	Highest	Lower	136	0	54
Census Tract 1224.01	4%	6%	44%	0	1	Low	Lower	20	20	20
Census Tract 1225	83%	88%	60%	0	0	Low	Lower	65	46	44
Census Tract 1231	58%	65%	64%	0	0	Low	Lower	0	0	5
Census Tract 1233	61%	67%	71%	0	0	Moderate	Lower	80	0	0
<b>Total</b>								<b>2,457</b>	<b>240</b>	<b>1,115</b>

Source: 2021 5-year ACS, HCD AFFH Data Viewer and Root Policy Research.





**Table HE-A-19: Unincorporated Santa Cruz County Proposed Housing Sites by Census Tract Summary**

Census Tract	AFFH Data							RHNA Units Proposed			
	Pct. Hispanic	Pct. Non-White	Pct. Low/Mod Income	R/ECAP	RCAA	TCAC Opportunity Areas	Urban Displacement	Very Low	Low	Moderate	Above Moderate
<b>Census Tract 1211</b>	23%	30%	33%	0	0	Highest	Lower	40	40	0	0
<b>Census Tract 1213</b>	32%	38%	45%	0	0	Highest	Lower	0	20	16	19
<b>Census Tract 1214.01</b>	28%	38%	45%	0	0	High	Lower	30	50	15	16
<b>Census Tract 1214.02</b>	39%	46%	66%	0	0	High	Lower	5	24	53	70
<b>Census Tract 1214.03</b>	16%	27%	62%	0	0	High	Lower	0	3	5	11
<b>Census Tract 1216.02</b>	17%	20%	47%	0	0	High	Lower	30	35	0	0
<b>Census Tract 1217.02</b>	30%	39%	61%	0	0	High	Lower	30	50	16	17
<b>Census Tract 1220.01</b>	12%	20%	42%	0	0	High	Lower	0	15	15	15
<b>Census Tract 1220.04</b>	8%	20%	42%	0	0	High	Lower	105	110	32	183
<b>Census Tract 1220.05</b>	25%	35%	43%	0	0	High	Lower	130	172	27	61
<b>Census Tract 1222.03</b>	16%	28%	27%	0	0	Highest	Lower	0	11	2	16
<b>Census Tract 1225</b>	83%	88%	60%	0	0	Low	Lower	90	89	1	9
<b>Census Tract 1231</b>	58%	65%	64%	0	0	Low	Lower	60	62	25	146
<b>Total</b>								<b>520</b>	<b>681</b>	<b>207</b>	<b>563</b>



## CENSUS TRACT 1107

**Characteristics.** Census Tract 1107 incorporates both the northwest portion of Watsonville, as well as the unincorporated community of Freedom. The area is primarily agricultural land with low density single-family residential abutting the Watsonville Municipal Airport. Calabasas Elementary School is also located in this Census Tract. Generally, the Census Tract is designated as low resource area according to TCAC's opportunity areas and contains a high proportion of low or moderate income households (60% of households in the Tract). The majority of the population in this Tract are non-White (83%) and Hispanic (76%). Finally, the Tract is not an R/ECAP and is rated as having a lower displacement risk. This Census Tract is not an RCAA.

**Assessment.** The addition of 47 Regional Housing Needs Allocation (RHNA) units for above moderate-income households would move the Tract towards being composed of more mixed income households and help further integrate the southern portion of unincorporated Santa Cruz County. Although a relatively small proportion, the allocation of RHNA units should contribute to the overall stabilization of the Tract.

**Considerations.** Propose 47 RHNA units in Census Tract 1107 for above moderate income households.

## CENSUS TRACT 1203.01

**Characteristics.** Census Tract 1203.01 is located east of Boulder Creek, north of Ben Lomond, south of Bear Creek Road and Moonrise Road, and includes the western portion of Felton. This Census Tract includes Henry Cowell Redwoods State Park and is mostly rural in nature. Generally, the Census Tract is designated as a high resource area according to TCAC's opportunity areas and contains a lower proportion of low- or moderate-income households (32% of households in the Tract). Twenty percent of the population in the Tract is non-White and 13% identify as Hispanic. Finally, the Tract is not an R/ECAP and is rated as having a lower displacement risk. This Census Tract is not an RCAA.

**Assessment.** The addition of 57 RHNA units for low income households would help shift the Tract towards having more mixed income households and help to further integrate unincorporated Santa Cruz County. Neighborhoods in this area are established and provide opportunity for mixed income households—characterized by the lower displacement designation. The introduction of affordable units for low income households could help prevent the Tract from gentrification and displacement.

**Considerations.** Propose 57 RHNA units in Census Tract 1203.01 for low income households.



## CENSUS TRACT 1203.02

**Characteristics.** Census Tract 1203.02 includes Ben Lomond to its north and San Lorenzo Valley High School to its south. Mostly rural in character, this Census Tract includes Highlands County Park and is primarily made up of low density single-family residential. Generally, the Census Tract is designated as high resource area according to TCAC's opportunity areas and contains a low proportion of low- or moderate-income households (36% of households in the Tract). Fifteen percent of the population in this Tract are non-White, with 12% identifying as Hispanic. Finally, the Tract is not an R/ECAP and is rated as having a lower displacement risk. This Census Tract is not an RCAA.

**Assessment.** The addition of 88 RHNA units for low-income households would help shift the Tract towards having more mixed income households and help to further integrate unincorporated Santa Cruz County. Neighborhoods in this area are established and provide opportunity for mixed-income households—characterized by the lower displacement designation. The introduction of affordable units for low-income households could help provide more opportunities to access high resource areas.

**Considerations.** Propose 88 RHNA units in Census Tract 1203.02 for low income households.

## CENSUS TRACT 1204

**Characteristics.** Census Tract 1204 includes Boulder Creek in the middle of the Tract, along with Brookdale to the south, Boulder Creek Golf & Country Club and Miller Property County Park to the north, Empire Grade to the west, and Hopkins Gulch Road and Bear Creek Road to the east. This Tract is almost entirely rural with a strip of commercial uses along Central Avenue and concentration of low density single-family residential in Boulder Creek. Generally, the Census Tract is designated as moderate resource area according to TCAC's opportunity areas and contains a moderate proportion of low- or moderate-income households (41% of households in the Tract). A small proportion of the population in this Tract are non-White (15%) and Hispanic (9%). Finally, the Tract is not an R/ECAP and is rated as having a lower displacement risk. This Census Tract is not an RCAA.

**Assessment.** The addition of 20 RHNA units for low-income households are proposed in this Census Tract. Neighborhoods in this area are established and provide opportunity for mixed-income households—characterized by the lower displacement risk designation. While four in ten households in this Tract are low- or moderate-income households, the addition of 20 units for low income households is not likely to change existing demographics of the Tract substantially. While the Tract is designated as a moderate resource area, these units will provide access to high resource areas adjacent to the Tract.

**Considerations.** Propose 20 RHNA units in Census Tract 1204 for low income households.



## CENSUS TRACT 1205

**Characteristics.** Census Tract 1205 is located in the most northern part of Santa Cruz County, bounded by both San Mateo and Santa Clara counties to its north, China Grade Road to its west, Boulder Creek Golf & Country Club and Miller Property County Park in the southern portion of the Tract, and Highway 35 to its east. This Tract is almost entirely rural and is made up of low density single-family residential housing options. Castle Rock State Park to its north. Generally, the Census Tract is designated as high resource area according to TCAC's opportunity areas and contains a lower proportion of low- or moderate-income households (29% of households in the Tract). A quarter of the population in the Tract identify as non-White and 12% identify as Hispanic. Finally, the Tract is not an R/ECAP and is rated as having a lower displacement risk. This Census Tract is an RCAA.

**Assessment.** The addition of 41 RHNA units for low-income households and 16 units for moderate income households would continue to support the siting of mixed income households in the Tract and further help efforts to integrate unincorporated Santa Cruz County. Neighborhoods in this area are established and provide opportunities for mixed income households—characterized by the lower displacement risk designation. The introduction of affordable units for low and moderate income households could afford households with lower incomes to live in higher resource opportunity areas.

**Considerations.** Propose 41 RHNA units in Census Tract 1205 for low-income households and 16 units for moderate income households.

## CENSUS TRACT 1206

**Characteristics.** Census Tract 1206 is located in the central part of Santa Cruz County, bounded by Eagle Tree Lane to its north, Newell Creek Road to its west, Mount Herman Road and the Felton to its south, Mountain Charlie Road to the northeast, and the Mission Springs community to its east. The Tract includes the communities of Lompico, Olympia, and Zayante and includes the Loch Lomond Recreation Area, Quail Hollow Ranch County Park, and Pace Family Wilderness Park. It is mostly rural and made up of low density, single-family residential housing. Generally, the Census Tract is designated as high resource area according to TCAC's opportunity areas and contains a lower proportion of low- or moderate-income households (30% of households in the Tract). Less than two in ten people in this Tract identify as non-White (18%), while approximately just one in ten identify as Hispanic (9%). Finally, the Tract is not an R/ECAP and is rated as having a lower displacement risk. This Census Tract is not an RCAA.

**Assessment.** Ten RHNA units for low-income households and 16 units for moderate income households are proposed for this Tract. Neighborhoods in this area are established and provide opportunities for mixed income households—characterized by the lower displacement risk designation. Twenty-six new residential units will not substantially impact this Census Tract.



**Considerations.** Propose 10 RHNA units in Census Tract 1206 for low income households and 16 units for moderate income households.

## CENSUS TRACT 1207

**Characteristics.** Census Tract 1207 is located north of the city of Santa Cruz and west of Scotts Valley, bounded by Mount Hermon Road and Felton to its north, Graham Hill Road to its east, UC Santa Cruz to its south and Empire Grade Road and Felton Quarry Road to its west. The Tract includes the community of Paradise Park, Henry Cowell Redwoods State Park, and the northern part of the UC Santa Cruz campus. The Tract is mostly rural and made up of primarily low density, single-family residential housing. Generally, the Census Tract is designated as a high resource area according to TCAC's opportunity areas and contains a moderate proportion of low- or moderate-income households (36% of households in the Tract). Eighteen percent of the population in this Tract identify as non-White and 4% identify as Hispanic. Finally, the Tract is not an R/ECAP and is rated as having a lower displacement risk. This Census Tract is not an RCAA.

**Assessment.** Twenty-two RHNA units for low-income households and two units for above moderate-income households are proposed for this Tract. Neighborhoods in this area are established and provide opportunities for mixed income households—characterized by the lower displacement risk designation. Twenty-four new residential units will not substantially impact this Census Tract.

**Considerations.** Propose 22 RHNA units in Census Tract 1207 for low income households and 2 units for above moderate income households.

## CENSUS TRACT 1208

**Characteristics.** Census Tract 1208 is located north of the city of Santa Cruz and encompasses the southwest portion of the city of Scotts Valley in the northern part of the tract, Graham Hill Road to its west, the city of Santa Cruz to its south, and Highway 17 to its east. The Tract, which consists in part of steeply sloped rural areas between Santa Cruz and Scotts Valley, increases in elevation from a low point of around 50 feet at its most southerly point, near the intersection of Highway 1 and Highway 17, to a peak elevation of nearly 900 feet near its northerly end, less than four miles away as the crow flies, with many areas of the tract having slopes above 50%. This tract includes the suburban community of Pasatiempo, primarily made up of low-density, single family homes mostly built in the 1960's. Within the unincorporated portions of this tract, much of the area, particularly those areas not already developed with residential subdivisions, is outside the Urban Services Line (USL), meaning that public utilities are not available. The Tract has a designation of "highest" resource area according to TCAC's opportunity areas, and contains a lower proportion of low or moderate income households (29% of households in the Tract). Two in ten households in this Tract identify as non-White (21%), with over half of these



non-White households identifying as Hispanic (11%). Finally, the Tract is not an R/ECAP and is rated as having a lower displacement risk. This Census Tract is an RCAA.

**Assessment.** The properties in this tract included in the sites inventory have capacity for development of fifty-one units under existing zoning and general plan designations. Because these units would most likely be single-family homes, the affordability of those new units is estimated to be at the above-moderate-income level. Neighborhoods in this area are established and provide opportunities for mixed-income households—characterized by the lower displacement risk designation. While none are proposed, the introduction of affordable units for low-income households in this Census Tract would help to further integrate unincorporated Santa Cruz County.

**Considerations.** Staff estimates that capacity exists under existing zoning for development of 51 homes on vacant or underutilized properties in Census Tract 1208. Because the zoning in this area is a combination of low-density residential, residential agriculture, special use, and other non-residential rural zoning districts, it is estimated that these new units would be affordable to above moderate-income households. Because the vacant and underutilized properties in this tract are outside of the USL, and due to the area’s physical characteristics such as steep slopes, moderate to high fire hazards, lack of infrastructure, and so on, there is no portion of this tract within the unincorporated area that would be feasible for multi-family housing development.

## CENSUS TRACT 1211

**Characteristics.** Census Tract 1211 is located just north of Soquel, bounded by Soquel Drive to its south, Soquel San Jose Road to its east, North Rodeo Gulch to its west, and Jarvis Road to its north. The Tract includes Soquel High School and Anna Jean Cumming Park and is made up primarily of low density, single-family residential uses. The Tract has a designation of “highest” resource area according to TCAC’s opportunity areas and contains a moderate share of low- or moderate-income households (33% of households in the Tract). Thirty percent of the population in this Tract identify as non-White while a quarter of the population identify as Hispanic. The Tract is not an R/ECAP and is rated as having a lower displacement risk. This Census Tract is not an RCAA.

**Assessment.** The addition of 106 RHNA units include 88 for LMI households (and 88 potential housing units for very low- and low-income households) will help continue to stabilize this area and provide continued opportunities for LMI households to live in this highest resource Census Tract. Neighborhoods in this area are established and provide opportunities for mixed income households—characterized by the lower displacement risk designation. The introduction of affordable units for low-income households in this Tract will continue to provide opportunities for mixed income households and further integrate unincorporated Santa Cruz County.



**Considerations.** Propose 83 RHNA units in Census Tract 1211 for low-income households, 5 units for moderate income households, and 18 units for above moderate income households. Propose 40 RHNA potential units in Census Tract 1211 for very low-income households and 40 potential units for low income households.

## CENSUS TRACT 1212

**Characteristics.** Census Tract 1212 is a steeply sloped series of mountainous ravines located east of Scotts Valley, north of Highway 1, west of North Rodeo Gulch Road, and south of Highway 17 and Vine Hill Road. This Tract also encompasses the eastern part of the city of Scotts Valley. Mostly rural, the Tract includes Happy Valley Elementary School. Most of the land within this tract is zoned for agriculture and timber production rather than for residential uses, due to the rough terrain and existence of significant forested acreage within this portion of the Santa Cruz Mountains. The existing housing stock in this tract consists primarily of very low density, single-family homes. The Tract has a designation of “highest” resource area according to TCAC’s opportunity areas and contains a moderate share of low- to moderate-income households (28% of households in the Tract). Eighteen percent of the population in this Tract identify as non-White and 6% identify as Hispanic. The Tract is not an R/ECAP and is rated as having a lower displacement risk. This Census Tract is an RCAA.

**Assessment.** The inventory includes several vacant and underutilized properties within this tract that have capacity for development of an estimated 17 new dwelling units under existing zoning. Because they would be lower-density, most likely single-family homes on larger parcels, staff estimates the affordability level of these homes would be at the above-moderate income level. The rural neighborhoods in this area are established and provide opportunities for mixed income households—characterized by the lower displacement risk designation. Seventeen new residential units will not substantially impact this Census Tract. While none are proposed, the introduction of affordable units for low-income households in this Census Tract would help to further integrate unincorporated Santa Cruz County. However, the steep, wooded terrain within this tract, its designation of virtually the entire tract as a moderate- to high-fire hazard area by the State, and its lack of adequate infrastructure, given its location outside the USL, is not appropriate or feasible for multi-family housing development. If affordable housing were proposed in this tract it would not score sufficiently to obtain an award of low-income housing tax credits.

**Considerations.** Retain properties on the inventory which have capacity for 17 new housing units under existing zoning, in Census Tract 1212, projected to be affordable at the above-moderate income level.





## CENSUS TRACT 1213

**Characteristics.** Census Tract 1213 is located in Live Oak, bounded by Cabrillo Highway to its south, North Rodeo Gulch Road to its east, Felicidad Drive and County Road 799 to its north, and Paul Sweet Road to its west. The northern portion of the Tract is primarily made up of low density, single-family residential housing with more commercial uses and some denser housing in the southern portion of the Tract. The Tract has a designation of “highest” resource area according to TCAC’s opportunity areas and contains a moderate share of low- and moderate-income households (45% of all households in the Tract). Thirty-eight percent of the population in this Tract identify as non-White while 32% identify as Hispanic. The Tract is not an R/ECAP and is rated as having a lower displacement risk. The Tract is not an RCAA.

**Assessment.** The addition of 726 RHNA units including 541 for LMI households (and 55 potential RHNA housing units, including 36 for LMI households) will continue to help stabilize this area and provide continued opportunities for LMI households to live in this highest resource Census Tract. Neighborhoods in this area are established and provide opportunities for mixed income households—characterized by the lower displacement risk designation. The addition of nearly a fifth of unincorporated Santa Cruz County’s RHNA allocation within this Census Tract may raise the overall proportion of low and moderate income households within this Tract. However, this Census Tract is characterized as a lower displacement risk and it will allow more LMI households to benefit from its “highest” resource area designation.

**Considerations.** Propose 515 RHNA units in Census Tract 1213 for low income households, 26 units for moderate income households, and 185 units for above moderate income households. Propose 20 RHNA potential units in Census Tract 1213 for low income households, 16 potential units for moderate income households, and 19 potential units for above moderate income households.

## CENSUS TRACT 1214.01

**Characteristics.** Census Tract 1214.01 is located in Live Oak, south of Cabrillo Highway, west of 17<sup>th</sup> Avenue, north of Capitola Road, and east of the city of Santa Cruz. The northern portion of the Tract has residential and commercial uses while the southern portion of the Tract is primarily single family residential. Green Acres Elementary School, Tierra Pacific Charter School, and VHM Christian School are also located in the Tract. Generally, the Census Tract is designated as high resource area according to TCAC’s opportunity areas and contains a substantive proportion of low or moderate income households (45% of households in the Tract). Nearly four in ten households identify as non-White (38%) while nearly three in ten households identify as Hispanic (28%). The Tract is not an R/ECAP and is rated as having a lower displacement risk. The Tract is not an RCAA.



**Assessment.** The addition of 123 units including 88 for LMI households (and 111 potential units, 80 for very low- and low-income households) will continue to help stabilize the area and provide continued opportunities for LMI households to live in a high resource Census Tract. Neighborhoods in this area are established and provide opportunities for mixed income households—characterized by the lower displacement risk designation. The introduction of affordable units for low- and moderate-income households in this Tract will continue to provide opportunities for mixed income households and efforts to further integrate unincorporated Santa Cruz County.

**Considerations.** Propose 84 RHNA units in Census Tract 1214.01 for low income households, 4 units for moderate income households, and 35 units for above moderate income households. Propose 30 RHNA potential units in Census Tract 1214.01 for very low income households, 50 potential units for low income households, 15 potential units for moderate income households, and 16 potential units for above moderate income households.

## CENSUS TRACT 1214.02

**Characteristics.** Census Tract 1214.02 is also located in Live Oak, south of Cabrillo Highway, east of 17th Avenue, north of the Union Pacific Railroad, and west of the city of Capitola. The Tract includes a mix of single family residential and mobile home parks, as well as more commercial uses in the northern portion of the Tract. This Tract is designated as a high resource area according to TCAC's opportunity areas map and contains a significant proportion of low to moderate income households (66% of all households in the Tract). Nearly half of the households in the Tract identify as non-White (46%) while nearly four in ten households identify as Hispanic (39%). The Tract is not an R/ECAP and is rated as having a lower displacement risk. The Tract is not an RCAA.

**Assessment.** The addition of 240 units including 127 for above moderate-income households (and 152 potential housing units, including 70 for above moderate income households) would help maintain the Tract as mixed income and further integrate unincorporated Santa Cruz County. Neighborhoods in this area are established and provide opportunities for mixed income households—characterized by the lower displacement risk designation. The introduction of a variety of housing units, particularly units for above moderate income households, will continue to provide opportunities for mixed income households to live in this high resource area.

**Considerations.** Propose 90 RHNA units in Census Tract 1208 for low income households, 23 units for moderate income households, and 127 units for above moderate income households. Propose 5 RHNA potential units in Census Tract 1214.02 for very low income households, 24 potential units for low income households, 53 potential units for moderate income households, and 70 potential units for above moderate income households.



## CENSUS TRACT 1214.03

**Characteristics.** Census Tract 1214.03 is also located in Live Oak, situated east of Arana Gulch, north of Union Pacific Railroad, west of 17<sup>th</sup> Avenue, and south of Capitola Road. The Tract includes Hestwood County Park, Jose Avenue County Park, and a variety of housing types and commercial uses. This Tract is designated as a high resource area according to TCAC's opportunity areas map and contains a significant proportion of low to moderate income households (62% of all households in the Tract). Twenty-seven percent of the population in the Tract identify as non-White while 16% identify as Hispanic. The Tract is not an R/ECAP and is rated as having a lower displacement risk. The Tract is not an RCAA.

**Assessment.** The addition of 346 units including 269 for LMI households (and 19 potential RHNA housing units, including 8 units for LMI households) would help maintain the Tract as mixed income and further integrate unincorporated Santa Cruz County. Neighborhoods in this area are established and provide opportunities for mixed income households—characterized by the lower displacement risk designation. The introduction of affordable units for low income households could help prevent the Tract from gentrification and displacement and continue to provide opportunities for low income households to benefit from the high resource area.

**Considerations.** Propose 212 RHNA units in Census Tract 1214.03 for low income households, 57 units for moderate income households, and 77 units for above moderate income households. Propose 3 RHNA potential units in Census Tract 1214.03 for low income households, 5 potential units for moderate income households, and 11 potential units for above moderate income households.

## CENSUS TRACT 1215.01

**Characteristics.** Census Tract 1215.01 is located in the unincorporated community of Twin Lakes, situated south of the Union Pacific Railroad and Portola Drive, east of 17<sup>th</sup> Avenue and Corcoran Lagoon, north of the Pacific Ocean, and west of Lake Avenue. The Tract includes Twin Lakes County Park, Schwan Lagoon, and the Live Oak Farmer's Market and is made up of a variety of housing types and commercial uses. This Tract is designated as a moderate resource area according to TCAC's opportunity areas map and contains a significant proportion of low to moderate income households (60% of all households in the Tract). Sixteen percent of the population in this Tract identifies as non-White while 8% identify as Hispanic. The Tract is not an R/ECAP and is rated as having a lower displacement risk. The Tract is not an RCAA.

**Assessment.** The addition of 179 units including 162 for LMI households would help maintain the Tract as mixed income and further integrate unincorporated Santa Cruz County. Neighborhoods in this area are established and provide opportunities for mixed income households—



characterized by the lower displacement risk designation. The introduction of affordable units for low income households could help prevent the Tract from gentrification and displacement.

**Considerations.** Propose 161 RHNA units in Census Tract 1215.01 for low income households, 1 unit for moderate income households, and 17 units for above moderate income households.

## CENSUS TRACT 1215.02

**Characteristics.** Census Tract 1215.02 is also located in Twin Lakes, situated south of the Union Pacific Railroad, east of 17<sup>th</sup> Avenue, north of Portola Drive, and west of Rodeo Gulch. This Tract includes Del Mar Elementary School, Cypress High School, and Felt Street County Park and includes a variety of housing types and commercial uses. This Tract is designated as a moderate resource area according to TCAC's opportunity areas map and contains a significant proportion of low to moderate income households (60% of all households in the Tract). Forty-five percent of the Tract's population identifies as non-White while 32% identify as Hispanic. The Tract is not an R/ECAP and is rated as having a lower displacement risk. The Tract is not an RCAA.

**Assessment.** The addition of 60 units including 18 for LMI households would help maintain the Tract as mixed income and further efforts to integrate unincorporated Santa Cruz County. Neighborhoods in this area are established and provide opportunities for mixed income households—characterized by the lower displacement risk designation. The introduction of affordable units for low-income households could help prevent the Tract from gentrification and displacement.

**Considerations.** Propose 18 RHNA units in Census Tract 1215.02 for low income households and 42 units for above moderate income households.

## CENSUS TRACT 1216.01

**Characteristics.** Census Tract 1216.01 is located east of Corcoran Lagoon and Rodeo Gulch, south of Portola Drive, west of 41<sup>st</sup> Avenue, and north of the Pacific Ocean. The Tract includes Moran Lake and a number of parks, including Moran Lake County Park, Floral County Park, and The Hook County Park. The Tract has a variety of housing types and commercial uses. This Tract is designated as a high resource area according to TCAC's opportunity areas map and contains a substantive proportion of low to moderate income households (47% of all households in the Tract). Twenty-four percent of the Tract's population identifies as non-White while 19% identifies as Hispanic. The Tract is not an R/ECAP and has a lower displacement risk designation. The Tract is not an RCAA.

**Assessment.** Eleven RHNA units for low income households and eight units for above moderate income households are proposed for this Tract. Neighborhoods in this area are established and



provide opportunities for mixed income households—characterized by the lower displacement risk designation. Nineteen new residential units will not substantially impact this Census Tract.

**Considerations.** Propose 11 RHNA units in Census Tract 1216.01 for low income households and 8 units for above moderate income households.

## CENSUS TRACT 1216.02

**Characteristics.** Census Tract 1216.02 is located in Pleasure Point, situated south of the Union Pacific Railroad, west of the city of Capitola, north of the Pacific Ocean and Portola Drive, and east of Rodeo Gulch. This Tract has a variety of housing types and commercial uses along Portola Drive and 41<sup>st</sup> Avenue. This Tract is designated as a high resource area according to TCAC's opportunity areas map and contains a moderate proportion of low to moderate income households (47% of all households in the Tract). Additionally, 20% of the population in the Tract identify as non-White while 17% identify as Hispanic. The Tract is not an R/ECAP and has a lower displacement risk designation. The Tract is not an RCAA.

**Assessment.** The addition of 134 units including 115 for LMI households (and 65 potential housing units for very low- and low-income households) would help maintain the Tract as mixed income and further integrate unincorporated Santa Cruz County. Neighborhoods in this area are established and provide opportunities for mixed income households—characterized by the lower displacement risk designation. The introduction of affordable units for low income households in this Tract could provide more opportunities to access high resource areas.

**Considerations.** Propose 95 RHNA units in Census Tract 1216.02 for low income households, 20 units for moderate income households, and 19 units for above moderate income households. Propose 30 RHNA potential units in Census Tract 1216.02 for very low income households and 35 potential units for low income households.

## CENSUS TRACT 1217.02

**Characteristics.** Census Tract 1217.02 is located primarily in the city of Capitola. However, a small portion of the Tract is located in Live Oak, bounded by Highway 1 to the north, Rodeo Gulch to the west, Capitola Mall to the east, and Union Pacific Railroad to the south. The Tract includes Brommer Street County Park and Coffee Lane County Park. This Tract is designated as a high resource area according to TCAC's opportunity areas map and contains a significant proportion of low to moderate income households (61% of all households in the Tract). Thirty-nine percent of the Tract's population identifies as non-White while 30% identifies as Hispanic. The Tract is not an R/ECAP and has a lower displacement risk designation. The Tract is not an RCAA.

**Assessment.** Twenty RHNA units for above moderate income households (and 113 potential housing units, including 96 units for very low to moderate income households) are proposed for



this Tract. Neighborhoods in this area are established and provide opportunities for mixed income households—characterized by the lower displacement risk designation. Twenty new residential units will not substantially impact this Census Tract. However, the addition of nearly 100 affordable units for very low and low income households could provide opportunities to better access high resource areas in the county.

**Considerations.** Propose 20 RHNA units in Census Tract 1217.02 for above moderate income households. Propose 30 RHNA potential units in Census Tract 1217.02 for very low income households, 50 potential units for low income households, 16 potential units for moderate income households, and 17 potential units for above moderate income households.

## CENSUS TRACT 1220.01

**Characteristics.** Census Tract 1220.01 is located north of Highway 1 and the city of Capitola. The Tract is bounded by Soquel Drive to its south, Soquel San Jose Road to its west, Hinckley Creek Road to its north, and Aptos Creek to its east. Cabrillo College, the Soquel Demonstration State Forest, and The Forest of Nisene Marks State Park are located within the Census Tract. This Tract is designated as a high resource area according to TCAC’s opportunity areas map and contains a moderate proportion of low to moderate income households (42% of all households in the Tract). Twenty percent of the Tract’s population identify as non-White and 12% identify as Hispanic. The Tract is not an R/ECAP and has a lower displacement risk designation. This Census Tract is not an RCAA.

**Assessment.** The addition of 151 units including 94 for LMI households (and 30 potential housing units for very low and low income households) will help stabilize this area and provide continued opportunities for LMI households to live in this high resource Census Tract. Neighborhoods in this area are established and provide opportunities for mixed income households—characterized by the lower displacement risk designation. The introduction of a variety of housing units targeted at different household incomes will continue to provide opportunities for mixed income households to live in this high resource area.

**Considerations.** Propose 75 RHNA units in Census Tract 1220.01 for low-income households, 19 units for moderate income households, and 57 units for above moderate income households. Propose 15 RHNA potential units in Census Tract 1214.02 for low-income households, 15 potential units for moderate income households, and 15 potential units for above moderate income households.

## CENSUS TRACT 1220.02

**Characteristics.** Census Tract 1220.02 includes the unincorporated communities of Aptos, Monte Tryon, and Day Valley. The Tract is bounded by Valencia Road and Cox Road to its south,





Aptos Creek to its west, Hinckley Creek Road to its north, and Buzzard Lagoon Road and Enos Lane to its east. Almost entirely rural, there are several retreat centers, including Om Oasis Retreat Center and Sparrow Valley Retreat, and low density, single-family residential housing located in the Tract. The Tract has a designation of “highest” resource area according to TCAC’s opportunity areas map and contains a low proportion of low to moderate income households (26% of all households in the Tract). Ten percent of the population in the Tract identify as non-White and 4% identify as Hispanic. The Tract is not an R/ECAP and has a lower displacement risk designation. This Census Tract is an RCAA.

**Assessment.** The addition of 86 RHNA units including 51 for low-income households are proposed in this Census Tract. Neighborhoods in this area are established and provide opportunities for mixed income households—characterized by the lower displacement risk designation. The introduction of affordable units for low-income households in this Census Tract will further integrate this RCAA and provide access to a highest resource area.

**Considerations.** Propose 51 RHNA units in Census Tract 1220.02 for low income households and 35 units for above moderate income households.

## CENSUS TRACT 1220.04

**Characteristics.** Census Tract 1220.04 is located in Aptos, bounded by Highway 1 to its south, Aptos Creek Road to its east, Mesa Grande Road to its north, and Borreagas Creek to its west. Mar Vista Elementary School, Learning Montessori, and Resurrection Catholic Church are located within this Tract. This Tract is designated as a high resource area according to TCAC’s opportunity areas map and contains a moderate proportion of low to moderate income households (42% of all households in the Tract). Twenty percent of the Tract’s population identify as non-White and 8% identify as Hispanic. The Tract is not an R/ECAP and has a lower displacement risk designation. This Census Tract is not an RCAA.

**Assessment.** The addition of 235 RHNA units including 161 for LMI households (and 430 potential housing units, including 215 for very low and low income households) will help stabilize this area and provide continued opportunities for LMI households to live in this high resource Census Tract. Neighborhoods in this area are established and provide opportunities for mixed income households—characterized by the lower displacement risk designation. The introduction of affordable units for low income households could help efforts to further integrate unincorporated Santa Cruz County.

**Considerations.** Propose 161 RHNA units in Census Tract 1220.04 for low income households and 74 units for above moderate income households. Propose 105 RHNA potential units in Census Tract 1220.04 for very low income households, 110 potential units for low income households, 32 potential units for moderate income households, and 183 potential units for above moderate income households.





## CENSUS TRACT 1220.05

**Characteristics.** Census Tract 1220.05 is located in Soquel, bounded by Highway 1 to its south, Borreagas Creek to its east, Soquel Drive to its north, and Rodeo Gulch Road to its west. Soquel Elementary School, Lions Park, and Willowbrook County Park are located in this Census Tract. This Tract is designated as a high resource area according to TCAC's opportunity areas map and contains a moderate proportion of low to moderate income households (43% of all households in the Tract). Thirty-five percent of the Tract's population identify as non-White and a quarter identify as Hispanic. The Tract is not an R/ECAP and has a lower displacement risk designation. This Census Tract is not an RCAA.

**Assessment.** The addition of 288 RHNA units including 253 for LMI households (and 390 potential housing units, including 302 for very low and low income households) will help stabilize this area and provide continued opportunities for LMI households to live in this high resource Census Tract. Neighborhoods in this area are established and provide opportunities for mixed income households—characterized by the lower displacement risk designation. The introduction of affordable units for low income households could help prevent the Tract from gentrification and displacement.

**Considerations.** Propose 250 RHNA units in Census Tract 1220.05 for low income households, 3 units for moderate income households, and 35 units for above moderate income households. Propose 130 RHNA potential units in Census Tract 1220.05 for very low income households, 172 potential units for low income households, 27 potential units for moderate income households, and 61 potential units for above moderate income households.

## CENSUS TRACT 1221

**Characteristics.** Census Tract 1221 is bounded by Highway 1 to its north, Union Pacific Railroad to its west, Aptos Creek to its east, and the Pacific Ocean to its south. Potbelly Beach, Seacliff Village County Park, and the Episcopal Church of St. John are located in this Tract. This Tract is designated as a high resource area according to TCAC's opportunity areas map and contains a substantive proportion of low to moderate income households (52% of all households in the Tract). Twenty-seven percent of the Tract's population identify as non-White and 12% identify as Hispanic. The Tract is not an R/ECAP and has a lower displacement risk designation. This Census Tract is not an RCAA.

**Assessment.** The addition of 61 units including 40 for LMI households would help maintain the Tract as mixed income and further integrate unincorporated Santa Cruz County. Neighborhoods in this area are established and provide opportunities for mixed income households—characterized by the lower displacement risk designation. The introduction of affordable units for



low income households could help continue providing opportunities to access high resource areas in the county.

**Considerations.** Propose 40 RHNA units in Census Tract 1221 for low income households and 21 units for above moderate income households.

## CENSUS TRACT 1222.02

**Characteristics.** Census Tract 1222.02 is located in Rio Del Mar, bounded by Highway 1 to its north, Club House Drive and Pinehurst Drive to its west, Seascape Boulevard to its south, and San Andreas Road to its east. The Tract is primarily made up of low density, single family residential housing. Deluxe Foods of Aptos, Aptos Community Methodist Church, and Rio Del Mar Elementary School are located in this Tract. The Tract has a designation of “highest” resource area according to TCAC’s opportunity areas and contains a low share of low- and moderate-income households (24% of all households in the Tract). Twenty-four percent of the population in the Tract identify as non-White and 16% identify as Hispanic. The Tract is not an R/ECAP and has a lower displacement risk designation. This Census Tract is an RCAA.

**Assessment.** The addition of 60 units for lower-income households and 53 units for above-moderate-income households would help maintain the Tract as mixed-income, and further integrate unincorporated Santa Cruz County. Neighborhoods in this area are established and provide opportunities for mixed income households—characterized by the lower displacement risk designation. The introduction of affordable housing for lower-income households in this Tract, such as on the Rio del Mar Elementary School site, or on the nearby church site, both included in the inventory as underutilized Public Facility sites with an estimated combined capacity for 60 multi-family affordable rental units, would help further efforts to integrate this RCAA and unincorporated Santa Cruz County.

**Considerations.** Propose 60 RHNA units for lower-income households and 53 RHNA units for above moderate-income households in Census Tract 1222.02.

## CENSUS TRACT 1222.03

**Characteristics.** Census Tract 1222.03 is also located in Rio Del Mar, bounded by Club House Drive and Rio del Mar Boulevard to its north, Sumner Avenue to its west and south, and San Andreas Road to its east. Seascape Golf Course and Seascape Sports Club are located in this Tract. The Tract has a designation of “highest” resource area according to TCAC’s opportunity areas and contains a low share of low- and moderate-income households (27% of all households in the Tract). Twenty-eight percent of the population in the Tract identify as non-White and 16% identify as Hispanic. The Tract is not an R/ECAP and has a lower displacement risk designation. This Census Tract is not an RCAA.



**Assessment.** The addition of 36 units including 30 for LMI households (and 29 potential RHNA units, including 11 for low-income households) would help maintain the Tract as mixed income and further integrate unincorporated Santa Cruz County. Neighborhoods in this area are established and provide opportunities for mixed income households—characterized by the lower displacement risk designation. While the addition of 36 units is not likely to have a substantive impact on this Tract, these sites will provide opportunities for low and moderate income households to access the highest resource areas in the county.

**Considerations.** Propose 30 RHNA units in Census Tract 1222.03 for low income households and 6 units for above moderate income households. Propose 11 RHNA potential units in Census Tract 1222.03 for low income households, 2 potential units for moderate income households, and 16 potential units for above moderate income households.

## CENSUS TRACT 1222.04

**Characteristics.** Census Tract 1222.04 includes the unincorporated community of Aptos, bounded by Highway 1 and Freedom Boulevard to its south, Valencia Road to its west, Cox Road to its north, and Day Valley Road to its east. The Tract includes Aptos Jr. High School, Polo Grounds Park, and St. Andrew Presbyterian Church and primarily consists of low density, single family residential housing. The Tract has a designation of “highest” resource area according to TCAC’s opportunity areas and contains a low share of low- and moderate-income households (27% of all households in the Tract). Twenty-six percent of the population in the Tract identify as non-White and 23% identify as Hispanic. The Tract is not an R/ECAP and has a lower displacement risk designation. This Census Tract is not an RCAA.

**Assessment.** The addition of 88 units including 42 for LMI households would help maintain the Tract as mixed income and further integrate unincorporated Santa Cruz County. Neighborhoods in this area are established and provide opportunities for mixed income households—characterized by the lower displacement risk designation. The introduction of affordable units for low income households could help further integrate unincorporated Santa Cruz County and provide opportunities for LMI households to access the highest resource areas of the county.

**Considerations.** Propose 42 RHNA units in Census Tract 1222.04 for low income households and 46 units for above moderate income households.

## CENSUS TRACT 1222.05

**Characteristics.** Census Tract 1222.05 is located in Rio Del Mar, bounded to the north by Highway 1, Moosehead Drive to its west, the Pacific Ocean to its south, and Rio Del Mar Boulevard and Sumner Avenue to its east. The Tract includes Rio Del Mar Beach and Platforms State Beach and is primarily made up of low density, single-family residential housing. The Tract



has a designation of “highest” resource area according to TCAC’s opportunity areas and contains a low share of low- and moderate-income households (27% of all households in the Tract). Seven percent of the population in the Tract identify as non-White and 3% identify as Hispanic. The Tract is not an R/ECAP and has a lower displacement risk designation. This Census Tract is not an RCAA.

**Assessment.** The addition of 190 units including 136 for LMI households would help maintain the Tract as mixed income and further integrate unincorporated Santa Cruz County. Neighborhoods in this area are established and provide opportunities for mixed income households—characterized by the lower displacement risk designation. These sites will provide access to the highest resource areas and would further integrate the unincorporated areas of the county.

**Considerations.** Propose 136 RHNA units in Census Tract 1222.05 for low-income households and 54 units for above moderate income households.

## CENSUS TRACT 1224.01

**Characteristics.** Census Tract 1224.01 is located in the unincorporated community of Corralitos, bounded by Santa Clara County to its north and east, Buzzard Lagoon Road, Eureka Canyon Road, and Browns Valley Road to its west, Pioneer Road and Casserly Road to its south, and Mount Madonna Road to its east. The Tract includes Corralitos Gardens, Monte Vista Christian High School, and Spring Hill Golf Course and is primarily made up of agricultural land and low density, single-family residential housing. The Tract has a low resource area designation according to TCAC’s opportunity areas and contains a moderate share of low- and moderate-income households (44% of all households in the Tract). Six percent of the population in the Tract identify as non-White and 4% identify as Hispanic. The Tract is not an R/ECAP and has a lower displacement risk designation. This Census Tract is an RCAA.

**Assessment.** Sixty RHNA housing units, including 40 for low- and moderate-income households, are proposed for this Tract. The addition of these units would help maintain the Tract as mixed income and further integrate unincorporated Santa Cruz County. Neighborhoods in this area are established and provide opportunities for mixed income households—characterized by the lower displacement risk designation. The introduction of affordable units for low-income households could help prevent the Tract from gentrification and displacement.

**Considerations.** Propose 20 RHNA units in Census Tract 1224.01 for low-income households, 20 units for moderate income households, and 20 units for above moderate income households.

## CENSUS TRACT 1225

**Characteristics.** Census Tract 1225 includes the unincorporated community of Interlaken, located northeast of the city of Watsonville. The Tract is bounded by Casserly Road to its north,



Green Valley Road to its west, Corralitos Creek to its south, and Lakeview Road and Carlton Road to its east. The Tract includes St. Francis High School, the Santa Cruz County Fair Grounds, and College Lake and is primarily made up of agricultural land and low density, single-family residential housing. The Tract has a low resource area designation according to TCAC's opportunity areas and contains a high proportion of low- and moderate-income households (60% of all households in the Tract). A significant majority of the Tract identifies as non-White (88%) and Hispanic (83%). The Tract is not an R/ECAP and has a lower displacement risk designation. This Census Tract is not an RCAA.

**Assessment.** The addition of 154 units including 110 for LMI households (and 189 proposed RHNA units, including 179 for very low- and low-income households) may contribute to existing concentrations of non-White and LMI households in unincorporated Santa Cruz County. Neighborhoods in this area are established and provide opportunities for mixed income households—characterized by the lower displacement risk designation. The addition of affordable housing for low-income households could help prevent the Tract from gentrification and displacement.

**Considerations.** Propose 65 RHNA units in Census Tract 1225 for low income households, 46 units for moderate income households, and 44 units for above moderate income households. Propose 90 RHNA potential units in Census Tract 1225 for very low-income households, 89 potential units for low income households, 1 potential unit for moderate income households, and 9 potential units for above moderate income households.

## CENSUS TRACT 1231

**Characteristics.** Census Tract 1231 is located within the boundaries of the unincorporated community of Amesti, bounded by Pioneer and Green Valley Roads to its north, Varni Road and Corralitos Creek to its west, Corralitos Creek and Holohan Road to its south, and Green Valley Road to its east. The Tract includes Pinto Lake, Berry Cowles Farm, and Amesti Elementary School and is primarily made up of agricultural land and low density, single-family residential housing. The Tract has a low resource area designation according to TCAC's opportunity areas and contains a high proportion of low- and moderate-income households (64% of all households in the Tract). Nearly two thirds of the Tract identifies as non-White (65%) and nearly six in ten identify as Hispanic (58%). The Tract is not an R/ECAP and has a lower displacement risk designation. This Census Tract is not an RCAA.

**Assessment.** Five RHNA units for above moderate-income households (293 proposed RHNA units, including 122 for very low and low income households) are proposed for this Tract. While five new residential units will not substantially impact this Tract, the addition of 122 RHNA housing units for very low- and low-income households may contribute to existing concentrations of non-White and LMI households in unincorporated Santa Cruz County. Neighborhoods in this area are



established and provide opportunities for mixed income households—characterized by the lower displacement risk designation.

**Considerations.** Propose five RHNA units in Census Tract 1231 for above moderate income households. Propose 60 RHNA potential units in Census Tract 1231 for very low income households, 62 potential units for low income households, 25 potential units for moderate income households, and 146 potential units for above moderate income households.

## CENSUS TRACT 1233

**Characteristics.** Census Tract 1233 is located in the far southern portion of the county, bounded by Santa Clara County to its north and east, San Benito County and Monterey County to its south, and the city of Watsonville, Lakeview Road, Carlton Road, and Mount Madonna Road to its west. The Tract includes Gizdich Apple Picking, Cassin Ranch, and Scurich Berry Farms and is primarily agricultural land and low density, single-family residential housing. The Tract has a moderate resource area designation according to TCAC's opportunity areas and contains a high proportion of low and moderate income households (71% of all households in the Tract). Over two thirds of the Tract identifies as non-White (67%) and approximately six in ten identify as Hispanic (61%). The Tract is not an R/ECAP and has a lower displacement risk designation. This Census Tract is not an RCAA.

**Assessment.** The addition of 80 RHNA housing units for LMI households may contribute to existing concentrations of non-White and LMI households in unincorporated Santa Cruz County. Neighborhoods in this area are established and provide opportunities for mixed income households—characterized by the lower displacement risk designation. The addition of affordable housing for low income households could help prevent the Tract from gentrification and displacement.

**Considerations.** Propose 80 RHNA units in Census Tract 1233 for low income households.

## SUPPORTIVE COUNTYWIDE SITES ANALYSIS

### HISPANIC POPULATION

The Census Tracts in unincorporated Santa Cruz County with the greatest concentration of Hispanic populations are Census Tract 1225 (83%), Census Tract 1107 (76%), Census Tract 1233 (61%), and Census Tract 1231 (58%) – all located in the southern portion of the county. Collectively, these Census Tracts account for 6% of the proposed RHNA units for low income households (145 units) and 8% of proposed RHNA units overall (287 units) in unincorporated Santa Cruz County.





For potential RHNA housing units, Census Tract 1225 and Census Tract 1231 account for 29% of potential RHNA housing units for very low-income households (150 units), 22% of potential housing units for low income households (151 units), 13% of potential housing units for moderate income households (26 units), and 28% of potential housing units for above moderate income households (155 units). 24%

## NON-WHITE POPULATION

Similarly, the Census Tracts in unincorporated Santa Cruz County with the largest proportion of non-White populations are Census Tract 1225 (88%), Census Tract 1107 (83%), Census Tract 1233 (67%), and Census Tract 1231 (65%). As noted above, these Tracts account for 6% of the proposed RHNA units for low income households and 8% of proposed RHNA units overall for unincorporated areas in Santa Cruz County. Census Tracts 1225 and 1231 make up 29% of potential RHNA housing units for very low-income households and 24% of all potential RHNA housing units for unincorporated Santa Cruz County, respectively.

## LOW AND MODERATE INCOME

The Census Tracts in unincorporated Santa Cruz County with the highest proportion of low- and moderate-income populations are Census Tract 1233 (71%), Census Tract 1214.02 (66%), Census Tract 1231 (64%), Census Tract 1214.03 (62%), and Census Tracts 1217 (61%). Collectively, these Census Tracts account for 16% (382 units) of the proposed RHNA units for low-income households and 18% (691 units) of all proposed RHNA units in unincorporated Santa Cruz County.

For potential RHNA housing units, Census Tracts 1214.02, 1214.03, 1217.02 and 1231 account for 18% of housing units (95 units) for very low-income households, 20% of housing units (139 units) for low-income households, and 29% of units overall (577 units).

The Census Tracts with the lowest proportion of low- and moderate-income households are Census Tract 1222.02 (24%), Census Tract 1220.02 (26%), and Census Tracts 1222.03, 1222.04, and 1222.05 (27%). Three out of the five Census Tracts are designated as Racially Concentrated Areas of Affluence (RCAA) and all are either designated as high or highest resource opportunity areas. Collectively, these Census Tracts make up 10% (319 units) of proposed RHNA housing units for low-income households and 8% (513 units) of proposed RHNA housing units overall.

For potential RHNA housing units, Census Tract 1222.03 accounts for 1% of housing units (13 units) for low- and moderate-income households and 2% of units overall (29 units).





## RACIALLY OR ETHNICALLY CONCENTRATED AREAS OF POVERTY (R/ECAP)

There are no R/ECAPs in unincorporated Santa Cruz County.

## RACIALLY CONCENTRATED AREAS OF AFFLUENCE (RCAA)

There are six RCAAs in unincorporated Santa Cruz County with proposed RHNA housing sites—Census Tracts 1205, 1208, 1212, 1220.02, 1222.02, and 1224.01. Collectively, these Census Tracts make up 5% of proposed RHNA housing units (172 units) for low-income households and 6% of proposed RHNA housing units (384 units) overall.

## TCAC AREAS OF OPPORTUNITY

Unincorporated Santa Cruz County is primarily made up of Census Tracts with high or highest resource opportunity area designations. Collectively, these Census Tracts account for 85% of proposed RHNA housing units (2,153 units) for low-income households and 84% of proposed RHNA housing units (3,266 units) overall.

## URBAN DISPLACEMENT

All Census Tracts in unincorporated Santa Cruz County have a lower displacement risk designation.

## SEGREGATION AND INTEGRATION

Unincorporated Santa Cruz County has proportionally fewer residents of color than the county overall and the Monterey Bay region, although unincorporated county's Black/African American population is on par with the proportion in the county overall. Sixty-nine percent of unincorporated Santa Cruz County's population is non-Hispanic White, compared with 56% of the county overall and 39% of the Monterey Bay region. Twenty-three percent of unincorporated county residents are Hispanic, compared to 34% of the county overall and 51% of the region.

The distribution of RHNA units does not generally concentrate LMI units in areas with high non-White or Hispanic populations. The four Census Tracts with the greatest concentration of Hispanic populations account for just 6% of proposed RHNA units for low income households and 8% overall in unincorporated Santa Cruz County. Similarly, the Census Tracts with the greatest concentration of low- and moderate-income households account for just 16% of the proposed RHNA housing units for low income households.



## RACIALLY AND ETHNICALLY CONCENTRATED AREAS OF POVERTY AND AFFLUENCE

The County does not have any R/ECAPs. Racially Concentrated Areas of Affluence (RCAs) are defined by HUD as communities with a large proportion of affluent and non-Hispanic White residents. There are six Census Tracts designated as RCAs in unincorporated Santa Cruz County. As noted above, 9% of RHNA units are located in these Census Tracts, which provide access to opportunity for residents of affordable housing and reduce existing segregation patterns. These sites provide increased housing opportunities for all incomes and would not exacerbate concentrations of race and affluence.

## DISPARITIES IN ACCESS TO OPPORTUNITY

The majority of Census Tracts in unincorporated Santa Cruz County are designated as high or highest resource opportunity areas. Census Tracts designated as highest resource opportunity areas account for 35% (857 units) of proposed RHNA housing units for low-income households while Census Tracts designated as high resource areas account for 50% (1,236 units) of units for low income households. Collectively, these Tracts account for 85% of proposed RHNA housing units (2,093 units) for low-income households and 84% of proposed RHNA housing units (3,206 units) overall.

## DISPROPORTIONATE HOUSING NEEDS

Racial and ethnic minority populations in unincorporated Santa Cruz County are more likely to be living in poverty and be housing cost burdened compared to the non-Hispanic White population. They are also more likely to be denied a mortgage loan. Hispanic households have higher rates of cost burden—43% are burdened and 19% are severely burdened—and nearly two in ten (18%) live in an overcrowded household. The locations of the proposed RHNA sites do not directly exacerbate the segregation of any of these racial or ethnic groups because 94% of the proposed RHNA housing units for low-income households and 92% of all proposed RHNA sites are located in areas where non-Hispanic White residents are the predominant population.