

## 4.13 POPULATION AND HOUSING

This section describes existing population and housing conditions, identifies associated regulatory requirements, evaluates potential project and cumulative impacts, and identifies mitigation measures for any significant or potentially significant impacts related to implementation of the Sustainability Policy and Regulatory Update of the County of Santa Cruz (County) General Plan and Local Coastal Program (LCP) and County Code (Sustainability Update or project). The analysis is based on the proposed land use program for the project; U.S. Census data; State of California Department of Finance (DOF) estimates; population, housing, and employment projections of the Association of Monterey Bay Area Governments (AMBAG); and annual growth goal reports prepared by the County Planning Department.

### 4.13.1 Environmental Setting

#### 4.13.1.1 Population Trends and Forecasts

##### Population Trends

The population growth rate in Santa Cruz County has been declining since the 1960s. The county grew at a slower rate than the state in the 1940s and 1950s, grew at a faster rate than the state in the 1960s and 1970s, and grew at approximately the same rate as the state in the 1980s. Growth slowed considerably in the 1990s and 2000s, when the county grew at a slower rate than the state (AMBAG 2018b). The county's average annual growth rate has remained low in recent decades.

In 2020, the county's unincorporated population was 133,153 (U.S. Census Bureau 2020b), which is approximately half of Santa Cruz County's total population as shown in Table 4.13-1. This is an increase of 3,414 persons over the last 10 years, comprising an average annual growth rate of 0.3%. This average annual growth rate was the same as for the county as a whole and lower than the state (0.6%) during this 10-year period. Table 4.13-1 shows population trends in Santa Cruz County and the State of California from 1970 through 2020 based on U.S. Census data (1970-2020).

##### Population Forecasts

AMBAG prepares and regularly updates population, housing, and employment projections for the cities and counties in its region. The growth forecast is used to support regional planning efforts such as the Regional Travel Demand Model and the Metropolitan Transportation Plan as well as local planning such as the development of general plans and project review. However, use of the forecast by local land-use planning agencies is elective (AMBAG 2021a). The AMBAG forecasts are prepared showing five-year increments of growth over a 20-year period.

**Table 4.13-1. Population Trends in Santa Cruz County and California, 1970 to 2020**

| Year | Santa Cruz County (Unincorporated) |   | Santa Cruz County (Whole) |   | State of California |   |
|------|------------------------------------|---|---------------------------|---|---------------------|---|
|      | Population                         | Average Annual Growth Rate <sup>a</sup> | Population                | Average Annual Growth Rate <sup>a</sup> | Population          | Average Annual Growth Rate <sup>a</sup> |
| 1970 | 68,004                             | —                                       | 123,790                   | —                                       | 19,953,134          | —                                       |
| 1980 | 107,009                            | 5.7%                                    | 188,141                   | 5.2%                                    | 23,667,902          | 1.9%                                    |
| 1990 | 130,086                            | 2.2%                                    | 229,734                   | 2.2%                                    | 29,558,000          | 2.5%                                    |
| 2000 | 135,345                            | 0.4%                                    | 255,602                   | 1.1%                                    | 33,873,086          | 1.5%                                    |
| 2010 | 129,739                            | -0.4% <sup>b</sup>                      | 262,382                   | 0.3%                                    | 37,253,956          | 1.0%                                    |
| 2020 | 133,153                            | 0.3%                                    | 270,861                   | 0.3%                                    | 39,538,223          | 0.6%                                    |

**Sources:** U.S. Census Bureau 1970, 1980, 1990, 2000, 2010b, 2020b.

**Notes:**

<sup>a</sup> Average annual growth rates are for the preceding 10-year period.

<sup>b</sup> In July 2000 (after the 2000 Decennial Census), the City of Watsonville annexed a portion of unincorporated Santa Cruz County, known as the Freedom-Carey annexation, comprising 2,022 residents. This loss of annexed population accounts for more than half of the decline in the county’s unincorporated population between 2000 and 2010 (AMBAG 2018b).

The current population forecast was adopted by AMBAG in June 2018 and covers the period from 2015 to 2040. Table 4.13-2 shows the existing (2020) as reported in the 2020 Census and in AMBAG’s adopted 2018 Regional Growth Forecast. In its 2018 Regional Growth Forecast, AMBAG projected greater population growth in the county in 2020 than actually occurred as reported in 2020 Census data. AMBAG forecasted a 2020 population of 136,891 for the county’s unincorporated area and 281,147 for the county as a whole, while the 2020 Census of the actual populations (as of April 1, 2020) were 133,153 and 270,861, respectively.

**Table 4.13-2. Santa Cruz County Regional Population Forecast, 2020 to 2040**

| Year                                  |                  | Santa Cruz County (Unincorporated) | Santa Cruz County (Whole) |
|---------------------------------------|------------------|------------------------------------|---------------------------|
| 2020                                  | <i>Projected</i> | 136,891                            | 281,147                   |
|                                       | <i>Actual</i>    | 133,153                            | 270,861                   |
| 2025                                  |                  | 137,896                            | 287,700                   |
| 2030                                  |                  | 139,105                            | 294,238                   |
| 2035                                  |                  | 140,356                            | 300,685                   |
| 2040                                  |                  | 141,645                            | 306,881                   |
| Change, 2020-2040                     |                  | 8,492                              | 36,020                    |
| Average Annual Growth Rate, 2020-2040 |                  | 0.3%                               | 0.7%                      |

**Sources:** AMBAG 2018b; U.S. Census Bureau 2020b.

**Note:** AMBAG’s projection of 2020 population was higher than that of the 2020 Census. Change and average annual growth rates from 2020-2040 use the U.S. Census Bureau’s actual 2020 population estimates rather than AMBAG’s forecasted 2020 populations.

Table 4.13-2 also shows AMBAG’s population projections within the county from 2020 through 2040., AMBAG projects that the county’s unincorporated population will grow to 141,645 by 2040, relative to 306,881 for the county as a whole. AMBAG projects that the county’s unincorporated population will grow at a slower rate than the county as a whole. Based on AMBAG’s projected 2020 population, the 2040 population forecast estimates an increase of 4,754 persons in the unincorporated area, which results in an average annual growth rate in the unincorporated area of 0.2%, relative to approximately 0.5% for the county as a whole. However, because the U.S. Census Bureau’s actual 2020 population was lower than AMBAG’s forecast, AMBAG’s projected 2040 population would represent an increase of 8,492 persons in the unincorporated area based on the 2020 Census. This results in an average annual growth rate in the unincorporated area of 0.3%, relative to approximately 0.7% for the county as a whole.

AMBAG is in the process of developing the 2022 Regional Growth Forecast; the draft forecast was accepted for planning purposes by the AMBAG Board of Directors on November 18, 2020. The 2022 Regional Growth Forecast is scheduled to be formally adopted by the AMBAG Board of Directors in June 2022 as part of the continued development of the 2045 Metropolitan Transportation Plan/Sustainable Communities Strategy (AMBAG 2020). The 2022 forecast, though not yet adopted, identifies the unincorporated county population of 135,625 in the year 2040 and 135,953 in 2045 (AMBAG 2020), both of which are below the existing adopted projections and historic growth rates for the unincorporated county. Based on the 2020 Census results, the 2022 draft forecast would result in a population increase of 2,472 people in 2040, which represents an average annual growth rate of 0.093%.

### 4.13.1.2 Housing Trends and Forecasts

#### Housing Trends

Table 4.13-3 shows Santa Cruz County’s housing characteristics in 2010 and 2020. According to the 2020 Census, unincorporated Santa Cruz County had 57,327 housing units.<sup>1</sup> This was an increase of 400 housing units over the number of housing units in 2010 (56,927). By comparison, the county as a whole added 1,869 housing units over the last 10 years, from 104,476 housing units in 2010 to 106,345 housing units in 2020. Thus, approximately 21% of the total housing units added in the county over the last 10 years were in the unincorporated area. As of the 2020 Census, the unincorporated area had a higher vacancy rate than the county as a whole (11.1% versus 9.5%). The unincorporated area had a smaller average household size than the county as a whole (2.53 versus 2.64 persons per household) (DOF 2021).

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<sup>1</sup> After the publication of these data, as well as after the release of the Notice of Preparation (NOP) for this environmental impact report (EIR), approximately 1,000 housing units in the county were destroyed in the CZU Lightning Complex wildfire, which ignited in August 2020.

**Table 4.13-3. Santa Cruz County Housing Characteristics, 2010 and 2020**

| Location                           | Variable               | 2010    | 2020                |
|------------------------------------|------------------------|---------|---------------------|
| Santa Cruz County (Unincorporated) | Total Housing Units    | 56,927  | 57,327 <sup>a</sup> |
|                                    | Occupied Housing Units | 50,118  | 50,977              |
|                                    | Vacancy Rate           | 12.0%   | 11.1%               |
|                                    | Persons per Household  | 2.55    | 2.53                |
| Santa Cruz County (Whole)          | Total Housing Units    | 104,476 | 106,345             |
|                                    | Occupied Housing Units | 94,355  | 96,261              |
|                                    | Vacancy Rate           | 9.7%    | 9.5%                |
|                                    | Persons per Household  | 2.67    | 2.64                |

Source: DOF 2021; U.S. Census Bureau 2010a, 2020a.

**Note:**

<sup>a</sup> After the publication of these data, as well as after the release of the NOP for this EIR, approximately 1,000 housing units in the county were destroyed in the CZU Lightning Complex wildfire, which ignited in August 2020.

### Housing Forecasts

In its 2018 Regional Growth Forecast, AMBAG projected a higher number of housing units in the county in 2020 than actually occurred based on DOF estimates. AMBAG forecasted 57,848 housing units in 2020 within the county’s unincorporated area and 109,179 for the county as a whole, while the DOF’s estimates of the actual number of housing units as of January 1, 2020 were 57,662 and 106,135, respectively. Table 4.13-4 shows the existing and projected housing units within the county from 2020 through 2040.

**Table 4.13-4. Santa Cruz County Regional Housing Unit Forecast, 2020-2040**

| Year  |                  | Santa Cruz County (Unincorporated) | Santa Cruz County (Whole) |
|---|------------------|------------------------------------|---------------------------|
| 2020  | <i>Projected</i> | 57,848                             | 109,179                   |
|   | <i>Actual</i>    | 57,327                             | 106,345                   |
| 2025  |                  | 58,764                             | 112,051                   |
| 2030  |                  | 59,506                             | 114,326                   |
| 2035  |                  | 60,400                             | 116,545                   |
| 2040  |                  | 60,841                             | 118,152                   |
| Change, 2020-2040                             |                  | 3,514                              | 11,807                    |
| Average New Housing Units per Year, 2020-2040 |                  | 176                                | 590                       |

Sources: AMBAG 2018b; U.S. Census Bureau 2020a.

Note: AMBAG’s projection of 2020 housing units was higher than the numbers reported in the 2020 Census. Change and average number of new housing units per year from 2020-2040 use the U.S. Census Bureau’s actual 2020 housing unit data rather than AMBAG’s forecasted 2020 housing units.

As shown in Table 4.13-4, AMBAG projects that the number of housing units within the county’s unincorporated area will grow to 60,841 by 2040, relative to 118,152 for the county as a whole. The projected 2040 housing units would constitute an increase of 3,514 housing units in the unincorporated area and 11,807 housing units in the county as a whole over the 20-year period, with an average of 176

housing units added per year in the unincorporated area, relative to 590 per year for the county as a whole. As indicated above, AMBAG’s 2022 forecast is expected to be adopted in June 2022; this forecast identifies 59,697 housing units in the unincorporated county in the year 2040 (AMBAG 2020), which is below the existing adopted forecast for the unincorporated county and represents an increase of approximately 119 dwelling units per year.

### 4.13.13 Employment Trends and Forecasts

#### Employment Trends

The coronavirus disease 2019 (COVID-19) pandemic caused a dramatic rise in unemployment rates nationwide from near record lows to near record highs; in July 2019, the U.S. unemployment rate was 3.7%, while in July 2020 (when the NOP for this EIR was released), the unemployment rate was 10.2%—down from a high of 14.4% in April 2020 (BLS 2020; Kochhar 2020). This trend was mirrored in Santa Cruz County, where the unemployment rate was 4.3% in July 2019, peaked at 17.0% in April 2020, and has since begun to decline but remains anomalously high (EDD 2020). Thus, this section presents annual average employment data from 2019 in addition to July 2020 employment data to provide a comparison, given that employment trends at the time of the NOP release are not representative of typical conditions. Table 4.13-5 presents labor force and employment data in the county.

**Table 4.13-5. Santa Cruz County Labor Force and Employment Data**

| Variable          | Santa Cruz County (Unincorporated) |           | Santa Cruz County (Whole) |           |
|-------------------|------------------------------------|-----------|---------------------------|-----------|
|                   | 2019 Annual Average                | July 2020 | 2019 Annual Average       | July 2020 |
| Labor Force       | 71,000                             | 66,500    | 142,300                   | 131,200   |
| Employment        | 68,200                             | 58,600    | 135,500                   | 116,400   |
| Unemployment      | 2,700                              | 7,800     | 6,800                     | 14,800    |
| Unemployment Rate | 3.8%                               | 11.7%     | 4.8%                      | 11.3%     |

Sources: EDD 2019, 2020.

As shown in Table 4.13-5, in 2019, in unincorporated Santa Cruz County, 68,200 residents were employed and the unemployment rate was 3.8%, compared to 135,500 employed residents and a 4.8% unemployment rate in the county as a whole. By July 2020, only 58,600 residents of unincorporated Santa Cruz County were employed, and the unemployment rate had risen to 11.7%, compared to 116,400 employed residents in the county as a whole with an unemployment rate of 11.3%.

Santa Cruz County’s economy relies primarily on its agriculture, tourism, high technology, educational, and health care industries. Table 4.13-6 shows jobs by industry in Santa Cruz County based on data collected by the U.S. Census Bureau from 2015-2019. Nearly 40% of jobs are in education, health care, social assistance, and professional categories. Jobs related to the tourism/hospitality industry (arts, entertainment, and recreations, accommodation and food services, and retail trade) comprised over 20%. The agriculture industry comprised approximately 5% of county jobs.

**Table 4.13-6. Santa Cruz County Employment Industries**

| Industry   | Santa Cruz County (Unincorporated) |                  | Santa Cruz County (Whole) |                  |
|--|------------------------------------|------------------|---------------------------|------------------|
|  | Number Employed                    | Percent Employed | Number Employed           | Percent Employed |
| Educational services, and health care and social assistance                                | 15,304                             | 23%              | 33,760                    | 25%              |
| Professional, scientific, and management, and administrative and waste management services | 9,538                              | 14%              | 17,136                    | 13%              |
| Arts, entertainment, and recreation, and accommodation and food services                   | 7,436                              | 11%              | 15,905                    | 12%              |
| Retail trade   | 6,909                              | 10%              | 14,014                    | 10%              |
| Manufacturing  | 6,156                              | 9%               | 11,346                    | 8%               |
| Construction   | 5,057                              | 7%               | 8,443                     | 6%               |
| Other services, except public administration   | 3,803                              | 6%               | 6,824                     | 5%               |
| Finance and insurance, and real estate and rental and leasing                              | 3,250                              | 5%               | 5,968                     | 4%               |
| Agriculture, forestry, fishing and hunting, and mining                                     | 2,444                              | 4%               | 7,442                     | 5%               |
| Public administration  | 2,419                              | 4%               | 4,637                     | 3%               |
| Transportation and warehousing, and utilities  | 2,082                              | 3%               | 4,430                     | 3%               |
| Wholesale trade  | 1,897                              | 3%               | 3,585                     | 3%               |
| Information  | 1,506                              | 2%               | 2,916                     | 2%               |
| <b>Total</b>   | <b>67,801</b>                      | <b>—</b>         | <b>136,406</b>            | <b>—</b>         |

Source: U.S. Census Bureau 2019a.

### Employment Forecasts

Table 4.13-7 displays AMBAG’s employment projections set forth in its adopted 2018 Regional Growth Forecast. AMBAG projects that unincorporated Santa Cruz County will add 5,492 jobs between 2020 and 2040, for a total of 44,831 jobs by 2040, and that the county as a whole will add 16,504 jobs between 2020 and 2040, for a total of 137,265 jobs (AMBAG 2018b). As indicated above, AMBAG’s 2022 forecast is expected to be adopted in June 2022; this forecast identifies 48,202 jobs in the unincorporated county in the year 2040 (AMBAG 2020), which is higher than the existing adopted forecast for the unincorporated county and represents an increase of approximately 443 jobs per year.

**Table 4.13-7. Santa Cruz County Employment Forecast, 2020-2040**

| Year                             | Santa Cruz County<br>(Unincorporated) | Santa Cruz County<br>(Whole) |
|----------------------------------|---------------------------------------|------------------------------|
| 2020                             | 39,339                                | 120,761                      |
| 2025                             | 40,826                                | 124,141                      |
| 2030                             | 42,191                                | 129,275                      |
| 2035                             | 43,541                                | 133,324                      |
| 2040                             | 44,831                                | 137,265                      |
| Change, 2020-2040                | 5,492                                 | 16,504                       |
| Average Annual Growth, 2020-2040 | 275                                   | 825                          |

Source: AMBAG 2018b.

#### 4.13.1.4 Jobs/Housing Balance

Jobs/housing balance is usually defined as the ratio of the number of jobs to the number of housing units in a given area; however, the ratio of the number of jobs to the number of employed residents provides a more precise relationship, since some households have no workers while others have multiple workers. Jobs and housing are balanced when there is an equal number of jobs and employed residents, leading to a ratio of 1.0. Balancing jobs and housing results in a reduction in commuting, with related benefits of reduced traffic congestion and greenhouse gas emissions, and improved air quality. A jobs/housing imbalance tends to result in increased rents and housing prices around employment centers and displacement of and longer commutes for low-income workers.

According to 2019 American Community Survey commuting data from the U.S. Census Bureau, 76% of Santa Cruz County residents worked within the county, while 24% worked outside of the county (U.S. Census Bureau 2019b). Based on AMBAG’s forecasted number of jobs in the county in 2020, and July 2020 employment data, the ratio of jobs to employed residents is approximately 0.58 in the county’s unincorporated area, relative to 0.89 for the county as a whole. Using 2019 employment data, the ratios for the unincorporated area versus the county as a whole are 0.67 and 1.04, respectively. Based on AMBAG forecasts for jobs and housing discussed above, the jobs/housing ratio in 2040 is expected to be 0.74 for the unincorporated area of the county and 1.16 for the county as a whole. An imbalance in the jobs/housing ratio and in the types of jobs available for workers can be associated with population decline as workers seek other economic and housing opportunities elsewhere.

### 4.13.2 Regulatory Framework

#### 4.13.2.1 State Regulations

##### California Housing Element Requirements

Pursuant to Government Code sections 65580 through 65589.11, each city and county must prepare and adopt a housing element in its general plan. The housing element must identify and analyze existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and

scheduled programs for the preservation, improvement, and development of housing. Unlike other elements of the general plan, housing elements are required to be updated every eight years. State law requires that the housing element:

- Identify adequate sites to facilitate and encourage the development of a variety of types of housing for all income levels, and housing for persons with disabilities;
- Assist in the development of adequate housing for extremely low, very low, low-, and moderate-income households;
- Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing;
- Conserve and improve the condition of the existing affordable housing stock; and
- Promote and affirmatively further fair housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics protected by law.

The County's current Housing Element is discussed in Section 4,13,2,3, Local Regulations.

### Regional Housing Needs Requirements

Pursuant to Government Code section 65584, the State of California requires each jurisdiction to periodically develop a new Regional Housing Needs Assessment to plan for its share of the state's housing need for people of all income levels. The Regional Housing Need Allocation (RHNA) process is a state mandate designed to address each jurisdiction's "fair share" of the statewide housing need for an 8-year planning period. The RHNA process requires the Department of Housing and Community Development (HCD) to determine the total housing need for each region in the state, and each region's Council of Governments (e.g., AMBAG for the Monterey Bay Area) is then responsible for distributing this need to local governments. Each jurisdiction's housing element must include a strategy to meet its share of the region's housing need for four income categories that encompass all levels of housing affordability and must be certified by the HCD.

In June 2014, the AMBAG Board of Directors approved and adopted the *Regional Housing Needs Allocation Plan: 2014-2023*, which identifies the region's housing needs determination for the 2014-2023 planning period. AMBAG's 2014-2023 RHNA Plan allocates a total of 1,314 housing units to unincorporated Santa Cruz County (AMBAG 2014). AMBAG has received the 2024-2031 regional allocation from HCD, which is approximately three times higher than the existing allocation (33, 274 units).

### California Relocation Assistance Act

The California Relocation Assistance Act (Government Code section 7260 et seq.) establishes policies to provide for the fair and equitable treatment of people displaced from their homes or businesses as a direct result of state and/or local government projects or programs. This act requires that comparable replacement housing be made available to displaced persons within a reasonable period of time prior to



the displacement. Displaced persons or businesses are assured payment for their acquired property at fair market value. Relocation assistance in the form of advisory assistance and financial benefits would be provided at the local level. This includes aid in finding a new home location, payments to help cover moving costs, and additional payments for certain other costs.

#### 4.13.2.2 Regional Regulations

##### Moving Forward Monterey Bay 2040

California’s 2008 Senate Bill (SB) 375 requires each of the state’s 18 metropolitan areas to develop a Sustainable Communities Strategy (SCS)—an integrated transportation, land use, and housing plan that addresses ways to accommodate future population growth and reduce greenhouse gas emissions from cars and light trucks. Under SB 375, a SCS must:

- Identify existing and future land use patterns;
- Identify transportation needs and the planned transportation network;
- Consider statutory housing goals and objectives;
- Identify areas to accommodate long-term housing needs;
- Identify areas to accommodate eight-year housing needs;
- Consider resource areas and farmland; and
- Comply with federal law for developing a Metropolitan Transportation Plan (MTP).

*Moving Forward Monterey Bay 2040* is the SCS for the three-county Monterey Bay Area, adopted by AMBAG on June 13, 2018 (AMBAG 2018a). *Moving Forward Monterey Bay 2040* lays out a financially constrained list of transportation projects over 25 years (2015-2040) that will enhance regional mobility as well as reduce greenhouse gas emissions. The SCS anticipates the addition of 2,993 housing units and 5,492 new jobs in unincorporated Santa Cruz County between 2020 and 2040 to serve a projected growth of 4,754 additional people. The 2045 *Metropolitan Transportation Plan/Sustainable Communities Strategy* has been prepared, but not yet adopted. The 2045 update projects the addition of 2,035 housing units and 2,938 new jobs in unincorporated Santa Cruz County between 2020 and 2040 to serve a projected growth of 2,132 additional people (AMBAG 2021b).

#### 4.13.2.3 Local Regulations

##### County of Santa Cruz General Plan/Local Coastal Program

The County of Santa Cruz General Plan/LCP is a comprehensive, long-term planning document for the unincorporated areas of the county and includes the County’s LCP, which was certified by the California Coastal Commission in 1994. The County General Plan/LCP provides policies and programs to establish guidelines for future growth and all types of physical developments. The County’s current 2015 Housing Element of the General Plan/LCP was adopted by the County Board of Supervisors and certified by HCD in 2016 and is

provided in Chapter 4 of the County General Plan/LCP. The Housing Element covers the period from 2016 to 2023 (though the evaluation of available housing sites covers the period from 2014 through 2023). It includes an assessment of housing needs and inventory of resources and constraints relevant to meeting those needs; a statement of goals, quantified objectives, and policies relevant to the maintenance, improvement, and development of housing; and sets a multi-year schedule of actions that the County is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element. The Housing Element includes quantified objectives for housing production to address the RHNA requirements and indicates that capacity exists within the County's zoning and other land use regulations to exceed the RHNA goals for the 2014-23 planning period. The Housing Element identifies 1,833 total potential units, relative to the 1,314 units required by the RHNA. The Housing Element is expected to be updated in 2023.

## Santa Cruz County Code

### *Chapter 13.10, Zoning Regulations*

The Santa Cruz County Code (SCCC) includes five residential zone districts that provide a range of opportunities for development of single-family and multi-family housing units. The residential districts are intended to provide areas of residential use in locations and at densities consistent with the County General Plan; preserve areas for primarily residential uses in locations protected from the incompatible effects of nonresidential land uses; establish a variety of residential land use categories and dwelling unit densities, which provide a choice of diversified housing opportunities consistent with public health and safety; and to achieve patterns of residential settlement that are compatible with the physical limitations of the land and the natural resources of the county and that do not impair the natural environment. The residential zone districts establish development densities and other development standards for residential projects.

### *Measure J: Chapter 17.01, Growth Management and Chapter 17.04, Annual Population Growth*

In 1978, Santa Cruz County voters adopted Measure J, which requires the County to establish an annual population growth goal of an amount that represents Santa Cruz County's fair share of statewide population growth. The process is defined in SCCC Chapter 17.01 (Growth Management), Chapter 17.04 (Annual Population Growth Goal for Santa Cruz County), and Chapter 12.02 (Residential Permit Allocation System). Each year, a growth rate is set and then converted into a maximum number of "allocations" of market rate residential building permits that can be issued in the unincorporated area for the coming year (affordable housing and accessory dwelling units are not counted toward the annual building permit allocations). Permit allocations are divided between urban and rural portions of the unincorporated county, with a larger number of allocations in urban areas to encourage infill development. Since the mid-1980s, the number of building permits approved for new housing units has been substantially lower than the available allocations. Unused allocations from the previous year are also carried over to the next year and added to the total number of allocations for the coming year.

As required by the SCCC, an annual Growth Goal Report is prepared for consideration by the Planning Commission and the Board of Supervisors. This report examines population trends; the potential impact of growth on resources, services, and housing; and other factors used in establishing the annual growth goal and other growth management policies. The County of Santa Cruz Planning Department determines the recommended annual growth goal based on a number of factors, including analysis of population growth trends, resource constraints, and the status of residential building permit allocations for the current year. Following recommendation by the Planning Commission, the matter is returned to the Board of Supervisors for final action.

In December 2019, the Board of Supervisors adopted a 2020 growth rate of 0.5%. In December 2020, the Board adopted a 2021 population growth rate of 0.25%, and in September 2021 the Board again adopted a growth rate of 0.25%, which translates to 130 market rate residential building permit allocations. Including unused allocations from 2021, projected to total 89, an estimated total of 219 market rate residential building permit allocations would be available in 2022.

#### *Section 17.10, Affordable Housing Requirements*

Measure J also includes an affordable housing component, codified in SCCC section 17.10 (Affordable Housing Requirements), which requires that 15% of units in all new residential developments built since the measure passed are affordable to low- or moderate-income households and that such supply of housing remains affordable to subsequent purchasers. The Santa Cruz County Affordable Housing Guidelines are the implementation mechanism for Measure J and section 17.10. The Affordable Housing Guidelines govern the sale or rental of residential properties by providing income and asset limits for participating households, sales prices, eligibility requirements for purchasing or renting affordable units, and development and marketing standards for affordable units (County of Santa Cruz 2020). In addition to setting standards for sale and rental of affordable housing units, the Affordable Housing Guidelines establish the Affordable Housing Impact Fee schedules for new residential and non-residential development to assist with impacts of new development on housing demand, and to assist the County in meeting its affordable housing goals.

### Housing Crisis Act of 2019

In October 2019, Governor Newsom signed into law Senate Bill (SB) 330. This bill establishes a statewide housing emergency and implements the Housing Crisis Act of 2019 to help address the housing shortfall. A key provision of this law prevents jurisdictions from limiting the number of housing permits or population within “affected county areas.” Affected county areas are defined as Census Designated Places (CDPs) that lie wholly within Census-defined urbanized areas. In Santa Cruz County, this includes the following CDPs: Live Oak, Pasatiempo, Paradise Park, and Amesti. In accordance with the Housing Crisis Act of 2019, Santa Cruz County will not enforce the Measure J growth goal limit on residential allocations within affected county areas while this temporary statute is in place (January 1, 2020 to January 1, 2030).

### 4.13.3 Impacts and Mitigation Measures

#### 4.13.3.1 Thresholds of Significance

The thresholds of significance used to evaluate the impacts of the proposed project related to population and housing are based on Appendix G of the CEQA Guidelines and, if applicable, other agency standards, as listed below. A significant impact would occur if the project would:

- POP-1 Induce substantial unplanned population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure).
- POP-2 Displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere.

#### 4.13.3.2 Analytical Methods

##### Potential Growth Assumptions

Adoption and implementation of the proposed Sustainability Update would not directly result in impacts related to population and housing. However, the proposed General Plan/LCP amendments could lead to future development, indirectly resulting in potential impacts related to population and housing. The proposed project includes the following components that could lead to population growth and development of new housing units; the proposed County Design Guidelines component of the proposed project does not include guidelines related to population and housing growth. The other components of the proposed project include:

- Amendments to the General Plan/LCP, including policies that support new development, redevelopment, and potential intensified redevelopment, primarily focused along corridors within the Urban Services Line (USL), as noted in Section 4.0.2.3 of this EIR.
- Amendments to the SCCC include changes to permitted/allowed uses in some zone districts and a new Residential Flexible (RF) zone district to allow for increased residential density in urban areas near transit and services in order to provide a range of housing options, as well as increased density and residential square footage in mixed-use projects, as noted in Section 3.5.2 of this EIR.
- Amendments to General Plan/LCP land use designations and/or zone districts for 23 specified parcels, as described in Section 3.5.4 of this EIR.

As described in the Section 4.0, Introduction to Analyses, this EIR estimates that the proposed project has the potential to accommodate approximately 4,500 housing units throughout the county over existing conditions as shown on Table 4.0-2, with approximately 75% projected to occur within urban areas. This EIR also estimates the potential to accommodate approximately 6,210,000 square feet of non-residential uses as shown on Table 4.0-3, with approximately 60% expected to occur within urban areas. These forecasts provide an estimate of potential growth that could occur as a result of adoption and implementation of the proposed Sustainability Update, for the purpose of evaluation in this EIR. This

estimate of growth may or may not occur, and this estimate does not establish a limit to development. Annual limits for residential units are set annually by the County pursuant to Measure J and SCCC provisions as explained in Section 4.13.2.3, Local Regulations. Additionally, some of this projected development and growth would occur under the existing General Plan/LCP without the proposed project.

### EIR Notice of Preparation Comments

Public and agency comments were received during the public scoping period in response to the NOP, which is included in Appendix A. A summary of the comments received during the scoping period for this EIR, as well as written comments received, are included in Appendix B. Comments related to population and housing include the following:

- AMBAG growth projections do not always align with the County's numbers.
- County and AMBAG growth projections were questioned, and it was asked whether the University of California, Santa Cruz (UCSC) is included in the unincorporated county's growth.

To the extent that issues identified in public comments involve potentially significant effects on the environment according to CEQA and/or are raised by responsible agencies, they are identified and addressed within this EIR. It is noted that the developed UCSC campus is located within the City of Santa Cruz, and all UCSC growth forecasts are included in the City's population forecast developed by AMBAG.

#### 4.13.3.3 Project Impact Analysis

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**Impact POP-1: Population Growth Inducement (Significance Threshold POP-1).** Adoption and implementation of the proposed Sustainability Update would not induce substantial unplanned population growth, either directly or indirectly. (*Less than Significant*)

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Adoption and implementation of the proposed Sustainability Update would not directly result in increased population. However, the proposed amendments to the General Plan/LCP include policies that support additional development and areas of increased intensification and density, in part due to directives set forth in the Sustainable Santa Cruz County (SSCC) Plan and the Pleasure Point Commercial Corridor Vision and Guiding Design Principles, the latter of which calls for transition and redevelopment of underutilized properties. The proposed amendments to the SCCC also include a new higher density residential zone district to implement the new proposed General Plan Residential-Urban High Flex (R-UHF) land use designation. The purpose of the proposed RF zone district is to accommodate a greater intensity of residences along and near public transportation corridors within the county's USL, creating opportunities for infill housing.

As indicated above, the proposed project could accommodate an increase of approximately 4,500 dwelling units between 2020 and 2040. Based on the average household size within unincorporated Santa Cruz County of 2.53 (DOF 2021), new residential units estimated during this timeframe could generate approximately 11,385 new residents. The current adopted AMBAG Regional Growth Forecast (AMBAG 2018) estimates an increase of 4,754 new residents during this period. However, as discussed above in

Section 4.13.1.1, Population Trends and Forecasts, because the actual population in 2020 based on the 2020 Census was lower than AMBAG projections, the projected increase would be 8,492 residents based on existing 2020 population and the current adopted 2040 population forecast.

Thus, the proposed project could result in population that exceeds current forecasts by approximately 2,895 to 6,630 residents in the year 2040. The resulting population increase represents an annual average growth rate of approximately 0.4%, which is slightly higher than the AMBAG forecast annual average rate of 0.2% and an average annual rate of 0.3% based on existing 2020 population. The annual average growth potentially induced by the proposed project would also be slightly higher than the 2021 and 2022 annual Measure J growth rate established by the County (0.25%), but less than the 2020 established annual growth rate of 0.5%.

The proposed Sustainability Update includes policies to that serve to avoid or minimize impacts related to growth. The Built Environment (BE) Element of the proposed Sustainability Update sets forth an objective and policies regarding urban growth and preservation of rural areas. Specifically, Objective BE-1.1 seeks to preserve a distinction between urban and rural areas of the county and encourage new development to locate within urban areas at a growth rate compatible with the availability of existing public facilities and services and their reasonable expansion, and at a rate that does not exceed the State’s overall growth rate. Supporting policies are summarized in Table 4.13-8, which support growth rates based on the county’s share of long-term regional and State-projected population and job growth; maintaining annual population growth rates inside and outside the USL; and limiting annual issuance of building permits and rural land divisions, as detailed in Chapter 17.04 of the SCCC.

**Table 4.13-8. Proposed and Retained General Plan/LCP Policies that Avoid/Minimize Impacts Related to Growth**

| Potential Impact  | Policies and Implementation Strategies   |
|-------------------|--|
| Growth Inducement | <ul style="list-style-type: none"> <li>Encourage new development to locate within the USL/RSL. Establish and manage urban and rural growth rates appropriate based on the County’s share of long-term regional and state projected population and job growth and the level of existing and planned infrastructure and services. (BE-1.1.3)</li> <li>Maintain yearly population growth rates inside and outside the USL. Manage these growth rates through an annual limitation on the approval and issuance of building permits and rural land divisions, as detailed in Chapter 17.04 of the SCCC. (BE-1.1c)</li> </ul> |

The population projections resulting from the proposed project represents a conservative estimate between 2020 and 2040 for the purposes of analyses included in this EIR. As indicated above, residential development within the unincorporated area is subject to annual growth rates and residential building permit limits established by the County of Santa Cruz Board of Supervisors. However, even as a conservative estimate, the average annual growth rate resulting from the proposed project (0.4%) is not substantially higher than forecasted rates (0.2%) and the historical average annual growth rates of 0.3% experienced between 2010 and 2020 and 0.4% experienced between 1990 and 2000. Furthermore,

compliance with Measure J, proposed policies, and the SCCC would result in establishment of annual growth rates that are relatively consistent with regional and state projections. Therefore, the proposed project would not induce substantial unplanned population growth in the unincorporated area of Santa Cruz County.

The regional population projections prepared by AMBAG are routinely updated to reflect population trends. AMBAG projections are subject to updates every several years at which time projected and actual growth can be compared, and forecasts adjusted if needed to reflect actual population growth trends. As AMBAG projections are developed in part based on locally adopted land use plans, the local basis for AMBAG's successive projections would shift if the County were to adopt the proposed project. Therefore, the impact is considered less than significant.

### **Mitigation Measures**

No mitigation measures are required as a significant impact has not been identified.

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**Impact POP-2: Displacement of People or Housing (Significance Threshold POP-2).** Adoption and implementation of the proposed Sustainability Update would not displace substantial numbers of existing people or housing. *(Less than Significant)*

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Adoption and implementation of the Sustainability Update could indirectly result in removal of existing housing and/or displacement of residents due to redevelopment of underutilized parcels. Future development, either on underutilized properties or as part of new developments, may be constructed on properties with existing development. Future development accommodated under the proposed General Plan/LCP amendments would primarily occur on vacant infill sites, on underutilized properties that could be redeveloped at higher densities and/or land use intensities, and within the County-designated USL. Based on the estimated development occurring under the proposed plan, approximately 75% of all new housing units would occur with the USL. Most of these areas contain non-residential uses. However, there is the potential that some properties may redevelop and remove existing older housing. Of the 23 parcels proposed for a General Plan/LCP land use designation and/or zoning map change, 12 of these properties contain an existing residence on a parcel. Four of these parcels are located along Portola Drive and could be redeveloped with high-density residential uses as a result of the proposed General Plan Land Use and zone map changes. In the event that existing residential units are found on a site proposed for development, these units likely would be vacated prior to demolition in accordance with state and local law to avoid displacement of people, and they are required to be replaced if the existing units are affordable units. Furthermore, state streamlining laws include protections for preservation or reconstruction of rental housing. Additionally, the redeveloped site would be expected to result in a net increase in housing units.

Therefore, potential indirect impacts related to displacement of people and removal of housing due to development accommodated by the Sustainability Update would be less than significant.

## Mitigation Measures

No mitigation measures are required as a significant impact has not been identified.

### 4.13.3.4 Cumulative Impact Analysis

The geographic scope of the cumulative impact analysis for population and housing is the AMBAG region, which encompasses Santa Cruz County (including its four incorporated cities) and the neighboring counties of Monterey and San Benito. Cumulative development in the AMBAG region would have the potential to result in a significant cumulative impact if it would, in combination, directly or indirectly induce substantial unplanned population growth or displace a substantial amount of housing or people.

Population and housing unit growth is forecasted by AMBAG. (It is noted that growth at UCSC is included in forecasts for the City of Santa Cruz.) Table 4.13-9 shows the projected average annual growth rates for jurisdictions in the AMBAG region between 2020 and 2040. As shown in the table, the AMBAG region is expected to grow by 109,195 people by 2040, which would be an average annual growth rate of 0.7%. Santa Cruz County as a whole is projected to add 36,020 people, comprising approximately 33% of population growth in the AMBAG region. The county as a whole is projected to have an average annual growth rate of 0.7%, while the county’s unincorporated area is projected to grow at a slower average annual rate of 0.3% (AMBAG 2018b).

**Table 4.13-9. Projected Average Annual Growth Rates in the AMBAG Region  
2020 to 2040**

| Jurisdiction       |                       | Existing 2020 Population | Projected 2040 Population | Change, 2020-2040 | Average Annual Growth Rate |
|--------------------|-----------------------|--------------------------|---------------------------|-------------------|----------------------------|
| Santa Cruz County  | <i>Whole</i>          | 270,861                  | 306,881                   | 36,020            | 0.7%                       |
|                    | <i>Unincorporated</i> | 133,153                  | 141,645                   | 8,492             | 0.3%                       |
| Monterey County    |                       | 439,035                  | 501,751                   | 62,716            | 0.7%                       |
| San Benito County  |                       | 64,209                   | 74,668                    | 10,459            | 0.8%                       |
| AMBAG Region Total |                       | 774,105                  | 883,300                   | 109,195           | 0.7%                       |

Source: AMBAG 2018; U.S. Census Bureau 2020b.

Development accommodated by the Sustainability Update could generate up to approximately 11,385 new residents by 2040, which is somewhat higher than the 8,492 new residents anticipated based on current AMBAG projections. With implementation of the proposed project, the average annual growth rate for the unincorporated county would be 0.4%, which remains below the rates forecasted for the neighboring counties and AMBAG region as a whole, and would not substantially change the average annual growth rate for Santa Cruz County as a whole.

The proposed project would allow for 4,500 net new dwelling units, which is somewhat higher than the 3,179 new units based on AMBAG’s current projections shown in Table 4.13-4 above. In the greater context of the AMBAG region, projected housing unit growth for unincorporated Santa Cruz County represents



approximately 1% of the total housing units expected in the region, with or without implementation of the proposed project.

On a cumulative basis, population and housing impacts are regulated by the County through the implementation of its General Plan/LCP and its Measure J growth management system, and in other counties and cities within the AMBAG region by their respective general plans. These planning documents are subject to regional plans such as the MTP/SCS described in Section 4.13.2.2, Regional Regulations. Once adopted, general plans for jurisdictions within the AMBAG region would serve as the new basis for AMBAG's successive population projections, and any existing discrepancies between AMBAG projections and the growth envisioned by these plans would be resolved. Thus, the five-year updates undertaken by AMBAG would account for changes in population trends and cumulative population growth would not be considered significant.

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