Santa Cruz Voices on Housing:
Fall 2017 Community Engagement Report
Introduction

Housing was one of the key issues defining Santa Cruz’s community discourse in 2017. Concerns over escalating home and land values and their effects on who can afford to live in Santa Cruz and how Santa Cruz might change were constant, urgent and led to many appeals for the City of Santa Cruz to take action.

The Santa Cruz City Council responded to the real and urgent need to address housing by prioritizing it in the City’s Two-Year Work Plan and directing City staff to conduct a community outreach and engagement effort to gather perspectives, ideas and solutions. In late summer of 2017, City staff launched a comprehensive engagement initiative focused on listening to the community and providing facts and information about housing.

This document, formally presented to the Santa Cruz City Council on December 5, 2017, is a summary of that comprehensive listening and engagement process. It provides a snapshot of housing in Santa Cruz and an overview of the community engagement effort undertaken this fall. Most importantly, this report documents community feedback gathered on 22 issue areas, provides key factual information and presents a set of actions the City could pursue, as either lead agency, or in a supporting or partnership role. This report is not intended to set a defined pathway of actions the City should take. Rather, it presents an array of issues and actions the City could take, upon evaluation and direction by the City Council.

The report was only possible through the willingness of thousands of community members to engage and share their experiences and ideas about housing. The City is grateful for their deep and continued engagement.
In the last few years Santa Cruz residents have seen the median housing price soar to $875,000 and rental prices rise to a median price of $3,241. As a result, 63% of renters and 33% of homeowner households are paying well over 30% of their income towards housing. These trends are holding steady in the City, and are unfortunately consistent throughout Santa Cruz County and the State of California. The following report will dive into many facets of the local housing crisis, beginning with a look at where we are now and how that impacts the housing crisis.

**History of Affordable Housing Funding**

The City has assisted in creating over 1,500 income-restricted affordable units. The City’s former Redevelopment Agency (RDA) received about $2 million annually in housing funds which helped create this much needed housing. Unfortunately, the City’s largest source of funding for affordable housing was eliminated when Redevelopment Agencies statewide were abolished in 2011 by the State of California. Although the City continues to receive reduced federal HOME Program dollars and some funding through the City’s Affordable Housing Trust Fund (AHTF), the City currently does not have the same capacity to partner in the type of projects it did in the past.

**Changes in Affordable Housing Funding**

- **2010 & 2015**

  - **RDA**: $2,200,000
  - **HOME**: $600,000
  - **AHTF**: $220,000, $69,000
Affordable Housing Programs

In addition to financially assisting the development of affordable housing, the City provides programs that directly aid individuals as well as assuring affordability in housing developments.

Emergency Rental Assistance Program: Up to two month’s rental assistance may be provided to low income households facing eviction in Santa Cruz. Administered by the Community Action Board, this program is only available to those living in the Beach Flats/Lower Ocean Street area.

Security Deposit Program: Security deposit assistance assists qualified low income households to secure rental housing. The Santa Cruz County Housing Authority administers this program for the City.

My House My Home Pilot Program: In partnership with Habitat for Humanity, senior homeowners can "age in place" by constructing a new accessory dwelling unit (ADU) and doing minor improvements to the existing home. From loaning funds to each ADU project, the City receives credit for an affordable housing unit. The City loan is due when the senior household moves out or upon sale or transfer of the home, at which time the affordability restrictions are removed.

Inclusionary Housing (Measure O): Measure O requires developers of residential projects to provide a certain percentage of the total number of units as affordable. They can be affordable to moderate, low or very-low income households. Under current zoning, inclusionary units remain affordable in perpetuity.

Affordable Housing Monitoring: Every year, the City of Santa Cruz monitors about 1,500 units of affordable housing to make sure they comply with the terms of the agreements made between the City and property owners.

Affordable Housing Preservation: Some affordable housing projects in the City have timelines on their affordability. When this affordability is close to expiring, City staff works with property owners of projects that are at risk of losing their affordability restrictions by encouraging renewal of HUD contracts, or in the case of foreclosures, work to purchase the unit in order to maintain its affordability.
Housing Engagement Snapshot

Since August, Engagement Team Members have reached out to the community to hear their concerns about housing and ideas for solutions.

- **56 HOURS OF OUTREACH EVENTS**
- **>350 PEOPLE ATTENDED EVENTS**
- **30 ORGANIZATIONS & COMMUNITY GROUPS**
- **1307 HOUSING SURVEYS**
- **1000 CONVERSATION KITS**
Community Engagement Process Summary

The Community Engagement on Housing was authorized by the Santa Cruz City Council with a charge to “engage the Santa Cruz community on the history, drivers and potential solutions to the local housing crisis.” The Engagement Team, comprised of staff members from various City departments, began this work in July and proceeded to fill the next five months with a range of outreach activities to engage a variety of communities in the housing discussion.

Over the course of the process, Mayor Chase and the Engagement Team spent more than 56 hours in active engagement with the community, interacting with more than 350 people and 30 organizations and community groups.

**Mayor’s Listening Sessions**

Between late July and mid-November 2017, Mayor Chase held 22 individual listening sessions on housing with groups representing a variety of interests. Each meeting focused on the groups’ perspectives on the following three questions:

- What are your biggest concerns about the housing crisis in Santa Cruz?
- What are some solutions you are invested or interested in us exploring further?
- What are some things that the City should NOT do in terms of housing?

Staff members accompanied the Mayor to document responses, and notes of those meetings were shared with the City Council on a regular basis. Responses collected in these meetings were then reviewed to identify concerns and solutions that had the most interest from the community. That feedback is illustrated in Exhibit A.

**Housing Conversation Kits**

In early September, the Engagement Team launched a Housing Conversation Kit, modelled after a kit used by the City of Austin, Texas. The kit was designed to inspire conversation on the housing issues City residents have said are of most concern. Each kit included several cards with a provocative statement about housing to discuss and supporting relevant information in an effort to provide enough information for participants see all sides. The goal was to spark conversation that would lead to thorough discussion as well as development of ideas that could become the means to address problems.

Over the course of several months, Engagement Team members distributed more than 1,000 Conversation Kits in both English and Spanish. They were also made available to the community at the Santa Cruz Public Library.
Community Engagement
Process Summary, Continued...

Community Meetings

The Housing Conversation Kits were first distributed at the kickoff event, “Coffee and Conversation with the Mayor,” in early September. More than 50 community members joined the Mayor on a Saturday morning in the Secret Garden at the Museum of Art and History (MAH) to discuss their concerns about housing and ideas for solutions.

In October, the Engagement Team also hosted two other events, “Drinks and Dialogue” with Mayor Chase, at Lúpulo Craft Beer House and Santa Cruz Mountain Brewery. Team members shared Housing Conversation Kits with dozens of participants and engaged attendees in group discussions about the issues.

Feedback collected at all events was documented by staff and distributed to the City Council.

Housing Survey

In June, City staff distributed a Housing Survey at the City Council Housing Study Session to collect information about community members’ interests and concerns with housing. Drawing on what staff learned in reviewing those results and early listening sessions, staff revised the Housing Survey in late August to further refine on issues raised by other survey respondents. Surveys were distributed at engagement events and listening sessions with the Mayor, and Santa Cruz City Schools distributed a link to the survey in both English and Spanish to all City Schools’ parents and staff.

The Engagement Team received 1,307 responses to the survey. The results of the Housing Survey can be found in Exhibit B.

Tabling in Other Locations

In efforts to maximize outreach to populations that may not be familiar with the engagement process, team members staffed tables with Conversation Kits and Housing Surveys at a range of locations, including Toddler Time at the Downtown Public Library, Bookmobile stops in two affordable housing communities, the Downtown Farmers’ Market, a Police Department Town Hall Meeting and City Hall to You.
Brown Bag Lunches

The Engagement Team hosted two Brown Bag Lunch Sessions, addressing topics community members had expressed an interest in exploring. In early October, Planning and Public Works staff conducted a presentation on “Transportation and Housing.” Later in the month during Affordable Housing Week, City Economic Development staff and County Housing Authority staff presented information on Section 8 Housing. Attendees had an opportunity to ask questions following the presentations.

Affordable Housing Week

Affordable Housing Week, a week of community events focused on housing issues, took place in late October. In addition to the Brown Bag Lunch on Section 8 Housing and Drinks and Dialogue with the Mayor at Santa Cruz Mountain Brewery mentioned above, the Engagement Team contributed to several other events during Affordable Housing Week.

The City co-hosted “No Place Like Home,” the kickoff event for the week that discussed the findings of UC Santa Cruz researchers on affordable housing in Santa Cruz County. An engagement team member staffed a table at the event, sharing Conversation Kits and Housing Surveys.

Later in the week, Economic Development staff provided a Trolley Tour of Affordable Housing in the City for 26 participants.

Mayor Chase also moderated an Affordable Housing Panel Discussion and Mixer hosted by the Monterey Bay Economic Partnership at the MAH.

Housing Study Sessions

Beginning in September, every evening session of the City Council meetings focused on housing, including six study sessions on housing-related topics. These study sessions drew on the expertise of both City staff and outside experts to give both the City Council and community at large an opportunity to gain a fuller understanding of housing issues impacting the City and the tools available to address them.
Council Study Sessions

On June 27, 2017, the first study session kicked off the Housing community engagement initiative. Staff presented facts about housing availability and community demographics and previewed the community engagement effort to occur in the fall of 2017.

On September 12, 2017 the Council held a second Housing Study Session, where staff provided an update on the community engagement work, presented Santa Cruz housing data and summarized a collection of policies and actions that could support affordable housing, for possible consideration in the Council’s ultimate housing strategy.

The Council held a third Housing Study Session on October 3, 2017, presented by housing economist Morgan Shook of ECONorthwest. The session focused on factors that determine feasibility for housing development, including market forces, incentives, cost offsets and other feasibility factors. The presentation also covered the economics of inclusionary ordinances, the comparative use of these inclusionary ordinances across the country and the variables and choices in an effective inclusionary program.

On October 10th, the Council held a fourth Study Session on "Housing and Community Connections" (part one of two), examining how local land use policy and zoning are developed, the City of Santa Cruz’s current development pattern, how the values translate from the General Plan into implementation in the Zoning Code, and major development policy concepts such as density, style and design. Part two of this series was held on November 7, 2017.

The fifth study session in the housing series was held on October 24th. Presented by affordable housing developer Ali Gaylord of BRIDGE Housing, it focused on affordable housing development and examined financing considerations and options from an affordable housing developer’s perspective.

The sixth and final Housing Study Session was part two of “Housing and Community Connections.” This session built from the foundational land use concepts and policies discussed on October 10th to highlight the intersections between housing and mobility/transportation, water, environmental impacts, parks and existing development. The session provided the City Council and the community a more robust understanding of how the City has planned for future land use changes, quantified the impacts, and identified actions to address effects.

Each Study Session was recorded on video, which together with the accompanying PowerPoint presentations are available on the City’s website (www.cityofsantacruz.com/councilmeetings and www.cityofsantacruz.com/housing).
Santa Cruz Voices on Housing

Addressing the housing issues facing the Santa Cruz community requires a multi-pronged approach, and the City recognizes that there is no single solution. Options to respond to the housing crisis include a range of actions and policy ideas, and each of these actions/ideas acts as a lever on other pieces of the housing puzzle.

The following housing issue areas were derived from the extensive community engagement process conducted this fall. Each of the 22 areas contains information about: (1) what we (the City) heard from the community; (2) what we learned about the facts and history of the issues; and, finally (3) what we (as the City) can do in the issues area. This is presented in its entirety for the community and City Council to review and prioritize action. Note that analysis of cost, effort and impact of the policy ideas and actions was not conducted at this stage.

The 22 areas are organized into three interrelated topic areas: Housing Production, Housing Protection, and Community Vitality.

**Housing Production**: Options address ways that the City can influence and assist in the creation of new housing units. (Pg 10-21)

- ADUs
- Affordable Housing Development
- City Land / Land Trust
- Impact & Development Fees
- Inclusionary
- Parking
- Permitting Process & Standards
- Range of Housing Types
- Revenue Measure
- UCSC
- Workforce Housing
- Zoning & Density

**Housing Protection**: Options include ways that the City can support renters and maintain existing housing stock in a state of good repair. (Pg 22-26)

- Code Compliance & Rental Inspection
- Rent Control & Just Cause Eviction
- Section 8 Support & Landlord Incentives
- Short Term Rentals
- Tenants Rights & legal Supports

**Community Vitality**: Options address ways the City can support the livability of Santa Cruz, and ensure that as our community grows and changes it remains a place that we all love. (Pg 27-31)

- Homelessness
- Housing Programs
- Local Preference
- Participatory Community Process
- Transportation & Traffic
What We've Heard From the Community:
- Make building ADUs less restrictive and incentivize ADUs.
- Every new single family home project must include an ADU.
- The process for building ADUs is daunting for the average home owner.
- The City fees for building an ADU are too high.
- There should be a standard ADU plan homeowners can build with set fees.
- There are parking impacts to adding ADUs to every single family home.
- Lots of people would build ADUs if it was easier to do.
- Reform municipal code to allow for garage conversions.

What We've Learned:
- Infill-housing opportunities are a critical part of the City's approach to providing new affordable housing choices. ADUs are one way for the City to provide more rental housing as well as making home ownership more affordable. With each new rental ADU, the overall stock of rental housing increases and with the added rental income, a homeowner might more easily afford their home.
- There are about 430 permitted ADUs in the City at this time, and the City has the potential to accommodate approximately 7,000 ADUs citywide.
- The City of Santa Cruz has a nationally recognized ADU program, which includes modernized code and ADU manuals and prototype plan sets.
- The City piloted the My House, My Home program (MHMH), which partners with Habitat for Humanity to help seniors age in place by assisting them with financing and building an ADU or bringing an unpermitted ADU up to code.
- Waiving of City fees is complicated by State Law that triggers prevailing wages (a trade specific higher rate of wages) for any project where the City contributes funding. A fee waiver is considered a financial contribution, therefore triggering prevailing wage, which often times increases project costs more than the value of the fee waiver.
- In April, the City started a program to help property owners to bring unpermitted units into compliance. Over 100 ADUs are currently in the program pipeline working towards legalization.
- In 2014 the Code was amended to allow existing garages that do not comply with setback requirements to be converted into ADUs.

See also PARKING (pg 15) & ZONING/DENSITY (21)

What We Can Do:

**Lead**
- Examine the current ADU permitting process to determine efficiency improvements and evaluate Zoning Ordinance requirements that could be modified to facilitate more ADU production.

**Lead**
- Update ADU manuals & ADU Development Program Prototype Plan Sets to current code standards.

**Lead**
- Explore lowering and standardizing fees for ADUs.

**Lead**
- Explore feasibility of allowing for both Junior and Detached ADUs on a single lot.

**Lead**
- Maintain funding source for the My House My Home Senior Housing Program.

**Partner**
- Continue to partner with homeowners to legalize existing unpermitted units.
What We've Heard From the Community:

- The City should build affordable housing.
- The City should build housing and rent it out to employees at an affordable cost.
- The City should donate its land for the construction of affordable housing.
- The City needs to build affordable housing for public servants/teachers.
- The City should set aside some of new development project for City employees who meet certain criteria.
- Affordable housing projects need to be spread throughout the City.

What We've Learned:

- The City has assisted in building over 1,500 long-term affordable units.
- Approximately $100,000-120,000/per unit in local investment is needed for affordable housing development.
- The majority of these affordable units were created by the former Redevelopment Agency of the City (RDA).
- The Housing Successor Agency of the City functions in the same capacity as the former RDA; however, the elimination of affordable housing funding by the State (through the dissolution of RDAs statewide in 2011), has greatly impacted the ability for cities across California to build new affordable housing.
- Additional funding sources like federally provided HOME funds have also been greatly reduced.
- Affordable housing projects are disbursed throughout the City. 44% of affordable units are located downtown, 27.5% are located west of the river, and 28.5% are located east of the river.
- The City plays a vital role in getting projects built that will work best for our community by focusing on assuring affordability, appropriate site selection, efficient use of limited land, and disbursement across the city.
- The City assists the development of projects by providing direct financial assistance, help in obtaining other governmental funding, as well as facilitating approvals and considerations of fee waivers/deferrals.
- The former RDA issued affordable housing bonds in 2011 which are being used to secure additional land for a planned downtown 60-80 unit mixed-use affordable housing project adjacent to the existing METRO center.
- Governor Brown recently signed into law a package of housing bills that include project streamlining and new revenue sources at the local level for affordable housing development.

See also CITY LAND/LAND TRUST (pg 12), INCLUSIONARY (14), & REVENUE MEASURE (18)

What We Can Do:

- **Lead Lead Lead Lead Lead**
  - Strongly pursue completion of new affordable projects in our community
  - Reduce costs for building affordable housing projects by creating certainty in the approvals process.
  - Explore a local Bond Measure to provide a new source of funding for affordable housing.
  - Update Zoning code to allow for efficient use of limited land through higher density projects.
  - Development of a Housing Legislative Program that can advocate at the state level for new funding sources and manage the implementation of recently approved funding legislation.
- **Lead Partner**
  - Explore the creation of Enhanced Infrastructure Financing Districts (EIFD) with regional partners.
  - Encourage community engagement around building new affordable housing projects.
What We've Heard From the Community:
- Develop housing co-ops on land trust property.
- Sale of Skypark (a City-owned property in Scott's Valley) should be seed money for a community land trust to purchase property and support tenants.
- There is not enough developable land in the City to build new housing.
- It is time to start developing housing on green spaces, including Pogonip.

What We've Learned:
- The former Redevelopment Agency (RDA) historically acquired property for the development of affordable housing including the adaptive reuse of the Salz Tannery into 100 units of affordable housing at Highway 9 and River Street and the recent 21-unit Riverwalk Apartments on Lindbergh Street near downtown.
- The City-owned underdeveloped land is predominately parks, open spaces, and parking lots.
- Land is expensive and land banking (the practice of purchasing vacant land with the intention of using it for a project in the future) is an expensive proposition.
- The City is largely built-out with income-generating property.
- City residents value greenbelt protection and preservation of parkland.
- Skypark is under continuous discussion around potential development.
- Public facilities, such as libraries, senior centers, and others offer a potential future opportunity for redevelopment in conjunction with housing through a partnership with a housing developer.

See also ZONING/DENSITY (pg 21)

What We Can Do:

**Lead**
- Utilize parking lots as leverage for development, as a way the City can support affordable housing development.
- Consolidate parking in structures to provide increased opportunities for housing at adjacent sites or surrounding properties.
- Identify potential City-owned parcels that could be used for housing development and set up a process to identify qualified, experienced developers to help build affordable housing on these sites.
What We've Heard From the Community:
- There should be an impact tax/impact fee on employers who bring in workers that need housing.
- We should have a real estate tax.
- The City should tax short term rentals.
- There should be a second home tax.
- The City should scale fees based on the size of project.
- City fees are too high and are restrictive to development.
- Deferred impact fees for better financing on developments.
- Development fees should be square-foot based, not unit based.

What We've Learned:
- Impact fees pay for infrastructure and fair share of mitigation for impacts caused by development, and can result in a streamlined environmental review process for an applicant. Impact fees cannot cover staff costs.
- Application and service fees pay for staff time and cover costs of services (i.e. plan review).
- One structure does not fit all for impact fees given many variables based on the impact.
- Taxes are the will of the community and require a 2/3 majority vote of the people.
- Payment plans may be an option for fees like the traffic impact fee.
- Basing fees solely on square footage does not necessarily determine impact. For many fees a mixed approach is required such as number of units, square footage, and intensity of use.

See also PERMITTING PROCESS & STANDARDS (pg 16)

What We Can Do:
- **Lead**
  - Poll community on interest in housing-related tax measures.
  - Place an affordable housing funding measure on the ballot for a community vote.
  - Continue to improve efficiency of development review.
  - Periodically update nexus studies to ensure appropriate impact fee values.
  - Evaluate the effectiveness of the County’s affordable housing impact fees, and its effect on development, and explore feasibility and impact of implementation of an affordable housing impact fee in the City.
What We've Heard From the Community:
- We should increase the inclusionary requirement from 15% to 30% or 50%.
- We should not increase the inclusionary requirement because we are not seeing housing built at even our current level.
- 30% of zero is nothing.
- Do not allow in-lieu fees. If we keep them, we should make them higher.
- Hold inclusionary rate at 15% and graduate it up for different projects. Add 5% for moderate income housing, which is easier to pencil out.
- We need a mix of market rate and affordable in a development—what makes community and not a caste system.

What We've Learned:
- The affordable housing crisis will not be solved by inclusionary units alone, but needs to be combined with other “tools” that are available.
- Inclusionary is more than just the percentage of units in a project. Other factors such as project size, location, populations served, and income caps need to be taken into account as well.
- Flexibility is important and can encourage development.
- Incentives can make inclusionary units easier to create.
- The City needs to consider the best use for land parcels and balance this with neighborhood needs.
- Building housing is expensive, and may not be feasible to develop even if the land is “free” (i.e. already owned).
- Current zoning requires affordability in perpetuity.
- Within a project, Inclusionary units have to be spread out in a project, and cannot be located in only one part of the building.
- Housing projects with inclusionary units are spread throughout the City of Santa Cruz.
- Fees garnered through the in-lieu program must generate more housing units than would be included on site as inclusionary units.
- Financial analysis done by a City consultant indicates that development does not support 15% inclusionary rate for rental developments.

See also AFFORDABLE HOUSING DEVELOPMENT (pg 11)

What We Can Do:

- Analyze in-lieu fee program outcomes.
- Consider a variety of changes to inclusionary ordinance that take into account the percentage of units in a project, income caps, project size, project location, construction type and state requirements.
Parking

What We've Heard From the Community:

- We need to decouple/unbundle parking and development.
- New projects must have parking on-site so as not to impact neighborhoods.
- Parking standards limit development.
- The City should reduce parking requirements.
- The City needs more parking.
- Explore rent discounts for not having a car.

*Paying for your parking space separate from paying for your housing unit

What We've Learned:

- Parking adds significantly to the cost of housing, requiring land and infrastructure to house cars.
- Requiring a sufficient quantity of parking prevents spillover parking impacts in the adjacent neighborhoods.
- Transportation and parking are different - transportation is mobility and access, parking is car storage. While we've made huge strides in reducing single occupant vehicle trips, we still need parking.
- Parking needs will change over time with the continued shift to other modes and the rise of autonomous vehicles, which may lead to an overall reduction of parking demand.
- The City has a limited quantity of land, and right sizing parking requirements allows for an increase in the amount of housing that can be provided.
- Shared parking models (daytime business use shares parking spaces with evening residential use) may allow for the most productive use of parking supply.

See also ZONING/DENSITY (pg 21) & TRANSPORTATION/TRAFFIC (31)

What We Can Do:

**Lead**
- Consider updates to the downtown parking resolution to modify parking standards for residential development including in-lieu fee ratios, and allowances for off-site parking to increase affordability and efficiency of land.

**Lead**
- Consider a lower parking ratio & in-lieu parking fee for affordable housing projects/units.

**Lead**
- Update past studies and consider consolidating downtown surface parking lots to structured parking and consider existing surface lots for higher & better uses.

**Lead**
- Continue to explore expanded Transportation Demand Management options (Ex. car share, bike share, etc.) to minimize parking demand and expanded areas for parking management.

**Lead**
- Consider expanded neighborhood parking permit program areas and associated resources in consultation with neighborhoods to address concerns.

**Lead**
- Explore updating parking standards throughout the City to promote increased housing options.
Permitting Process & Standards

What We've Heard From the Community:
- The City needs to streamline permitting process.
- The City should charge lower development fees.
- Make building ADUs less restrictive.
- Make the permitting process more reliable.
- Clarify development requirements.
- There is misinformation or the wrong information given out about the process and next steps. Amateur builders are at a disadvantage because they do not understand the process.

What We've Learned:
- Project timelines vary depending upon type of project and necessary approval process. There is no one-size fits all.
- Success in the development review process is dependent upon mutual responsibility and action of all involved departments and parties.
- The municipal code outlines requirements for development and the rules of the game. Where not in conflict with state law, City Council can modify these requirements as long as they remain in compliance with State law.
- As a community, we need to balance flexibility for future housing development with neighborhood and community needs.

See also ADUs (pg10), RANGE OF HOUSING TYPES (17), & ZONING/DENSITY (21)

What We Can Do:

**Lead**
- Rewrite the zoning code to be more reader-friendly, including updated graphics and clearer language.

**Lead**
- Explore creation of a permitting flowchart to assist builders with understanding the process and continue to reduce permit turnaround times as a means to shorten development review process.

**Lead**
- Develop a flow chart for the major business processes that shows each step as well as cycle times and task times.

**Lead**
- Develop a schedule and a process for consistently surveying customers and soliciting their input on the quality and effectiveness of the department’s services.

**Lead**
- Continue to conduct regular (at least twice yearly) workshops for customers (architects, contractors, developers, real estate professionals) to discuss any changes in the permitting process and listen to concerns.

**Lead**
- Establish, track and monitor turnaround times for planning applications.

**Lead**
- Continually update the website to provide up to date FAQs and development-related information.

**Lead**
- Take a proactive approach in project management to facilitate housing development and address potential interdepartmental conflicts.
What We've Heard From the Community:

- We need a range of housing types to meet the variety of needs our community has. This includes senior housing, student housing, young families, young professionals, etc.
- We should convert hotels into housing.
- Need smaller units like tiny houses and single room occupancy units for retirees and students so families can occupy single family homes where these groups presently reside.
- No short term rentals (AirBnBs).
- Need housing for middle income families.

What We've Learned:

- The current breakdown of housing is almost 70% single family detached homes. Do not have a lot of housing that meets the other needs of our community.
- Highest demand currently is for small units, including studios and 1-bedrooms.
- The Housing Authority operates the Section 8 program. There are 4,566 voucher holders in Santa Cruz County and thousands more are wait-listed to get a voucher. The waiting list has been closed since 2011.
- The City needs more affordable housing for lowest income brackets as fewer of these affordable units have been produced and more are needed than those in higher income categories.
- Housing needs of people changes throughout their lives - young professionals seek smaller units, families seek larger units, seniors are able to downsize. Having options for these different life stages is important.

See also PARKING (pg 15), PERMITTING PROCESSES/STANDARDS (16), and ZONING/DENSITY (21)

What We Can Do:

- **Lead**
  - Execute updates to the Downtown Plan and prioritize staff resources to implementation of updates that facilitate the creation of a variety of unit types.

- **Lead**
  - Update zoning code to be consistent with the General Plan and allow for a wider variety of housing types.

- **Lead**
  - Recognize that the majority of housing in Santa Cruz is already single family detached housing and develop a methodology to prioritize development of ADUs, attached, and multi-family housing units.

- **Lead**
  - Evaluate zoning to include ability to provide a range of housing types.
Revenue Measures

What We've Heard From the Community:

- We need a Housing Funding measure similar to Measure D (the transportation funding measure that passed in Santa Cruz County in 2016). Potentially a parcel tax.
- Should have a Transfer Tax (when properties change hands).
- Need local preference tax.
- Should have a vacancy tax.
- Transfer tax is a no-go.
- Sales taxes impact lower income groups.

What We've Learned:

- The City's primary source of funding for housing was affordable and moderate income housing development was the former Redevelopment Agency (RDA). All RDAs statewide were dissolved in 2011. As a result, the City has lost about $2-3 million annually that was previously invested in affordable housing development.
- The City does not currently have ongoing significant financial resources to develop or assist in the development of affordable and moderate income housing.
- Federal resources to support housing continue to decline.
- Land value and construction costs are rising and developers are finding growing financial gaps, making projects infeasible.
- Other communities have turned to local voters to raise revenues to support affordable housing development (Alameda County - $580 million housing bond; San Francisco – repurposing $261 million bond issue for housing; Santa Clara County - $600 million infrastructure bond; San Mateo County – ½ cent sales tax to support, in part, affordable housing).
- This fall, the City Council formed a Council Revenue Subcommittee to explore options and opportunities for a revenue measure next year, including tax options.

See also AFFORDABLE HOUSING DEVELOPMENT (pg 11), IMPACT FEES (13), HOUSING PROGRAMS (28), & LOCAL PREFERENCE (29)

What We Can Do:

**Lead**
- Continue Council Revenue Subcommittee to determine the viability and type of revenue measure for a 2018 ballot, including exploration of all taxes suggested by the community.

**Lead**
- Continue to advocate at the state and federal level for more funds to support housing development.

**Partner**
- Continue to partner with County and other local governments on a possible regional revenue measure.
What We've Heard From the Community:

- UCSC should build more on-campus housing.
- Have UCSC on-campus rent be cheaper than market rate.
- UCSC needs to guarantee housing for its students.
- Stop UCSC growth.
- Restrict UCSC enrollment. Campus is enrolling more students than it can house.
- Build Student Housing in industrial areas on West Side (Delaware). Near transit. Potential for mixed use with light industrial.
- Build student housing in Pogonip with a gondola to transport students up to campus.

What We've Learned:

- UCSC’s current enrollment is 16,328 (with graduate students: 18,063).
- Enrollment is determined by the Legislature and UC Regents, not UCSC.
- Long-Range Development Plans (LRDPs) are required by all UCs to plan for growth and change to accommodate the UC system enrollment goals.
- 2005 LRDP planned for 19,500 students.
- UCSC met the traffic, water and housing goals in the 2005 LRDP comprehensive settlement agreement.
- UCSC is working on the 2020 LRDP. City is involved through Community Advisory Group with Councilmembers Mathews and Krohn and Planning Director Butler representing the City.
- 53% of undergraduate students are housed on campus, the highest percentage of all of the UCs.
- 9,300 beds currently are available on campus (2,100 added since 2004).
- Student occupancy rate is 97.6%.
- A project to construct 3,000 beds should be completed by 2020.
- UCSC students and faculty make up 50% of Metro's bus ridership.
- Daily vehicle trips to campus has declined by over 2,151 since 2005.

See also ZONING/DENSITY (pg 21) & TRANSPORTATION/TRAFFIC (31)

What We Can Do:

- **Lead**
  - Strongly support the creation of student housing on campus, even if it requires expansion of urban services delivery.

- **Lead**
  - Continue to monitor the 2005 comprehensive settlement agreement and maintain a hard line on transportation metrics of no net increase of trips to campus.

- **Lead**
  - Provide policy direction to the LRDP Community Advisory Group City representatives.

- **Partner**
  - Work with UCSC to identify where students are currently living across the county and what transportation methods they are utilizing to get to campus.
What We've Heard From the Community:
- We need housing for our workforce.
- Business should pay a housing impact fee for the employees they bring in that need housing.
- We need housing for those who make just enough to not qualify for income restricted housing but can not compete for market rate housing.
- We need housing to retain the workforce families that are leaving Santa Cruz.
- We need to have tiered incentive programs that would target low income but also workforce housing.
- Advocate for "common good", includes those that need to live, work and learn here, as well as those who have been displaced and have to commute in or out.
- We should not create more jobs without building more housing.

What We've Learned:
- There is not an official definition for workforce housing, but the generally accepted definition is households making between 80%-120% of area median income. Inclusionary housing is a source of workforce housing.
- Workforce households typically fall into the housing gap where they make too much to qualify for subsidized housing but make too little to be competitive for market rate housing.
- Major employers may have capital that could could be contributed towards employee housing.
- The City participates on a Workforce Housing committee with other major employers to explore the potential of collaborating on employee housing projects.
- The City’s former Redevelopment Agency was a significant contributor to the creation of workforce housing in the community. The loss of redevelopment funding statewide has greatly exacerbated the statewide housing crisis.

See also AFFORDABLE HOUSING DEVELOPMENT (pg 11), IMPACT FEES (13) & ZONING/DENSITY (21)

What We Can Do:
**Lead**
- Explore new funding options and sources for the creation and support of workforce housing in our community.
- Advocate with state and federal legislators for new funding and increased support for the creation of workforce housing at the local level.
- Support the construction of current projects in the pipeline that provide workforce housing and a mix of other affordable housing in our community, including the City-supported Pacific Station project in Downtown.
- Fully examine recently enacted housing legislation & develop the internal support & infrastructure to maximize streamlining and the creation of new workforce housing in our community.
- Evaluate the effectiveness of the County’s affordable housing impact fees, and its effect on development, and explore feasibility and impact of implementation of an affordable housing impact fee in the City.
- Consider increasing the eligibility range for ownership inclusionary housing units.
Zoning & Density

What We've Heard From the Community:
- House people along corridors with net zero new traffic.
- Allow for garage conversions to bedrooms.
- Put 100% affordable project along corridors.
- Every new single family home project must include ADUs.
- Development of corridors will cause problems.
- Want downzoning - less density.
- Adapt zoning, including mixed use of industrial land.
- Want smaller units.
- Implement/ Do Not Implement Corridor Plan.
- Create overlay on Westside industrial areas for UCSC student housing.
- Execute Downtown Plan.
- Want more density.
- Increase inclusionary requirements.
- Don't put mid-rise next to single family homes.
- Spread density throughout the City.
- Pursue one corridor at a time.
- Zoning yields inequality.

What We've Learned:
- The City adopted the 2030 General Plan in 2012 and identified the best areas to accommodate future growth while protecting our open space, preserving single family neighborhoods, maintaining our industrial lands, and sustaining our public facilities.
- Rezoning of primary transportation corridors to accommodate additional housing is an implementing action of the General Plan and furthers the values established through the community process.
- Existing requirements for Community Commercial zoning and transitions to adjacent neighborhoods are an area of concern.
- Downtown Plan updates offer new opportunities for housing for all income levels.
- Industrial land should be maintained to provide living wage jobs and fiscal sustainability for the SC community.
- ADUs are an opportunity to increase housing stock in existing neighborhoods.
- The urban limit line protects our open space and limits the extent to which we can grow out.
- Affordable housing is incredibly complicated. Even when zoning and density are met, creation of deed-restricted housing often requires a significant infusion of public funding.
- High quality design is important, and in some instances current design standards lack clear objective criteria.

See also ADUs (pg10), IMPACT/DEVELOPMENT FEES (13), PERMITTING PROCESSES/STANDARDS (16), & TRANSPORTATION/TRAFFIC (31)

What We Can Do:
- **Lead**
  - Execute updates to the Downtown Plan and prioritize staff resources to implementation.
  - **Lead**
  - Update zoning code to be consistent with the General Plan.
  - **Lead**
  - Consider methods to include more neighborhood involvement at early project phases, including wider noticing, mandatory community meetings, or other methods.
  - **Lead**
  - Increase density bonus beyond state mandate to facilitate a larger number of affordable units.
  - **Lead**
  - Follow the General Plan and focus development along existing transit corridors, requiring ground-floor retail and mixed-use concepts, leveraging the housing to incentivize more retail, restaurants, and amenities.
  - **Lead**
  - Consider alternative methods for quantifying residential density, for example FAR, form based code, or population-dwelling unit equivalency.
What We've Heard From the Community:

- Need preservation of old homes.
- Tenants are afraid to report repairs and other problems to landlords for fear of raised rent or eviction.
- Need moratorium on eviction from illegal housing situations.
- Living conditions for tenants are often unsafe/dangerous.

What We've Learned:

- The intention of rental inspection services is to maintain safe housing stock within the City.
- When a tenant submits a complaint to code compliance, contact information is confidential unless subpoenaed by a court.
- Under State Law it is illegal to raise rents or evict a tenant based on a housing complaint.
- Rental inspection services are based on a proactive approach by the City who seeks to register and have all rental properties inspected, either through City inspections or self-inspections.
- Regular code compliance is usually reactive, and the enforcement of code violations on properties are based on complaints received from the public.
- Tenants have not been ordered to vacate unpermitted units unless the unit has dangerous/unsafe conditions.
- In one year, 2,667 rental inspections were completed and 2 orders of eviction were made (FY16/17)
- There are four code violation categories: Category 1 (Imminent danger), Category 2 (Unsafe Structures and Equipment), Category 3 (Substandard Housing), Category 4 (All Other Violations) like trash, excessive long-term storage, and animals.
- Code violations with a Category 1 (Imminent Danger) or Category 2 (Unsafe Structures & Equipment) are those that threaten life and safety, and therefore are the only categories with the potential for eviction.
- Out of 543 code cases in FY 16/17, six (6) were orders to vacate by the City.

See also TENANTS RIGHTS & LEGAL SUPPORT (pg 26)

What We Can Do:

**Lead**

- Continue to educate the public on qualifying factors for each category of code violations so they can effectively report what they see in their neighborhood.
- Continue efforts to improve reporting process so the public can more easily report what they see. For example, the code complaint form is now be submitted online as of 2017 opposed to calling or mailing the form.
- Improve communications with the complaining parties, tenants, and property owners regarding the status of complaints. Use existing tools to inform public on violation types and expected response times, and develop a standard operating procedure for improving communication with tenants about potential orders to vacate.
- Continue to encourage the maintenance, rehabilitation and improvement of our rental housing stock that helps both tenants and property owners.
- Update Municipal Code to further promote cost recovery legalization of unpermitted dwelling units and additional tenant protection and benefits.
Rent Control & Just Cause Eviction

What We've Heard From the Community:
- Rent control is worth exploring, but could be polarizing.
- Need to study rent stabilization.
- We need rent control.
- Tiered rent control to protect seniors and disabled.
- Rent control will not help most people.
- With rent control people stay for a long time, and there is not a lot of movement in the market.
- Landlords will not want to buy units with rent control and landlords who do own rent control units are not incentivized to maintain them.
- Do not want rent control or just cause evictions.
- Just cause evictions eliminate landlords' ability to stop problem tenants who may impact other tenants.

What We've Learned:
- Rent control is a set of laws that some cities have adopted. It generally includes rent increase limits and eviction restrictions. About 15 California cities have these so-called rent controls, including Los Angeles, San Francisco, San Jose, and Oakland.
- Rent control does not apply to every rental unit. Any rental unit built after February 1, 1995, as well as single family houses and condos, are not covered by rent control. In the City, 22-24% of housing units could be eligible for rent control.
- There are two ways to achieve rent control, either by City resolution or by ballot vote. Rent control measures failed in Santa Cruz in 1978, 1979 and 1982. Advocates prefer adoption by ballot because it can only be amended and repealed by a subsequent ballot measure.
- Under current State law, landlords are allowed “no cause” 30/60 day termination notice.
- Under Just Cause Eviction, rules could:
  1. Require Written Notice to Cease (Lease Termination Notice)
  2. Only for (ex): Breach of Contract, nuisance, criminal activities, failure to grant access
  3. If tenant does not move out, then court proceeding for unlawful detainer

See also TENANT RIGHTS & LEGAL SUPPORTS (pg 26)

What We Can Do:

**Lead Support**
- Research opportunities to provide greater tenant protections or longer periods until move-out
- Consider Council support for ballot based initiative to allow community to decide if it wants rent control
Section 8 Support & Landlord Incentives

What We've Heard From the Community:
- Use Section 8 as part of the inclusionary requirement for new projects.
- Section 8 discrimination. People who have had vouchers for years cannot find a landlord who will lease to them.
- Section 8 should be limited to a couple of years. Section 8 participation should expire to free up more spots for others. You get 3-5 years to help people get on their feet.
- Keep the Front Door Front Porch program partnership with Habitat for Humanity to fix up units to meet inspections in exchange for renting to Section 8 tenants.

What We've Learned:
- The Section 8 program is run by the Housing Authority (H.A.) The H.A. is not a part of the City.
- Generally vouchers are issued to individuals with varying household sizes; however, there are some project based vouchers that guarantee rental income on a specific unit.
- There are 4,566 voucher holders in Santa Cruz County.
- There are 400 voucher holders without a Section 8 unit and thousands more are wait listed to get a voucher.
- The City has partnered with the H.A. and all other Santa Cruz County jurisdictions in initiating a new Section 8 Landlord Incentive Program that guarantees up to $2,500 for costs that include damage and missing rent.
- A H.A. Liaison is available to help individuals navigate the Section 8 process.
- The H.A. is currently reviewing their wait list process.
- 76% of voucher holders are non-elderly/non-disabled households with earned income.
- 7.2% of voucher holders are homeless at time of admission.
- Average monthly housing assistance paid to a landlord is $1,097.
- Average monthly household rent/tenant portion is $475.
- Wait lists cannot be restricted to "locals only," however local priority can be considered for those on the wait list. Local preference should be carefully considered along with the needs of voucher holders who may be trying to return to the area.
- Federal Department of Housing and Urban Development (HUD) recently reassessed and lowered their level of fair market rents in Santa Cruz County to rates below market rate rent, which leads to a growing gap between what the voucher covers and current market rate rents.

See also AFFORDABLE HOUSING DEVELOPMENT (pg 11)

What We Can Do:

**Support**
- Increase landlord participation in the Section 8 Program by supporting the Landlord Incentive Program. Consider initiating a Spruce Up Program.

**Support Partner**
- Encourage the use of "project based" Section 8 Vouchers for future developments.

**Partner**
- Encourage and support efforts by the Housing Authority to review new options for managing the program’s wait list.
- Continue to support the efforts of the Housing Authority to appeal the lowered fair market rents that were set by HUD in order to provide a competitive rental rate to local landlords willing to participate in the Section 8 Program.
Short-Term Rentals

What We've Heard From the Community:
- The City should not allow any more short term vacation rentals.
- Vacation rentals should be taxed.
- Stop Airbnbs.
- Concerns about eviction for conversion of home to short-term rental.

What We've Learned:
- Short-Term Rentals impact neighborhoods with parking and other nuisance issues.
- Short-Term Rentals can disrupt the feel of neighborhoods when permanent residents who know, trust, and rely on one another are replaced by a transient population.
- Short-Term Rentals can provide income for homeowners who struggle to make mortgage payments.
- The Short-Term Rental Ordinance adopted by City Council on October 24, 2017 balances neighborhood protection with property rights.
- The Short-Term Rental Ordinance restricts the conversion of non-owner occupied properties to vacation rentals, which encourages these properties to add to the long-term rental housing supply. The Short-Term Rental Ordinance places a maximum cap on short-term rentals to allow City Council to monitor the impacts, balance housing needs, and adjust the cap accordingly.

See also PERMITTING PROCESS & STANDARDS (pg 16)

What We Can Do:

**Lead**
- Submit the recently-adopted Short-Term Rental Ordinance to the California Coastal Commission and shepherd that application through their requisite approval to effectuate the new ordinance.
- Periodically review the short-term rentals ordinance to ensure continued protection of neighborhoods and minimize conversion of long-term rental housing.
- Consider a ballot measure to increase the Transient Occupancy Tax (TOT) levied on hotels, motels, and other short-term rentals to dedicate a portion of tax to affordable housing efforts, such as the City’s affordable housing trust fund.
Tenants Rights & Legal Support

What We've Heard From the Community:

- Need just cause eviction law.
- Need assistance for tenant displacement.
- City should provide legal advice to tenants.
- Need reporting and tracking of bad landlords.
- Need displacement compensation.
- Need strong tenant protections.
- Need tenant protections against discrimination.
- City should subsidize legal services and support.
- Need tenant ombudsperson.
- Need ordinance to prevent Section 8 discrimination.
- Tenants are living in unsafe/dangerous conditions but are afraid to report because of fear of rent increase or eviction.

What We've Learned:

- The relationship between tenant and landlord is a private market relationship.
- The City regulates quality of housing.
- The City does not provide counseling nor does it intervene in tenant/landlord disputes, unless there are building or zoning code violations in the rental unit.
- City Relocation Assistance policy requires landlords to pay tenants 2-3 months’ worth of rent in cases where tenants are required to vacate units due to unsafe or hazardous living conditions or due to illegal use of the structure as a residence.
- There are organizations that provide advice and counseling to tenants.
- There appears to be a gap for tenant support for undocumented populations.
- The debate around tenant rights is largely focused on rent control.

See also ZONING/DENSITY (21), CODE COMPLIANCE/RENTAL INSPECTION (22), & RENT CONTROL/JUST CAUSE EVICTION (23)

What We Can Do:

**Lead**
- Provide funding for legal support / resources for tenants.
- Pursue feasibility of bringing red tagged properties back online and incentive(s) for section 8 landlords or fee modifications.
- Explore extending City relocation assistance policy to require landlords to pay tenants 3-4 months’ worth of rent.
- Update Municipal Code to further promote cost recovery legalization of unpermitted dwelling units and additional tenant protection and benefits.

**Support**
- Consider Council support for ballot based initiative to allow community to decide if it wants rent control & just cause eviction.
Homelessness

What We've Heard From the Community:
- Need real shelters with bed for homeless.
- Give vouchers to homeless for use in local hotels.
- Don't criminalize homelessness.
- Homelessness is evidence of the magnitude of the housing crisis.

What We've Learned:
- 20% of the United States' homeless population is in California.
- Cities and counties along the West Coast are reporting unprecedented numbers and impacts of homelessness, reaching crisis levels.
- Per the 2017 Point-in-Time Homeless Census, there are 1,204 homeless persons in the City (up from 831 counted in in 2015).
- Countywide, 80% of homeless are unsheltered and 68% report being a County resident before becoming homeless.
- The City Council adopted a 20-Point Homelessness Plan in May of 2017 to address urgent needs of homeless persons and the greater community, as well as permanent resources such as a Day Services Center and permanent year-round shelter (www.cityofsantacruz.com/homelessness).
- Despite common perception, Santa Cruz County is low in homeless resources, especially compared to other California counties.
- The City invests over $1.3 million from its General Fund for homeless services grants, programs and contracts.
- Homeless services are a function of Santa Cruz County Health & Human Services.

See also AFFORDABLE HOUSING DEVELOPMENT (pg 11)

What We Can Do:

**Lead**
- Continue to implement the 20-point Homelessness Plan, with greater priority on the Day Services + Shelter.

**Partner**
- Continue to cultivate collaboration and urgency with the County and other local governments to address homelessness and community impacts.

**Partner**
- Support Revenue Measure to fund homeless shelter and services.
What We've Heard From the Community:

- Get money from state and county for first time home buyers.
- Need to have tiered incentive programs that would target low income but also workforce housing.
- Assistance with a matching program for down payments where you can show some income and willingness to save.
- Would like to see programs that help with down payments.
- Security Deposit program is great. It is really impactful. Security Deposits are really high and a barrier to housing.
- Need housing program ombudsperson.
- Need City-funded housing loan program for public employees.

What We've Learned:

- The City administers a Security Deposit program that is run by the Housing Authority, who provides security deposits to eligible tenants as a loan that is returned to the City when a tenant moves out. This program is limited to low income households.
- The Community Action Board administers an emergency rental assistance program for the City that is limited to the Beach Flats/Lower Ocean Street area.
- The California Housing Finance Agency (CALHFA) manages a program that provides tax credits to eligible homebuyers which reduces the amount of federal income tax paid. This results in a homebuyer having more income available to qualify and pay for a mortgage.
- Many City housing programs has been severely impacted due to the elimination or loss of local revenue sources dedicated to housing support and creation. The elimination of redevelopment agencies statewide has severely impacted available local sources of funding at the same time as traditional federal sources of funding have steadily declined, including the critically needed federal HOME program and Community Development Block Grant (CDBG) funds.
- Due to the typical amount of a down payment, often upwards of $100,000, a down payment assistance program can prove to be expensive.

See also HOUSING PROGRAMS (pg 3), RANGE OF HOUSING TYPES (17) & WORKFORCE HOUSING (20)

What We Can Do:

- **Lead**
  - Explore pilot program for a rental subsidy program that would help someone transitioning out of homelessness or foster care for a set period of time.
- **Lead**
  - Explore new funding sources for housing programs.
- **Lead**
  - Advocate with state and federal legislators for new funding and increased levels of support for existing successful housing programs.
- **Partner**
  - Explore private models for workforce home buying programs. Research the Landed model that provides home buying assistance to teachers and school staff.
- **Partner**
  - Explore multi-jurisdictional housing ombudsperson.
Local Preference

What We've Heard From the Community:

- The City should be concerned with finding housing for its public employees rather than high end wage earners from over the hill.
- Stop attracting business from over the hill because their employees will take up housing.
- There should be a local preference, like first rights to apartment leases or tax breaks, for those who work in the City.
- Explore a vacancy tax similar to Vancouver.
- Vancouver and Toronto have higher taxes for foreign investment.
- Impose extra closing costs if the house is not your primary residence.
- Use a portion of transit occupancy tax revenue for rental deposits for public employees in the City.

What We've Learned:

- In housing projects that include City funding, the City requires a local preference, first to residents who live or work in the City of Santa Cruz, and second to residents who live or work in Santa Cruz County. Riverwalk Apartments is a recent example of this.
- The Tannery Artists' Lofts are an example of a City-funded development that includes both a local preference and an artists' preference.
- The general public would need to approve any tax increases by a 2/3 majority vote.
- Vancouver taxes empty homes at 1% of the homes value, with the goal of returning under-utilized properties to use as long-term rental homes.
- Vancouver and Toronto recently imposed a 15% tax on home purchases by foreigners.

See also WORKFORCE HOUSING (pg 20)

What We Can Do:

- **Lead** - Research legality and options for imposing additional taxes and fees on outside investors who are not residents of the City.
- **Lead** - Research other “local preference” opportunities for future consideration.
- **Lead** - Explore the viability of using City-owned parcels for the future creation of affordable housing for our entire community with a local preference for income eligible city workers.
Participatory Community Process

What We've Heard From the Community:
- Need to develop a neighborhood plan.
- Need way for neighbors to provide input.
- Worried that density will damage neighborhood character and community.
- Do not feel that City Council or Planning Commission give consideration to what neighbors think about projects.

What We've Learned:
- The City Council approved a City-Wide Neighborhood Outreach and Engagement Strategy and Program, directing staff to develop a new strategy to:
  1) retain successful aspects of City Hall to You,
  2) evolve the City Hall to You model to deploy a smaller and more concentrated contingent of Councilmembers and City staff to meet constituents in their own neighborhoods,
  3) establish an outreach meeting framework to encourage civic engagement, and
  4) and establish a prioritization process to improve municipal service responsiveness to address neighborhood concerns and deficiencies. This program may present an opportunity to address some of these concerns.
- The City does not currently require project applicants to host community meetings on development projects before applications can move forward, but other communities do have such requirements and could serve as a model for Santa Cruz.
- The City has a number of citizen advisory bodies that serve one place for public discussion and provide recommendations to City Council.
- The City has noticing requirements for all projects that based on the project type can include postings, mailing, and publishing notice in general circulation papers.
- The City regularly interacts with neighborhood groups and posts information on social media sites.

See also ZONING/DENSITY (pg 21)

What We Can Do:

**Lead**
- Implement the City-Wide Neighborhood Outreach and Engagement Strategy and Program recently approved by the Council, incorporating this feedback into its design.

**Lead**
- Consider pre-application community meetings for development projects meeting certain criteria.

**Partner**
- Research opportunities to coordinate with Santa Cruz Neighbors and similar neighborhood groups to respond to neighborhood issues.
Transportation & Traffic

What We've Heard From the Community:
- Quality of life is impacted by transportation network congestion.
- We need metro passes, other TDM (Transportation Demand Management), rapid transit on Soquel.
- Build housing closer to transit.
- Need to develop constituency for METRO.
- House people on corridors with zero net traffic goal.
- Need better connection between planning and transportation.
- Train service would give better options for people who will not ride bikes to the City from South County for work.

What We've Learned:
- The General Plan Environmental Impact Report analyzed and modeled what the impacts to the transportation network would be as the result of new development considered under the General Plan. For any intersections that fell below our acceptable levels of delay, improvements were identified that will be funded and programmed as development occurs.
- In the City, there were eight intersections that were identified as falling below our accepted level of delay that are unable to be improved to an acceptable level due to environmental or economic constraints.
- Transportation improvements are included in the Capital Improvement Program, a three-year funding document that the City Council approves every year with the annual budget.
- The City has 57.3% of residents who drive-alone to work, which is 20% lower than the national average.
- The bike ridership rate in Santa Cruz is 10.2%, which is the second highest in California.
- Since 2011, the City has been awarded over $18.5 million in transportation grants, which fund improvements to infrastructure for our entire community.
- As we have invested in quality infrastructure for non-motorized users, we have seen greater and greater numbers of people choose to walk and bike.
- METRO is an important partner. Two City Council members sit on the METRO board and provide policy direction on how METRO service can support City residents, employees, and visitors.

See also DENSITY/ZONING (pg 21)

What We Can Do:

**Lead**
- Explore Neighborhood Traffic Management Plans and associated resources in conjunction with significant changes to land use potential.
- Continue to explore TDM programs, including car share, bike share, employer based, and transit.
- As state adopts final guidelines, transition environmental analysis from level of service to vehicle-miles traveled to incentivize infill development in areas of the city best served by transportation options. Maintain level of service for fee and mandatory improvement-based analysis.
- Construct transportation improvements identified in the General Plan through the CIP process.
- Continue to seek grant funding for innovative transportation solutions. Where appropriate, include bike, pedestrian, and transit facilities in roadway designs.

**Support**
- Continue to promote high frequency transit services.
Exhibit A.1: Mayor's Listening Sessions
What We Heard From You

Between late July and mid-November, Mayor Chase held 22 listening sessions on housing with groups representing a variety of interests. Each meeting focused on the groups’ perspectives on the following three questions:

- What are your biggest concerns about the housing crisis in Santa Cruz?
- What are some solutions you are invested or interested in us exploring further?
- What are some things that the City should NOT do in terms of housing?

Staff members accompanied Mayor Chase to document the feedback she collected. Below are graphs of the concerns, solutions and non-solutions that the community groups articulated in response to those three questions.
Q1: Your current housing is:
- Ownership: 47%
- Rental: 53%

Q2: You live in:
- Outside City of Santa Cruz: 21%
- Downtown: 13%
- Eastside: 27%
- Upper Westside: 12%
- Westside: 22%
- Upper Eastside: 5%

Q3: You currently work in:
- City of Santa Cruz: 60%
- Over the hill: 14%
- Monterey Peninsula: 2%
- Watsonville: 4%
- Aptos/Soquel/Capitola: 8%
- Other: 10%
- Retired: 2%
Q4: YOU CURRENTLY SPEND ON YOUR HOUSING:

- 25% or less of my earnings: 16.20%
- 35% of my earnings: 28.50%
- 50% of my earnings: 33.70%
- 75% of my earnings: 15.11%
- More than 75% of my earnings: 6.50%

Q5: TO WHAT EXTENT DO YOU THINK YOUR CURRENT HOUSING OPTIONS IN SANTA CRUZ WILL MEET YOUR NEEDS OVER THE NEXT FEW DECADES?

- Great extent: 11.60%
- Moderate extent: 15.40%
- Small extent: 23.40%
- Not at all: 34.90%
- Not sure: 14.60%
Q6: IF YOU WERE TO MOVE IN THE NEXT FIVE YEARS, HOW CONFIDENT ARE YOU THAT YOU WOULD BE ABLE TO STAY IN THE CITY OF SANTA CRUZ?

- Extremely confident: 9.60%
- Somewhat confident: 18.60%
- Not very confident: 27.40%
- Not confident at all: 41%
- Not sure: 3.60%

Q7: IF YOU WERE TO MOVE IN THE NEXT FIVE YEARS, WHAT WOULD BE YOUR PREFERRED TYPE OF HOUSING?

- Single family house: 79%
- Apartment: 6.60%
- Townhome/condo: 8.70%
- Dedicated senior housing: 1.80%
- Single occupancy unit: 4%

Q8: FROM YOUR POINT OF VIEW, THE BIGGEST SHORTAGE IN HOUSING IS IN:

- Low-income, affordable housing: 33.20%
- Market rate rental apartments and houses: 24.10%
- Dedicated senior housing: 1.50%
- Condos and apartments for sale: 2.10%
- Entry level single family homes for sale: 39.20%
Q9: PLEASE RATE THE IMPORTANCE OF DEVELOPING HOUSING OPTIONS THAT ARE AFFORDABLE FOR CITY RESIDENTS OF ALL INCOMES:

- Very important: 82%
- Important: 14.20%
- Not important: 3.80%

Q10: WHICH TYPE OF TRANSPORTATION DO YOU USE MOST OFTEN TO GET TO WORK OR TO RUN ERRANDS?

- Bike: 8.30%
- Walk: 4.40%
- Take the bus or Paracruz: 6.90%
- Drive a work vehicle: 1.20%
- Carpool: 1.50%
- Drive personal vehicle: 76%
- Other: 1.40%

Q11: IN THE PAST YEAR, HAVE YOU/MEMBERS OF YOUR HOUSEHOLD HAD TO REDUCE/GO WITHOUT ANY OF THE FOLLOWING BASIC NEEDS TO AFFORD YOUR RENT/MORTGAGE? CHOOSE ALL THAT APPLY:

- Child care: 16.40%
- Clothing: 33.10%
- Transportation: 16%
- Food: 22%
- Needed medication/healthcare: 21%
- Insurance: 15.80%
- Other: 19.60%
Q12: If you live in a rental, how long did it take you to find your current unit?

- Less than one week: 5.30%
- One week up to one month: 16.30%
- More than one month: 47.60%
- More than six months: 31%

Q14: If you live in a rental, does your landlord make repairs promptly when needed?

- Yes: 56.20%
- No: 28%
- I don’t report need for repairs: 56.20%

Q15: If you don’t report repairs, why not?

- Not responsive: 6.80%
- Do it myself or not applicable: 52%
- Fear of eviction/rent increase: 41%

Q16: Are any of these repairs/maintenance needs so severe that they make your home/apartment unlivable or unsafe?

- Yes: 9.10%
- No: 53%
- Not applicable: 38.30%