Housing & Community Engagement Study Session

Santa Cruz City Council
June 27, 2017
Tonight’s Agenda

1. Staff Presentation
   – Basic Demographics & Profile of Housing in Santa Cruz
   – Community Engagement Plan

2. Public Comment

3. Council Discussion of Future Engagement Process

No policy decisions will occur tonight
Community
City Population and UCSC Enrollment

- City Population
- UCSC Enrollment
## Population Trends: Neighboring Jurisdictions

<table>
<thead>
<tr>
<th>Jurisdiction Name</th>
<th>2010</th>
<th>2015</th>
<th>Change (2010-2015)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percent</td>
<td></td>
</tr>
<tr>
<td>City of Santa Cruz</td>
<td>58,269</td>
<td>62,752</td>
<td>4,483</td>
</tr>
<tr>
<td></td>
<td>7.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Santa Cruz County</td>
<td>256,901</td>
<td>269,278</td>
<td>12,377</td>
</tr>
<tr>
<td></td>
<td>4.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capitola</td>
<td>9,801</td>
<td>10,077</td>
<td>276</td>
</tr>
<tr>
<td></td>
<td>2.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scotts Valley</td>
<td>11,351</td>
<td>11,780</td>
<td>429</td>
</tr>
<tr>
<td></td>
<td>3.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Watsonville</td>
<td>49,580</td>
<td>52,543</td>
<td>2,963</td>
</tr>
<tr>
<td></td>
<td>6.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Jose</td>
<td>925,300</td>
<td>1,000,860</td>
<td>75,560</td>
</tr>
<tr>
<td></td>
<td>8.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Santa Clara County</td>
<td>1,739,396</td>
<td>1,868,149</td>
<td>128,753</td>
</tr>
<tr>
<td></td>
<td>7.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monterey</td>
<td>27,827</td>
<td>28,283</td>
<td>456</td>
</tr>
<tr>
<td></td>
<td>1.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monterey County</td>
<td>407,435</td>
<td>428,441</td>
<td>21,006</td>
</tr>
<tr>
<td></td>
<td>5.2%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: ACS 2010, 2015
2 Housing
Housing Units By Type

<table>
<thead>
<tr>
<th>Year</th>
<th>Housing Units</th>
<th>Single Family</th>
<th>Multi Family</th>
<th>Mobile Home</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>21,504</td>
<td>14,008</td>
<td>7,056</td>
<td>440</td>
</tr>
<tr>
<td>2010</td>
<td>23,316</td>
<td>15,497</td>
<td>7,470</td>
<td>349</td>
</tr>
</tbody>
</table>

Source: U.S. Census 2000, 2010 RHNA Data
When Was our Housing Built?

- 1939 or earlier
- 1940 - 1959
- 1960 - 1979
- 1980 - 1999
- 2000-2009
- 2010 or later
Housing Production In Santa Cruz 2007-2016

In 10 years 1,063 units were constructed
Percentage of Renters is Increasing

<table>
<thead>
<tr>
<th></th>
<th>1990</th>
<th>2000</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner</td>
<td>8,586</td>
<td>9,480</td>
<td>9,375</td>
</tr>
<tr>
<td></td>
<td>47.4%</td>
<td>46.5%</td>
<td>43.3%</td>
</tr>
<tr>
<td>Renter</td>
<td>9,535</td>
<td>10,915</td>
<td>12,282</td>
</tr>
<tr>
<td></td>
<td>52.6%</td>
<td>53.5%</td>
<td>56.7%</td>
</tr>
<tr>
<td>Total</td>
<td>18,121</td>
<td>20,395</td>
<td>21,657</td>
</tr>
</tbody>
</table>

Source: U.S. Census, 1990, 2000, and 2010
## Home Ownership Changes, by Age

<table>
<thead>
<tr>
<th>Age of Home Owner</th>
<th># Households</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2000</td>
<td>2015</td>
</tr>
<tr>
<td>&lt; 34</td>
<td>880</td>
<td>306</td>
</tr>
<tr>
<td>35 to 44</td>
<td>2,076</td>
<td>1,165</td>
</tr>
<tr>
<td>45 to 54</td>
<td>2,869</td>
<td>2,226</td>
</tr>
<tr>
<td>55 to 64</td>
<td>1,473</td>
<td>2,773</td>
</tr>
<tr>
<td>65 +</td>
<td>2,230</td>
<td>2,989</td>
</tr>
</tbody>
</table>

3 Costs
Santa Cruz Median Home Price

<table>
<thead>
<tr>
<th>Year</th>
<th>Median Home Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$615,750</td>
</tr>
<tr>
<td>2011</td>
<td>$562,114</td>
</tr>
<tr>
<td>2012</td>
<td>$558,125</td>
</tr>
<tr>
<td>2013</td>
<td>$672,750</td>
</tr>
<tr>
<td>2014</td>
<td>$749,500</td>
</tr>
<tr>
<td>2015</td>
<td>$708,750</td>
</tr>
<tr>
<td>2016</td>
<td>$787,500</td>
</tr>
</tbody>
</table>

May 2017 Median Home Price Peak: $870,000

Source: Santa Cruz Association of Realtors
Median home price $875,000

As Santa Cruz County home values escalate, sales volume retreats; a fixer for $574,000

By Jondi Gumz | jgumz@santacruzsentinel.com
@jondigumz on Twitter

Santa Cruz» Prices of single-family homes in Santa Cruz County soared to new records in May as the number of sales shrank. The median price, the midway point of what sold during the month, was $785,000, topping the previous high of $830,000 in April, according to Gary Gamages of Real Options Realty, who tracks the numbers. The average price, which tends to be higher than the median because of expensive oceanfront homes, reached a record $982,679.

Just 126 homes sold, down 23 percent from a year ago, repeating a pattern from March and April. Sales are nearly down to post-crash levels of 2011.

Listings are down by half compared to 2011 when many distressed properties were for sale. Of May's active listings, 21 percent are asking more than $1 million.

A three-bedroom home at 246 Chico Avenue, on the first block off West Cliff Drive near Natural Bridges State Beach, just came on the market listed at $1.15 million.

DAN COYNO — SANTA CRUZ SENTINEL
City of Santa Cruz Average Rent 2002-2016

Source: Real Fats 2013-2016
Snapshot Comparison: Cost of Bay Area Housing

**MEDIAN HOUSING PRICE ESTIMATE**

- **Santa Cruz:** $807,600
- San Jose: $877,400
- San Francisco: $1,194,300
- Oakland: $680,100

**MEDIAN RENT PRICES PER MONTH**

- **Santa Cruz:** $3,241
- San Jose: $3,337
- San Francisco: $4,207
- Oakland: $2,999

Source: Zillow, Data through May 31, 2017
Cost to Buy a Home in Santa Cruz

May 2017 Median House Price $870,000

- 20% Down Payment = $174,000

- 30 Year Fixed Loan
  - $4,196 monthly payment
    - $811 Tax
    - $3,318 Principal and Interest
    - $67 Insurance

- $9,730 Per Year in Property Tax
- $800 Per Year in Homeowner’s Insurance
INCOME QUALIFICATIONS IN SANTA CRUZ

Moderate-Income (120% AMI)

Low-Income (80% AMI)

Very Low Income (50% AMI)

Extremely Low-Income (30% AMI)

Source: State of California, HCD
# Income in Santa Cruz

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Salary</th>
<th>Household Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare (Nurse)</td>
<td>$104,832</td>
<td>$104,400</td>
</tr>
<tr>
<td>Entry Level Police Officer</td>
<td>$72,228</td>
<td>$80,650</td>
</tr>
<tr>
<td>Mechanical Engineer</td>
<td>$72,180</td>
<td>$72,600</td>
</tr>
<tr>
<td>Entry School Teacher</td>
<td>$51,134</td>
<td>$64,550</td>
</tr>
<tr>
<td>Social Service Worker</td>
<td>$49,920</td>
<td>$50,400</td>
</tr>
<tr>
<td>Sales</td>
<td>$39,021</td>
<td></td>
</tr>
<tr>
<td>Healthcare Support</td>
<td>$34,341</td>
<td>$35,300</td>
</tr>
<tr>
<td>Administrative Assistant</td>
<td>$29,994</td>
<td>$30,250</td>
</tr>
<tr>
<td>Food Prep and Serving</td>
<td>$25,667</td>
<td>$27,250</td>
</tr>
<tr>
<td>Restaurant Host</td>
<td>$21,770</td>
<td>$24,200</td>
</tr>
<tr>
<td>Dishwasher</td>
<td>$21,091</td>
<td>$21,200</td>
</tr>
</tbody>
</table>
## Number of Affordable Units in Santa Cruz

<table>
<thead>
<tr>
<th>Affordability Level</th>
<th>Very Low</th>
<th>Low</th>
<th>Moderate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>859</td>
<td>864</td>
<td>178</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,901</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: City of Santa Cruz
4 City Policy
What is a General Plan?

State required

Blueprint for community’s physical development

Framework for community values through policies & actions

Seven required “elements”

Long range plan – typically 20 years (GP 2030)

Must be internally consistent: Area Plans, Zoning Code, etc.
The Job of Zoning

Translates General Plan policies into rules & regulations

- Land use and reuse
- Physical development: site planning, building design, landscaping and parking for cars, trucks, bikes and RVs.
- Permitting and the approval process

New Mandates

- Environmental protection, green building and sustainability
- Economic development and neighborhood revitalization
- Impactful uses (drive-up facilities, alcohol outlets)
- Complete Streets (accommodating all modes)
- Housing
- Climate change
2015-2023 Housing Element

To adequately plan, through policy and programs, to meet the housing needs of the community.

Analyzes and demonstrates that City has sufficient appropriately zoned property to provide the number and type of housing units indicated by the City’s Regional Housing Needs Allocation (RHNA).
Regional Housing Needs Allocation
RHNA

- California Department of Housing and Community Development (HCD)
- Association of Monterey Bay Area Governments (AMBAG)
- RHNA Targets Assigned to Cities and Counties
5 Community Engagement
2017 Housing Engagement Plan

- **Mayor’s Listening Tour**
  - Starting July

- **In-Depth City Council Study Sessions**
  - 3-4 Planned for Fall

- **Community Information: Housing Webpage and Materials**
  - Starting July; Ongoing

- **Community Engagement Activities**
  - Through 2017
List of Engagement Topics

- City Population Growth
- Zoning
- UCSC Growth & Housing
- Inclusionary
- Density
- Transportation
- Water
- Environmental Impacts
- Vacation Rentals
- No Development
- Rent Control
- Affordability
- Workforce
- Section 8
- SROs/SOUs
- ADUs
- Market Rate
- Senior
- Special Needs
- State Laws
- Rental Inspection
- Fees
- Parking
Community Voices - Interviews
1. How do you feel about your current housing situation?

2. How do you feel about your future housing prospects?

3. How important is the issue of housing in Santa Cruz?
List of Engagement Topics

City Population Growth
Zoning
UCSC Growth & Housing
Inclusionary
Density
Transportation

Water
Environmental Impacts
Vacation Rentals
No Development
Rent Control
Affordability

Workforce
Section 8
SROs/SOUs
ADUs
Market Rate
Senior

Special Needs
State Laws
Rental Inspection
Fees
Parking