Scotts Valley Housing Element

Proposed for Adoption - February 2016

City of Scotts Valley

2015 - 2023 Housing Element

Proposed for Adoption

February 2016

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INTRODUCTION

Chapter 1

The Housing Element addresses how Scotts Valley plans to meet the community's housing needs, particularly the availability, affordability, and adequacy of housing. The Housing Element defines strategies and programs for all economic and social groups. To these ends, the Housing Element:

1) Identifies adequate sites for a range of housing opportunities;
2) Provides guidance for developing adequate and affordable housing;
3) Addresses constraints to meeting the City's housing needs;
4) Defines approaches to conserve and improve housing conditions; and
5) Promotes housing opportunities for all persons.

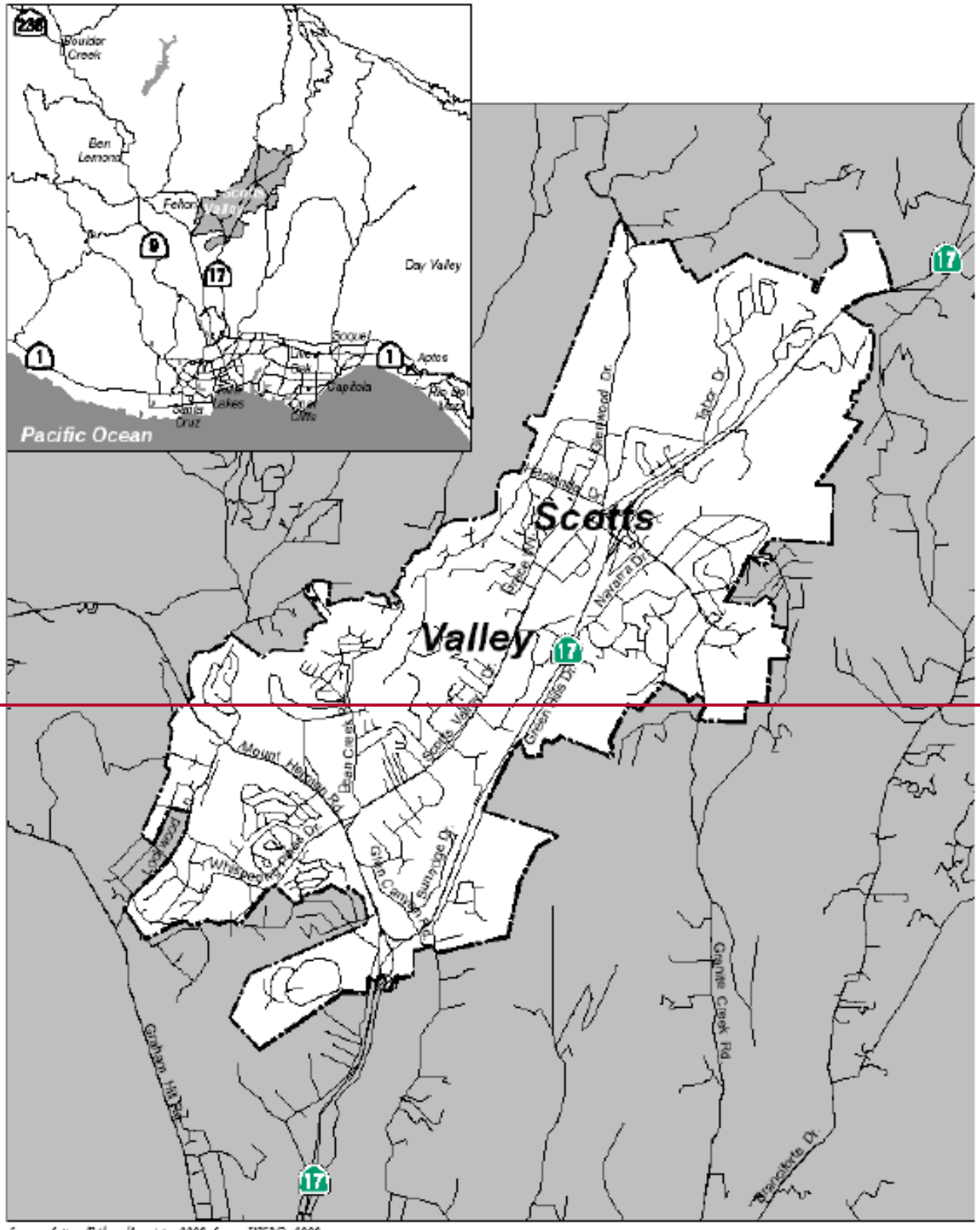
The following discusses the context for housing policy in Scotts Valley, the organization of the Housing Element, relationship to other chapters of the General Plan, and the public participation process involved in the preparation and adoption of the housing element.

A. Community Context

The City of Scotts Valley is located in Northern Santa Cruz County in the redwoods of the Santa Cruz Mountains. Located south of Silicon Valley, Scotts Valley is approximately 6 miles north of Santa Cruz, 30 miles southwest of San Jose, and 68 miles south of San Francisco. Scotts Valley is known throughout the Santa Cruz County for its natural beauty, proximity to the Silicon Valley, and small-town character – making it an excellent place to live.

Since its incorporation in 1966, Scotts Valley has witnessed considerable changes, as local and regional employment opportunities have attracted many new residents to the community. Between 1970 and ~~2000~~2010, Scotts Valley has grown from a small town of 3,621 persons to a community of ~~11,385~~11,580 persons in 2010. The Association of Monterey County Governments (AMBAG) ~~2008~~ 2014 Regional Growth Forecast~~s~~ ~~show~~ estimates Scotts Valley's population ~~has grown to 11,556 in 2005~~ will grow from 11,580 in 2010 to ~~and forecast~~ a population of ~~11,923~~ 11,813 in 2035~~2010~~.

The age distribution of residents has shifted over the past ~~ten years~~decade. ~~Between 1990~~ T~~2000~~he median age in the City increased from ~~35.9~~38.3 years to ~~38.3~~39.5 years between the years 2000 through 2010, with an increasing proportion of the population comprised of middle- aged adults ages 45 to 64. This is largely attributable to an influx of persons and families who live in the community and commute to other areas, as well as work locally in the technology-dependent firms in Scotts Valley.



Source: Cotton/Bridges/Associates 2003; Census TIGER/R, 2000.

City Boundary

0 0.25 0.5 1 1.5 2 Miles

Figure 1

Regional Location Map

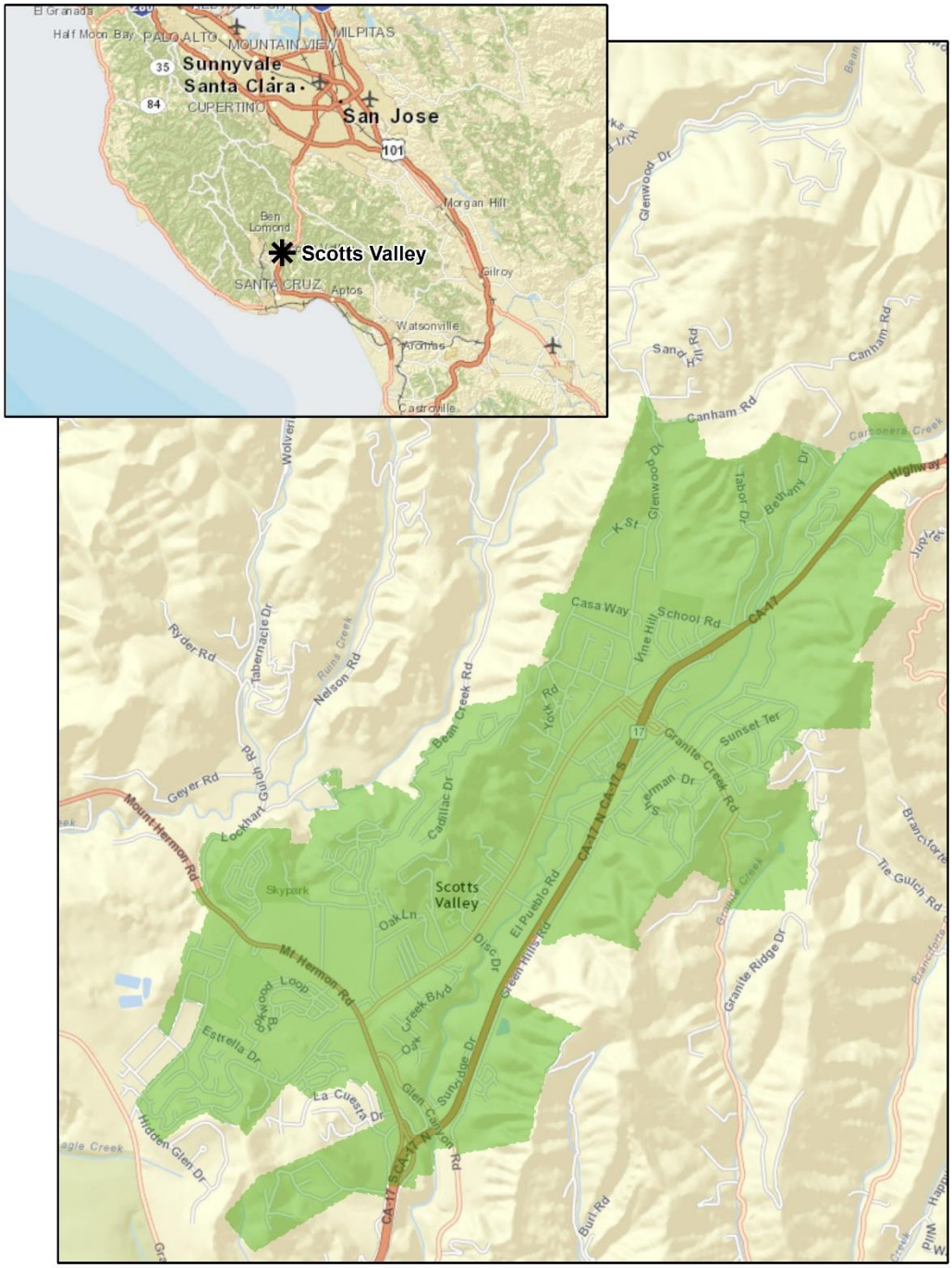


Figure 1
Regional Location Map

As part of the Silicon Valley boom, many high technology firms located to the City of Scotts Valley during the late 1990s, providing many higher-paying employment opportunities. Scotts Valley's natural setting and excellent schools and new high school have made the community an attractive place to live. The rental vacancy rate in Scotts Valley increased from 3.4 percent% in 2000 to 3.52 percent, as estimated by the 2009-2013 American Community Survey. Due to the housing

crisis in 2008 and subsequent recovery, along with moderate population growth, ownership vacancy rates have increased from 0.7 percent in 2000 to 1.2 percent, as estimated by the 2009-2013 American Community Survey. ~~Coupled with population growth, Scotts Valley experienced a sharp decline in housing vacancies, with rental vacancies falling from 7.6% to 3.4% and ownership vacancies falling from 3.1% to only 0.7% between 1990 and 2000. The economic down turn in 2008 has not yet created a large number of rental vacancies or for sale units.~~

According to the 2009-2013 American Community Survey the median value for homes in Scotts Valley is $586,100, while the median rental rate is $1,948~~897~~ for a two-bedroom unit in the City. The Santa Cruz Association of Realtors reports that the median sale price of single-family homes in Santa Cruz County increased between 2009 and 2010 before falling 10 percent in 2011.

~~According to the Santa Cruz Association of Realtors, the median sales price of a single-family home increased by 40% between 1996 and 1999 and rose another 40% through 2002 at which time the median sales price for a single-family home neared $600,000. By 2007 the median price was $757,603. In 2008 the median price dropped back to $611,000, a reflection of the 2008 economic conditions. Rental rates have also increased, with the median rent of $1,500 in 2008. Rents have not dropped the same as for sale units and the City continues to have a vacancy rate below 4%.~~

Scotts Valley is faced with important issues: balancing employment and housing opportunities; matching the supply of and demand for housing; enhancing the affordability of housing for all segments of the population; preserving the quality of the housing stock; and preserving the environmental amenities that distinguish Scotts Valley. The 2015~~409~~-2023~~214~~ Housing Element sets forth a strategy to address these issues and provide guidance for local government decision-making in all matters relating to housing.

B. Organization of the Housing Element

Scotts Valley's Housing Element was updated in 2010~~1407~~ for the ~~2002-2007~~2009-2014 cycle. This Housing Element is an eight~~five~~-year plan for the period 2015~~09~~ to 2023~~214~~. The ~~2009- 2014~~ 2015-2023~~2~~ Housing Element consists of the following major components:

1) Introduction to the Housing Element, including the planning context and process of updating the Housing Element (Chapter 1);
2) An analysis of the City's demographic and housing characteristics and trends (Chapter 2);
3) Review of potential market, governmental, and environmental constraints which impact the City's ability to address its housing needs (Chapter 3);
4) An evaluation of land and financial resources available to address Scotts
Valley's housing goals (Chapter 4); and
5) A Housing Plan to address the City's identified housing

needs, including housing goals, policies and programs (Chapter 5).

C. Relationships to General Plan Elements

California Government Code Section 65300.5 requires that a general plan be internally consistent, so that no conflicts exist among the elements of the plan. The most important aspect of consistency among general plan elements is that policies and implementation measures in the general plan elements support one another to achieve the goals and vision of the general plan.

The Scotts Valley's General Plan consists of the following eight elements: 1) Land Use; 2) Circulation; 3) Housing; 4) Open Space, and Conservation; 5) Noise; 6) Safety; 7) Public Services and Utilities; and 8) Parks and Recreation. In preparing the ~~2009-2014~~2015-2023~~2~~ Housing Element, the City reviewed goals and policies of the eight elements of the Scotts Valley General Plan and concluded that the Housing Element is consistent with other General Plan elements through the adoption of complementary policies shown below.

~~This Housing Element builds upon the other General Plan elements and is~~

Chart 1-1
Housing Element and General Plan Consistency

General Plan Elements	Housing Element Goals				
	Conserve Housing & Neighborhood	Promote a Diversity of Housing	Assist in the Provision of Affordable Housing	Protect and Conserve Environmental Resources	Further Equal Housing Opportunity
Land Use		✔	✔	✔	✔
Circulation		✔	✔		
Open Space	✔	✔		✔	
Noise and Safety		✔	✔		
Public Services/Utilities	✔	✔	✔	✔	
Parks & Recreation			✔		

This Housing Element builds upon the other General Plan elements and is consistent with the goals and policies set forth therein. For example, residential development capacities established in the Land Use Element are incorporated in the Housing Element; environmental constraints in the Housing Element are consistent with the Open Space/Conservation and Public Services/Utilities elements. The City will continue to maintain consistency between General Plan elements by ensuring that proposed changes in one element will be reflected in other elements.

D. Public Participation

Section 65583 (c) (5) of the Government Code requires local governments to "make diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort." To that end, the City has provided opportunities for residents and interested parties to recommend housing strategies and comment on the Scotts Valley Housing Element.

The Draft Housing Element was posted on the City's website and hard copies provided at City Hall and the library prior to submittal to the California Department of Housing and Community Development (HCD) for review. A notice about its availability was advertised in the Scotts Valley Banner-Valley Press and various housing advocacy stakeholder groups were notified and are listed below:

- California Rural Legal Assistance
- South County Housing Corporation
- The United Way of Santa Cruz County
- Scotts Valley Unified School District
- Habitat for Humanity Santa Cruz
- Scotts Valley Senior Center
- Scotts Valley Chamber of Commerce
- Housing Authority of Santa Cruz
- Community Action Board of Santa Cruz County, Inc.
- Mid-Peninsula Housing Coalition
- Mercy Housing
- Scotts Valley Water District
- Housing Choices Coalition
- County of Santa Cruz Health Services Agency
- Affordable Housing Task Force
- Mobile Home Community

In addition, City staff has conducted face-to-face meetings and conference calls with representatives of a local housing advocacy group, Affordable Housing Now. This group's mission is to work towards preserving and increasing affordable housing for moderate- to low-income individuals and families in Santa Cruz County. Representatives provided their input on current housing issues and ways for the City of Scotts Valley to increase affordable housing opportunities in the community. Before submittal of the draft Housing Element to HCD, the City of Scotts Valley held two public hearings before the Planning Commission on August 13, 2015, and the City Council on October 7, 2015. Each public hearing provided an opportunity for public officials, residents and other stakeholders to comment on the Housing Element draft.

The City received comments on the following topics: preservation of mobile home parks and manufactured homes; supporting the development of accessory dwelling units; and expressing concern over the effect of vacation rentals on the supply of housing in the community. The City determined that vacation rental housing is not currently affecting the supply of housing. These comments were

incorporated into the Housing Element by adding additional programs into the Housing Plan to address accessory dwelling units, mobile homes, and manufactured housing.

After HCD reviews the Draft Housing Element, public hearings will be held before the Planning Commission and City Council for adoption. Notification of these hearings will be posted in advance of each public hearing. The Final Housing Element will be posted on the City's website and hard copies will be provided at City Hall and the library prior to these public hearings.

~~The first opportunity was at the beginning of the process when the City held a scoping meeting on February 5, 2009 which was an opportunity for the public to provide input into the 2009-2014~~2014-2022 ~~Housing Element. This meeting was widely advertised throughout the community and in the local newspapers.~~

~~1. Public Review~~

~~Prior to adopting the draft Housing Element, the City conducted a meeting with the Planning Commission, to which the public was invited. To solicit input from groups that serve lower-income and special needs populations, the City mailed public hearing notices to the following interested parties:~~

- ~~All Homeowner's Associations~~
- ~~Local developers~~
- ~~County Office of Education~~
- ~~Rural Legal Assistance~~
- ~~SV Senior Center~~
- ~~Mobile Home Parks~~
- ~~Habitat for Humanity~~
- ~~US Fish and Wildlife Service~~
- ~~Sierra Club~~
- ~~Affordable housing providers~~
- ~~Utility Providers~~
- ~~Larger Shopping Centers owners~~
- ~~Chamber of Commerce~~
- ~~Local Churches in the City~~
- ~~SV School District and Board~~
- ~~SV Water District and Board~~
- ~~State Fish and Game Department~~
- ~~SCC Transportation Commission~~
- ~~Caltrans District 5~~
- ~~Community Housing Developers~~

~~Copies of the draft Housing Element were provided to the Scotts Valley Water District~~ (SVWD)~~, the Scotts Valley School District, and Chamber of Commerce. For organizations that did not directly receive a copy of the draft Housing Element, the Element was also available on the City's website. Notification was published in the local newspaper in advance of each hearing and announcements of public hearings were made on the website. Display ads were also published in the local newspaper.~~

~~Scotts Valley also has significant environmental issues that must be addressed as part of the City's overall housing policies. One such issue is the availability and adequacy of future water supplies for residents and businesses. The Housing Element reflects a commitment to work with the SVWD to address water source, transmission needs and guarantee an adequate supply for affordable housing projects.~~

COMMUNITY PROFILE

Chapter 2

This chapter discusses the characteristics of residents, summarizes housing opportunities available to residents, and outlines Scotts Valley's housing needs. Programs to address these needs are set forth in Chapter 5.

A. Population Characteristics

Population characteristics affect the housing need in a community. These include population growth, the age and race/ethnicity of residents, household type, employment and income. This section details trends in population characteristics that affect housing need in Scotts Valley.

1. Population Trends

Incorporated in 1966, Scotts Valley has grown from a small town of 3,621 persons in 1970 to a community of 11,580~~65~~ persons in 2010~~05~~. ~~As shown in **Chart 2-1**, Scotts Valley has had the fastest rate of population growth countywide.~~ Over the next decade, the Association of Monterey Bay Area Governments (AMBAG) forecasts that population in Scotts Valley overall will increase to 11,638~~923~~ by ~~2010~~2020. **Chart 2-1** below shows the overall growth in Santa Cruz County from 2000 to 2010. ~~A similar growth is projected for Santa Cruz and Watsonville, while Capitola is projected to experience modest growth.~~

Chart 2-1
Population Growth in Santa Cruz County

Jurisdictions	~~**Chart 2-1**~~ ~~**Population Growth in Santa Cruz County**~~					
	Population Growth					
	1970	**1980**	**1990**	**2000**	**2005**	**2010**
Scotts Valley	3,621	6,891	8,615	11,385	11,565	11,580
Capitola	5,080	9,095	10,171	10,033	9,918	9,918
Watsonville	14,719	23,662	31,099	44,265	49,571	51,199
Santa Cruz	32,076	41,483	49,040	54,593	56,421	59,946
Unincorporated	65,386	107,010	130,809	135,326	132,617	129,739
Santa Cruz County	120,882	188,141	229,734	255,602	260,092	262,382
	~~Source: U.S. Census, 1970-2000; AMBAG,2008~~					

Source: U.S. Census, 1970-2010; AMBAG, 2014

2. Age Characteristics

Scotts Valley's housing needs are determined in part by age characteristics of residents in that each group often has a different lifestyle, family type, income level, and housing preference. As people move through each stage of life, housing needs change. Traditional assumptions are that the young adult population (20 to 34 years old) has a propensity for choosing apartments, low to moderate priced condominiums, and smaller single-family units. In comparison, the adult population (35 to 65 years old) is the primary market for moderate to high-end apartments, condominiums, and larger single-family homes. This age group traditionally has higher incomes and larger household sizes. The senior population (65 years and older) generates demand for low to moderate cost apartments and condominiums, group quarters, and mobile homes. **Chart 2-2** shows the age distribution of the population of the City of Scotts Valley and the change in age distribution over the past decade.

~~**Chart 2-2** and the following text highlight the most significant age changes and influence upon housing needs in Scotts Valley.~~

According to the ~~2000~~2009-2013 American Community Survey, ~~which represents the latest census information available, young adults ages 25 to 44~~middle-age residents are the largest segment in the community, comprising nearly 31~~0~~ percent~~%~~ of residents in Scotts Valley. Middle-age residents (45 to 64 years) have increased by 34 percent while young adults (25 to 44 years) have decreased by 26 percent. Unlike other age groups, middle-age residents are at the peak of their earning power, seeking larger homes, and are more likely to be homeowners. The median age in Scotts Valley also increased by 3 percent.

School age children make up the second largest age group in Scotts Valley with nearly 23 percent of the population falling between the ages of 5 to 19 years old, while young adults, age 25 to 44 years, make up 22 percent of the population.~~. Generally, younger adults occupy rental units, condominiums, or smaller single-family homes that are more affordable in price. However, G~~given the high home prices in Scotts Valley, housing options for young adults are likely to be limited to the rental market. The ~~increase~~ decrease in young adults ~~and families has also resulted~~is accompanied by ~~in a~~ a 24~~corresponding~~54 percent~~%~~ ~~increase~~ decrease in the number ~~of school~~of preschool-age children, and a 10 percent increase in school-age children.

~~The second largest group, middle age adults ages 45 to 64, comprises 23% of the City's population. Since 1990, middle age adults have increased by 66% due in part to the aging of persons in the 35 to 45 age group in Scotts Valley and an influx of persons who commute to Santa Clara County. This trend, evident countywide, is attributable to the baby boom generation. Unlike other age groups, middle-age residents are at the peak of their earning power, seeking larger homes, and are more likely to be homeowners.~~

~~Countywide trends show that the percentage of seniors ages 65 and older declined; however, the senior population in Scotts Valley increased 24% over the 1990s. Typically, seniors live in single-family homes, but may begin to consider trading down their larger homes for smaller dwellings that are more easily maintained after children leave home. In Scotts Valley, many seniors also live in~~

~~the several mobile home parks in the community.~~

Chart 2-2
Age Characteristics and Trends

Age Group	2000		2009-2013~~10~~		% Change in Number
	Population	Percent	Population	Percent	
Preschool, under 5 years	774	6.8%	~~623~~586	5~~5.4~~%	24~~0~~%
School Age, 5-19 years	2,428	21.4%	2,661~~11~~	23~~22.6~~%	10~~8~~%
College Age, 20 to 24 years	537	4.7%	832~~598~~	~~5.2%~~7.2%	55~~11~~%
Young Adults, 25 to 44 years	3,436	30.2%	2,557~~13~~	~~21.7%~~22%	26~~7~~%
Middle Age, 45 to 64 years	2,637	23.2%	3,541~~660~~	30.4~~31.6~~%	34~~9~~%
Senior Citizens, 65 and over	1,573	13.9%	1,441~~575~~	12.5~~3.6~~%	8~~0~~%
Total	**11,385**	**100%**	**11,618~~580~~**	**100%**	**2~~2~~%**
Median Age	**38.3**		**39.5~~41.7~~**		**3~~9~~%**

Source: 2000 U.S. Census and 2009-2013 American Community Survey~~10 Census~~

~~**Chart 2-2**~~

Age Characteristics and Trends

Age Group	1990		2000		% Change in Number
	Persons	Percent	Persons	Percent	
Children (0-18)	2,007	23%	2,939	26%	46%
College Age (18-24)	755	9%	800	7%	6%
Young Adults (25-44)	2,993	35%	3,436	30%	15%
Middle Aged (45-64)	1,592	18%	2,637	23%	66%
Senior Adults (65+)	1,268	15%	1,573	14%	24%
Total	**8,615**	100%	**11,385**	100%	32%
Median Age	35.9 years		38.3 years		

Source: 1990 and 2000 Census

3. Race and Ethnicity

The racial and ethnic composition of a community affects housing needs due to the particular household characteristics of different groups. **Chart 2-3** shows the changes in the racial/ethnic composition of Scotts Valley residents.

In Scotts Valley, White residents are the largest racial group, making up approximately 78 percent of the City's total population, according to the 2009-2013 American Community Survey. Between 2000 and 2013 there was a six percent decrease in the White population of Scotts Valley.~~.~~ The second largest population group is Hispanic/Latino residents comprising approximately 10 percent of the population. From 2000 to 2013, this population group experienced growth at over 69~~58~~ percent.

In addition to the increase in Hispanic residents, demographic trends show that the Black (African-American) population increased from less than 1 percent of the population to nearly 3 percent of the population, and the Asian population increased by 53 percent. Generally, the racial/ethnic make-up of the City has remained the same over the last decade. Compared to Santa Cruz County, Scotts Valley had a similar racial/ethnic distribution, with a higher percentage of White residents.

~~During the 1990s, the demographic composition of Santa Cruz County gradually changed. Countywide, Hispanics, Asians, and African-Americans increased to approximately one-third (34%) of all residents. Scotts Valley experienced similar race/ethnic change during the 1990s, yet to a lesser degree. Shown in **Chart 2-3**, whites comprised the largest race/ethnic group in Scotts Valley, yet this group's representation declined by six percentage points over the decade due to substantial growth by other groups.~~

~~Change in minority representation, while slight, showed in two aspects. Hispanics and Asians recorded the largest increase in population, increasing by approximately 300 residents each. More noticeable was the increase in the number of residents in the "All Other Category." Unlike prior efforts, the 2000 Census allowed respondents to record themselves with multi-ethnic backgrounds. Still, Scotts Valley had a significantly smaller proportion of minorities than elsewhere in Santa Cruz County.~~

Chart 2-3
Trends in Race and Ethnicity

Race/Ethnicity	**2000**		**~~2010~~2009-2013**	
	Persons	**Percent**	**Persons**	**Percent**
Hispanic or Latino	729~~729~~	~~6.4%~~6.4%	1,233~~158~~	10.6%
White ~~Alone~~	~~9,361~~9,694	~~82.2%~~85.1%	9,071~~8,800~~	~~76%~~78.1%
Black or African-American ~~Alone~~	~~55~~95	~~0.5%~~0.8%	335~~101~~	~~0.9%~~2.9%
American Indian and Alaska Native ~~Alone~~	~~46~~133	~~0.4%~~1.2%	~~57~~196	~~0.5%~~1.7%
Asian ~~Alone~~	~~526~~679	~~4.6%~~6.0%	~~590~~1,036	~~5.1%~~8.9%
Native Hawaiian and Other Pacific Islander	~~21~~56	~~0.2%~~0.5%	~~18~~19	0.2%
Some Other Race ~~Alone~~	~~245~~402	~~2.2%~~3.5%	~~292~~152	~~2.5%~~1.3%
Totals	**11,385**	**100%**	**11,580**	**100%**

Source: 2000 ~~and 2010 Census~~U.S. Census and 2009-2013 American Community Survey

Chart 2-3
Trends in Race and Ethnicity

Race/ Ethnicity	1990		2000	
	Persons	Percent	Persons	Percent
White	7,881	91.5%	9,694	85.1%
Hispanic	421	4.9%	729	6.4%
Asian/Pacific Islander	238	2.8%	536	4.7%
African-American	40	<1%	48	0.4%
All Others	35	<1%	378	3.3%
Total	8,615	100%	11,385	100%

Source: 1990 and 2000 Census

~~According to the 2004 Comprehensive Housing Affordability Strategy (based upon the 2000 Census), homeownership levels vary by race and ethnicity. Among whites, 76% of households own their own home. Homeownership rates dip slightly for people of other race and ethnic groups. For instance, approximately 71% of African Americans own a home, followed by Asians/Pacific Islanders (70%), and Hispanics (68%). All Native Americans (8 households) own their homes. Differences observed in homeownership rates are due in part to the average income level of residents.~~

What is a household?

The Census Bureau defines three basic types of households: household, family, and nonfamily.

Household: Defined as all members living in the same home regardless of relationship.

Family household: Refers to persons living in the same home related by blood, marriage, or adoption.

Nonfamily households: defined as households consisting of unrelated individuals living together.

4. Household Type

Household composition affects housing needs within Scotts Valley. For instance, younger adults entering the labor market often look for smaller and more affordable housing, which is difficult to find in Scotts Valley. In contrast, families and middle age adults often look for larger housing that can comfortably accommodate children. Although many seniors live in single-family homes, they may consider smaller homes that are easily maintained. **Chart 2-4** summarizes the changes in the number of households in the City and County since 2000. The 2009-2013 American Community Survey estimates that there are 4,229 households in Scotts Valley, a 1 percent decrease since 2000. During the same period, total households in Santa Cruz County increased by about 3 percent.

Chart 2-4
Total Households

Area	2000	2009-2013~~010~~	% Change in Number
Scotts Valley	4,273	4,229	-1%
Santa Cruz County	91,139	93,504	2.6%

Source: 2000 U.S. Census and 2009-2013 American Community Survey

~~In 2000, Scotts Valley had 4,273 households~~According to the ~~2010 U.S. Census~~2009-2013 American Community Survey, there were 4,227 households in the City of Scotts Valley with an average household size of 2.67 persons. Of these~~at~~ ~~total~~households, 3,009~~,086~~ (approximately 71 percent) were comprised of families. ~~families comprised 69% and non-families the remaining 31%.~~ Nonfamily households made up the remaining 29~~30~~ percent of households in Scotts Valley. Household characteristics are shown in **Chart 2-5.** The fastest growing segment of households was "Family Households with ~~no~~ own children under 18 years."

~~As shown in **Chart 2-4**, married families with children increased the fastest among all households, followed by other families, resulting in a slight increase in the average household size. Still, Scotts Valley had a smaller average household size of only 2.5 persons.~~

~~In addition to conventional housing, Scotts Valley has approximately 4% of its population living in group quarters. A total of 452 residents live in group quarters and are not counted as households per se. This population is comprised of a large senior congregate housing facility and additional residential care facility providing approximately 200 to 250 beds, and Bethany College dorms accommodating approximately 225 students.~~

Chart 2-54
Household Characteristics

Household Type	2000		2009-2013~~10~~		% Change in Number
	Number	Percent	Number	Percent	
Family Households	2,968	70%	3,009	71%	1%
With children	1,244	29%	1,620	38%	30%
Without children	1,413	33%	1,389	33%	2%
Non-Family Households	1,305	31%	1,218	29%	7%
Single Person	1,001	23%	977	23%	2%
Total Households	**4,273**	**100%**	**4,227**	**100%**	**1%**
Average Household Size	**2.56**		**2.67**		**4%**
Average Family Size	**3.05**		**3.13**		**3%**

Source: 2000 U.S. Census and 2009-2013 American Community Survey

As indicated in **Chart 2-5**, the average household size in Scotts Valley increased from 2.56 to 2.67 persons per household. As noted in **Chart 2-6**, among neighboring cities, Scotts Valley has a similar household size. The average household size among neighboring cities range from a low of 2.27 persons per household in the City of Capitola to a high of 3.05 persons per household in the City of Watsonville. Santa Cruz County had an average of 2.72 persons per household.

Chart 2-6
Average Household Size

Jurisdiction	Persons Per Household
Scotts Valley	**2.67~~55~~**
Capitola	2.27~~11~~
Watsonville	3.70~~5~~
Santa Cruz	2.55~~39~~
Santa Cruz County	2.72~~66~~

Source: 2009-2013 American Community Survey~~2010 Census~~

In addition to conventional housing, Scotts Valley has approximately 272 residents (2.3 percent) living in group quarters as of January 2013, according to the Department of Finance's City/County Population and Housing Estimates. This population is comprised of a large senior congregate housing facility and additional residential care facilities providing approximately 200 to 250 beds.

Household Type	1990 Number	1990 Percent	2000 Number	2000 Percent	% Change in Number
Total Households	3,342	100%	4,273	100%	28%
Family Households					
Married With Children	865	26%	1,244	29%	44%
Married No Children	1,077	32%	1,249	29%	16%
Other Families	333	10%	475	11%	43%
Non-Family Households					
Single Person	822	25%	1,001	23%	22%
Other Non-Families	245	7%	304	7%	24%
Average Household Size	2.48		2.56		3%

Source: 1990 and 2000 Census

B. Economic Characteristics

Located in northern Santa Cruz County, Scotts Valley developed in part as a bedroom community of Silicon Valley., and many Many County major employers have relocated to the community City providing and provided higher paying jobs to the arearesidents. ChangesTransitions in the Silicon Valley and the general technology industryies, however, will continue to affect the the economy of the Cityfirms relocating to the city and the income of residents.

1. Employment Market

The 2009-2013 American Community Survey estimates that there were 6,314 people, aged 16 years and older, in the Scotts Valley labor force. There were 5,774 Scotts Valley residents employed, indicating an unemployment rate of approximately 5.7 percent. This is lower than Santa Cruz County's unemployment rate of 6.14 percent.

According to the 2000 Census, 5,690 Scotts Valley residents were in the labor force (66% of the eligible population), with a 2.6% unemployment rate. This is significantly lower than the 6.0% unemployment rate countywide. According to 1999 Economic Census, Scotts Valley had 512 retail, professional, scientific, technical, and manufacturing firms representing half the entire business base and employing 3,500 people. **Chart 2-5** shows the largest employers in Scotts Valley.

Silicon Valley has grown to 1.5 million jobs over the past 50 years. The 1950-1960s saw expansion into the defense-related industries. This was followed by an expansion into integrated circuits from the 1960-1980s. Application of these technologies led to the personal computer industry, which dominated the 1980- to mid-1990s, and the internet industries of the 1990s. Scotts Valley's employment base has followed these patterns since the early 1970s.

~~According to 2002 Projections,~~ Over 230,000 jobs were created in the Silicon Valley during the late 1990s, mostly in the ~~internet and~~ high technology sector. However, since 2000, as the region lost 92,000 of those jobs due to regional, national and global factors, changes occurred in Scotts Valley. For instance, the ~~–~~previous headquarters for Borland ~~complex –~~Software ~~–~~is ~~–~~now called Enterprise Technology Center and is leased to multiple small businesses. ~~Along with this trend, more than 500,000 square feet of commercial office space is currently vacant.~~ According to the Scotts Valley Chamber of Commerce, major employers in the City include:

- Bay Photo Lab
- Central California Alliance for Health
- Comcast of Ca/MA/Mi/Utah, Inc.
- Digital Dynamics
- Easton-Bell Sports, Inc.
- Embarcadero Technologies, Inc.
- Fox Racing Shox
- Hilton Scotts Valley
- Innerstep, Bse.
- Nob Hill Foods #620
- Oak Tree Villa
- Oxford/X-Ray Technology Group
- Safeway
- Seagate Technologies
- Threshold Enterprises, Ltd.
- Universal Audio
- Zero Technologies

According to the Association of Monterey Bay Area Governments (AMBAG) 2014 Regional Growth Forecast, between the years 2004 and 2010, the number of jobs in Scotts Valley ~~Between 1998 and 2004, the number of jobs gradually~~ decreased from ~~6,355~~5,399 to 5,164~~399~~ jobs, while the number of housing units increased from 4,565~~121~~ to ~~,565~~4,610. The job to housing ratio has thus declined from 1.18 in 2004 to 1.12 in 2010. This means that the number of jobs is declining in relation to the number of housing units in the City. AMBAG considers that 1.50 is an appropriate balance between jobs and housing.

~~declined from 1.54 in 1998 to 1.18 in 2004. This means that the number of jobs is declining in relation to the number of housing units in the City. The Association of Monterey Bay Area Governments (AMBAG) considers that 1.50 is an appropriate balance between jobs and housing.~~

2. Occupational Profile

~~Scotts Valley's higher median household income is reflective of the type of occupations held by residents. As shown in **Chart 2-6**, three of every four residents in the workforce held managerial and professional positions or sales/technical/ administrative occupations. Of particular note, 53% of City"s residents in the workforce held managerial and professional jobs. While the 2000 Census does not estimate household income associated with different jobs, regional estimates can be derived from the National Compensation Survey. More than half of all jobs held by Scotts Valley residents earn salaries ranging from $70,000 to $80,000, on average. However, because many households have multiple wage earners, the income for many householders is likely to be significantly higher.~~

Scotts Valley's higher median household income is reflective of the type of occupations held by residents. Of the occupational categories listed in **Chart 2-7**, the most prominent industry was educational services, and health care and social assistance occupations with approximately 26 percent of all residents employed in this sector. The next highest category, at 13 percent, is manufacturing followed by professional, scientific, and management, and administrative and waste management service at 11 percent. Generally, pay compensation for managerial, professional and related occupations are significantly higher than all of the other occupation categories. However, because the categories listed below are broad, it is difficult to draw more specific conclusions. The education, health and social services industry, however, has been growing and is expected to continue to grow as long as the State population continues to grow and the aging "baby boomer" population continues to grow.

Chart 2-7
Employment by Sector

Industry Sector	Jobs	Percent
Agriculture, forestry, fishing and hunting, and mining	0	0%
Construction	407~~396~~	7.0~~6.8~~%
Manufacturing	772~~777~~	13.4~~3~~%
Wholesale trade	211~~123~~	3.7~~2.1~~%
Retail trade	628~~627~~	10.9~~7~~%
Transportation and warehousing, and utilities	102~~152~~	1.8~~2.6~~%
Information	50~~44~~	0.9~~8~~%
Finance and insurance, and real estate and rental and leasing	377~~386~~	6.5~~6~~%
Professional, scientific, and management, and administrative and waste management services	672~~668~~	11.6%
Educational services, and health care and social assistance	1,514~~1,561~~	26.2~~7~~%
Arts, entertainment, and recreation, and accommodation and food serviced	563~~547~~	9.8~~4~~%
Other services, except public administration	216~~292~~	3.7~~5.5~~%
Public administration	262~~277~~	4.5~~7~~%
Total (civilian employed population)	**5,774~~5,850~~**	**100%**

Source: 2009-2013 American Community Survey

Chart 2-6
Occupations of Scotts Valley Residents

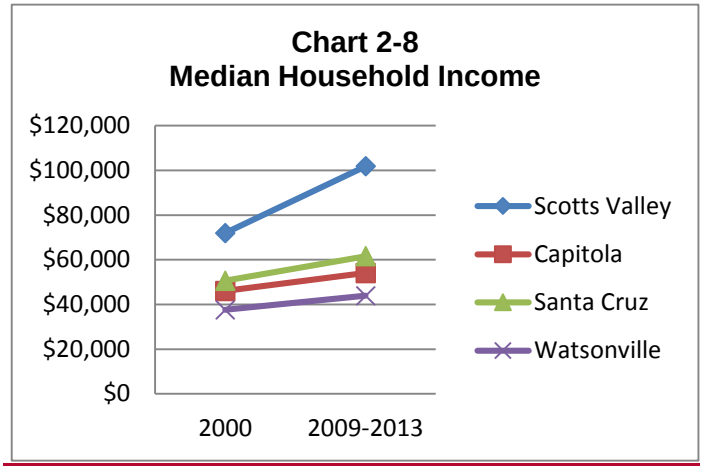
Occupational Category	Jobs		2000 Mean Salary
	Persons	Percent	
Managerial Positions	1,321	24%	$82,000
Professional and related	1,628	29%	$71,100
Sales and office	1,378	25%	$35,700
Service Occupations	554	10%	$22,400-$43,800
Production, transportation, etc	279	5%	
Construction, extraction/maint.	352	6%	
Farming, Forestry, Fishing	29	1%	$18,500
Total	5,541	100%	

Source: 2000 Census.
National Compensation Survey, Bureau of Labor Statistics

3. Household Income

Many City residents work in ~~manufacturing, technology~~education, services, ~~-~~health care, social assistance, manufacturing, and other high-paying industries. According to the 2009-2013 American Community Survey, the median household income in Scotts Valley was $101,837. This is higher than the neighboring cities of Capitola, Santa Cruz, and Watsonville. ~~compared to any other community in Santa Cruz County.~~ Furthermore, over the past decade, ~~0,~~ Scotts Valley's median household income also rose faster than all other cities in the county. **Chart 2-8~~7~~** shows the change in median household income for four cities in Santa Cruz County.~~/all cities.~~

Chart 2-9~~8~~ summarizes~~details~~ the ~~reason for this change~~household income trends in Scotts Valley. While the number of households in income groups below $75,000~~100,000~~ decreased~~declined or remained ,the same,~~ those earning more than $75,000~~100,000~~ increased. Households earning between $100,000 and $150,000 increased nearly ~~261~~12 percent~~%~~, while the number of households earning more than $150,000 increased by ~~570~~93 percent~~%~~. While part of this change is presumably due to inflation, the primary reason is that many of Scotts Valley residents work in increasingly higher paying jobs.



Source: 2000 U.S. Census and 2009-2013 American Community Survey~~2010 Census~~

Chart 2-9
Household Income Trends

Income Category	No. of Households		% Change ~~in Number~~
	2000	2009~~8~~ - 2013~~2~~	
< $25,000	551	478	-13.2%
$25,000 to $34,999	426	254	-40.4%
$35,000 to $49,999	510	321	-37.1%
$50,000 to $74,999	708	342	-51.7%
$75,000 to $99,999	547	634	15.9%
$100,000 to $149,999	951	1,061	11.6%
More than $150,000	589	1,137	93.0%
Total	4,282	4,227	---

Source: 2000 U.S. Census and 2009~~8~~-2013~~2~~ American Community Survey~~, 5-year~~

estimatesCS

Chart 2-8
Household Income Trends

Income Category	No. of Households		Change in Number	% Change in Number
	1990	2000		
< $25,000	839	551	-288	-34%
$25,000 to $34,999	384	426	+42	11%
$35,000 to $49,999	641	510	-131	-20%
$50,000 to $74,999	705	708	+3	--
$75,000 to $99,999	490	547	+57	12%
$100,000 to $150,000	263	951	+688	261%
More than $150,000	88	589	+501	570%
Total	3,410	4,282	---	---

Source: 1990 and 2000 Census

Median household income varies depending upon household characteristics. According to the ~~2000 Census~~2009-2013 American Community Survey, married couple families earned a median income of $124,806~~101,297~~ – more than double than that earned by nonfamily ~~-~~households~~other families and single-persons~~. ~~Part of the reason is that two-thirds of all married families have two or more workers (2000 Census). Household income is highest during working years, with householders between the ages of 25 and 64 earning a median income ranging from $81,000 to $101,000. In contrast, seniors and single-persons earned a median income in the mid $30,000s.~~

Households are often grouped into different income categories and types to facilitate assessment of needs and prioritizing assistance for housing. For state housing programs and for the Regional Housing Needs Assessment, ~~Plan~~ discussed later, households are grouped into four income categories. ~~, expressed relative to the Area Median Income (AMI). The following income thresholds issued by HCD in 1999 2014 for the Santa Cruz-Watsonville metropolitan area were used to calculate the income distribution of households living in Scotts Valley for the 2000 Census2008-2012 American Community Survey.~~

Assessing income groups is a major component of evaluating housing affordability. According to the 2009-2013 American Community Survey, the annual median household income in Scotts Valley is $101,837. The State Department of Housing and Community Development developed the following income categories based on the Median Family Income (MFI) of a Metropolitan Statistical Area (MSA) established by the U.S. Department of Housing and Urban Development:

Very Low income: 0-50% of MFI ~~AMI or up to $30,500~~
Low income: 51-80% of MFI ~~AMI or up to $47,800~~
Moderate income: 81-120% of MFI ~~AMI or up to $61,000~~
Upper income: Above 120% of MFI ~~or over $73,200~~

The 2014 MFI for the Santa Cruz-Watsonville metropolitan area of $77,900 was used to interpolate the City's income distribution from the Census according to the above categories. Based on the 2009-2013 American Community Survey, the income distribution of the City of Scotts Valley is presented in **Chart 2-10.** It is estimated that approximately 17 percent of households earned less than $34,999 annually; approximately 16 percent earned between $35,000 and $74,999 annually; 15 percent earned between $75,000 and $99,999 annually; and the remaining 52 percent earned over $100,000 annually.

Chart 2-10
Household Income

Income Level	Number of Households	Percent of Total
< $10,000	173	4.1%
$10,000 to $14,999	85	2.0%
$15,000 to $24,999	220	5.2%
$25,000 to $34,999	254	6.0%
$35,000 to $49,999	321	7.6%
$50,000 to $74,999	342	8.1%

$75,000 to $99,999	634	15.0%
$100,000 to $149,999	1,061	25.1%
$150,000 to $199,999	604	14.3%
$200,000 or more	533	12.6%
Total	4,227	

Source: 2009-2013 American Community Survey~~, 5-year estimates~~

~~As shown below in **Chart 2-9**, 52% of all renters earn low incomes compared to 29% of all homeowners. This finding is expected given the high cost of housing in Scotts Valley. Approximately 23% of renters earn moderate incomes versus 18% of homeowners. As expected for those owning homes, 53% of homeowners versus 25% of renters earn above-moderate incomes.~~

~~Chart 2-9~~
~~Household Income Distribution~~

~~Income Category~~	~~Household Characteristics~~		
	~~Total~~	~~Renters~~	~~Homeowners~~
~~Median Income~~	~~$72,500~~	~~$43,000~~	~~$90,500~~
~~Very Low~~	~~702 (14%)~~	~~330 (25%)~~	~~372 (10%)~~
~~Low~~	~~1,059 (21%)~~	~~356 (27%)~~	~~703 (19%)~~
~~Moderate~~	~~973 (19%)~~	~~302 (23%)~~	~~671 (18%)~~
~~Above-Mod~~	~~2,304 (46%)~~	~~323 (25%)~~	~~1,980 (53%)~~
~~Total~~	~~5,038 (100%)~~	~~1,312 (100%)~~	~~3,726 (100%)~~

~~Source: 2000 Census~~

~~Notation:~~
~~HCD income limits for the same timeframe in which household income was~~
~~r the 2000 Census was used to interpolate income categories.~~

C. Special Needs Groups

Scotts Valley, like many communities is home to a range of residents with special needs that affect their ability to afford or find suitable housing. State law defines special needs households to include seniors, ~~people~~ persons with disabilities, persons with developmental disabilities, female headed households, large households, homeless people, and farmworkers. ~~Though state law does not mention them, the City also has a number of college students and forestry workers who may have additional difficulties securing housing in Scotts Valley.~~

What are special housing needs?

California housing law considers certain households as having special needs due to income, household size, disability, or employment status that affect their ability to find suitable housing.

~~This section provides a discussion of the special needs facing each group, as well as the major programs and services available to address their housing and supportive service needs. **Chart 2-10** summarizes changes in the number and relative proportion of special needs groups residing in the community. The City has set up a special commission to deal with ADA issues related not only to public improvements and facilities but regarding the construction of units which will provide accessibility.~~

~~**Chart 2-10**~~
~~**Special Needs Groups**~~

~~Special Needs Group~~	~~1990~~		~~2000~~	
	~~Number~~	~~Percent~~	~~Numbe~~	~~Percent~~
~~Senior Households (65+)~~	~~89~~	~~27%~~	~~9~~	~~23%~~
~~Disabled Persons (16-64)~~	~~N.A.~~	~~N.A.~~	~~1,251~~	~~11%~~
~~Female Headed~~	~~85~~	~~26%~~	~~1,434~~	~~34%~~
~~Single Parent w/children~~	~~22~~	~~7%~~	~~3~~	~~7%~~
~~Large Households (5+ persons)~~	~~26 9~~	~~8%~~	~~3 7~~	~~9%~~
~~College Students~~	~~90~~	~~11%~~	~~1,095~~	~~10%~~
~~Homeless Persons~~	~~N.A.~~	~~N.A.~~	~~2~~	~~<1%~~
~~Farm Workers~~	~~59~~	~~<1%~~	~~3~~	~~<1%~~

~~Source: 1990 and 2000 Census~~

1. Senior Households

The special housing needs of the elderly are an important concern in Scotts Valley. Many of the elderly residents in the City are retired and living on a fixed income, which puts them at greater risk for housing overpayment. In addition, the elderly may have special needs related to housing construction and location. The elderly often require ramps, handrails, lower cupboards and counters to allow greater access and mobility. In terms of location, because of limited mobility, senior households typically need access to public facilities (i.e., medical and shopping) and public transit facilities.

For Housing Element purposes~~d~~, a senior householder is defined as one who is 65 years or older. As estimated in the 2009-2013 American Community Survey, 12 percent of the total population were 65 years or older in Scotts Valley. In terms of housing tenure, 26 percent of owner-occupied and 18 percent of renter-occupied units were headed by occupants 65 years old or older. ~~Senior households are considered a special needs group because their limited income, health costs, and higher prevalence of disabilities make it more difficult to afford suitable housing. For Housing Element purposes, a senior householder is defined as one who is 65 years and older. According to the 2000 Census, the number of seniors increased 24% in the last ten years. Of the 965 households headed by a senior, 742 were owners.~~

~~Seniors have special needs related to their disabilities, limited income, and resulting housing cost burden. For instance, a high proportion of seniors have a self-care or mobility limitation, which makes it difficult to go outside the home alone or take care of one"s personal needs. Seniors typically earn very low income; the mean social security income was $10,600 while the mean retirement income was $19,200 in 2000. This restricts the ability of seniors to afford other necessities of life, in particular medical care and suitable housing.~~

While many seniors live in conventional single-family housing, mobile homes also provide lower cost rental and ownership housing options. According to the Department of Finance, there were 763 mobile homes in Scotts Valley as of January 2013~~..more than 750 mobile homes provide lower-cost rental and ownership housing.~~ Apartments also provide rental housing for seniors and, for those earning very low incomes, the Housing Authority provides rental subsidies. ~~to seniors.~~ For more specialized care, the City is also~~also is~~ home to a large congregate care facility, Oak Tree Villa, which provides~~providing~~ a more supportive living environment for senior adults. Of the 204~~0~~ units in this complex, 10 percent~~%~~ have been reserved~~restricted to~~ for low-income households.

2. Persons with Disabilities ~~Disabled Persons~~

Physical and mental disabilities can hinder access to traditionally designed housing units as well as potentially limit the ability to earn adequate income. As shown in **Chart 2-11**, the 2009-2013 American Community Survey estimates that 5 percent of Scotts Valley's population age 18 years and older has some form of disability. In comparison, 33 percent of the City's population age 65 years and over has one or more disabilities.

Although no current comparisons of disability with income or household size are available, it is reasonable to assume that a substantial portion of persons with disabilities would have annual incomes within Federal Section 8 income limits, especially those households not in the labor force. Furthermore, many lower-income persons with disabilities are likely to require housing assistance. Their housing needs are further compounded by design issues and location requirements, which can often be costly. For example, special needs of households with wheelchair-bound or semi-ambulatory individuals may require ramps, holding bars, special bathroom designs, wider doorways, lower cabinets, elevators, and other interior and exterior design features.

Chart 2-11
Disability Status

Age and Disability Status	Persons 18-64 Years Old	Persons 65 Years and Older
Hearing Disability	140	255
Vision Difficulty	83	83
Cognitive Difficulty	71	173
Ambulatory Difficulty	104	318
Self-Care Difficulty	16	119
Independent Living Difficulty	37	233
Total with Disability	**358**	**477**
Total Population in City	7,414	1,439

Source: 2009-2013 American Community Survey~~, 5-year estimates~~

~~Disabled persons have special housing needs because of their fixed income, the limited numbers of accessible and affordable housing, and the medical costs of their disability. According to ADA, a disabled person has a physical or mental impairment that substantially limits one or more major life activities. However, few accurate statistics are available on disabilities. According to the Census, Scotts Valley has approximately 1,250 residents with a disability, not counting those living in convalescent homes.~~

Many persons with disabilities live in an independent fashion in conventional housing or with other family members in their homes. To maintain independent living, ~~disabled persons~~persons with disabilities may need special assistance. Central Coast Center for Independent Living in Capitola provides advocacy, workshops, disability awareness training, peer support, housing assistance, and independent living training. ~~Disabled persons~~Persons with disabilities can also benefit from special housing design features, income support for those unable to work, and in-home supportive services for persons with medical conditions.

For ~~disabled persons~~persons with disabilities requiring a supportive environment, residential care facilities provide another option. Scotts Valley allows State-authorized, certified or licensed family day care homes, foster homes, or group homes serving six or fewer disabled persons in the community. Scotts Valley currently has two such facilities providing approximately 250 beds for the elderly and ~~disabled community~~persons with disabilities. As noted earlier~~above~~, the Oak Tree Apartments reserves 10 percent~~%~~ of their units as affordable to lower-income households.

3. Persons with Developmental Disabilities

According to Section 4512 of the Welfare and Institutions Code a "developmental disability" means a disability that originates before an individual attains age 18 years, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual which includes mental retardation, cerebral palsy, epilepsy, and autism. This term also includes disabling conditions found to be closely related to mental retardation or to require treatment similar to that required for individuals with mental retardation, but does not include other handicapping conditions that are solely physical in nature.

Many persons with developmental disabilities can live and work independently within a conventional housing environment. Individuals with more severe developmental disabilities require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disability exists before adulthood, the first issue in supportive housing for persons with developmental disabilities is the transition from the person's living situation as a child to an appropriate level of independence as an adult.

The State Department of Developmental Services (DDS) currently provides community based services to approximately 243,000 persons with developmental disabilities and their families through a statewide system of 21 regional centers, four developmental centers, and two community-based facilities. The San Andreas Regional Center is one of 21 regional centers throughout California serving individuals and their families who reside within Monterey, San Benito, Santa Clara, and Santa Cruz Counties. The San Andreas Regional Center is a community-based, private nonprofit corporation that is funded by the State of California to serve people with developmental disabilities. According to information provided by the San Andreas Regional Center in Watsonville, the Regional Center serves 133 individuals, age 3 to 80 years, diagnosed with a cognitive or developmental disability in the City of Scotts Valley.

There are a number of housing types appropriate for people living with a development disability, including rent subsidized homes, licensed and unlicensed single-family homes, inclusionary housing, Section 8 vouchers, special programs for home purchase, HUD housing, and SB 962 homes. The design of housing-accessibility modifications, the proximity to services and transit, and the availability of group living opportunities represent some of the types of considerations that are important in serving this group. Incorporating "barrier-free" design in all new multi-family housing (as required by California and Federal Fair Housing laws) is especially important to provide the widest range of choices for residents with disabilities. Special consideration should also be given to the affordability of housing, as people with disabilities may be living on a fixed income.

~~3.~~4. ~~Families with Children~~Large Households and Female-Headed Households

~~Given the escalation of prices and rents for housing in Scotts Valley in recent years, families have a greater difficulty in affording suitable housing. Two groups of families are defined as special needs groups by the State of California.~~ Large households with five or more members comprise a special need group because of their need for larger units, which are often in limited supply. Female-headed households, comprised largely of female, single-parents with children, also have a greater need of child care and affordable housing.

Large families have difficulty finding housing, particularly rental housing.

Difficulties in securing housing are more challenging for renters because multi-family rental units are typically smaller than single-family ownership units. While apartment complexes offering two and three bedrooms are common, apartments with four or more bedroom units are rare. Additionally, throughout the region, larger single-family homes, whether to rent or own, are generally not affordable to the majority of lower income households. To save on living expenses, lower-income large households often reside in small or too-expensive units, resulting in overcrowding and overpayment. According to the 2009-2013 American Community Survey, approximately 26 percent of total households in the City are large households of four or more persons. Of renter-occupied households, 15 percent are large households. ~~of which 72 (20%) are rentersThe City of~~ Scotts Valley has a significant stock of large homes for families and affordable projects (e.g., Emerald Hill), but fewer market rate larger apartments that are affordable.

Single-parent households often require special consideration and assistance due to their greater need for affordable and accessible day care, health care, and other supportive services. In particular, many female-headed households with children are susceptible to having lower incomes than similar two-parent households. Single, female mothers also face social marginalization pressures that often limit their occupational choices, housing options and access to supportive services. The 2009-2013 American Community Survey, estimates that 11 percent of households in Scotts Valley are female-headed households, with children under 18 years of age.

~~According to the 2000 Census, Scotts Valley has 1,434 female headed family households or 33% of all households and 311 single-parent families. In 1999, female headed households earned a median income of $40,100 and single-parents females with children earned a median income of $33,500 – approximately half the median income of all families in Scotts Valley. Given that single-parents spend 12% to 25% of income on childcare, many also have less disposable income for housing and other basic necessities.~~

~~4.~~5. College Students

College students have special housing needs due to limited income. Many students who attend community college on a part time basis have full-time jobs, while full-time students often work less. In the latter case, students often earn low incomes, and pay more than half their income for housing.~~, and/or may to afford rents. According to the 1990 Census, about 900 persons or 27% of Scotts Valley residents attended college.~~

Scotts Valley is located near several colleges; University of California~~ at~~ Santa Cruz (UCSC) has ~~14,000~~16,000 students and Cabrillo College has ~~15,000~~17,000 students. Although UCSC provides a substantial number of student units, UCSC has had to contract with several motels to address the high demand for housing. With the closure of Bethany College (enrollment of approximately 500 students) in Scotts Valley in 2011, the demand for college student housing has decreased.~~Locally, The City of Scotts Valley is home to Bethany College, a liberal arts college of 500 students. The College provides 300 students with on-campus housing. The demand for student housing is~~

~~anticipated to increase -- the "Bethany 2012" vision calls for increasing enrollment by 1,700 students by 2012.~~

~~5.~~6. Farming, Forestry, and Fishing Jobs

Scotts Valley's location in the Santa Cruz Mountains and nearby agricultural setting means that some residents may~~will~~ work in the farming, forestry, and mining industries. While the 2009-2013 American Community Survey does not include an estimate of the number of individuals working in the agriculture, forestry, fishing and hunting, and mining industry, there is a +/- 20 margin of error indicated, which means that some residents in the City may work in the industry.~~According to the 2000 Census, 32 Scotts Valley residents were employed in farming, forestry, fishing, and mining industry~~. In Scotts Valley, these jobs are primarily attributable to mining and forestry work. Forestry workers are employed by the Department of Forestry/Fire Protection.

Contrary to popular opinion, forestry jobs pay some of the lowest incomes. This is because the forestry industry hires part-time workers. The federal government sets wages that are not adequately adjusted for regional and local differences in the cost-of-living. According to the Employment Development Department, the mean wage for farming and forestry industry ranges from $19~~6,000~~,-000 for farm workers to approximately $21,000~~00~~ for forestry workers. Thus, farming and forestry workers are often in need of subsidized or affordable housing.

~~6.~~7. Homeless Persons

According to the 2015 Santa Cruz County Homeless Point-in-Time Census & Survey, 1,964 homeless individuals were counted in Santa Cruz County. Sixty-nine percent of the homeless population was unsheltered, living on the streets, in parks, encampments, vehicles, or other places not meant for human habitation. The remaining 31 percent were sheltered, which includes emergency shelters and transitional housing. Of the 1,964 homeless individuals counted, 14 were located in the City of Scotts Valley and were unsheltered.

~~Santa Cruz County estimates that 3,293 people are homeless countywide of which 174 live in Scotts Valley. Upon closer review of this survey, however, this survey overestimated homelessness in Scotts Valley, because it was based in part on vehicle counts as well as the homeless count included in census tracts that extended well outside the City's boundaries and near Santa Cruz's homeless shelter. In contrast, the Police Department has estimated the actual number of homeless people to range from 10 to 25 at any one time and this was verified in February 2009 when the City participated in a county wide homeless count.~~

To meet the estimated homeless needs in the community, the City permits homeless shelters by-right in the C-S, C-SC, and P zoning districts; and permits them with a conditional use permit in the I-L zoning district. Currently, there is over 150 total acres in the C-S zone; approximately 40 total acres in the C-SC zone; over 170 total acres in the P zone; and approximately 141 acres in the I-L zone. These zoning districts provide multiple vacant and underutilized properties with more than sufficient capacity for at least one emergency shelter

to meet the identified homeless need in Scotts Valley. The City identified these zoning districts because the majority of services are located within these areas, including retail and commercial, public facilities, and employment areas. These zoning districts are also located along the City's main thoroughfares, including Scotts Valley Drive and Mt. Hermon Road, which is currently served by Santa Cruz Metropolitan Transit District. Additionally, Transitional and supportive housing are permitted by-right in all residential zones. ~~Given the few homeless in Scotts Valley and the extensive service center in Santa Cruz, there has been no demand for duplicate sites in Scotts Valley. Should demand for shelters and transitional housing arise, the City permits emergency shelters in the C-S and C-SC zones. The City has amended the Zoning Code to permit transitional housing in the I-L zoning district.~~ The City ~~does not have either type of facility but does have~~ has one residential treatment facility for persons recovering from substance abuse. The sober living environment (SLE), the Evolving Door, provides a clean and sober home for alcoholics, addicts, and others in recovery.

In North County, Valley Churches United Mission provides emergency food services. The Homeless Garden Project provides job-training. The Homeless Community Resource Center offers free meals, bathing, laundry, mail, phone facilities, referrals, and job counseling. The Shelter Project (TSP) provides motel vouchers to homeless persons and provides emergency short-term rent assistance for persons at risk of eviction. St. Phillip the Apostle Episcopal Church and ReGeneration Church/Calvary Chapel also offer services that focus on the community's lower income populations. ~~New Horizons School also provides elementary education and supportive services for homeless children.~~

8. Extremely Low-Income Households

The U.S. Department of Housing and Urban Development periodically receives custom tabulations of data from the U.S. Census Bureau that are largely not available through standard Census products. These data, known as the Comprehensive Housing Affordability Strategy (CHAS) data, demonstrate the extent of housing problems and housing needs, particularly for low-income households. According to 2007-2011 CHAS data generated for the City there were approximately 840 very low-income households living in Scotts Valley. Very low-income households are those households that earn 50 percent or less of the median family income (MFI) for the statistical region in which they are located. Extremely low-income households are those households which earn less than 30 percent of the MFI. There are approximately 500 extremely low-income households in Scotts Valley (renters and owners).

There are opportunities to address the housing needs of extremely low-income households in Scotts Valley through the City's overall programs for housing affordability and through development regulations. The City has taken into account the number of extremely low-income households reported by the CHAS data available and assumes that their projected need will be approximately 50 percent of the very low income RHNA allocation.

D. Housing Characteristics

Housing characteristics also determine how the housing stock fits the needs of residents. This section analyzes housing characteristics, including the type of housing units available, the ownership and vacancy rates, age and condition, and the price and affordability of housing.

1. Housing Types

According to the ~~2000 Census~~2009-2013 American Community Survey, Scotts Valley had ~~4,477~~4,341 housing units~~, representing a growth of 92 units annually since 1990~~. As shown below, the majority of units in Scotts Valley are single-family detached homes, which increased in number and proportion from ~~59~~55 percent~~%~~ in ~~1990~~ 2000 to ~~64~~59 percent~~%~~ of the housing stock by 2013~~2000~~. ~~Multi-family units also increased in number and remained at approximately~~proportion and supply approximately ~~26~~18 percent~~% of the City's housing stock.~~ Mobile homes continue to provide a relatively larg~~er~~ proportion of the City's housing at nearly 15 percent~~%~~. **Chart 2-~~1~~12~~11~~** provides a summary of key housing characteristics in Scotts Valley.

Chart 2-12
Housing Unit Characteristics

Housing Type	2000	2009~~8~~-2013~~2~~
Single-Family-Detached	55%	58.7~~59~~%
Single-Family-Attached	9%	12.8~~13~~%
Multi-Family (2-4 units)	9%	5.2~~4~~%
Multi-Family (5 or more)	9%	8.7~~9~~%
Mobile homes/other	17%	14.6~~15~~%
Total	**100%**	**100%**
Rental Vacancy Rate	3.4%	3.5~~3.2~~%
Ownership Vacancy Rate	0.7%	1.2~~2.4~~%

Source: ~~Census~~ 2000 U.S. Census and ~~2008-2012 ACS~~2009-2013 American Community Survey~~, 5-year estimates~~

Chart 2-11
Housing Unit Characteristics

Housing Type	1990		2000	
	Number	Percent	Number	Percent
Single-Family-Detached	1,764	50%	2,457	55%
Single-Family-Attached	327	9%	408	9%
Multi-Family (2 – 4 units)	363	10%	376	9%
Multi-family (5 or more)	279	8%	422	9%
Mobilehomes/other	823	22%	814	17%
Total	3,556	100%	4,477	100%
Rental Vacancy Rate		7.6%		3.4%
For-Sale Vacancy Rate		3.1%		0.7%

Source: 1990 and 2000 Census

2. Housing Tenure and Vacancies

During the ~~Over the~~ ~~1990s~~2000s, the tenure distribution of housing in the City remained stable with 4,307 total occupied housing units. According to the 2009-2013 American Community Survey, Scotts Valley had~~s~~ an estimated~~d~~ ~~4,307~~4,227 occupied units, comprised of ~~3,229~~3,229~~8~~ owner-occupied and 998~~1,078~~ renter-occupied households. Including vacant units, Scotts Valley has a total of 4,341 housing units. For the years 2009-2013, Scotts Valley ~~also~~ had~~s~~ a high homeownership rate of over 76~~-75%,~~ percent~~-~~, which is well above the county average of ~~47~~59 percent~~%~~. ~~Perhaps another important indicator is that housing vacancy rates, which declined over the decade as well.~~ Vacancy rates in the City are low, at ~~3.4~~3.5 percent~~%~~ for rentals and 1.2~~0.7~~ percent~~%~~ for ~~homeowners~~ownership housing.~~ — well below industry standards for an optimal housing market.~~ **Chart 2-13~~2~~** provides a summary of ~~key housing characteristics in Scotts Valley~~housing tenure in Scotts Valley.~~.~~

Chart 2-13
Housing Tenure and Vacancy

Housing Type	2000		2009~~8~~-2013~~2~~	
	Number	Percent	Number	Percent
Homeowners	3,229	75%	3,229~~8~~	76.4~~75~~%
Renters	1,078	25%	998~~1,090~~	23.6~~25~~%
Total Occupied Units	4,307	100%	4,227~~4,318~~	100%
Total Vacant Units	170		114	
Total Number of Units	4,477		4,341	
Rental Vacancy Rate	-	3.4%	-	3.5~~2~~%
Homeowner Vacancy Rate	-	0.7%	-	1.2~~2.4~~%

Source: 2000 U.S. Census and 2009-2013 American Community Survey~~, 5-year estimates~~

Chart 2-12
Housing Tenure and Vacancy

Housing Type	1990		2000	
	Number	Percent	Number	Percent
Homeowners	2,461	74%	3,229	75%
Renters	881	26%	1,078	25%
Total Units	2,342	100%	4,307	100%
Rental Vacancy Rate		7.6%		3.4%
For-Sale Vacancy Rate		3.1%		0.7%

Source: 1990 and 2000 Census

3. Housing Conditions

Chart 2-14 shows the age of the housing stock in Scotts Valley. In general, housing over 30 years old is usually in need of some rehabilitation, such as a new roof, plumbing, paint, etc. As indicated in **Chart 2-14**, approximately 45 percent of Scotts Valley's housing units were constructed prior to 1980. Typically, units that are more than 30 years old, require preventative maintenance to avoid major housing deterioration.

Chart 2-14
Age of Housing Stock

Decade Built	Number of Homes	Percent
1939 or earlier	10~~35~~	0.3~~0.8~~%
1940 to 1949	59~~84~~	1.4~~1.9~~%
1950 to 1959	339~~360~~	7.8~~8~~%
1960 to 1969	648~~772~~	14.9~~17.1~~%
1970 to 1979	917~~1,035~~	21.1~~22.9~~%
1980 to 1989	973~~855~~	22.4~~18.9~~%
1990 to 1999	981~~896~~	22.6~~19.8~~%
2000 to 2009	414~~482~~	9.5~~10.7~~%
2010 of later	0	0%
Total Housing Units	**4,3414~~,519~~**	**100%**

Source: 2009-2013 American Community Survey

The City continues to implement code enforcement activities in Scotts Valley, and from 2009 through 2014, code enforcement staff responded to 105 residential-related cases, resulting in an average of 18 cases per year. The City has not completed an extensive survey of housing conditions in the community. However, per data from the U.S. Census, the City estimates that units built between 1950-1960 (approximately 7.8 percent of the City's housing stock) are in need of minor rehabilitation, which may include interior and exterior paint job, weather-stripping, and minor roofing repairs. The City estimates that housing units built prior to 1950 (approximately 1.7 percent of the City's housing stock) are in need of major rehabilitation, which may include plumbing and electrical repairs, installing a new roof, or addressing structural damage.

~~Housing age often indicates when homes require repairs. After 30 years, most homes require greater maintenance, such as a new roof, wall plaster, or stucco. Homes older than 50 years require more substantial repairs including plumbing, electrical, or other components. As shown in **Chart 2-14**, . require~~

~~Greater main-tenance, such as a new roof, wall plaster, and stucco. Homes older than 50 years require more substantial repairs to plumbing, electrical, or other components. As shown in **Chart 2-13,** housing is in excellent condition in Scotts Valley, except for a small area near City Hall, encircled by Bean Creek Road, Erba,~~

4. Housing Prices

The 2009-2013 American Community Survey estimates~~documents~~ a median housing unit value of $586,100 in Scotts Valley. The Santa Cruz County Association of Realtors (SCAOR) reports that the median price of a single-family home increased slightly between 2009 and 2010 before falling 10 percent in 2011 in Santa Cruz County. The median sale price of single-family homes increased slightly in 2012, and then increased nearly 24 percent in 2013. ~~46% countywide from 1996- 99 and an additional 40% in Santa Cruz and Scotts Valley from 1999-2002.~~ Shown in **Chart 2-1~~5~~4** the median sales price for a single-family home in ~~Scotts Valley~~Santa Cruz County was about $~~570,000~~617,500 in 2013~~02~~. The ~~median price of homes~~fluctuations of the median price of homes are due to the housing crisis and subsequent recovery. ~~escalated to $757,603 in 2007 but dropped to $611,000 in 2008 as a result of the global economic downturn.~~

Chart 2-15
Home Prices in Santa Cruz County, 2009-2015~~ 2012~~

Housing Sales Price Distribution	Sales Price	
	Single-Family	Condominiums
Median Price 2015 (through June)	$705,000	$448,500
Median Price 2014	$679,500	$419,000
Median Price 2013	$617,500	$373,000
Median Price 2012	$499,850	$305,000
Median Price 2011	$465,500	$281,725
Median Price 2010	$517,500	$308,750
Median Price 2009	$506,375	$317,000

Source: Santa Cruz Association of Realtors website.

According to a survey of Zillow.com conducted on August 2015, there were approximately 56 properties for sale in the City. Of the 56 homes (single-family residences and condominiums/townhouses) for sale, Zillow indicated that 54 percent of the listings had three-bedrooms. One and two-bedroom housing units accounted for 24 percent of the listings. And four-bedroom and five-bedroom homes made up approximately 22 percent of the total housing units for sale. For comparison, **Chart 2-16** indicates that three-bedroom housing units make up 35 percent of the City's housing stock. Two-bedroom housing units are 29 percent of the total housing stock and four- or more-bedroom units are approximately 29 percent of the total housing stock in the City.

Chart 2-16
Number of Bedrooms

Bedrooms	Number	Percent
No Bedroom	11	0.2%
1-bedroom	383	8.8%
2-bedroom	1,168	26.9%
3-bedroom	1,518	35.0%
4-bedroom	972	22.4%
5 or more bedrooms	289	6.7%
Occupied Housing Units	**4,341**	**100%**

Source: 2009-2013 American Community Survey~~, 5-year estimates~~

~~**Chart 2-14**~~
~~**Home Prices in Scotts Valley, 2008**~~

~~Housing Sales Price Distribution~~	~~Sales Price~~	
	~~Single-Family~~	~~Condominiums~~
~~Median Price 2008~~	~~$611,000~~	~~$397,141~~
~~Median Price 2007~~	~~$757,603~~	~~$502,760~~
~~Median Price 2006~~	~~$744,409~~	~~$517,794~~
~~Median Price 2005~~	~~$754,055~~	~~$516,910~~

~~Source: Santa Cruz Association of Realtors website.~~

According to the 2009-2013 American Community Survey, the median gross rent for Scotts Valley is $1,948 per month. Rental information for Scott's Valley was obtained from Rentometer.com based on a search in July 2014. As shown in **Chart 2-17~~5~~**, rents vary significantly. ~~For higher-end complexes (Bay Tree and Acorn Court), rents range from $1,550 for a one-bedroom unit to $1,850 for a two-bedroom unit, to $2,450 for a three-bedroom unit. For older complexes, rents range from $900 to $1,200. Single-family homes provide a large proportion of rental housing. Duplexes and triplexes with two bedrooms generally rent for $1,000 to $1,500 per month. Three-bedroom homes rent for $1,500 to $2,200 and four bedroom homes rent for $2,500. In Scotts Valley, mobile home owners are not allowed to rent their units.~~

~~**Chart 2-15**~~
~~**Average Rents in Scotts Valley, 2002**~~

~~Size of Units~~	~~Average Rent~~	
	~~Apartment~~	~~House~~
~~One-Bedroom~~	~~$900-$1,400~~	~~N.A.~~
~~Two-Bedroom~~	~~$1,200-1,800~~	~~$1,000 to $1,500~~
~~Three-Bedroom~~	~~$1,500 to $2,200~~	~~$1,500 - $2,200~~
~~Four-Bedroom~~	~~N.A.~~	~~$2,500+~~

~~Source: Internet Search and Interviews with Realtors~~

Chart 2-17
Average Rents in Scotts Valley, 2014

Number of Bedrooms	Average Rent
One-Bedroom	$840 - $1,351
Two-Bedroom	$1,251 - $2,010
Three-Bedroom	$1,662 - $2,842
Four-Bedroom	$1,785 - $3,562

Source: Rentometer.com

5. Housing Affordability

Affordability is determined by comparing the cost of housing to the income of local households. HUD defines affordable housing costs as contract rents or mortgage payments, including taxes and insurance, but not utilities, that are equal to or less than 30 percent of the gross income of very low-, low-, and moderate-income households.

Households spending more than 30 percent of gross annual income on housing experience a housing cost burden, which occurs when housing costs increase faster than household income. When a household spends more than 30 percent of its income on housing costs, it has less disposable income for other necessities such as health care. Lower income households with a burdensome housing cost are more likely to become homeless or experience overcrowding. Homeowners with a housing cost burden have the option of selling their home and becoming renters. Renters, however, are vulnerable and subject to constant changes in the housing market.

According to the National Association of Home Builders (NAHB), ~~only~~ ~~7~~21 percent~~%~~ of the homes sold in the ~~County~~ Santa Cruz-Watsonville metropolitan area are affordable to households with the area's median family income of $77,900. ~~median family income, the County is one of the least affordable housing markets in the nation~~. The U.S. Department of Housing and Urban Development periodically receives custom tabulations of data from the U.S. Census Bureau that are largely not available through standard Census products. These data, known as the Comprehensive Housing Affordability Strategy (CHAS) data, demonstrate the extent of housing problems and housing needs, particularly for low-income households.

According to the 2007-2011 CHAS data generated for the City, there were approximately 340 very low-income households living in Scotts Valley. Very low-income households are those households that earn 50 percent or less of the median family income for the statistical region in which they are located. Extremely low-income households are those households which earn less than 30 percent of the median family income. There are approximately 500 extremely low- income households in Scotts Valley (renters and owners). **Chart 2-18** summarize data characterizing affordability and other housing problems for Scotts Valley –for various income groups.

Chart 2-18
Housing Problems for all Households

Household by Type, Income & Household Problem	Total Renters	Total Owners	Total Households
Extremely Low-Income (0-30% MFI)	**195**	**305**	**500**
# with any housing problems	105	220	225
# with cost burden > 30%	105	220	225
# with cost burden > 50%	105	170	215
Very Low-Income (31-50% MFI)	**135**	**205**	**340**
# with any housing problems	110	50	160
# with cost burden > 30%	110	50	160
# with cost burden > 50%	70	25	95
Low-Income (51-80% MFI)	**170**	**355**	**525**
# with any housing problems	155	120	275
# with cost burden > 30%	125	115	240
# with cost burden > 50%	50	90	140
Moderate Income (81% + MFI)	**115**	**285**	**400**
# with any housing problems	60	160	220
# with cost burden > 30%	60	160	220
# with cost burden > 50%	15	40	55
Total Households	**3,280**	**1,095**	**4,375**
# with any housing problems	485	665	1,150
# with cost burden > 30%	460	1,210	1,850
# with cost burden > 50%	240	415	655

Source: CHAS Data Book, 2007-2011.

~~To calculate housing affordability, households are divided into four income categories based on definitions discussed earlier in this chapter. Second, the calculation assumes that housing is affordable only if a household does not exceed state and federal income to housing cost thresholds. Finally, a standard and readily available mortgage and loan package is assumed.~~

The costs of renting or owning a home can be compared to a household's ability to pay for housing. Housing affordability is defined as paying no more than 30 percent of ~~the~~ household income towards housing costs.

Chart 2-19~~16~~ provides a summary of the ability of households to afford a home. Based on the housing prices mentioned earlier, except for mobile homes, single-family homes are affordable to above-moderate income households and condominiums are affordable to ~~above-~~moderate income households unless the project is highly subsidized. ~~In recent years, Scotts Valley has been requiring developers to set aside ownership units as affordable to moderate income households in the community.~~

Moderate-income residents typically live in multiple-family dwellings, in particular apartments, and can afford up to $2,337~~1,945~~ in rent. Moderate income households may also be able to afford older mobile home units. Lower income households have fewer housing choices. Low-income households can afford to pay up to~~less than~~ $1,558~~1,245~~ per month and very low-income households could only afford up to $974~~738~~. In practical terms, lower-income households cannot afford

an adequately-sized apartment without doubling up.

Chart 2-19
Affordable Rent and Purchase Price by Income Category

Income Category	% of MFI[1]	Affordable Monthly Rent Payment[2]	Estimated Affordable Purchase Price
Extremely-Low Income	< 30% MFI	< $585	$107,250
Very-Low Income	31-50% MFI	$974	$178,695
Low Income	51-80% MFI	$1,558	$286,000
Moderate Income	81-120% MFI	$2,337	$428,670

Notes:
[1] Based on family of four.
[2] 30% of Gross Rent or PITI
[3] Assumes 6.0% interest rate, 30 year mortgage with 10% down payment. Mortgage payments equal to 30% of monthly income.
Source: HUD CA State Income Levels.

~~**Chart 2-16**~~
~~**Housing Affordability in Scotts Valley, 2008**~~

~~Maximum Income for Family of Four~~	~~Max. Affordable Payment~~		~~Max. Affordable Price~~	
	~~Annual Income~~	~~Monthly Payment~~	~~Home Purchase~~	~~Rent~~
~~Very Low~~	~~$43,500~~	~~$1,087~~	~~$122,419~~	~~$905~~
~~Low~~	~~$69,600~~	~~$1,740~~	~~$213,624~~	~~$1,624~~
~~Moderate~~	~~$97,600~~	~~$2,440~~	~~$296,304~~	~~$2,276~~

~~Notations:~~
~~Based on a family of four individuals; families of three can afford less and larger families can afford slightly more.~~
~~Maximum affordable payment based on payments of 30% of household income~~
~~Property taxes and insurance based on averages for the region~~
~~Utilities are estimated at approximately $125 per month.~~
~~Calculation of affordable home sales prices based on a down payment of 10%, annual interest rate of 6.25%, 30-year mortgage, and 30% affordability standard.~~

6. Housing Problems

The federal government defines "housing problems" as households that pay too much for housing, live in overcrowded housing conditions, or live in homes with physical problems.

A continuing priority of all communities in the Santa Cruz area is maintaining, preserving, and enhancing the quality of life. A key measure of quality of life used in Scotts Valley is the prevalence and extent of documented "housing problems," or housing overcrowding and overpayment. The following text and **Chart 2-20~~17~~** describe housing problems in Scotts Valley.

The federal government defines an overcrowded household as one with more than one occupant per room, excluding bathrooms, kitchens, hallways, and porches. A

severely overcrowded household is defined as a household with more than 1.5 occupants per room. An overcrowded household results from either a lack of affordable housing (which forces more than one household to live together) and/or a lack of available housing units of adequate size.

Chart 2-20
Overcrowding by Tenure

Tenure	Total Housing Units	Overcrowded Households	Percentage	Severely Overcrowded Households	Percentage
Renters	998	15	1.5%	19	1.9%
Owners	3,229	0	0%	0	0%
Occupied Housing Units	4,227	15	0.4%	19	0.4%

Source: 2009-2013 ACS

According to the 2009-2013 American Community Survey, 0.8 percent of all households in Scotts Valley were overcrowded. Of this total approximately 100 percent were renter households, representing 3.5 percent of all renter households. In comparison, 6 percent of all households in Santa Cruz County lived in overcrowded homes, with 11 percent of rental properties having overcrowded conditions.

~~Overcrowding occurs when housing costs are high relative to income so that families have to reside in small units or „double-up" to devote more income to other basic needs. According to the 1990 and 2000 Censuses, overcrowding increased from 2.9% (96 households) to 3.4% (146 households) due to an increase in overcrowding among renters. In 2000, 95 renter households and 51 owner households lived in overcrowded conditions. In comparison, 10.9% of households in Santa Cruz County lived in overcrowded homes.~~

State and Federal standards indicate that a household paying more than 30 percent of its income for housing is overpaying. Overpayment for housing can cause an imbalance on the remainder of a household's budget. According to the 2009-2013 American Community Survey there were 4,227 occupied housing units, of those households approximately 37 percent were overpaying for housing. Of these overpaying households, 1,116 were households with a mortgage, while the remaining 461 households were renter-occupied units. **Chart 2-21** summarizes housing overpayment statistics by tenure for the City of Scotts Valley.

Chart 2-21
Summary of Housing Overpayment

Overpayment	Households	Percent
Owners with mortgage	2,227	--
Overpayment (>30% incoming on housing)	1,116	50.7%
Occupied units paying rent	985	--
Overpayment (>30% income on housing)	461	48.7%

Source: 2009-2013 American Community Survey

~~Residents may choose to pay more for housing rather than live in a small home. Overpayment refers to households who spend more than 30% of income toward rental costs or mortgage payments. According to the 2000 Census, housing overpayment affects 44% of renters and 35% of owners. However, it is important to note that overpayment is not particularly problematic for households earning higher than average incomes, particularly since they have more disposable income available for housing.~~

Housing overpayment continues to be an important issue for Scotts Valley. According to CHAS data summarized in **Chart 2-22**, housing overpayment affects approximately 70 percent of extremely-low, very-low and low income renters and nearly 50 percent of extremely-low, very-low, low and moderate-income homeowners. ~~Housing overpayment affects approximately two thirds of very low and low income renters and the majority of very low, low, *as well as* moderate income homeowners.~~ Housing overpayment adversely affects the ability of lower income seniors and families to afford housing. Diminished housing affordability also precludes public employees serving the community (e.g., police and fire personnel, nurses, and teachers) from living in Scotts Valley.

Chart 2-22
Housing Overpayment in Scotts Valley

Income Category	Renter			Homeowners		
	Households	# of Overpay	% Overpay	Households	# of Overpay	% Overpay
Extremely-Low Income	195	105	54%	305	220	72%
Very-Low Income	135	110	81%	205	50	24%
Low Income	170	125	74%	355	115	32%
Moderate Income	115	60	52%	285	160	56%

Source: CHAS Data 2007-2011

Chart 2-17
Housing Overpayment in Scotts Valley

Households by Tenure	Renters			Owners		
	Renter Hhlds.	Number Overpay	Pcnt.	Owner Hhlds.	Number Overpay	Pcnt.
Very Low	287	251	88%	131	110	84%
Low	211	136	64%	189	140	74%
Moderate	207	42	20%	253	161	63%
Above-Moderate	314	25	8%	1,664	294	18%
Total	1,019	453	44%	2,238	705	32%

Source: U.S. Census, 2000.

7. Affordable Housing Opportunities

Existing housing that receives governmental assistance is often a significant source of affordable housing in many communities. Because of its significance, State law requires the Housing Element to identify any publicly assisted rental housing that receives government subsidies, evaluate the potential of these units to lose their affordability between 2015 and 2025, and analyze the cost of preserving or replacing these units. **Chart 2-~~18~~ 23** summarizes affordable projects in Scotts Valley.

~~Because of the significant increase in housing costs in recent years, the City's Redevelopment Agency (RDA) has played a key role in facilitating and encouraging the production of affordable housing. Dependence on RDA funds and the leverage of those funds has become critical given that the City is not eligible for many other funding sources.~~ None of the affordable projects in Scotts Valley is at-risk of converting to market rate during the 10-year period of 2015-2025.

Chart 2-23~~18~~
Summary of Publicly-Subsidized Affordable Rental/For Sale Housing i~~I~~n Scotts Valley

Project Name	Affordable Units	Funding Source	Earliest Expiration Date of Affordability
Acorn Court Apartments 100 Acorn Court Private Ownership	26 total units; 4 low-income units	City subsidy; RDA Recognized Obligation Payments Schedule (ROPS)	30-year agreement; Executed on 10/20/1999; Expires 2029
Bay Tree Apartments 800 Flora Lane Private Ownership	41 apartments and 20 townhomes; 9 low and moderate income units	City subsidy; RDA Recognized Obligation Payments Schedule (ROPS)	30-year agreement; Executed on 6/7/2000; Expires 2030
Emerald Hill Apartments 101-102 Civic Center Drive	46 total units; 22 very-low income units; 46 units held at affordable rates for low income families	Federal HOME grant; Tax allocation credits	Length of affordability control is 55 years; Completed in 1999; Expires 2054
Markell Mixed Use Apartments 4404 Scotts Valley Drive Private Ownership	11 detached single-family lots and commercial/residential building; 1 moderate single-family residence (sold); 3 low-income one-bedroom apartments	City subsidy	55-year agreement; Executed on 7/20/2005 Expires 2060
Oak Tree Villa Renaissance Senior Living	204 total units; 20 low-income units	Private; Density bonus	Length of affordability control is perpetuity

Project Name	Affordable Units	Funding Source	Earliest Expiration Date of Affordability
Community 100 Lockewood Lane		applied	
Oak Lane Apartments 134 Oak Lane	4 total units; 1 moderate-income unit	Private	Ongoing
San Augustine Way Apartments 104 San Augustine Way	6 total units; 1 very-low income unit	Private	30-year agreement; Completed in 1997; Expires 2027
Blue Bonnet Lane Condos 268 Blue Bonnet Lane	31 total condo units; 2 low-income units; 3 moderate-income units	Private	Ongoing
Cathy Lane Condos 14-30 Cathy Lane	1 low-income unit; 7 moderate-income units	Private	Ongoing
Kelly Court 101 Kelly Court Private Ownership	11 total detached single-family lots; 1 moderate-income house	Private	Ongoing
4861 Scotts Valley Drive	4 total detached single-family lots; 1 moderate-income house	Private	Ongoing; Joint Maintenance Agreement
Torrey Oaks Condos 138-140 La Cuesta Drive	11 total units; 1 low-income unit 1 moderate-income unit	Private	Ongoing
Town Center Collection 237 Blue Bonnet Lane	46~~26~~ total townhouse units; 1 moderate-income unit; 4 low-income units	Private	Ongoing
Windward Place Subdivision 11 and 13 Windward Place	9 total detached single-family houses; 2 moderate-income houses	Private	Ongoing
Woodside 5007-5015 Scotts Valley Drive	49 total detached single-family houses; 1 low-income unit 6 moderate-income units	Private	Ongoing
The Manor 10 Siri Lane	8 total detached single-family units; 1 low-income unit	Private	Ongoing

Source: City of Scotts Valley, *Affordable Housing Action Plan Brochure*, April 2015.

~~Project Name~~	~~Affordable Units~~	~~Funding Source~~	~~Earliest Expiration Date of Affordability~~
~~Acorn Apartments 100 Acorn Court Private Ownership~~	~~4 of 26 4 low income~~	~~Private. RDA rent subsidy of approx. $14,183 per year.~~	~~Completed -- 2000 Length of affordability control is 30 years.~~
~~San Augustine Apts. 5720 Scotts Valley Dr. Private Ownership~~	~~1 of 6 units 1 very low~~	~~Private~~	~~Completed -- 1997 Length of affordability control is 30 years.~~
~~Kelly Court Single Family Detached Private Ownership~~	~~1 moderate~~	~~Private~~	~~On going~~
~~Windward Place Single Family Detached Private Ownership~~	~~1 moderate 1 low income~~	~~Private~~	~~On going~~
~~Scotts Valley Drive Single Family Detached~~	~~1 moderate~~	~~Private~~	~~On going~~
~~Cathy Lane Singe Family Condo~~	~~7 moderate 1 low income~~	~~Private~~	~~On going~~
~~Blue Bonnet Lane Single Family~~	~~3 moderate 2 low income~~	~~Private~~	~~On going~~
~~Oak Lane Multifamily Attached Apartment~~	~~1 moderate~~	~~Private~~	~~On going~~
~~Project Name~~	~~Affordable~~	~~Funding~~	~~Earliest Expiration~~

	~~Units~~	~~Source~~	~~Date of Affordability~~
~~Emerald Hill Apts. 101-102 Civic Center Mid-Peninsula Housing~~	~~46 of 46 low units~~	~~$420,000 - HOME - LIHTC; RDA~~	~~Completed – 1999 Length of affordability control is 55 years.~~
~~Bay Tree Apts. 100 – 800 Flora Lane Private Ownership~~	~~5 low, 4 mod of 61 total.~~	~~Private. RDA rent subsidy of $48,000 per year~~	~~Completed -- 2002 Length of affordability control is 30 years.~~
~~Oak Tree Villa (Senior) 100 Lockewood Lane SHP Oak Tree Villa~~	~~20 of 204 units are low~~	~~Private and Density Bonus applied~~	~~Completed -- 1987 Length of affordability control is perpetuity.~~
~~Marked 4410 Scotts Valley Dr.~~	~~3 low income~~	~~Private~~	~~Completed -2007 Length of affordability control is 30 years.~~
~~La Cuesta Drive Detached Single Family~~	~~1 low income 1 moderate~~	~~Private~~	~~On going~~

~~Source: City of Scotts Valley, 2008~~

HOUSING CONSTRAINTS

Chapter 3

State law requires the housing element to analyze potential and actual governmental and non-governmental constraints to housing. ~~To that end, this~~ This section analyzes market factors that increase housing costs, governmental factors that regulate development, and environmental factors that limit the type and amount of development as well as mitigating actions.

A. Market Constraints

1. Development Costs

Development costs for housing can vary significantly, depending on the type of housing and amenities. ~~According to the International Conference of Building Officials (ICBO),~~ According to local developers, the average cost of construction in Scotts Valley is $150 per square foot for single-family development and $135 per square foot for multi-family development. ~~value of good quality construction is $117 per square foot for single family homes and $135 for apartments.~~ Construction costs are not anticipated to be higher in Scotts Valley than in other jurisdictions within Santa Cruz County. The City adopted the latest ~~1997~~ 2013 version of the California Building Codes~~, which was based in large part on model codes produced by various trade organizations~~. Scotts Valley also participated in the Silicon Valley Uniform Building Code Program to standardize building codes, streamline unnecessary technical or time processes, and eliminate wide variations in local modifications.

Market constraints to the development of residential buildings have become more prominent as the economy and residential construction industry have slowed down toward the end of the last decade. Cost of materials, lands costs, lending policies, and local government fees have all been credited as factors influencing the cost of construction and the ability of households to purchase new housing. Land and construction costs, in conjunction with projected rents and sale prices of housing, affect the feasibility of building market rate and affordable housing.

2. Labor Costs

Similar to the cost of construction materials, labor costs are relatively stable throughout a metropolitan area and beyond the control of local governments. Thus, labor costs become a fixed cost in comparison to other more site- specific costs, such as the cost of land. In 2002, ~~recent~~ legislation changed this context. SB 975 requires payment of prevailing wages for most private projects built under an agreement with a public agency providing assistance to the project.

Senate Bill 972 provided some relief by exempting a self-help housing project, transitional housing, and an affordable housing project funded by below-market interest rate. Scotts Valley's labor costs are lower than other communities (e.g., Watsonville and Santa Cruz), which have a local hire or living wage ordinance that raises wage rates.

Recent data indicate that construction costs can constitute 43 to 48 percent of the cost of a single-family detached home. Labor costs are usually two to three times the cost of materials, representing 17 to 20 percent of the total cost of a new home. Labor costs are based on a number of factors, including housing demand, the number of contractors in the area, and union status of workers. ~~State law requires the payment of prevailing wages for most private projects built under an agreement with a public agency providing assistance to the project, except for certain types of affordable housing~~

3. Fees and Exactions

To help finance the high costs associated with providing needed public services and facilities, Scotts Valley charges various development and impact fees. Infrastructure fees currently required by Scotts Valley include: general facilities and equipment, law enforcement, library, parks and recreation, storm drainage, streets and thoroughfares, and wastewater treatment. Scotts Valley Water District's water fees and the City's transportation fees are higher than other communities due exclusively to the need to provide water infrastructure. ~~Currently, fees total $XX56,391 per single- family unit and $XX42,064 per multi-family unit.~~

4. Land Costs

Another key component is the price of raw land and any necessary improvements. Limited supply combined with a high demand keeps land costs relatively high throughout the Monterey Bay Area. According to prices on Zillow.com and LandWatch.com in July 2015, ~~s of 2008~~ land prices in Scotts Valley are $2~~2~~ to $29~~5~~ per square foot for vacant lots zoned for single-family homes. Available land in commercial districts sells for $23 to $29 per square foot. ~~Vacant multi-family sites have sold for $3-$4 per square foot in residential zones but available land in commercial districts sells for $11-$15 per square foot.~~ However, land costs in Scotts Valley are generally lower than in Santa Cruz and Watsonville and ~~have~~ did not change significantly with the 2008 economic downturn in housing prices. There is so little land available for development it appears to be holding its value. **Chart 3-1** summarizes land costs, construction costs and fees charged for new development in Scotts Valley.

Chart 3-1
Typical Housing Development Costs

Development Costs per Housing Unit	Housing Costs	
	Single-Family	Townhome or Condominium
Land Costs	$2-$29 psf	varies
Planning/ Building Permit	$7,685	$5,732
Impact Fees*	$23,380	$14,520
School Fees	$7,835	$7,774
Water Impact Fees	$20,333	$12,141
Total Fees per Unit	**$59,233**	**$40,164**

Source: City of Scotts Valley, 2015.
psf = per square foot
*Impact fees include parks and recreation, streets/thoroughfares, wastewater and connection, water recharge, and school fees.

~~**Chart 3-1**~~
~~**Typical Housing Development Costs**~~

~~Source: City of Scotts Valley 2009~~2014. ~~psf = per square foot~~
~~Impact fees include parks and recreation, streets/thoroughfares, wastewater and connection, water recharge, and school fees.~~

5. Financing

Mortgage interest rates have a large influence over the affordability of housing. Increases in interest rates decrease the number of persons able to afford a home purchase. Decreases in interest rates result in more potential homebuyers introduced into the market.

National policies and economic conditions determine interest rates, and there is little that local governments can do to affect these rates. Jurisdictions can, however, "leverage" funds by offering interest rate write-downs to extend home purchase opportunities to lower income households. In addition, government insured loan programs may be available to reduce mortgage down payment requirements.

First time homebuyers are the most impacted by financing requirements. Mortgage interest rates for new home purchases ranged from 3.5 percent to 5 percent for a fixed rate, 30 year loan in 2013. Lower initial rates may be available with Graduated Payment Mortgages (GPMs), Adjustable Rate Mortgages (ARMs), and Buy-Down Mortgages. However, variable interest rate mortgages on affordable homes may increase to the point that interest rates exceed the cost of living adjustments, which is a constraint on affordability. Although interest rates are currently considered low, they can change significantly and substantially impact the affordability of the housing stock.

Stricter lending standards can pose a constraint to affordable housing. An increase in one percentage point can make a monthly payment out of reach for many lower income households.

A more critical impediment to homeownership involves both the affordability of the housing stock and the ability of potential buyers to fulfill down payment

requirements. Typically, conventional home loans will require 80 percent loan-to-value and represents the largest constraint to homebuyers. Other programs, such as those for first-time homebuyers, can find down payment requirements between 5 and 20 percent. However, more recent events in the housing market have made it more difficult for prospective home buyers to secure a home loan.

One of the greatest impediments to homeownership, however, is credit worthiness. According to the Federal Housing Authority, lenders consider a person's debt-to-income ratio, cash available for down payment, and credit history, when determining a maximum loan amount. Many financial institutions are willing to significantly decrease down payment requirements and increase loan amounts to persons with good credit rating. Persons with poor credit ratings may be forced to accept a higher interest rate or a loan amount insufficient to purchase a house. Poor credit rating can be especially damaging to lower-income residents, who have fewer financial resources with which to qualify for a loan. The Federal Housing Administration (FHA) is generally more flexible than conventional lenders in its qualifying guidelines and allows many residents to re-establish a good credit history.

Under the Home Mortgage Disclosure Act (HMDA), lending institutions are required to report lending activity by census tract. Chart 3-2 below presents the disposition of home purchase loan applications in 2013 by income of the applicants.

Chart 3-2
Disposition of Home Loan Applications

Applicant Income	*Total Applications*	*Percent Originated**	*Percent Denied*	*Percent Other***
Low Income	6 (0.2%)	83%	17%	0%
Moderate Income	497 (21%)	65%	17%	16%
Middle Income	927 (38%)	69%	13%	18%
Upper Income	991 (41%)	69%	10%	21%
Total	2,421	68%	13%	19%

Source: Home Mortgage Disclosure Act (HMDA), Accessed August 2014.
Notes:
* "Originated" refers to loans approved by the lender and accepted by the applicant.
** "Other" includes applications approved but not accepted, files for incompleteness, and applications withdrawn.

The data shown in Chart 3-2 is for the Santa Cruz – Watsonville MSA, which includes the City of Scotts Valley. The data includes purchases of one to four unit homes and manufactured homes. Over 80 percent of the loan applications were received from middle to upper income households based on median family income (MFI) standards.

B. Governmental Constraints

Local policies and regulations can affect the price and availability of housing and in particular, the provision of affordable housing. Land use controls, development regulations, permit processing procedures, building codes, and various other issues may affect the maintenance, development and improvement of housing in Scotts Valley. This section discusses potential governmental constraints in Scotts Valley and efforts to address them.

1. Land Use Controls

Scotts Valley's General Plan sets forth policies for guiding local development. These policies, together with zoning regulations, designate the amount of land for different uses in the City. The City's land use plan is intended to protect the environmental features that distinguish the character of Scotts Valley and develop the urban core near major transportation corridors. **Chart 3-3~~2~~** describes General Land Use designations that allow housing.

Chart 3-3~~2~~
Land Use Categories Allowing Residential Uses

Generalized Land Use Category	Zoning District(s)	Residential Type(s)
Estate/Rural Mountain	RR 2.5, RMT-5	Intended for larger estate homes and preservation of the topography on the perimeter of the valley walls and areas with limited access.
Low Density Residential	R-1-20	Intended for single-family detached homes on larger lots located in the hillsides.
Medium –Medium High Density Residential	R-1-10, RM-6, RM-8	Intended for single family and mobile home parks. The R-M-6 and R-M-8 zones are designed for lower density attached products on the valley floor.
High Density Residential	R-H	Intended for apartments, townhouses, condominiums, and small lot detached housing subdivisions close to shopping, services, and transportation facilities.
Very High Density Residential	R-VH	Intended for apartments, townhomes, condominiums and small lot detached housing subdivisions that provide more moderate or lower income housing.
Commercial and Industrial	C-S, C-SC	Intended primarily for commercial and service uses with allowance for R-H multi-family housing as vertical or horizontal.

Sources: Scotts Valley Zoning Code, ~~2007~~2012.

2. Provisions for a Variety of Housing

Housing element law specifies that jurisdictions must identify adequate sites that will be made available, through appropriate zoning and development standards, to encourage the development of various types of housing for all economic and social segments. **Chart 3-4~~3~~** summarizes housing permitted in Scotts Valley's residential, commercial, and institutional zones. Residential uses are designated as permitted by right (P) or conditionally permitted (C).

Chart 3-4~~3~~
Housing Types Permitted by Zone

Housing Types	Zones that Allow Housing									
	R-VH	R-H	R-M-6 R-M-8	R-1-10 R-1-20 R-1-40	R-R-2.5	R-MT-5	C-S	C-SC	P/Q-P	I-L
Single-family Dwellings		P	P	P	P	P			P	
Multi-family Dwellings	P	P	P	C[1]			P[2]	C		C
Secondary Dwelling Units				P	P	P				
Mobile Homes/ Manufactured Housing		P		P						
Small Family Child Care Homes	P	P	P	P	P	P				
Large Family Child Care Homes	C	C	C	C	C	C				
Day Care Centers	C	C	C	C	C	C	P	C	C	C
Small Community Care Facilities	P	P	P	P	P	P				
Foster Care Homes (6 or < children[3])				P	P	P				
Foster Care Homes (7 or > children[4])				C	C	C				
Residential Care Facilities									C	
Transitional Housing	P	P	P	P	P	P	C			C
Supportive Housing	P	P	P	P	P	P				
Emergency Shelters							P/C[5]	P/C[5]	P/C[5]	C

Source: Scotts Valley Municipal Code (SVMC), Chapter 17, Zoning

Legend:
P - Permitted
C - Conditional use permit approved by Planning Commission review only

1 - Townhouses and condominiums conforming to density of SVMC Chapter 17.14
2 - Only for sites previously designated in the Housing Element; located either above ground-level commercial use or at ground level at the rear of a commercial space
3 - Total number of children, including those of the proprietary family, is six or less
4 - Total number of children, including those of the proprietary family, exceeds six
5 - Permitted for 25 or less occupants; conditional use for more than 25 occupants

Chart 3-3
Housing Types Permitted by Zone

Housing Types Permitted	Zone Districts Allowing Housing						
	R-M, R-H,& R-VH	All R-1	Rural	C-S C-SC	PD	Public/ Quasi	I
Single-family dwellings	P	P	P		P	P	
Townhouses/Condos.	P	C			P		
Mixed Use				P*			
Guest/Second Units	P	P	P	P	P	P	
Multi-family dwellings	P			P*	P		
Mobile/Manufactured	P	P			P		
Family day- care homes	P		P		P	C	
Residential Care Facility	P	P	P		P	C	
Transitional housing							C
Emergency shelters				P		P	
Congregate Housing	C	C					
Faculty/Student Housing					P	C	

Source: Zoning Code, City of Scotts Valley; 2007. *Site designated in the 2002-2007 Housing Element.

C: Conditional use permit approved by Planning Commission review only

Conventional Residential

~~The City allows single and multiple-family homes at a variety of densities. The Housing Plan is expanding the range of multiple-family housing types by creating a very high density residential land use designation that can facilitate apartments, town homes, or condominiums. Second units are permitted by right provided that development is consistent with standards in State law. The City's Zoning Code was amended in 2003 to comply with State law. Guesthouses on the same lot as a primary home and which are not rented, let or leased, are permitted by right in residential zones.~~ The City allows single- and multi-family residential units at a variety of densities, including apartments, townhomes, and condominiums. In 2003, the City's Zoning Code was amended to comply with State law, and included revisions to permit secondary dwelling units in all residential zones provided that development is consistent with standards per State law.

Mixed Residential-Commercial Use

The General Plan and Zoning Code ~~was~~ were revised~~changed~~ in 2007 to allow mixed residential and commercial uses in the C-S and C-SC zone as a permitted use on sites listed in the 2002-2007 Housing Element with a density of 15 – 20 units per acre. The multi-family dwelling units should be located either above the ground-level commercial use or at ground level at the rear of the

commercial space. Although the Zoning Code specifies minimum development standards, in particular lot size, coverage, and height for all uses, it does not indicate desired design aspects or specific standards tailored to mixed-use projects. The Housing Plan will provide ~~greater~~ guidance for mixed-~~-~~use projects ~~and reduce potential constraints~~.

Housing for People with Disabilities

The Community Care Facilities Act requires that community care facilities serving six or fewer persons be permitted by right in all residential zones and that facilities cannot be subject to requirements that are more stringent than those imposed on single-family residences in the same district. The City's Zoning Code was changed to be consistent with state law in 2007.

Housing for People who are Homeless

Housing element law requires that jurisdictions designate a zone in which emergency shelters are permitted as a matter of right. Additionally Senate Bill 2 (SB 2) also requires local jurisdictions to consider transitional and supportive housing as a residential use, only subject to those restrictions that apply to other residential uses of the same type in the same zoning district. ~~and transitional housing is permitted, at least conditionally.~~ The City's Zoning Code allows emergency shelters in the C-S and C- SC zones (both of which are along major service and transit corridors) as well as the P~~QP~~ and I-L zones. The Zoning Code allows transitional and supportive housing as a matter of right in all residential zoning districts. ~~However, the Zoning Code does not currently have a provision for transitional housing. Chapter 5 includes a program to change the City's zoning regulations to allow transitional housing and emergency shelters as a permitted use in the C-S zoning district and the I zoning district.~~

Housing for Students

Student housing, such as dormitories or college apartments, is considered an institutional facility and is conditionally permitted in the P zoning/~~QP~~ district. Formerly, ~~The~~ the City ~~is~~ was home to Bethany College, which ~~enrolls~~ enrolled approximately 500 full-time students. However, Bethany College closed in 2011 and there are no other similar institutional facilities located in the City which have a demand for student housing. ~~Given the high cost of housing in North Santa Cruz County, Bethany College provides conventional and dormitory units for 300 students. Bethany's Master Plan calls for the construction of 14 duplexes for married students, 200 dormitory style units, and faculty housing as well. This will help meet the need for an estimated 1,700 new students anticipated by 2012.~~

3. Development Standards

The City regulates the type, location, density, and scale of residential development primarily through the Zoning Code. Zoning regulations are designed to protect and promote the health, safety, and general welfare of residents as well as implement the policies of the General Plan. The Zoning Code also helps preserve the character and integrity of neighborhoods. **Charts 3-54, 3-65, and 3-76** details the City's development standards in residential zones.

Chart 3-5
Single-Family Development Standards

Development Standard	Zone				
	R-1-10	R-1-20	R-1-40	R-R-2.5	R-MT
Density Range (dwelling units/acre)	4 du/ac	2 du/ac	1 du/ac	2.5 acres/unit	5 acres/unit
Building height – maximum (feet)	35 ft.	35 ft.	35 ft.	35 ft.	35 ft.
Lot area – minimum (square feet)	10,000 sq. ft.	20,000 sq. ft.	40,000 sq. ft.	108,900 sq. ft.	217,800 sq. ft.
Lot width – minimum (feet)	60 ft.	90 ft.	100 ft.	100 ft.	100 ft.
Lot depth – minimum (feet)	100 ft.	125 ft.	150 ft.	150 ft.	150 ft.
Lot frontage – minimum (feet)	60 ft.	60 ft.	60 ft.	100 ft.	100 ft.
Site coverage - maximum	50%	50%	50%	35%	35%
Yard setbacks – minimum (feet)					
Front	20 ft.	30 ft.	30 ft.	40 ft.	40 ft.
Side	10% of lot width with a max. of 10 ft.~~eet~~	10% of lot width with a max. of 10 ft.~~eet~~	10% of lot width with a max. of 10 ft.~~eet~~	15 ft.	20 ft.
Rear	15 ft.	15 ft.	20 ft.	20 ft.	25 ft.

Source: Scott's Valley Municipal Code, Chapter 17, Zoning

Chart 3-6
Multi-Family Development Standards

Development Standard	Zone			
	R-VH	R-H	R-M-6	R-M-8
Density Range (units/acre)	20 du/ac	14 du/ac	8 du/ac	5 du/ac
Building height – maximum (feet)	35 ft.	35 ft.	35 ft.	35 ft.
Lot area – minimum (square feet)	6,000 sq. ft.	6,000 sq. ft.	6,000 sq. ft.	8,000 sq. ft.
Lot width – minimum (feet)	60 ft.	60 ft.	50 ft.	60 ft.
Lot depth – minimum (feet)	60 ft.	60 ft.	100 ft.	100 ft.
Lot frontage – minimum (feet)	60 ft.	60 ft.	60 ft.	60 ft.
Site coverage - maximum	55%	55%	55%	55%
Yard setbacks – minimum (feet)				
Front	10 ft.	20 ft.	20 ft.	20 ft.
Side	10 ft.	5 ft.	10% lot width with max. of 6 ft.~~feet~~	10% of lot width with max. of 8 ft.~~feet~~
Rear	15 ft.	15 ft.	0.15 ft.	0.15 ft.

Source: Scott's Valley Municipal Code, Chapter 17, Zoning

Chart 3-7
Other Development Standards

Development Standard	Zone		
	C-S	C-SC	P
Density Range (units/acre)	15 -– 20 du/ac	-	-
Building height – maximum (feet)	35 ft.	35 ft.	35 ft.
Lot area – minimum (square feet)	10,000 sq. ft.	10,000 sq. ft.	10,000 sq. ft.
Lot width – minimum (feet)	100 ft.	100 ft.	60 ft.
Lot depth – minimum (feet)	100 ft.	100 ft.	100 ft.
Lot frontage – minimum (feet)	100 ft.	100 ft.	100 ft.
Site coverage - maximum	45%	35%	30%
Yard setbacks – minimum (feet)			
Front	10 ft. from street; 20 ft. from garage	20 ft.	20 ft.
Side	10 ft.	0 ft.	10 ft.
Rear	15 ft.	0 ft.	10 ft.
Corner	10 ft. from street; 20 ft. from garage	The exterior side of a corner lot is a min. 15 ft.	--

Source: Scott's Valley Municipal Code, Chapter 17, Zoning

~~**Chart 3-4**~~
~~**Residential Development Standards**~~

Development Standard		Districts Allowing Housing					
	R-VH	R-H*	R-M	R-1	R-R-2.5	R-MT	C-S
Density Range (du/ac)	15-20	9-15	5-9	1-4	<1	1/5	N.S.
Max. building height	35'	35'	35'	35'	35'	35'	35'
Min. lot area (sq.ft.)	3,000'	3,000'	6,000-8,000'	10,000-40,000'	2.5 acres	5 acres	10,000'
Minimum lot width/depth (ft.)	60' x 60'	60' x 60'	60' x100'	60' x 100'	100' x 150'	100' x 150'	100' x 100'
Minimum lot frontage (ft.)	60'	60'	60'	60'	100'	100'	100'
Front yard (ft.)	20'	20'	20'	20'	40'	40'	20'
Side yard (ft.)	min. 5'	min. 5'	6-8'	10'	15'	20'	0'
Rear yard (ft.)	min. 15'	min. 15'	15'	15'	20'	25'	0'
Max. Site Coverage	55%	55%	55%	50%	35%	35%	45%
Parking Requirements		Multi-family= 2 spaces per unit +0.2 guest spaces per unit Single-family= 2 car garage + one uncovered per unit					

Sources: Scotts Valley Zoning Code, 2007.
Land Use Element, Scotts Valley General Plan, 1994.

~~The City of Scotts Valley has allowed and facilitated single-family units, condominiums, apartments, and low-cost apartments. In today's housing market, the most difficult market segment to address continues to be lower-~~

~~income housing. A local affordable housing developer was asked about what conditions were necessary to build an affordable housing project. First Community Housing stated that a 100 percent% affordable senior project was feasible under four assumptions: 1) two story structure with surface parking; 2) preferred site of 2 to 3 acres to allow for desired amenities; 3) density of 19-20 units per acre; and 4) land costs averaging $35,000-40,000 per unit.~~

Development Standards

The City's lot coverage standards in higher density zones (C-SC, C-S, and R-H) ranges from 45 percent~~%~~ to 55 percent~~%~~, which is higher than in Watsonville (50 percent~~%~~) but less than in Santa Cruz (70 percent~~%~~). The City's maximum building height of 35 feet is comparable to other cities, except that it is lower than in the City of Santa Cruz. The City's parking standard of two spaces per dwelling unit is equivalent to Watsonville but slightly higher than in Santa Cruz. However, in commercial zones, the City's lot coverage and density requirements are generally lower when compared to nearby cities.

Density Standards

Density is often equated with housing affordability in that lower land costs can result in lower development costs and housing prices. ~~Recent a~~Apartments ~~in Scotts Valley have been built at low gross densities, including Emerald Hill (10 units/acre), Baytree (12 units/acre), and Acorn Apartments (12 units/acre). To facilitate these projects, the City's General Plan permits the transfer and clustering of units; thus, projects have achieved higher net densities around 20 to 25 units per acre.~~ The City has created a very high density residential zone that allows 15.1 to 20 units per gross acre by right, which will satisfy the prerequisite density necessary to facilitate quality affordable housing.

~~Land Costs~~

~~Comparison of land costs showed significant differences among the three north county cities. High density residential land ranges from $25 to $40 per square feet in Santa Cruz and $11 to $15 per square foot in Watsonville. Based on a dozen appraisals conducted for the City's Redevelopment Agency, land costs range from $11 to $15 per square foot in Scotts Valley for either high density residential land (R-H & R-VH zone) or commercial land (C-S zone). Because Scotts Valley's land costs are significantly lower than in comparison with north Santa Cruz County cities, land costs are not deemed to be a constraint to the production of affordable housing.~~

Minimum Lot Sizes

Minimum lot sizes are important because they allow for a certain threshold of units to meet economies of scale, grant funding requirements, and provide on-site management. Scotts Valley's minimum lot sizes do not constrain the production of affordable housing. The minimum lot size for lots that could accommodate affordable housing ranges from 3,000 to 10,000 square feet in size. Sites chosen for potential affordable housing, as discussed in Chapter 4, exceed these standards and are actually one to three acres in size, which are sufficient to facilitate affordable housing.

4. Development Review Process

The City requires different levels of review for housing projects depending on the type of project and size. These reviews are designed to ensure that the proposed project meets applicable City and State regulations. The development review process is described below and shown in **Chart 3-8**.

City Staff Review

For conventional single-family homes on existing lots of record, City staff will approve the project over-the-counter unless the development requires an exception or modification. The scope of review is primarily to ensure that applicable local, state and federal regulations are met. No design review is required unless the development proposes grading on slopes exceeding 30 percent% grade. Depending on the location, size, and type of new development, additional reviews may be required as described below.

Design Review

Residential neighborhoods situated among hillsides and in steeply sloped areas and multi-family projects require a noticed public hearing and design review. Smaller pProjects are reviewed by the Planning Commission. To facilitate quality projects and timely approval, the City provides design review guidelines that illustrate preferred construction techniques with objective guidelines. These guidelines reduce the uncertainty, time, and costs and thus facilitate timely review and approval of projects.

Conditional Use

Conditional use permits are required for residential care facilities which have more than 6 residents, large family day care homes, congregate senior housing, condominiums and mixed-use projects in specific zoning districts. The Planning Commission may grant the permit when the proposed use is in accordance with the General Plan and the Zoning Code and appropriate conditions are met. However, given the few homeless people in Scotts Valley and larger regional center just three miles south in Santa Cruz, no applications for such facilities have been sought in Scotts Valley, although the City permits a drug and alcohol rehabilitation facility, known as the Camp Recovery Center.

Cultural Resource Review

Scotts Valley's location adjacent to perennial streams and on an ancient seabed contributes to a wealth of historical, archaeological and paleontological resources. The General Plan designates areas as moderate or high cultural resource sensitivity zones. In these areas, development proposals must have appropriate environmental clearance, which is reviewed by the City's Cultural Resource Commission. The Commission's procedures and scope of authority is set by Municipal Code, Section 17.44.

Historically, reviews were conducted by the Design Review Board, the Planning Commission, and Cultural Resource Commission – each staffed by different members. In 1996, the City consolidated and streamlined development review. The Planning Commission replaced the Design Review Board and staff developed design guidelines to help developers and policy- makers address design issues. The Planning Commission also appointed two ad-hoc members with expertise in archaeology and historical resources to assist in reviewing projects for potential impacts on cultural resources. These steps allow project review in their entirety on one evening.

Chart 3-8
Development Review Process

Type of Project	Type of Approval	Approving Authority	Time Frame for Review
Single-Family Residences	By right. No Design Review, unless grading on slopes with 30% grade and other conditions as described in Chapter 17.40 (HR Hillside Residential Combining District Regulations)	Staff unless project requires exceptions	4-6 weeks
Condominiums	Design Review and Conditional Use Permit	Planning Commission	6 months to one year
Apartments	Approved by right in residential zones with Design Review. Noticing required if parcel exceeds 20,000 square feet. CUP if in commercial zones	Planning Commission	1 month; 3 to 6 mos. with Design Review.
Transitional Housing	Conditional Use Permit	Planning Commission	1 to 3 months
Emergency Shelters	Permitted Use	Planning Commission	4 – 6 weeks
Secondary Dwelling Units	Approved by right when project conforms with Zoning Code and State law	Staff unless project requires exceptions~~Planning Commission~~	4 – 6 weeks

5. Building Codes and Site Improvements

Building codes and site improvements affect the cost of housing. Every three years, the State adopts new codes that contain the latest advances in construction practices and engineering concepts. The California Building Standards Commission adopted the California Building Codes in ~~2002~~2013, largely based upon "model" codes produced by professional organizations. Local agencies are required to adopt these codes, but may amend them to address local geological, climatic, or topographical conditions provided the modifications are no less restrictive than the state standards.

Scotts Valley participated in the Silicon Valley Uniform Code Program, a historical effort spearheaded by the Joint Venture, Silicon Valley Network. Through an unprecedented cooperative effort, 27 cities and two~~2~~ counties agreed on a standardized building code, reducing over 400 different local amendments to the state building code to only 11 amendments needed to address particular local conditions. Most of the amendments address seismic design or construction issues not addressed in the adopted State codes, because the City is located in one of the most active seismic zones.

The City of Scotts Valley's on-site and off-site improvements for residential development are modest compared to standards in other Santa Cruz jurisdictions. For instance, local streets are required to have at least a 24-foot right-of-way. If parking is desired on any one street side, the City requires an additional six~~6~~ feet of right of way plus an additional four~~4~~ feet for sidewalks. The City does not require street trees, parkways, or landscaped medians, but does require the developer to install street lights, but only at intersections. Lastly, the Fire District requires developers to install fire hydrants.

6. Analysis of Housing for ~~Disabled Persons~~Persons with Disabilities

California law requires localities to analyze potential and actual constraints upon housing for persons with disabilities, demonstrate efforts to remove government constraints, and include programs to accommodate housing designed for persons with disabilities~~disabled persons~~. As part of the Housing Element process, the Zoning Code, Municipal Code, permitting procedures, development standards, and building codes were analyzed to identify potential impediments. The following summarizes findings from this analysis.

With respect to land uses, State and federal housing laws encourage an inclusive environment, where persons of all walks of life have the opportunity to find housing suited to their needs. As such, State law has pre-empted local governments from regulating the siting of group homes, child care facilities, secondary dwelling units, emergency shelters, and transitional housing. Although the City conditionally allows large residential care facilities in all zones (with hearing only by the Planning Commission), a thorough review of City practices revealed the need to update the Zoning Code to comply with State law affecting special needs housing. The City's Zoning Ordinance currently permits small residential care facilities serving six or fewer persons by-right in all residential zones. The City also updated family day care home provisions to reflect State law with respect to number of occupants, fencing requirements, and other factors. ~~The 2002-2007 Housing Element resulted in the City's Zoning~~

Ordinance be amended to allow the following:

Permit small residential care facilities serving six or fewer persons by right in residential zones.

Update family day care home provisions to reflect state law with respect to number of occupants, fencing requirements, and other factors

Conditionally permit transitional housing and ensure that conditional use permit process encourages and facilitates such facilities

The 2009-2014 Housing Element includes included a work plan to amend the City's zoning regulations to allow transitional housing and emergency shelters as a permitted use in the C-S and I-L zoning districts.To meet the requirements of State law, the City has amended the Zoning Ordinance to permit transitional and supportive housing as a matter of right in all residential zoning districts.

For new construction, the City enforces Title 24 of the California Code of Regulations, which regulates the access and adaptability of buildings to accommodate persons with disabilities. The City's building code requires compliance with the 1988 amendments to the Fair Housing Act, which requires a minimum percentage of dwelling units in new developments to be fully accessible to residents with disabilitiesthe physically disabled. The City does not require accessibility or vVisibility standards beyond state and federal law but established has just started an ADA Advisory Committee to work on making new residential development accessible. Parking standards and development standards do not differentiate between uses.

Given that most housing was built prior to modern accessibility standards, the issue facing the majority of people with disabilities is retrofitting existing homes. To facilitate rehabilitation of these structures, requests for modifications to ensure housing access, such as ramps up to 30 inches in height, do not require a building permit and are processed over the counter. In Scotts Valley, a homeowner can also build, by right, a ramp that protrudes up to three feet into side setback or up to six feet into the front or rear yard, provided the ramp is not an enclosed structure.

Regarding permitting processes, housing occupied by people with disabilities is treated like any other residential use in the community. No unique restrictions are in place for disabled housing, such as minimum distances, special conditions for disabled housing, noticing procedures, special use permits, or other regulations that could constrain the development, maintenance, improvement, or alteration of housing for disabled persons.

Per state law, cities must develop reasonable accommodation procedures to provide relief to Code regulations and permitting procedures that have a discriminatory effect on housing for individuals with disabilities. The City has amended the Zoning Code to incorporate a Reasonable Accommodation Ordinance that conforms to State requirements. The process for reasonable accommodation includes submittal of an application form to the City's Planning Department, an administrative review by City staff, and a decision within 30 days after the application is submitted. An application for a reasonable accommodation is granted if all of the following findings are made:

1. The housing or housing related facilities will be used by an individual with a disability under the Acts;
2. The requested accommodation is necessary to make specific housing

available to an individual with a disability under the Act;

3. The requested accommodation would not impose an undue financial or administrative burden on the city; and

~~1.~~4. The requested accommodation does not negatively affect the character of the zoning district and intent of adopted city, policies, regulations, programs or laws.

C. Environmental/Infrastructure Constraints

Scotts Valley has environmental issues that affect the development of housing. These include geology, topography, sensitive habitats, plants and animals, and cultural resources. These factors affect the location and scale of new development. Adequacy of water, sewer, and roads must also be considered. This section discusses potential environmental~~housing~~ constraints in Scotts Valley, summarized in **Chart ~~3-6~~3-9**.

1. Environmental Concerns

The majority of undeveloped land in Scotts Valley is inside the City's urbanized areas and must accommodate a variety of natural hazards and environmental constraints that impact housing project costs. The following describes the most pertinent hazards and how they are addressed. The General Plan EIR and environmental clearance for the Housing Element provides greater detail on each of these issues.

Seismic Hazards

Scotts Valley is next to four major active or potentially active fault zones: San Andreas, Zayante, Butano, and Ben Lomond. The Zayante Fault Zone is located approximately 1.5 miles north of the City of Scotts Valley, and is the closest major fault to the City. The Zayante Fault is tied to the San Andreas Fault system and capable of producing earthquakes of magnitude 7.4 on the Richter scale. The Butano Fault Zone is located approximately four miles to the north and is capable of producing major earthquakes of magnitude 6.4 on the Richter Scale.-

Earthquakes and accompanying ground shaking are considerable hazards for housing, because much of the present development has taken place on alluvium soils. Alluvium is highly responsive to ground shaking. The alluvial deposits of the area have a moderately low potential for liquefaction except for the younger alluvium found predominately along creeks and other water courses; these have moderate potential for liquefaction.

G~~Moreover, g~~round shaking is likely to cause landslides on slopes of 15 percent~~%~~ or greater as well as liquefaction in areas with shallow ground water. In 1989, the 7.1 Richter Loma Prieta Earthquake damaged more than 500 structures. The City now requires detailed engineering and geologic studies when new development is proposed in areas subject to earthquake hazards. Development is prohibited on slopes in excess of 40~~%~~ percent grade.

Flood Hazards

Scotts Valley is principally drained by Carbonera Creek, which runs through the community parallel to State Highway 17. The creek has two major tributaries in Scotts Valley. Camp Evers Creek runs south of Mt. Hermon Road; the West Branch of Carbonera Creek runs east of Glenwood Drive. The Scotts Valley area is subject to flooding, with the most recent flooding occurring in January

1982, particularly along Carbonera Creek and its tributaries. To reduce potential hazards, the City's floodplain management ordinance requires flood proofing or elevation of structures above flood heights in federally-designated flood plains. The City regulates development in flood hazard areas in accordance with the ordinance.

Fire Hazards

Scotts Valley is surrounded by forests; much of it is heavily wooded and contains steep slopes. Residential development is centered around Scotts Valley Drive, but a significant amount is situated in heavily forested areas. Fire hazards have a greater potential in hillside developments, where roads have minimal widths and many have dead ends. Despite this unique setting, structural fires have been more common than forest fires. To minimize potential fire dangers, the City's Safety Element sets forth policies to ensure adequate water flow and road width requirements to meet fire-fighting needs. The Safety Element also sets forth an approach to reduce fire hazards in the design and location of development in the hillsides.

Slopes and Topography

Scotts Valley is a hillside community; most uplands have slopes exceeding 40 percent~~%~~ grade that are unsuitable for development. Limited areas of moderately steep slopes (25 percent~~%~~ to 40 percent~~%~~) exist within the City~~Planning Area~~ and could be developed under certain circumstances. Hillside development is regulated as part of the "HR Hillside Residential Combining District." For instance, developers must typically submit soils and geology reports for lots in excess of 25 percent~~%~~ grade, topographic and grading information, and site plans. Developments must also conform to hillside regulations and no new lots with an average slope exceeding 40 percent~~%~~ are permitted. Lastly, the City has policies in place to protect scenic corridors and view sheds.

Sensitive Species and Habitats

The City's riparian woodland along rivers and Ponderosa Pines provides habitat for rare and endangered plant species. Scotts Valley is also home to a unique soil type called "Zayante Soil" and the Carbonera Creek, which is a habitat for steelhead trout. In Scotts Valley, 20 to 50 locally rare plant species exist and are concentrated in the Santa Margarita sand deposits, marshy habitats, grassland areas, and others. Five examples of rare and endangered species are present. The City is also a potential habitat for the Mt. Hermon June Beetle and the Ohlone Tiger Beetle, listed as Endangered Species by the Federal Government. The City requires development proposals in sensitive areas to provide biotic surveys and Habitat Conservation Plans to ensure compliance with the Endangered Species Acts.

Cultural Resources

Scotts Valley's location adjacent to perennial streams and on an ancient seabed has contributed to a wealth of archaeological and paleontological resources in the community today. Additional sites, some of which are included in the land inventory, are known to have contained tools and other implements from Native Americans. Finally, fossils are also known to exist in the community. In Scotts Valley, the General Plan designates areas that have or are known to have cultural resources as moderate or high cultural sensitivity zones. In these areas, development proposals must have appropriate environmental clearance pursuant to state and federal laws.

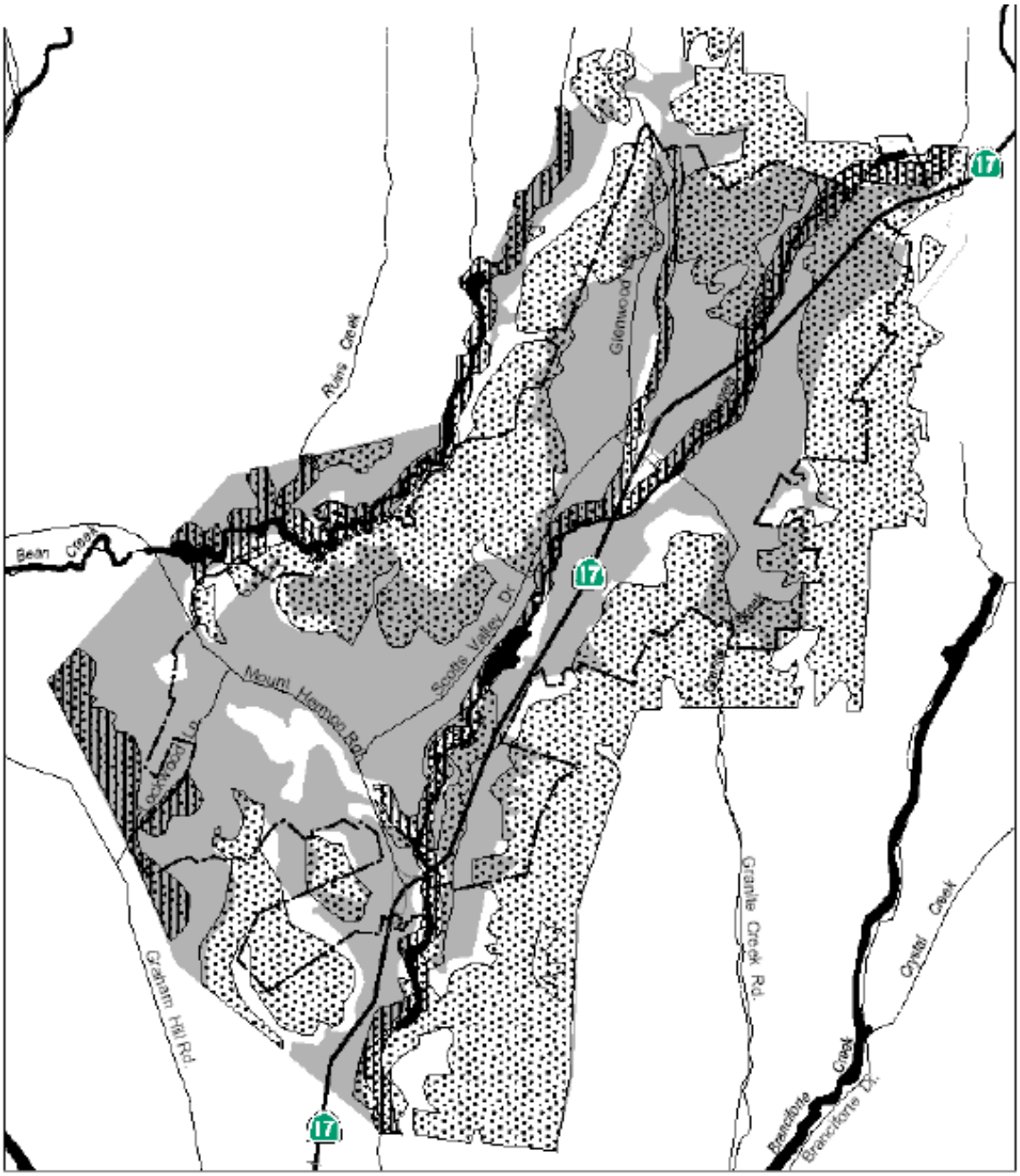
Groundwater Recharge

Scotts Valley derives water entirely from aquifers so groundwater recharge is critical. Scotts Valley lies wholly within the San Lorenzo River watershed. Scotts Valley depends solely on groundwater, so development activity over the past several decades has raised significant concerns over groundwater recharge. To ensure that groundwater can be replenished with rainfall, the General Plan designates most of the city in a High Protection Recharge or High Management Recharge Zone. In these areas, the Municipal Code requires all new housing projects to incorporate storm water detention to mitigate concerns over groundwater recharge.

Chart ~~3-6~~3-9
Potential Environmental Constraints on Major Housing Opportunity Sites in Scotts Valley

Environmental Issues	Residential Development Areas			
	Town Center	Gateway South	Woodside* (formally Quarry Site)	Major Corridor
Critical Habitat Zone	x			X
Cultural Resource Zone		x	x	x
Fire Hazard			x	
Slope and Topography		x	x	
Viewshed			x	
Hydrology Recharge	x	x	x	x
Water Constraint	x	x		x
Floodplain 100or500 yr		x		x
Seismic Hazards	x			x
Special Treatment Area	x	x		

*Part of Woodside was completed in 2014 and 2015.



Source: Scotts Valley General Plan, January 2001; FEMA, May 1996; Census TIGER/B, 2000

City Boundary
River/Creeks

Sensitivity Zones
Critical Habitat Zone
Cultural Sensitivity Zone
100 Year Floodplain

0 0.25 0.5 1 1.5 2 Miles

Environmental Constraints

2. Water Services

The Scotts Valley Water District (SVWD) relies on groundwater sources from the regional Santa Margarita Basin. The SVWD provides the majority of water to the city through six production wells. Wells 3A and 7B serve the SVWD's Orchard Run Treatment Plant (located north of the Polo Ranch site) and pump water primarily from the Butano Formation. Wells 11A and 11B serve the El Pueblo Water Treatment Plant (located in the central area of town) and pump water solely from the Lompico Formation. Wells 9 and 10A (located in the Camp Evers area the south end of town) pump water from the Santa Margarita, Monterey, and Lompico Formations. Potable water is distributed through 55 miles of mains, seven storage tanks, and nine booster pump stations.

In ~~2005~~2010, the SVWD prepared a~~n~~ Revised Urban Water Management ~~and Water Shortage Contingency~~ Plan (UWMP) to govern its ~~the District's~~ long-range water plans. This plan concluded that water could meet growth in the ~~District~~ SVWD service area projected by AMBAG. The plan indicated the following:~~;~~ increase of ~~155~~ 632 customers from ~~3,773~~ 3,898 in ~~2005~~ 2010 to ~~3,928~~ 4,530 customers in ~~2010~~2015; ~~further~~ increase to ~~4,001~~4,619 customers by ~~2015~~2020; ~~and further~~ increase to ~~4070~~ 4,684 customers by ~~2020~~2025; increase to ~~4100~~ 4,800 customers by ~~2025~~2030; and increase to 4,896 by 2035. ~~The Plan also noted that some limited growth beyond the rate projected by AMBAG could be accommodated by expansion of the Water Recycling Project, artificial recharge, or other water supply development programs.~~ The ~~Districts~~ SVWD's UWMP will be updated in ~~2010~~2020.

Like many areas in Santa Cruz County, Scotts Valley is faced with water supply challenges. To assure a reliable water supply, the ~~District~~ SVWD has implemented many water management measures over the past decade. These measures include the construction of a Water Recycling Facility Project (a million gallon storage facility), and collection of water impact fees for funding additional water development projects. The ~~District~~ SVWD joined the California Urban Water Conservation Council in 2005, formalizing its commitment to implementing water conservation best management practices.

In 2006, the ~~District~~ SVWD completed a Groundwater Modeling Study, which documented the long-term loss of groundwater in storage due to well pumping by the ~~District~~ SVWD and others in excess of natural recharge. This s~~S~~tudy also documented that the current level of groundwater in storage can be maintained or increased by expanding the Water Recycling Project, constructing one or more new municipal supply wells to better distribute the location of well pumping across aquifer systems, enhancing water conservation programs, and implementing water management measures.

Scotts Valley was the first recycled water system in Santa Cruz County. The recycled water is produced in a tertiary treatment plant operated by the City's Wastewater Treatment staff. The treated water is then distributed by the SVWD through a dedicated system consisting of 5.5 miles of mains, one

625,000 gallon storage tank, and two booster stations. The project affords a mechanism to accommodate finite growth without further impact on groundwater storage levels. The tertiary water-filter system has the capacity to treat up to 1 ~~MGD~~ mgd of effluent at a level that allows for the direct irrigation at City parks, schools, and commercial and residential landscaping increased from 19 acre feet in 2003 to 161 acre feet in 2008. Further project expansion ~~is anticipated~~occurred in 2009 - 2010 as the ~~District~~ SVWD ~~will~~ constructed three new recycled main extensions with $705,000 in state grant funding as part of the Northern Santa Cruz County Integrated Regional Water Management Plan (IRWMP). SVWD anticipates submitting future grant proposals to fund additional extensions of recycled water pipelines into other key areas within the SVWD service area. Funding for this construction will be sought through Supplemental Proposition 50 and Proposition 84 solicitations under the IRWMP. Through the continuous efforts to expand the district's Recycled Water Program, SWVD anticipates to increase recycled water delivery from 149 AFY in 2010 to 330 AFY by 2030.

The SVWD is planning to construct two new deep municipal supply wells to shift a portion of its pumping from the Lompico to the Butano aquifer. The 2006 Groundwater Modeling Study shows this management measure would help offset current impacts on groundwater storage. In 2008 the District was awarded a $250,000 grant from the Department of Water Resources for a Butano test well project. In 2010, efforts were focused on planning for the installation of the deep monitoring wells in the Butano, which provided important data for evaluating the potential for siting a production well in the Butano. However, no specific production well location has been identified. Additional possible well site locations have been investigated at the Green Valley Site and the Well 9 Site.

Rehabilitation of old wells and construction of new wells are needed to replace lost capacity and are part of SVWD's capital improvement program and maintenance budgeting. Although the need for an additional well has been reduced as a result of decreasing water demand which has resulted in lower groundwater production, ongoing evaluations are occurring to identify the most viable location for the installation of a new groundwater production well. One method to help mitigate potential future service disruptions is to have additional redundancy in the system so that SVWD can continue to meet water demand, even in high-demand periods, with at least one high-capacity well offline. Therefore, the installation of a new groundwater production well is considered a prudent step to maintain system reliability. The construction of a new well will most likely increase supply capacity and accommodate anticipated growth, although the main purpose is to redistribute pumping and increase the reliability of supply.

~~This project will help determine whether the proposed new deep wells are feasible and affordable. as part of the Northern Santa Cruz County Integrated Regional Water Management Plan. This difference of 239 acre-feet is more than enough to accommodate the units associated with the six sites identified for the Housing Element. At an estimated 0.33 acre-feet per year per unit, the new demand would be 173 acre feet. The District's 2009 Water Recycling Facilities Planning Report projects that the system will~~

~~ultimately provide up to 0.75 MGD or 400 acre feet of recycled water annually. Thus the future expansion capacity of the system is 239 acre feet per year over the 2008 delivery amount of 161 acre feet.~~

~~The District's emphasis on water conservation has resulted in substantially lower customer water usage. During the five year period ending 2004, customer use averaged 2,006 acre-feet per year. Since then, it has averaged 1,726 acre feet per year. The District's 2009 Water Recycling Facilities Planning Report estimates that tertiary plan influent available for recycling will decrease as a direct result of customer water conservation.~~

According to the SVWD's 2010 UWMP, although there have been significant years of drought, the overall storage in the basin is apparently sufficient to provide adequate resources for the SVWD given the past, current, and anticipated future demand. The long-term adequacy of the supply will rely on improving direct and in-lieu recharge, and reduction in groundwater pumping through improved water use efficiency, and recycled water production. Additionally, the SVWD will not deny or condition approval of water services, or reduce the amount of services applied for by a proposed development that includes housing units affordable to lower income households.

~~Should water supply and delivery become an issue, the District SVWD adopted Resolution No. 07-06, which established policy regarding water service for affordable housing. The policy states that, "Scotts Valley Water District shall not deny or limit water supplies to a proposed development that includes affordable housing units unless the District makes a written finding that it lacks a sufficient water supply, that it is subject to a State Department of Health Services compliance order that prevents new water connections, or that the applicant has failed to agree to reasonable, generally applicable terms and conditions of water service. Procedures for implementing this policy shall be consistent with Government Code Section 65589.7 and the District's Urban Water Management and Water Shortage Contingency Plan."~~

3. Wastewater Capacity and Treatment

Scotts Valley owns and operates a municipal wastewater treatment plant, seven lift stations, and approximately 40 miles of pipeline. The Scotts Valley Wastewater Recycling Facility (WRF) is owned and operated by the City of Scotts Valley to provide residents with efficient, reliable wastewater treatment services and high-quality recycled water for landscape irrigation and other potential beneficial uses. The WRF has the capacity to treat 1.5 million gallons per day (mgd), enough to see the City through planned build-out. ~~The City's wastewater plant currently handles flows of 0.872 million gallons per day (mgd.) for dry weather flow and 0.933 mgd. for wet weather flow. Despite increased residential and commercial development in Scotts Valley, the wastewater treatment plant's average daily dry weather discharge flow has declined to 0.701 mgd in 2005 as a direct result of increased recycled water usage. There are no conveyance issues that would limit wastewater flow.~~

~~In 1994, the City received a federal EDA grant of $2.5 million to complete~~

~~expansion of the wastewater treatment plant to accommodate projected buildout of all commercial, industrial, and residential areas. With these improvements in place, the expanded facility can accommodate a dry flow 1.5 mgd and peak wet weather flow of 5.0 mgd. Taken together, the~~ Thus, the City's wastewater treatment plant has adequate capacity to accommodate future development anticipated by the Housing Element in Scotts Valley.

~~The City is undertaking capital projects to improve the performance and increase capacity of the sewer system. In 2005, the City installed a new gravity sewer line to eliminate the El Pueblo Lift Station, allowing wastewater to bypass the old station and flow directly into an existing sewer main. The City is completing a design to totally reconstruct the Carbonero Lift Station, which pumps half of the total daily flow received at the treatment plant. The City plans to bid the project this spring with construction by summers end. The new station includes a 3-pump system and larger wet well.~~

4. Energy Conservation

Recent events underscore the importance of energy conservation to reduce the overall life cycle costs of housing and also housing affordability. Despite recent stabilization of the energy crisis, the state's electrical system continues to be vulnerable to increasing electricity demand, generation supply shortages, transmission constraints, and high wholesale electricity costs caused by an unstable market.

The Warren-Alquist Act requires that all new buildings in California must meet energy efficiency standards codified in Title 24, Part 6 of the California Code of Regulations. All new residential construction must comply with the standards in effect on the date a building permit application is made. The California Energy Commission adopted new standards as mandated by the California Energy and Reliability Act of 2000, which were incorporated into model building codes adopted by each local agency.

Scotts Valley enforces Title 24 to ensure that new residential construction incorporates the latest in energy efficient technologies. Under Title 24, developers can comply with such regulations by either: 1) adopting a prescriptive package whereby each component of the proposed building must meet a prescribed minimum energy requirement; or 2) adopting a performance method which evaluates the building as a whole to determine whether energy conservation targets are achievable. In addition, both approaches require certain mandatory energy conservation technologies.

In 2007 the City adopted a Green Building ordinance to encourage the development of energy efficient residential units. In 2008 the City adopted the Town Center Specific Plan which will guide the development of ~~over 300~~254 remaining new residential units in the City (46 units have been constructed in Town Center Collection). This plan requires that the units be designed to reduce their energy demand by at least 10 percent~~%~~.

HOUSING RESOURCES

Chapter 4

This section analyzes resources available for the development, rehabilitation, and preservation of housing in Scotts Valley. This includes an evaluation of the City's regional housing need, availability of land for new housing, the availability of financial resources to support housing activities, and the availability of administrative resources to assist the City in implementing housing programs.

A. Regional Housing Needs

1. Regional Housing Needs

State law requires each jurisdiction when preparing its State-mandated Housing Element, to develop housing programs to meet its "fair share" of housing needs for all income groups. This "fair share" concept seeks to ensure that each jurisdiction, to the extent feasible and appropriate, provides housing for its resident population, and those households who might reasonably be expected to reside within the jurisdiction, with a variety of housing accommodations appropriate to their needs.

Senate Bill (SB) 375, passed into law in 2008, requires the coordination of housing planning with regional transportation planning through the region's Regional Transportation Plan/Sustainable Community Strategy (MTP/SCS). This in effect entails consistency in growth forecasts for land use, housing, and transportation purposes. SB 375 requires that the RHNA and MTP/SCS process be undertaken together in order to integrate housing, land use, and transportation planning to ensure that the state's housing goals are met. Prior to SB 375, RHNA was updated every five years and the MTP was updated every four years. Because SB 375 requires better coordination between transportation planning with land use and housing planning, the RHNA process is now tied to the adoption of every two cycles of the regional MTP/SCS. As a result, each local jurisdiction is required to update its housing element every eight years instead of every five years.

The regional fair share determination process begins ~~every five years~~ with the State Department of Finance's population projections for the State of California and the many regions throughout the state. The State Department of Housing and Community Development (HCD) use these projections to determine the amount and composition of housing need in different regions of California. The region's housing need projections are determined in consultation with the Council of Governments, which are designated public agencies which address regional planning in each region of the State.

Once the regional housing need for Santa Cruz County and Monterey County is determined, the Council of Governments allocates a share of the region's

housing need to each jurisdiction. In the Monterey County and Santa Cruz County area, the agency responsible for assigning "fair share" housing targets to each community is the Association of Monterey Bay Area Governments (AMBAG). Local jurisdictions are then required, as part of the Housing Element process, to develop local programs to accommodate their share of housing need.

Based upon Statewide population projections, HCD determined that ~~15,130~~10,430 housing units would address the region's housing needs ~~arising~~ for the ~~from~~ ~~2009~~ 2015- ~~through 2014~~ 2023 planning period due to population and employment growth.

Once basic housing need is calculated for the region, AMBAG is required to allocate the region's total to each community within the AMBAG region. In doing so, AMBAG must take into account various planning factors. These factors were used as justification for reductions or increases to the baseline distribution based on AMBAG's adopted methodology. According to Section 65584 of the Government Code, these considerations are:

- Existing and projected jobs and housing relationship;
- Opportunities and constraints to development of additional housing;
- Distribution of household growth assumed for a comparable period in the regional transportation plan and opportunities to maximize the use of public transportation and existing transportation infrastructure;
- Market demand for housing;
- Agreements between counties and cities to direct growth toward incorporated areas;
- Loss of units contained in assisted housing developments;
- High housing cost burdens;
- Housing needs of farmworkers;
- Housing needs generated by the presence of a private university or a campus of the of the California State University or the University of California; and
- Any other factors, as determined by AMBAG. ~~Market demand for housing~~
- ~~Employment opportunities~~
- ~~Availability of suitable sites and public facilities~~
- ~~Commuting patterns~~
- ~~Type and tenure of housing~~
- ~~Loss of units in assisted housing developments~~
- ~~Over-concentration of lower income households~~
- ~~Geological and topographical constraints~~

~~A Technical Advisory Committee was formed to disaggregate the regional housing needs allocation into Monterey County and Santa Cruz County. In making its determination, the Technical Advisory Committee relied on AMBAG's Population and Employment forecasts for the region, which is used for transportation planning purposes.~~ The RHNA methodology was approved by the Board of Directors and reviewed by the Planning Directors Forum. The adopted RHNA methodology distributes the regional figure on a jurisdiction's proportional share of housing and jobs.

2. Scotts Valley's Housing Need

Once the region's housing need was allocated to Santa Cruz and Monterey counties, each jurisdiction was allocated a share of the County's need. To make this allocation, AMBAG determined the amount of household growth projected for each jurisdiction. The ratio of a jurisdiction's household growth versus the County's projected household growth was then applied to the County's total housing need.

State law requires that AMBAG allocate housing unit goals in such a manner as to avoid and reduce the disproportionate concentration of lower income households in any one jurisdiction. To that end, AMBAG compared the existing household income distribution of each jurisdiction to the County, based on the assumption that all cities should eventually provide the same affordability levels of housing.

Chart 4-1 below summarizes the City's allocation of the region's housing needs by affordability level. ~~Should the County's lawsuit change the final allocation, the City's Housing Element should be amended accordingly.~~

Chart 4-1
Scotts Valley's Regional Housing Needs Projection Goals

Income Group	Definition	Number of Units	Percent of Total
Very Low[1]	<50% of County MFI	34	24.1%
Low	51-80% of County MFI	22	15.7%
Moderate	81-120% of County MFI	26	18.2%
Above Moderate	120%+ of County MFI	58	42.0%
Total		**140**	**100%**

[1]Extremely Low-Income Households considered 50% of Very Low-Income Households= 17 households
Source: Regional Housing Needs Allocation Plan: 2014-2023, AMBAG, 2014.

~~**Chart 4-1**~~
~~**Scotts Valley's Regional Housing Needs Production Goals**~~

~~Household Income Group~~	~~Affordability Level~~ ~~Definition~~	~~Income Range for a 4-person family~~	~~Production Goals~~
~~Very Low~~	~~< 50% of County MFI~~	~~Less than $43,500~~	~~42~~
~~Low~~	~~51%-80% of County MFI~~	~~$43,5001 to $69,600~~	~~32~~
~~Moderate~~	~~81-120% of County MFI~~	~~$69,6001 to $97,600~~	~~36~~
~~Above Moderate~~	~~1201% + of County MFI~~	~~Above $97,600~~	~~78~~
~~**Total**~~			~~188~~

The City is required to facilitate and encourage the production of new housing affordable to ~~these~~ various household income levels. ~~For purposes of assignments, single-family homes and condominiums are only affordable to above-moderate-income households.~~ A survey of online rental listings

conducted in July 2015 indicate that in Scotts Valley~~A~~ apartments rent between~~at $900-$1,400~~$850 to $1,350 for a one-bedroom unit, $1,200 to $~~1,800~~2,010 for a two-bedroom unit, and $~~1,500~~1,660 to~~-~~ $~~2,450~~2,850 for a three-bedroom unit.~~ Moderate-income households can afford most apartments~~. According to Zillow's Rental Index through July 2015, the average rent list price in the County of Santa Cruz is $2.08 per square feet. A 400-square foot secondary dwelling unit can therefore rent for approximately $832 per month, which may be affordable to lower income households.~~However, second units and guest houses rent for approximately $1,000 and are affordable to lower income households.~~

3. Housing Production

During the time frame of 2009 to 2015, a total of 201 new housing units have been built in Scotts Valley as shown on **Chart 4-2**.

Chart 4-2
Number of Units Built~~d~~, 2009-2015

Calendar Year	Very Low	Low	Moderate	Above Moderate	Total
2009	0	0	0	2	2
2010	0	2	0	8	10
2011	0	2	0	1	3
2012	0	0	0	30	30
2013	0	4	1	41	46
2014	0	0	4	87	91
2015	0	3	8	19	30
Total	**0**	**11**	**13**	**188**	**212**

Notes:
Low-income units 2010, 2011 are secondary dwelling units
Low- and moderate-income units 2013, 2014, 2015 are income-restricted units

Woodside (formally the Old Quarry Site)

In January 2011, the City approved a mixed-use development with approximately 16,500 square feet of commercial space along the street frontage and 49 small lots for detached single-family houses. Since 2014, 49 total housing units have been built on the project site. Of the total housing units, one unit is affordable to low-income households and six units are affordable to moderate-income households.

~~During the time frame of January 1, 2000 to December 31, 2008 a total of 379 new housing units have been built in Scotts Valley. There are currently 159 market rate units approved and 20 affordable units approved which have not been constructed because to the economic down turn. The following describes affordable housing built since 2000. **Chart 4-3** on the next page summarizes the units counted toward the City's Regional Housing Needs.~~

~~Duplex Housing-College Housing~~

~~According to the 2000 Census, group quarters include university owned, on-campus and off-campus housing for unmarried students, provided the dorm is restricted to students who do not have their families living with them. Six duplex units have been built at Bethany College as part of their Master Plan to produce~~

a total of 22 duplex units. These duplexes, reserved for married families, qualify within this category and are therefore eligible for counting as independent housing units. College officials indicate that these family units rent below $1,000/month and are affordable to low income households.

Triplex Units

The City and Polo Ranch developers are working with Habitat for Humanitytogether to build affordable units. The developers of the 40 41-unit Polo Ranch project are, pursuant to a development agreement, proposing two2 triplexes consisting of 4 low income units and 2 very low income unitsThe City has approved the affordable housing project, the Affordable Housing Subcommittee has negotiated with the applicant to provide a build-ready site to Habitat for Humanity, and the City staff are currently reviewing the draft EIR. The project is anticipated to begin later in 2009 and be completed in 2010.

Apartments

tThe Bay Tree Apartments, Acorn Apartments, Kelly Court, and one small other project provide 70 new apartments, with some affordable to low and moderate income households. Acorn provideds 4 low income income units and Bay Tree provideds 5 low income and 4 moderate income units restricted for 30 years as a condition for receiving RDA assistance. Kelly Court is building an 11-unit project in athe Redevelopment Project Area and , has built through a developer agreement, to deed restrict low-income apartments as part of a vertical mixed-use project onsite.

Second Units

The City has facilitated the development of second units over the planning period by the following: 1) reducing development standards; 2) permitting them by right; and 3) reducing the impact fee from $14,321 to $9,394. Since 2009 90, the City has approved the construction of six second units in the community. Based on interviews with applicants and a review of current rents cited in the Sentinel, second units are generally charging rents comparable with apartments, which are affordable to moderate income households.

Single-Family Attached

Several single-family projects were built within the boundaries of Redevelopment Project Areas and were therefore required to fulfill a 15 percent% inclusionary requirement as part of State law. The Bluebonnet Lane project includes 31 condos (near the Scotts Valley Senior Center) and provides two2 low-income and three3 moderate-income units restricted until 2048. The Torrey Oak project (11-unit condominium project on Mt. Hermon Road and La Cuesta Drive) set aside one1 low-income unit and one1 moderate income unit as restricted until 2036. One additional affordable condominium unit has also been built. Forty-eight48 new units were approved on Bluebonnet in 2008 and will provide six6 new affordable units.

Chart 4-3 summarizes the City's regional housing needs requirement, housing projects built and approved, and the remaining requirement that would need to be fulfilled through the designation of adequate sites.

Chart 4-32

~~Housing Production in Scotts Valley~~
~~January 2000 - December 2008~~

	~~Affordability of Units~~			~~Total~~
	~~Lower Incom~~	~~Moderate~~	~~Above Moderate~~	
~~Housing Built/Approved~~				
~~- Single-Family Detached~~	~~0~~	~~3~~	~~188~~	~~191~~
~~- Duplexes/Triplexes~~	~~15~~	~~0~~	~~34~~	~~49~~
~~- Apartments (5+ units)~~	~~10~~	~~7~~	~~56~~	~~73~~
~~- Second Units~~	~~6~~	~~0~~	~~0~~	~~6~~
~~- Condos/Townhomes~~	~~4~~	~~3~~	~~53~~	~~60~~
~~*Total*~~	~~35~~	~~13~~	~~331~~	~~379~~

B. Housing Opportunity Sites

This section analyzes the remaining housing need and where the City will designate sites that will have zoning and development standards, infrastructure and public facilities in place to accommodate the construction of new housing during the planning period.

1. Housing Sites Planned for Residential Uses

Based on the City's land inventory, the City Council has proposed the following sites to meet the remainder of the 2015-2023 RHNA~~RHNP~~. **Chart 4-4** lists each site, the Assessor's parcel number, acreage, density assumption, and affordability level.

Each site has specific lot sizes, general plan land use and zoning designations, allowable density, and other attributes. The site criteria and ability to facilitate and encourage the construction of affordable housing are outlined below:

- **Above-Moderate income**. Residential sites which allow for single-family homes (e.g., such as R-R, R-1, etc.) are considered affordable to above-moderate income housing based on earlier sales prices.
- **Moderate income**. Sites smaller than 1.5~~ 1/2~~ acres, zoned for high density (9 to 15 units/acre), ~~and~~ typically could have apartments that would facilitate moderate-income housing or sites with confirmed affordability restrictions.
- **Lower income**. Sites 1.5 acres and larger, either individually or through consolidation, with a land use designation allowing up to 20 units per acre, or sites with confirmed affordability restrictions.

Town Center Specific Plan

The City of Scotts Valley approved a specific plan and programmatic Environmental Impact Report for the development of a town center on approximately 15 acres along Mt. Hermon Road which was previously the old Skypark Airport. The Programmatic Environmental Impact Report and Specific Plan anticipate a total of 300 new housing units within the Specific Plan area. ~~100 of the units would be a stand-alone housing project and 200 units would be part of the mixed-use development in the town center core area.~~Forty-six of the units of the Town Center have been constructed, including 5 affordable units, with an additional 254 new housing units planned. When completed, the Town Center will have 100 stand-alone housing units and 200 units will be part of the mixed-use development in the Town Center core area. This project falls within the City's Inclusionary Housing Program, in which each new housing project over six units must generate affordable housing units. Under the program, each new housing development must include 15 percent of the units as affordable housing units. The Town Center will accommodate 45 lower income units, five of which have been constructed. ~~is within the City's Redevelopment Agency which requires that 15% of the units be affordable resulting in 45 new affordable units.~~

In addition to the 15 percent~~%~~ required affordable units, the nature of the

housing in the mixed use core of the Town Center should result in additional affordable housing opportunities being provided.

~~College Housing~~

~~Bethany College comprises 80 acres of land set in riparian and slope areas. Bethany's Master Plan proposes 28 units of married student housing, 36 multi-family units along Bethany Loop, and 30 dorm units. College officials indicate that all units will be rented to lower income households. Development of duplexes has already begun with six units built to date. Bethany apartments and dorm units cannot proceed until several issues are addressed: 1) proper environmental review has occurred; 2) the sites receive a water allocation; and 3) a secondary access road is built from Scotts Valley Drive to Bethany Drive to Canham Road to address fire safety concerns.~~

Second~~ary~~ Dwelling Units

The City has facilitated the development of secondary dwelling units over the planning period by the following: 1) reducing development standards; and 2) permitting them by right.~~; and 3) reducing the impact fee from $14,321 to $9,394.~~ Since 2009~~0~~, the City has approved ~~six~~ four secondary dwelling units in the community. The City also updated its ~~accessory~~ secondary dwelling unit ordinance for consistency with California Government Code Section 65852.2, which requires local governments with a local second-unit ordinance to ministerially consider second-unit applications.~~new state law~~ ~~.~~ ~~Since 2000, six accessory units have been built. Based on the market for second units in Santa Cruz, Scotts Valley estimates that a total of 25 second units may be built from the 2000 to 2008 planning period.~~According to rental index published by Zillow.com, the average rental price per square foot in Santa Cruz County is $2.08. Assuming a 400-square foot secondary dwelling unit, the average rental price for a second unit in Scotts Valley would be $832 per month. ~~–~~Secondary dwelling units are anticipated to be affordable to lower income households.

~~Old Quarry Site~~

~~Scotts Valley is home to an abandoned 16-acre quarry site and an adjacent vacant site used for outdoor trailer sales. The sites are vacant and substantially underutilized, designated as commercial (C-S) and rural residential (R-R), but could accommodate substantial new housing on both sites. However, full site development is contingent upon addressing potential environmental constraints, such as riparian habitat, sensitive species (e.g., the Mt. Hermon June Beetle and silver leaf manzanita), slope and topography, and view sheds, as well as the potential for fossils and paleontological resources. In March 2004, the City Council approved a quarry remediation plan and allowance of commercial and residential uses on 6.26 acres of the site. The 2.26-acre portion fronting Scotts Valley Drive is intended as vertical mixed use; the 4 acres in back of the frontage is intended as very high density residential only. The six acres of developable land have been approved for 94 multiple-family units of which 14 will be affordable in an overall mixed residential-commercial use setting.~~

Gateway South Specific Plan

The Gateway South Specific Plan is an adopted plan for the area located at the southern main entrance to the City at Highway 17 and Mt. Hermon Road. ~~Some of the Plan area is located in the Redevelopment Project Area.~~ Specific Plan policies encourage a range of housing types and development configurations. This Specific Plan area is occupied by a new 180-room hotel, 41 apartments (including nine~~9~~ affordable units), and 20 townhomes. The Plan anticipates 136~~3~~ total units with a minimum of 21 ~~units being~~ affordable units. ~~The Specific Plan area has seven vacant residential sites zoned RV-H, and one site zoned C-S which allows high density mixed use by right.~~

Scotts Valley Drive, North of Dunslee

Two other sites along Scotts Valley Drive were selected for new housing. North of Dunslee, this 9.5-acre vacant site slopes up to the west, and is a candidate for a density transfer. Of the 9.5 acres, two~~2~~ acres are considered developable –one acre is zoned C-S and one acre is zoned R-R. The site has been rezoned C-S and allows up to 20 units per acre, yielding 40 units for this site. ~~Greater densities and total units may be possible pursuant to a density transfer.~~

Scotts Valley Drive, North of Mt. Hermon ~~Shell Station~~

Additional sites for housing are available along Scotts Valley Drive. North of the Shell station on the east side of Scotts Valley Drive are four~~three~~ vacant parcels totaling 4.19~~3.8~~ acres, of which 2.8~~0~~ acres are developable. These four~~three~~ sites are all contiguous to one another and the City is actively encouraging their consolidation to provide the preconditions for a quality residential product. The sites were rezoned to R-M in 2007. Together, this site could yield 33~~0~~ housing units.

~~Bluebonnet Lane~~

~~The Bluebonnet Lane site is a 2.5-acre site adjacent to the Cavarallo Transit Center. The site is vacant, relatively flat, and has no environmental constraints. The site is located in the City's Redevelopment Project Area and requires that 15% of the units be affordable. Along the western half of the site, there is an opportunity for higher density residential uses which would be within walking distance of public and commercial uses, such as the Community Center, Transit Center, Senior Center, and Kings Village Shopping Center. The City rezoned this site as R-VH in 2007 and approved a 48 unit project with 6 affordable units in 2008. It is hoped construction will start within the next year.~~

Oak Creek Park (formerly Glen Canyon)

The City has identified 3.6 acres at the corner of Glen Canyon/Mt. Hermo~~a~~n Road and rezoned the property to C-S with high density residential permitted as part of a mixed use project. This~~The~~ particular site was previously approved for office buildings, which are no longer desired. The site is ~~a~~ vacant and located~~lot is~~ between Oak Creek Boulevard and the Shell Gas Station and backs up to residential uses. There are no environmental or topographical constraints. This site could yield an estimated total of 10 dwelling units.

Chart 4-3 on the next page summarizes these sites and their credit toward the 2015-2023~~2009-2014~~ Regional Housing Needs Allocation~~Plan~~. Taken together, these sites will yield up to 106accommodate 79 lower income units, 77 moderate income units, potentially affordable to lower income households and 3334~~0~~ above moderate-income units~~77 units affordable to moderate-income households~~, exceeding the remaining RHNP meeting the City's entire RHNA need for the planning period.

Chart 4-3
Accommodation of 2015-2023 RHNA~~P~~
~~CHART 4-43~~
~~Regional Housing Needs Plan~~

RHNA~~P~~ Progress	Maximum Units			Total Units
	Lower	Moderate	Upper	
Regional Housing Goals	**56~~74~~**	**26~~36~~**	**58~~78~~**	**140~~188~~**
Units Built Since January 2014	3	12	106	
~~Approved – Bluebonnet Lane~~	~~6~~		~~42~~	~~48~~
~~Approved – Pennicle View~~			~~20~~	~~20~~
~~Approved – Quarry Site~~	~~7~~	~~7~~	~~80~~	~~94~~
~~Approved – Greenhills Road~~			~~17~~	~~17~~
Remainder	**53~~61~~**	**14~~29~~**	**0**	**67~~90~~**
Housing Sites				
~~Bethany College~~	~~22~~			~~22~~
Secondary Dwelling Units	5			5
Town Center Specific Plan	40~~5~~	55	159~~200~~	254~~300~~
Gateway South Specific Plan	21	22	93	136
Erba Lane			11	11
Scotts Valley Dr./No. of Dunslee	6		34	40
Scotts Valley Drive, No. Mt. Hermon	5~~7~~		28~~33~~	33~~30~~
Oak Creek Park~~Glen Canyon~~	2		8	10
Total Housing Sites	79~~121~~	77~~84~~	333~~528~~	489~~733~~
Remainder (RHNA~~P Sites~~)	0	0	0	

Source:
City of Scotts Valley, 2009
*Surplus of lower income sites will cover the deficit in moderate-income units

Chart 4-4 provides a complete description of each parcel, its attributes, and assumed suitability to facilitate housing affordable to households of different income levels, including lower income. Parcels in the Gateway area and Scotts Valley Drive provide opportunities for lot consolidation to encourage future development. ~~It is anticipated that lots in the Gateway area and Scotts Valley Drive will be consolidated to provide for better design.~~

Chart 4-~~45~~4
Housing Sites for the Regional Housing Needs

Location	APN	Acres	Zoning	Density	Low Units	Market Units	Current Use
~~Bethany~~	~~23-022-08~~	~~333.0~~	~~P/QP~~	~~Open~~	~~22~~	~~--~~	~~Various~~
Secondary Dwelling Units	Various	Various	--	--	5	--	Various
Town Center	See specific plan	17.0	Various	Various	405	21455	Vacant
~~Quarry~~	~~22-451-04,10~~	~~6.26~~	~~C-S~~	~~15-20~~	~~14~~	~~80~~	~~Vacant~~
Gateway	22-151-05	1.72	R-VH	15-20	5	29	Under
Gateway	21-321151-043	2.03	R-VH	15-20	6	34	Vacant
Gateway	22-151-03	1.1	R-VH	15-20	3	17	Under
Gateway	22-151-04	0.57	R-M	8	1	3	Vacant
Gateway	22-151-11	1.10	R-VH	20	3	17	Under
Gateway	22-151-07	0.865	R-VH	15-20	2	8	Under
Gateway	22-151-08	0.54	R-VH	15-20	1	7	Under
Erba Lane	22-481-185	1.030.75	R-H	15	0	1511	Vacant
~~Greenhills~~	~~24-211-01 & 02~~	~~43.0~~	~~R-R-2.5~~	~~2.5~~	~~0~~	~~17~~	~~Vacant~~
~~Pinnacle View~~	~~21-281-01, 02, 05 & 06~~	~~2.0~~	~~R-VH~~	~~15-20~~	~~0~~	~~20~~	~~Vacant~~
~~Bluebonnet~~	~~22-211-92~~	~~2.48~~	~~R-VH~~	~~15-20~~	~~6~~	~~42~~	~~Vacant~~
Dunslee	22-451-01	2.0	C-S	15-20	6	34	Vacant
Scotts Valley Drive, north~~.~~ of Mt. Hermoan	22-162-69	2.3	R-M	8	5	25	Vacant
	22-162-74	0.36	R-M	8	0	0	Vacant
	22-732132-48	0.94	R-M	8	0	0	Vacant
	22-732-01	0.59	R-M-8	8	03	3	Vacant
Oak Creek Park~~Glen Canyon~~	22-162-76	3.6	C-S	15-20	2	8	Vacant
Total	**--**	**--**	**--**	**--**	**~~126~~79**	**~~607~~410**	**--**

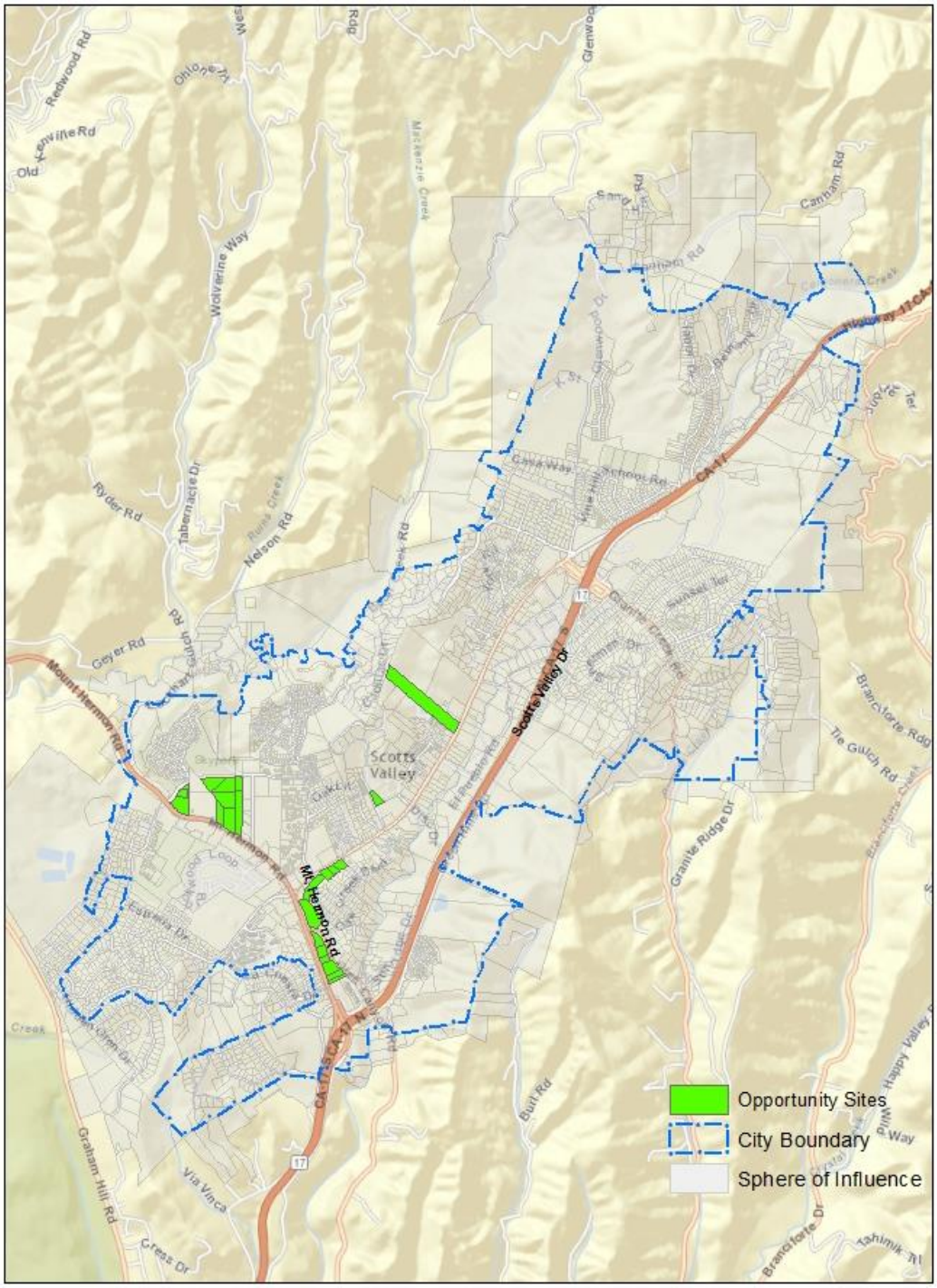
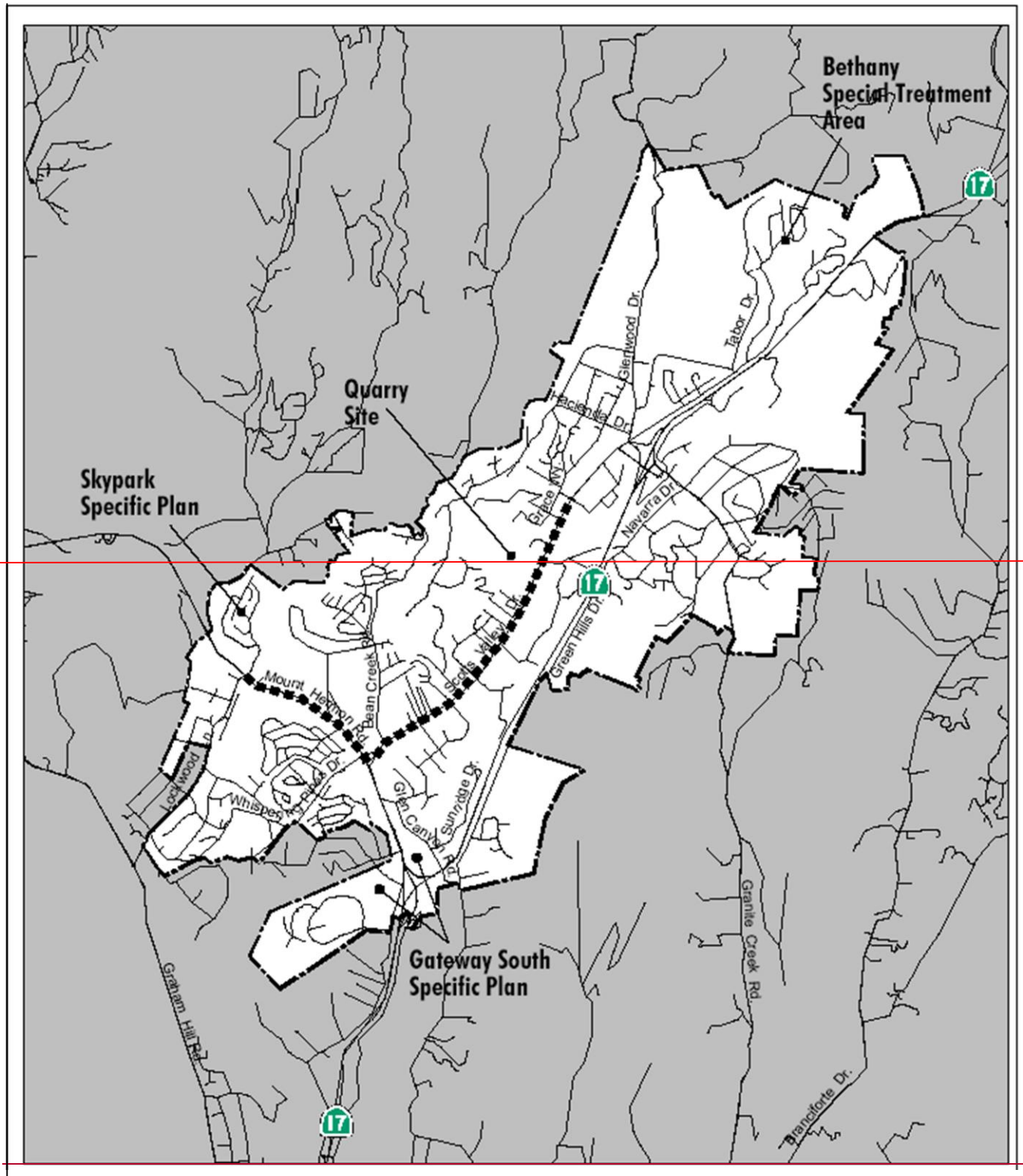


Figure 3
Housing Opportunity Sites


Bethany
Special Treatment
Area
Quarry
Site
Skypark
Specific Plan
Gateway South
Specific Plan
17
Glenwood Dr.
Tabor Dr.
Bacienta Dr.
Grace Way
Navarra Dr.
Green Hills Dr.
Devils Valley Dr.
Mount Hermon
Bean Creek Rd.
Lockwood
Whispering Pines Dr.
Glen Canyon Rd.
Sunridge Dr.
Granite Creek Rd.
Graham Hill Rd.
Brancifortе Dr.

C. Resources for Addressing Housing Needs

The City of Scotts Valley has access to a variety of existing and potential funding sources available for affordable housing activities. They include programs from local, state, federal and private resources. In addition, various public and nonprofit agencies are available to assist the City in implementing its housing policies and programs. ~~The following describes the financial and administrative resources available to the City of Scotts Valley.~~

In previous years, the primary source of funds for affordable housing activities in Scotts Valley was the Redevelopment Agency housing set-aside fund. On December 29, 2011, the California Supreme Court ruled to uphold ABx1 26, which dissolved all redevelopment agencies (RDAs) in the State. A companion bill, ABx1 27, which would have allowed the RDAs to continue to exist, was declared invalid by the court. The court's decision required that all RDAs within California be eliminated no later than February 1, 2012. The City of Scotts Valley Redevelopment Agency was dissolved as of February 1, 2012 and the City of Scotts Valley was selected to be the Successor Agency responsible for all enforceable obligations owed.

1. Financing Resources

Chart 4-5 lists the potential funding sources that are available for housing activities. They are divided into five categories: federal, State, county, local, and private resources.

Chart 4-5
Financing Resources

Program Name	Description	Eligible Activities
1. Federal Programs and Funding Sources		
Community Development Block Grant (CDBG)	The Community Development Block Grant (CDBG) program is a flexible program that provides communities with resources to address a wide range of unique community development needs.	Acquisition Rehabilitation Homebuyer Assistance Economic Development Homeless Assistance Public Services
Home Investment Partnership (HOME)	Local jurisdictions can receive HOME funds directly from the Federal government. HOME funds are used to assist low income (80% AMI) households.	New Construction Acquisition Rehabilitation Homebuyer Assistance Rental Assistance
Emergency Shelter Grant (ESG) Program	Funds emergency shelters, services and transitional housing for homeless individuals and families.	Homeless Assistance Public Services

Chart 4-5 Financing Resources		
Program Name	**Description**	**Eligible Activities**
Neighborhood Stabilization Program (NSP) Funds	Provides funds to purchase abandoned and foreclosed homes and residential property.	Acquisition Homebuyer Assistance
Choice Neighborhoods Grants	Funds to address distressed neighborhoods and publicly assisted projects to transform them into viable and sustainable mixed-income neighborhoods by linking housing improvements with appropriate services, schools, public assets, transportation, and access to jobs. Planning grants and implementation grants are available.	New Construction Acquisition Rehabilitation Economic Development Public Services
Section 202 Housing for Seniors	HUD provides capital advances to finance the construction, rehabilitation or acquisition with or without rehabilitation of structures that will serve as supportive housing for very low-income elderly persons, including the frail elderly, and provides rent subsidies for the projects to help make them affordable.	Acquisition Rehabilitation New Construction
Section 811 Housing for Persons with Disabilities	Grants to non-profit developers of supportive housing for persons with disabilities, including group homes, independent living facilities and intermediate care facilities.	Acquisition Rehabilitation New Construction Rental Assistance
Housing Opportunities for Persons with AIDS (HOPWA)	HOPWA is an entitlement grant distributed to the largest jurisdiction in each county. HOPWA funds may be used for a wide range of housing, social services, program planning, and development costs. These include, but are not limited to, the acquisition, rehabilitation, or new construction of housing units; costs for facility operations; rental assistance; and short-term payments to prevent homelessness. HOPWA funds also may be used for health care and mental health services, chemical dependency treatment, nutritional services, case management, assistance with daily living, and other supportive services.	Acquisition Rehabilitation Homebuyer Assistance Homeless Assistance Public Services Rental Assistance
Supportive Housing Program	Provides funding to develop supportive housing and services that will allow homeless persons to live as independently as possible. Grants under the Supportive Housing Program are awarded through a national competition held annually.	Homeless Assistance Public Services

Chart 4-5 Financing Resources		
Program Name	**Description**	**Eligible Activities**
Shelter Plus Care	Provides rental assistance for hard-to-serve homeless persons with disabilities in connection with supportive services funded from sources outside the program.	
2. State Programs		
Low-income Housing Tax Credit (LIHTC)	Tax credits are available to persons and corporations that invest in low-income rental housing. Proceeds from the sale are typically used to create housing. Tax credits are available between 4% and 9%.	New Construction
Building Equity and Growth in Neighborhoods (BEGIN)	Grants to cities to provide down payment assistance (up to $30,000) to low and moderate income first-time homebuyers of new homes in projects with affordability enhanced by local regulatory incentives or barrier reductions.	Homebuyer Assistance
CalHome	Grants to cities and non-profit developers to offer homebuyer assistance, including down payment assistance, rehabilitation, acquisition/rehabilitation, and homebuyer counseling. Loans to developers for property acquisition, site development, predevelopment and construction period expenses for homeownership projects.	Predevelopment Site development Site acquisition Rehabilitation Acquisition/Rehab Down payment assistance Mortgage financing Homebuyer counseling
Transit-Oriented Development Housing Program	Under the program, low-interest loans are available as gap financing for rental housing developments that include affordable units, and as mortgage assistance for homeownership developments. In addition, grants are available to cities, counties, and transit agencies for infrastructure improvements necessary for the development of specified housing developments, or to facilitate connections between these developments and the transit station.	Homebuyer Assistance Predevelopment Site development Infrastructure
Infill Incentive Grant Program	Funding of public infrastructure (water, sewer, traffic, parks, site clean-up, etc) to facilitate infill housing development. One funding round annually.	Regulations pending
CalHFA FHA Loan Program	Provides fixed rate FHA mortgages in Federally Designated Targeted Areas.	Homebuyer Assistance

Chart 4-5 Financing Resources		
Program Name	**Description**	**Eligible Activities**
CalHFA Homebuyer's Down payment Assistance Program	CalHFA makes below market loans to first-time homebuyers of up to 3% of sales price. Program operates through participating lenders who originate loans for CalHFA. Funds available upon request to qualified borrowers.	Homebuyer Assistance
CalHFA Mental Health Services Act Funds	Jointly administered by the California Department of Mental Health and the California Housing Finance Agency on behalf of counties, the Program offers permanent financing and capitalized operating subsidies for the development of permanent supportive housing, including both rental and shared housing, to serve persons with serious mental illness and their families who are homeless or at risk of homelessness. MHSA Housing Program funds will be allocated for the development, acquisition, construction, and/or rehabilitation of permanent supportive housing.	New Construction Acquisition Rehabilitation Homeless Assistance Public Services Rental Assistance New
CalHFA New Issue Bond Program (NIBP)	Provides affordable housing bond funding to CalHFA and other housing finance agencies. This funding allows developers to secure a source of affordable financing in the marketplace which otherwise could not be obtained.	New Construction Acquisition Rehabilitation Preservation
Golden State Acquisition Fund (GSAF)	Affordable Housing Innovation Program (AHIP): provides loans for developers through a nonprofit fund manager to provide quick acquisition financing for the development or preservation of affordable housing.	New Construction Acquisition Rehabilitation Preservation
Emergency Housing and Assistance Program Operating Facility Grants (EHAP)	Provides operating facility grants for emergency shelters, transitional housing projects, and supportive services for homeless individuals and families.	Homeless Assistance Public Services
Emergency Housing and Assistance Program Capital Development (EHAPCD)	Funds capital development activities for emergency shelters, transitional housing, and safe havens that provide shelter and supportive services for homeless individuals and families.	Homeless Assistance Public Services

Chart 4-5 Financing Resources		
Program Name	**Description**	**Eligible Activities**
Emergency Solutions Grant (ESG) Program	Funds projects that serve homeless individuals and families with supportive services, emergency shelter/transitional housing, assisting persons at risk of becoming homeless with homelessness prevention assistance, and providing permanent housing to the homeless population. The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 places new emphasis on assisting people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness.	Homeless Assistance Public Services
Infill Infrastructure Grant Program (IIG)	Provides grants for infrastructure construction and rehabilitation to support higher-density affordable and mixed-income housing in infill locations.	Predevelopment Site development Infrastructure
Multifamily Housing Program:	Provides funding for new construction, rehabilitation, or acquisition and rehabilitation of permanent or transitional rental housing. Projects are not eligible if construction has commenced as of the application date, or if they are receiving 9% federal low income housing tax credits. Eligible costs include the cost of child care, after-school care and social service facilities integrally linked to the assisted housing units; real property acquisition; refinancing to retain affordable rents; necessary onsite and offsite improvements; reasonable fees and consulting costs; and capitalized reserves.	Acquisition Rental Assistance Public Services Site development Infrastructure Development Fees
Predevelopment Loan Program (PDLP)	Provides predevelopment capital to finance the start of low income housing projects.	Predevelopment
3. County Programs		
Housing Choice Vouchers (formerly Section 8)	Rental assistance payments to owners of private market rate units on behalf of low-income (50% MFI) tenants.	Rental Assistance

Chart 4-5 Financing Resources		
Program Name	**Description**	**Eligible Activities**
Low Income Public Housing Program (LIPH)	The LIPH is a national rental assistance program funded and monitored by the Department of Housing and Urban Development (HUD) to provide decent and safe rental housing for eligible low income families. Participants in LIPH rent a townhouse style apartment owned and managed by the Housing Authority of the County of Santa Cruz. Tenants pay rent directly to the Housing Authority, and may choose to pay either an income based rent (which is equal to approximately 30% of their household income) or a fixed flat rent which is similar to market rent.	Rental Assistance
Mortgage Credit Certificate (MCC)	Federal tax credit for low- and moderate-income homebuyers who have not owned a home in the past three years. Allocation for MCC is provided by the State and administered by the County.	Homebuyer Assistance Income Tax Credit
USDA Farmworker Housing Program	The Housing Authority of the County of Santa Cruz owns and manages 70 two and three bedroom units of U.S. Department of Agriculture-Rural Housing Service (USDA-RHS) in Santa Cruz County at two different sites in and near Watsonville. This program is designed to provide affordable housing to households where at least one household member earns a substantial portion of their income as farm laborers and is either a United States citizen or legal resident.	Rental Assistance
4. Local Programs		
Tax Exempt Housing Revenue Bond	The City can support low-income housing by holding the required TEFRA hearing prior enabling the issuance of housing mortgage revenue bonds. The bonds require the developer to lease a fixed percentage of the units to low-income families at specified rental rates.	New Construction Rehabilitation Acquisition
5. Private Resources/Financing Programs		
Federal National Mortgage Association (Fannie Mae)	Fixed rate mortgages issued by private mortgage insurers; mortgages which fund the purchase and rehabilitation of a home; low down-payment mortgages for homes in underserved areas.	Homebuyer Assistance

Chart 4-5 Financing Resources		
Program Name	**Description**	**Eligible Activities**
National Housing Trust	The Green Affordable Housing Preservation Loan fund through the National Housing Trust Provides below market predevelopment and interim development loans to affordable housing developers who seek to incorporate green building techniques when rehabilitating existing affordable housing. Under the program, a portion of the loan will be forgiven when the developer demonstrates that they have incorporated practical, environmentally friendly design elements in the property's rehabilitation plan.	Predevelopment Development Loans
California Community Foundation	Provides support for general operating of existing nonprofit affordable housing developers, with the focus on supporting the development and preservation of permanent affordable housing.	New Construction Rehabilitation Acquisition
MacArthur Foundation:	Preserving Affordable Rental Housing Program is a $150 million initiative that seeks to preserve and improve affordable rental housing.	Preservation Rehabilitation Acquisition
Local banks:	As a requirement of the Community Reinvestment Act of 1977, commercial banks are required to "meet the credit needs" of all the areas from which they draw deposits. They usually do this through below-market loans to both developers and qualified low-income homebuyers, and grants to community development nonprofits. Many banks have set up a separate community development division, and partner with local organizations that provide services like homeownership counseling to their borrowers. Larger banks often have a separate foundation to handle the grants.	Homebuyer Assistance

~~Redevelopment Housing Set-Aside~~

~~State law requires all redevelopment agencies, including Scotts Valley Redevelopment Agency (RDA) to set aside a minimum of 20 percent% of all tax increment revenue generated from redevelopment projects for affordable housing. The Agency's set-aside funds must be used for activities that increase, improve, or preserve the supply of affordable housing. Housing developed under this program must remain affordable to the targeted income group for at least 55 years for rentals and 45 years for ownership housing.~~
~~Approximately $1,000,000 annually in housing set-aside funds is expected to be~~

~~generated for housing-related purposes. Using set-aside funds, the RDA presently funds the First Month's Rent/Security Deposit Program ($78,000 annually), $500,000 for subsidies for completed affordable housing projects, $500,000 for loans and advances for affordable housing (e.g., Bluebonnet and Windward Place), $45,000 for monies to support the Santa Cruz Housing Authority, as well as other programs. The RDA has purchased an affordable housing parcel in the Town Center Specific Plan area for the development of affordable units and expects to joint venture the development of the mixed-use housing in the Town Center core using RDA Housing Funds.~~

~~Proposition 46 Funds~~

~~In 2002, California voters approved a record $2.1 billion bond to address the State's affordable housing crisis. The bond is the State's first in twelve years. According to HCD, the housing bond will create up to 22,000 permanently affordable homes for rent; enable more than 65,000 families to purchase their own homes; provide housing assistance for 12,000 to 24,000 farmworker families; and underwrite 20 million shelter bed days for homeless people. These bond funds will be available on a competitive basis and represent a major opportunity to leverage local monies for affordable housing.~~

2. Administrative Resources

Described below is a sample of public and non-profit agencies that have been involved in housing activities in north Santa Cruz County. ~~These and other agencies~~These agencies play important roles in meeting the housing needs of the community. In particular, these agencies are~~they are or can be~~ involved in the improvement of housing stock, expansion of affordable housing opportunities, preservation of affordable housing, and/or provision of housing assistance to those in need.

~~Scotts Valley Redevelopment Agency~~

~~The Scotts Valley Redevelopment Agency has played an active role in meeting the housing needs of the community. Since 1995, the Agency contributed housing set-side funds to support the development of 71 affordable housing units including the recently constructed Baytree and Acorn apartment projects. The Agency has also provided funds to increase home purchase opportunities through the Silent Second Mortgage Program.~~

Housing Authority of the County of Santa Cruz

The Housing Authority of the County of Santa Cruz was created to provide housing assistance for the County's lower- and moderate- income residents. The Housing Authority administers the Section 8 rental assistance program and manages public housing developments. The Housing Authority also administers various programs available to Scotts Valley residents, including the Mortgage Credit Certificate Program and the Security Deposit Guarantee Program. ~~Currently 45 Scotts Valley households receive Section 8 rental assistance through the County, and 15 low and moderate income households have received financial assistance through the MCC program.~~

Community Action Board of Santa Cruz County, Inc. (CAB)

CAB conducts, administers and coordinates community programs to combat poverty in Santa Cruz and Monterey Counties. CAB offers ~~several~~ programs focusing on four service areas:~~-~~ job training and employment services, housing and homeless services, immigration assistance, and community building~~energy/utility payment assistance; the Shelter Project (housing and homeless services); job training and employment services; immigration assistance; and community building~~. Under the Shelter Project, CAB operates ~~five~~ four services for homeless people or those at risk of homelessness, including: ~~Housing for Medical Emergencies Program,~~ Motel Vouchers for homeless persons facing emergency medical situations, Emergency Rent Assistance to prevent eviction, a Shelter Hotline, and a Message Center~~ (voice mail), Shelter Hotline, and Resource Guide~~.

Front Street, Inc.

Front Street, Inc. (FSI) is the primary provider of social rehabilitation facilities throughout Santa Cruz County. FSI has been in operation since 1990, when it took over the 47-bed Front Street board and care facility in Santa Cruz. FSI operates eight facilities, with locations in Santa Cruz, Ben Lomond, Watsonville, and Monterey. Their services include residential programs, mental health support services and supportive housing. ~~FSI also operates the 15-bed Darwin House for persons with mental illness and/or chemical dependency.~~ FSI is committed to supporting its clients at the highest level of independence possible and provides person-centered and evidence-based treatment services that promote mental and physical wellness. ~~both board and care and independent housing with wrap-around services.~~

Habitat for Humanity

Habitat for Humanity is a non-profit, Christian organization dedicated to building and rehabilitating affordable housing for lower income families. Habitat builds and repairs homes with the help of volunteers and partner families. Habitat homes are sold to partner families at no profit with affordable, no-interest loans. Volunteers, churches, businesses, and other groups provide most of the labor for the homes. Government agencies or individuals typically donate land for new homes. Habitat Santa Cruz has built approximately 40 homes in Santa Cruz County, including three affordable homes on Black Lane in Scotts Valley, which were completed in 2013. ~~Habitat Santa Cruz has built 24 homes since 2000 and is developing 6 single-family homes in Scotts Valley.~~

Mid-Peninsula Housing Coalition (MPHC)

Mid-Peninsula Housing Coalition is an established regional non-profit organization involved in the development, management, acquisition and rehabilitation of affordable rental housing. MPHC primarily develops affordable family and senior rental apartments. Since it was founded in 1971, MPHC has developed over 100 communities and 7,450 homes for low income families, seniors and special needs individuals throughout Northern California.~~ 3,700 affordable housing units in six northern California counties~~. ~~MPHC has also rehabilitated over 300 units in blighted neighborhoods.~~ MPHC works in 11 counties in Northern California and provides homes for more than 15,500 Northern California residents, manages 89 properties (a total of 6,442 units) and

has an additional 1,367 new affordable homes in construction, entitlement or predevelopment. MPHC has been involved in the preservation of affordable housing units that are at risk of converting to market rate uses. MPHC built the Emerald Hill project, a 46-unit apartment project in Scotts Valley that provides housing for very-low-income households.

First Community Housing

First Community Housing (FCH) is a 501 [c] [3] non-profit, public benefit developer committed to building high quality, sustainable, affordable housing and passing energy savings along to ~~our~~ tenants. FCH locates developments adjacent to transit corridors and provides free "eco-passes" to all ~~our~~ tenants, allowing free bus and light rail use throughout Santa Clara and Santa Cruz Counties~~y~~. Since 1986, FCH has created housing for more than 3,200 low-income residents in 17 affordable housing developments (over 1,300 units) throughout the San Francisco Bay region. The low-income populations they serve include families, senior citizens, and individuals as well as special needs populations such as the chronically ill, persons with developmental disabilities, and consumers of mental health services. ~~FCH develops the following housing types: family housing, senior housing, SROs, live/work lofts, and mixed use developments. Since its founding in 1986, FCH has developed 800 units with another 200 units in development.~~ FCH's incorporation of green building materials has been featured in numerous green building journals, the AIA Memo and Global Green USA Case Study.

HOUSING PLAN

Chapter 5

Providing housing that fulfills the diverse needs of Scotts Valley is a fundamental priority. This section is the City's Housing Plan to achieve that goal. The goals and policies contained in this chapter address Scotts Valley's identified housing needs, which are implemented by a series of housing programs. Housing programs include current City efforts and new initiatives that address the City's unmet housing needs. This section provides the goals and policies for addressing the City's housing needs as well as specific actions to implement the housing goals and policies.

A. Housing Production

Situated in north Santa Cruz County, Scotts Valley is located between major employment markets in the Silicon Valley and northern Monterey County. As a desirable community, Scotts Valley is sought for its high quality of life. At the same time, the City must balance a number of concerns to provide sufficient housing opportunities for present and future residents. These include the preservation of the City's unique environment, the provision of community services and public facilities, the balance of housing with employment opportunities, and the mitigation of traffic impacts along arterials.

Providing housing along major corridors presents the most optimal opportunity to meet the City's diverse housing needs given the topography of the city. The major opportunity will be as part of the development of a Town Center Project along Mt. Hermon Road. Housing located along major arterials will be near transit, employment opportunities, and water and sewer services. Areas outside the urban core require a different housing strategy, because the City has determined that the preservation of its unique hillside character and sensitive habitats is of utmost importance. In these more rural areas of Scotts Valley, residential development must be sensitively integrated and clustered into the natural environment.

Ensuring an appropriate quantity, diversity, and price of new housing in Scotts Valley presents a challenge in today's housing market. ~~Thus, Scotts Valley's Redevelopment Agency will continue to provide financial incentives and regulatory concessions to make feasible the development of housing affordable to all income levels. Such incentives, along with appropriate design review standards, must be carefully tailored and~~

~~implemented to further citywide objectives with respect to the production of quality and well-designed housing.~~

The following housing goal and guiding policies are designed to facilitate and encourage a balanced mix and variety of housing types and prices in Scotts Valley to meet existing and future housing needs of the community.

GOAL #1:

It is the goal of the City of Scotts Valley to promote a balanced mix of housing types, prices, and opportunities by increasing the number of housing units to accommodate population and employment growth.

Policies

1.1 Encourage the production of new residential development which provides a choice of housing type, density, and cost to meet the housing needs of all segments of the community.

1.2 Ensure that new residential sites have appropriate community services and public facilities, including streets and roadways, water, sewer, and other needed infrastructure.

1.3 Facilitate and encourage the development of mixed-use residential and commercial projects at appropriate locations along major corridors, within established design guidelines.

1.4 Offer regulatory incentives and concessions for affordable housing, such as modified development standards, density bonuses, or fee waivers where deemed to be appropriate.

1.5 Encourage establishment of child care facilities as an amenity at major transportation hubs and multi-modal stations, and in major housing and employment developments (including mixed-use projects).

1.6 Continue to s~~S~~upport the development of a new Town Center that will provide a range of housing types, retail, commercial uses, public facilities and open space that will serve as the future focal point for the community.

1.7 Encourage density levels and incentives, for affordable housing, sufficient to facilitate the production of quality affordable housing.

Housing Programs

1. Sites Inventory Monitoring ProgramHousing Sites

The City Council rezoned 11 acres of residential and commercial land to very high density residential, allowing densities from 15 to 20 units per acre during the 2009-2014 planning period including an. An additional 12 acres was rezoned for mixed residential and commercial uses along major corridors. The City has determined that the sites inventory previously identified has remaining capacity to meet the 2015-2023 RHNA. . As discussed in Chapter 4 and outlined in Chart 4-4, these sites are located along Scotts Valley Drive, Mt. Hermon Road, and specific plan locations, such as the Gateway Specific Plan To ensure sufficient residential capacity to accommodate the identified regional need for lower income households is maintained, the City will develop and implement a formal monitoring program. The program will track development approvals on identified sites and ensure that no net loss occurs. This means that if any of the identified sites are not developed in accordance with the development requirements outlined in the Zoning Code, an alternative site or sites must be identified and rezoned to maintain overall affordable unit capacity. . The vast majority of such sites along Scotts Valley Drive and Mt. Hermon Road are in the Redevelopment Project Area and developers must provide affordable units to satisfy RDA inclusionary requirements. These sites if developed can accommodate the remaining unmet affordable housing needs required.

EightFive-year Action(s):

- Aggressively pursue the development of the Town Center project which has the potential to provide 300 new residential units.Report on the progress of development in the identified sites inventory in the Annual Progress Report to HCD as required pursuant to Government Code Section 65400 and due April 1 of each year.
- Monitor development approvals on identified sites and ensure that no net loss occurs.
- Continue to implement the City's 15% inclusionary housing requirement and Title 14 Affordable Housing Production requirements.

2. Development Code Revision

Five-year Actions:

- Amend the City'sMonitor zoning regulations to that allow transitional housing and emergency shelters as a right in the City's I-L zone and R-VH zone.
- Adopt Implement and monitor development standards, provide and clarify design guidelines, and adoptcontinue to monitor incentives (e.g., density bonus and shared parking,

~~etc.) for the C-SC, C-S, and R-VHD zones.~~

~~8. Redevelopment Assistance~~

~~The Redevelopment Agency (RDA) plays an important role in facilitating and encouraging the production of affordable housing. The majority of commercial and residential sites along Scotts Valley Drive are within RDA Project Area and are subject to inclusionary requirements. Since 1994, the RDA has provided regulatory and financial assistance to assist many residential projects. RDA set-aside funds were used to improve infrastructure for Emerald Hill Apartments and make sewer improvements for the Borland facility, Polo Ranch, and the Skypark Specific Plan. Given that much of the City is in redevelopment project areas and that public sector involvement is needed to stimulate projects that benefit the community, the City's the City's affordable housing goals.~~

~~Five-year Actions:~~

~~Implement the 15 percent% inclusionary requirement in Redevelopment Project Areas and investigate the feasibility of requiring additional affordable units when sites are proposed for re-designation or intensification.~~

~~Continue to allocate set-aside funds to support infrastructure improvements needed to facilitate new higher density housing. Continue to consolidate irregular and underutilized lots within the Redevelopment Area.~~

2. ~~Regulatory Incentives~~Planned Unit Development

The Planned Development District (PD) is designed to enable projects to create specific development standards for a site that facilitate quality development and responds to unique site or environmental conditions. For example, a PD district allows smaller lots than normally allowed under the Zoning Code to preserve trees and sloped areas. In these cases, the Planned Development district provides a means of flexibility other than a variance in order to secure modifications to otherwise set development standards. A Planned Development district is approved by the Planning Commission and City Council. The City has successfully used PD districts in recent years to facilitate affordable projects including the~~. Examples include~~ Baytree Apartments, Bluebonnet Condominiums, and Windward single-family homes.

Eight~~Five~~-year Action(s):

- Continue providing flexible design through the PD zoning district.~~ and work with college institutions (e.g., such as Bethany) to provide housing~~

3. Secondary Dwelling Unit Program

The City of Scotts Valley could also accommodate a significant number of ~~accessory~~ secondary dwelling units and guest houses. Since 2000, the City has facilitated the development of secondary dwelling units by reducing development standards, permitting them by right in residential zoning districts, and providing a means to address illegal conversions. ~~the following: 1) Reducing development standards; 2) permitting them by right; 3) reducing the impact fee from $14,321 to $9,394; and 4) providing a means to address illegal conversions. Finally, in 2003,~~In 2003 the City amended the Zoning Code to allow ~~accessory~~ secondary dwelling units by right in single-family residential zones to bring the City's regulations up to date with state law. ~~Although providing a small component of the City's overall housing strategy, they will continue to be facilitated.~~

Eight~~Five~~-year Action(s)

- ~~The City will~~ Continue to publicize its ~~accessory~~ secondary dwelling unit program by developing brochures, updating its web site, and making available brochures available at the public counter.
- Periodically review program and make adjustments as feasible to facilitate the development of secondary dwelling units.

4. Emergency Shelters

In compliance with Senate Bill 2, the City of Scotts Valley amended the Zoning Code to allow emergency shelters by-right in the Service Commercial (C-S), Shopping Center Commercial (C-SC), and Public/Quasi-Public (P) zoning districts. These zoning districts were selected due to multiple opportunities of underutilized and vacant sites for the development of new emergency shelters.

Eight-year Action(s)

- Continue to monitor the inventory of sites appropriate to accommodate emergency shelters and work with the appropriate organizations to ensure the needs of homeless and extremely low-income residents are met.
- Prioritize available funding and other available incentives for projects that provide housing for homeless and extremely low-income residents whenever possible.

5. Transitional and Supportive Housing

In compliance with Senate Bill 2, the City of Scotts Valley amended the Zoning Code to allow transitional and supportive housing by-right in all residential zones, subject to only those regulations that apply to other residential uses of the same type in the same zone. These types of housing provide important housing opportunities for the City's homeless and extremely low-income households.

Eight-year Action(s)

- Continue to monitor the inventory of sites appropriate to accommodate transitional and supportive housing and work with the appropriate organizations to ensure the needs of homeless and extremely low-income residents are met.

- Prioritize available funding and other available incentives for projects that provide housing for homeless and extremely low-income residents whenever possible.

6. Density Bonus Program

To facilitate development, the City offers developers the opportunity to participate in a Density Bonus Program which provides a density increase of 35 percent plus development incentives for qualified affordable projects To be eligible for the program, the affordable project must contain: (1) at least 10 percent of the units reserved for low-income households; (2) at least 5 percent reserved for very low-income households; or (3) an entire development reserved for senior households. The unit must remain affordable for at least 55 years if the density bonus is granted.

Eight-year Action(s)

- Provide information on the Density Bonus Program at City Hall and on the City's website

B. Housing and Neighborhood Quality

The City of Scotts Valley is known for its well-defined residential neighborhoods, each distinguished by topography, housing types/ products, and natural conditions. Residential neighborhoods are well maintained, distinguished by high quality architecture and pleasing beautiful amenities, making them highly desired places to live.

Scotts Valley is surrounded by forests, heavily wooded, and contains steep slopes that exceed 40 percent~~%~~ grade and are unsuitable for development. Limited areas of moderately steep slopes (25 percent~~%~~ to 40 percent~~%~~) also exist within the Planning Area. These areas contain single-family homes and development is regulated by the "Hillside Residential Combining District." In these areas, sensitively integrating development into the natural environment is of utmost concern.

Higher density projects are located on the valley floor, and along major

roads, such as Scotts Valley, Mt. Hermon, Lockwood, Glenwood, Green Hills, and others. Neighborhood quality in these areas is ensured when housing is compatible with the character, scale, and design of surrounding land uses, when the proposed developments do not create environmental impacts (e.g., such as traffic) that cannot be appropriately mitigated, and appropriate recreational opportunities are provided on site or within close proximity to neighborhoods. Areas with higher concentrations of multiple-family housing also require attention to infrastructure, housing conditions, and services.

GOAL #2:

It is the goal of the City of Scotts Valley to foster high-quality, safe and livable housing and residential neighborhoods through the preservation of Scotts Valley's current housing stock that meets the needs of all income segments of Scotts Valley's community and through the preservation of the City's supporting services and programs that are intended to maintain and preserve the quality, the continued availability and the affordability of that housing and the City's residential neighborhoods, as deemed appropriate by the City. ~~a high quality, safety, and livability of housing and residential neighborhoods through the improvement and preservation of housing and community services.~~

Policies

2.1 Maintain the quality of ownership and rental housing through the adoption, periodic revision, and enforcement of housing and property maintenance standards.

2.2 Continue to support the repair and upgrade of infrastructure, services, and public facilities in existing neighborhoods.

2.3 Ensure that residential projects are of high quality and thoughtful design through the implementation of architectural and design standards and design review.

2.4 Preserve the supply of affordable rental housing, including mobile home parks, subsidized rental housing, and special needs housing.

2.5 Protect established residential neighborhoods from the transition and intensification that detract from the character of the neighborhood.

Housing Programs

~~5.~~7. Code Enforcement

Zoning and building codes are designed to preserve housing in good condition and maintain the quality of neighborhoods. The City's Code Enforcement staff enforces City ordinances related to property maintenance, building conditions, and other issues. Code Enforcement staff inform property owners of code violations and refer them to available

financial resources and programs offered by the City, including the Redevelopment Agency. Code Enforcement staff seek to work cooperatively with residents and businesses to achieve compliance with City building and property maintenance codes. In certain cases, the City may red-tag, fine and prosecute owners of substandard housing. Although the City's housing is in good condition, proactive code enforcement is a key to maintaining the quality of life in neighborhoods.

Eight~~Five~~-year Action(s):

- Continue to implement a proactive code enforcement program through the Building Department and inform residents of rehabilitation assistance grants when available at City Hall and on the City's website. ~~The City will continue to implement code enforcement activities and inform residents of rehabilitation assistance~~.

~~6. Homeowner Unit Repair Program~~

~~A recent study completed for the City RDA by the Housing Authority indicated that about 10% of the mobile home units in the Redevelopment Area required some level of repair. In addition, the Agency believes that a number of other owner occupied units in the Redevelopment Area require moderate levels of rehabilitation and repair. The current cost of funds often forces owners to delay repairs and can lead to disinvestment in the Redevelopment Area. In response, the Agency proposes establishing an affordable owner occupied unit repair program. The program would be open to very low, low and moderate income households and would provide up to $7,500 in low interest loans to qualified households. The Agency would need to approve requested repairs.~~

~~Five-year Action(s):~~

- ~~Assist in the repair of up to 30 affordable owner-occupied units. The City will provide information about the rehabilitation program in conjunction with code enforcement activities and to interested parties at the public counter.~~
- ~~Investigate other funding sources to help improve mobile home parks in the community that have housing repair and infrastructure needs.~~

~~9.~~8. Design Review

Design review ensures that new housing projects are designed to blend in with the character of the neighborhood, respect topographical and environmental features in Scotts Valley, and ensure compatibility with surrounding land uses. Design review is required for projects at the tentative map stage and for apartment projects ~~where the parcel is larger than 20,000 square feet,~~ and for projects in hillside-combining districts and other sensitive areas. ~~As mentioned earlier, the~~The City has streamlined the design review process in recent years. Design review is presently conducted by City staff

and reviewed by the Planning Commission, rather than separate commissions in the community. City staff assists developers by providing a booklet with design guidelines.

EightFive-year Action(s):

- Continue to review projects to ensure consistency with the General Plan, Zoning Ordinance and area Ddesign Gguidelines. The City will give processing priority to affordable housing projects.

10.9.Preservation of Affordable HousingMonitor and Preserve Affordable Housing

The City will inventory and gather information to proactively monitor publicly assisted housing units that have the potential to convert to market rate. This will include an annual review of the conversion status of all subsidized housing. Although no affordable project is at-risk of conversion during the planning period, the City will continue to monitor the status of projects and provide technical and financial assistance as feasible to ensure the projects remain affordable for the long-term.

EightFive-year Action(s):

- The City will continue to monitor the status of affordable units and, should any become at-risk of conversion, provide technical and financial assistance, as feasible, to encourage the units to remain affordable.Develop and maintain an AB 987 database to include detailed information on all subsidized units, including those that have affordability covenants.

- Explore funding sources such as HUD Section 208/811 loans, HOPE II and II Homeownership Program funds, HOME funds, CDBG funds, Low-Income Housing Tax Credit Programs, California Housing Finance Agency single-family and multi-family programs, and other programs to stimulate private developer and non-profit entity efforts in the development and financing of housing for lower and moderate-income households.

- Continue to monitor at-risk developments throughout the planning period and pursue partnership opportunities with non-profits to preserve and expand affordable housing in the City.

11. Work with the City's ADA Committee

In order to facilitate the development of more housing designed to accommodate persons with disabilities the City in January 2009 appointed an ADA Committee to work with the building official to develop programs to encourage new construction to be designed in a manner to accommodate disabilities.

Five-year Action(s):

- ~~The City will develop an educational program to work with developers and individual home owners to encourage design and construction of projects that include features to make the units usable for persons with disabilities.~~

~~Housing for Persons with Development Disabilities~~

10. Mobile Home Park Conversion Ordinance

The City's Mobile Home Park Conversion Ordinance recognizes that the unrestricted conversion of mobile home parks to other uses can further diminish the availability of mobile home parks and rental space, and can subject tenants to the costs and inconvenience of relocation. The ordinance provides a formal application procedure for mobile home park conversion and requires approval by the Planning Commission or City Council. The City will continue to implement the ordinance in an effort to protect the community's existing mobile home parks.

Eight-year Action(s):

- Continue to implement the mobile home park conversion ordinance in an effort to protect existing mobile home parks and the supply of affordable housing.
- Provide information on the mobile home park conversion ordinance and other fair housing information on the City's website and at City Hall.

11. Mobile Home Park Rent Stabilization Ordinance

The Mobile Home Park Rent Stabilization Ordinance recognizes the need to protect the residents of mobile homes from unreasonable space rent increases, while at the same time recognizing the need for mobile home park owners to receive a reasonable income and return on investment. The City receives, investigates, and holds hearings on requests for rent adjustments through the City's Rent Review Commission. To ensure that conditions are preserved to promote and enhance fairness in the economic relationship between mobile home park owners and mobile home owners the City will continue to implement the Mobile Home Park Rent Stabilization Ordinance.

Eight-year Action(s):

- Continue to implement the mobile home park rent stabilization ordinance to ensure that mobile home owners and residents are protected from unreasonable space rental increases while recognizing the need of mobile home park owners to receive a just and reasonable return on their investment.
- Provide information on the mobile home park rent stabilization ordinance and other fair housing information on the City's website and at City Hall.

C. Housing Assistance

As a desirable community, Scotts Valley will continue to experience a relatively high demand and price for housing. These market conditions have long-term implications for providing suitable housing opportunities in Scotts Valley. Presently, many lower income seniors reside in subsidized units or mobile homes and have limited choices to move elsewhere. Moderate-income families with children and young professionals can only afford apartments and may need to move to other communities to buy a home. Providing adequate homeownership and rental opportunities thus remains a priority. In addition, certain residents in Scotts Valley have greater difficulty in finding decent and affordable housing due to special needs. These circumstances include employment and income, household size and type, and the need for health/child care. Special needs groups may include lower income households, the elderly, college students, people with a disability, people with developmental disabilities, large or single parent families, forestry workers, and people who are homeless. Facilitating and encouraging housing opportunities for these and other special needs groups can help allow all residents to find a home in Scotts Valley.

GOAL #3:

It is the goal of the City of Scotts Valley to expand and protect a range of housing opportunities for all demographic, economic, and special needs groups in the community.

Policies

~~3.1 Expand the availability of homeownership opportunities to low and moderate-income buyers through homebuyer assistance.~~
~~Support the provision of rental assistance to eligible renter households and provide opportunities for transition to homeownership~~.

~~3.2~~3.1 Encourage the provision of support and housing services for special needs groups, including seniors, large families, disabled persons, persons with developmental disabilities, single parents, college students, homeless people and others.

~~3.3~~3.2 Work with ~~and provide financial assistance, as feasible, to~~ nonprofit housing and service providers to ensure that ~~housing and~~housing and supportive service needs of residents are met.

~~3.4~~3.3 Promote equal housing opportunities and discourage discrimination in the sale, rental, or occupancy of housing.

Housing Programs

12. Housing Voucher Program

The Section 8 Rental Assistance Program extends rental subsidies to very low-income households. The program offers a voucher that pays the difference between the current fair market rent established by the Housing Authority and what a tenant can afford to pay (i.e. 30 percent~~%~~ of household income). The voucher allows a tenant to choose housing that costs above the payment standard, provided the tenant pays the extra rent above the payment standard. ~~Currently, 45 Scotts Valley households receive Section 8 assistance.~~

The Housing Choice Voucher Program has recently been expanded to include a homeownership opportunity. Under the new program, renters who have participated in the Housing Choice Voucher program for a minimum of one year are ready to buy a house, and have pre- qualified for a mortgage loan from a participating lender, may have their monthly housing assistance payment applied to a mortgage payment rather than rent. A three percent down-payment is required to be paid by the prospective homebuyer. As the City has little control over how the County's programs are administered, the City will be responsible for providing information to residents.

Eight~~Five~~-year Action(s):

- Continue to participate with the Housing Authority of Santa Cruz County ~~to provide rental and homeownership assistance.~~Section 8 Certificate/Voucher Rental Assistance Program.
- Continue to refer residents to the County program and provide information at City Hall and on the City's website.

~~13. First Month Security Deposit~~

~~In recent years, the rising cost of apartments, coupled with the lower income of many renters, means that some households have insufficient income to pay a security deposit to secure an apartment. Paying a security deposit presents a potential fair housing concern for persons leaving shelters and transitional housing. Adopted in 1999, Scotts Valley developed a first month's rent security deposit program that is administered by the County Housing Authority. The program leverages RDA set-aside funds to assist low and moderate income families with rental assistance in the form of a grant for the first month's rent, and security for the last month's rent.~~

~~Five-year Action(s):~~

- ~~The RDA will continue to set-aside funds over the next five~~

years for this program.

14.13. Mortgage Credit Certificate Program

Since 1992, Scotts Valley has participated in the Mortgage Credit Certificate (MCC) program through the Housing Authority of the County Santa Cruz. The MCC program provides a tax credit of up to 20 percent% of the annual interest paid on the applicant's mortgage, reducing the amount of Federal income tax the homeowner pays and freeing more income to qualify and pay for a loan. Fifteen Scotts Valley lower and moderate households have been assisted through the County's MCC program. The Housing Authority also offers a specialized MCC program for teachers and principals of eligible schools. Currently the schools located in Scotts Valley are not eligible for the program. Since the inception of this program, 23 22 MCC's have been issued. As the City has little control over how the County's programs are administered, the City will be responsible for providing information to residents.

EightFive-year Action(s):

- The City will continue to market the MCC program by providing brochures at City Hall and community centers, and on the City's website. Over the next 5 years, the City anticipates that 20 households will be assisted.Continue to refer residents to the County program and provide information at City Hall and on the City's website.

15. City Homeownership Program

Scotts Valley is concerned about the inability to meet families' needs for low and moderately priced housing. The RDA indicates that moderate income households should still be able to secure sufficient financing to afford housing if the sales price was equal to the housing's development costs. The City administers a deferred second mortgage program for persons buying a home (including mobile homes) within city limits. The Redevelopment Area contains three mobile home parks, many occupied by low income households. However, the units do not carry any affordability covenants. The Agency proposes to build on the experience of Mountain Brook to assist local residents to convert their mobile home parks into owner occupied and controlled parks.

Five-year Action(s):

- Assist up to 10 households over the next 5 years. Advertise program in the City's Affordable Housing Programs brochure and on the City's website.

- Consider working with mobile home owners and parks as opportunities to arise to convert their parks into owner occupied and controlled parks.

16.14. Fair Housing

Fair housing is a broad topic that covers topics ranging from fair housing services to providing sufficient housing opportunities. For fair housing services, the City currently refers fair housing discrimination activities to the CaliforniaState Department of Fair Employment and Housing (DFEH). The mission of the DFEH it to protect Californians from employment, housing, and public accommodation discrimination. The City also funds a variety of nonprofit organizations, which provide referrals and assistance for housing. Pursuant to SB520, the City identified the need to remove several potential constraints to housing opportunities. As noted in Chapter 3, tThe City will need tohas designated a zone to conditionally permit transitional housing in compliance with State law, allow for the by-right permitting of all licensed community care facilities serving six or fewer clients in all residential zones, and updated its day care ordinance to be in compliance with recent changes to State law.

FiveEight-year Action(s):

- Continue to promote fair housing practices, provide the public with educational information on fair housing, and refer fair housing complaints to Department of Fair Employment and HousingContinue to provide informational and educational materials on fair housing services for property owners, apartment managers, and tenants at City Hall and on the City's website.
- Continue to monitor and respond, as appropriate, to complaints of discrimination, and continue to refer tenants to the California Department of Fair Employment and Housing for proper intake, investigation, and resolution of fair housing complaints.
- Amend Monitor the Zoning Code amendments that allow to: 1) the permit the siting of transitional housing in the I-L and C-S zones; and 2) to makes the City's residential care facility policy consistent with State law.
- Periodically evaluate the Zoning Code to find whether any regulations constrain the development of housing for disabled persons and, if such constraints are found, initiate changes to remove or mitigate constraints.

17.15. Child Care and Day Care Facilities

Scotts Valley recognizes that children represent our future community, but also recognizes that existing childcare services and facilities may not be adequate to meet today's demand and that this demand is increasing. To ignore this fact jeopardizes the long-term quality of the City's social, physical, and economic well-being. Thus, the City is committed to making high quality childcare services available, affordable, and accessible to those persons who either live or work in the City and who desire or need such services.

EightFive-year Action(s):

- Continue to work with child care providers and the Ccounty to

promote adequate child care facilities within the community. These will include family child care facilities.

- Provide information at City Hall and on the City's website on current zoning regulations that apply to child care and day care facilities. The City's zoning regulations were amended in 2007 to conform to state law.
- Continue to encourage new development such as the Town Center project to provide child care facilities on site.new development to provide child care and day care facilities through a variety of activities, including outreaching to developers; providing financial or in-kind technical assistance, when available; providing expedited processing; identifying grant and funding opportunities; and providing information on the City's Density Bonus Ordinance.

16. Reasonable Accommodation

Pursuant to Government Code Section 65583, the City of Scotts Valley is obligated to remove potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels and for persons with disabilities. The Fair Housing Act, as amended in 1988, requires that cities and counties provide reasonable accommodation to rules, policies, practices, and procedures where such accommodation may be necessary to afford individuals with disabilities equal housing opportunities. Reasonable accommodation provides a basis for residents with disabilities to request flexibility in the application of land use and zoning regulations or, in some instances, even a waiver of certain restrictions or requirements from the local government to ensure equal access to housing opportunities. The ADA Committee continues as a City Commission that identifies opportunities to increase ADA accessibility throughout the City. In general, City Staff takes into consideration the provisions of the California Americans with Disabilities Act (Cal ADA) in the review and approval of housing projects and grants modifications and deviations from the Municipal Code to accommodate the needs of persons with disabilities. In 2014, the City adopted a reasonable accommodation ordinance per requirements of State law.

Eight-year Action(s):

- Provide informational handouts and information at City Hall and on the City's website about reasonable accommodation procedures.
- Continue to work with developers and individual home owners to encourage design and construction of projects that include features to make the units usable for persons with disabilities.

17. Housing for Persons with Development Disabilities

The housing needs of persons with developmental disabilities are typically not addressed by Title 24 Regulations, and requires, in addition to basic affordability, slight modifications to existing units, and in some instances, a varying range of supportive housing facilities. The design of housing-accessibility modifications, the proximity to services and transit, and the availability of group living opportunities represent some of the types of considerations that are important in serving this need group. Incorporating "barrier-free" design in all new multi-family housing (as required by California and Federal Fair Housing laws) is especially important to provide the widest range of choices for residents with disabilities.

Eight-year Action(s):

- Seek State and Federal monies, as funding becomes available, in support of housing construction and rehabilitation targeted for persons with developmental disabilities.
- Provide regulatory incentives, such as expedited permit processing, and fee waivers and deferrals, to projects targeted for persons with developmental disabilities.
- Work with the San Andreas Regional Center to implement an outreach program informing households within the City of housing and services available for persons with developmental disabilities.
- Provide information on housing and services available for persons with developmental disabilities at City Hall and on the City's website.

18. Housing for Lower Income Households

Extremely low-, very low-, and low-income households have limited housing options in Scotts Valley. Housing types appropriate for these groups include: emergency shelters, and transitional and supportive housing. To accommodate this population group the City amended the Zoning Code to address these housing types per requirements of Senate Bill 2. The City has amended the City's Zoning Code to allow emergency shelters by-right in at least one zoning district, and to permit transitional and supportive housing in all residential zones by-right without any discretionary action, subject only to those regulations that apply to other residential dwelling units of the same type in the same zone.

Eight-year Action(s):

- Encourage the development of housing for lower income households, including extremely low-, very low-, and low-income, through a variety of activities, such as outreaching to housing developers; providing financial or in-kind technical assistance,

when available; providing expedited processing; identifying grant and funding opportunities; and offering additional incentives beyond density bonus provisions.

19. Definition of "Family"

The City's Municipal Code currently defines a family as "a person or persons related by blood, marriage or adoption or a group of not more than five persons, excluding servants, not related by blood, marriage or adoption, living together as a single housekeeping unit in a dwelling unit." The City evaluated the current definition and found that revisions are necessary to be consistent with State and federal fair housing laws.

Eight-year Action(s):

- Amend, as appropriate, the definition of "family" to be consistent with State and federal fair housing laws.

20. Agricultural Employee Housing

Sections 17021.5 and 17021.6 of the State Health and Safety Code are within part of the Employee Housing Act. The act sets standards for the construction, maintenance, use, and occupancy of living quarters called "employee housing" as defined in Section 17008 of the Health and Safety Code. The intent of these two sections is to broaden opportunities for agricultural employee housing in single-family residential districts and agricultural districts. The City will amend the Zoning Ordinance to meet the requirements of Health and Safety Codes Section 17021.5 and 17021.6 as it relates to agricultural employee housing.

Eight-year Action(s):

- Amend the Zoning Ordinance to meet the requirements of Health and Safety Codes Section 17021.5 and 17021.6 as it relates to agricultural employee housing.

D. Environmental Preservation

Scotts Valley is a mountain/ alluvial environment; the alluvian valleys of Cabonera Creek and Camp Evers Creek form the historic and modern core of the urban area and mountains that border the city. As a hillside community, most uplands have steep slopes exceeding 40% grade and have forestland, providing for stunning views and vistas.

Streams crossing the Valley provide riparian habitat for sensitive and protected plant and animal species. Riparian woodland along rivers and Ponderosa Pines provides habitat for ~~20 to 50~~ locally rare plant species, including state and federally endangered species, are concentrated in sand deposits, marshy habitats, grassland areas, and other areas. Scotts Valley was also once an ancient seabed, and is home to archaeological and paleontological resources. Housing in these areas is sensitively integrated into the natural environment.

As the case with communities in Santa Cruz County, the local water supply is derived entirely from surface waters and underground aquifers. Ensuring groundwater resources, aquifer replenishment, and water quality remains an important issue for the community. Thus, Scotts Valley remains committed to fostering environmental preservation in the city.

GOAL #4:

It is the goal of the City of Scotts Valley to protect its unique sensitive environmental, archaeological, and paleontological assets and encourage resource conservation measures in all new housing developments.

Policies

4.1 Work with other local, State and federal agencies, public utilities, and community organizations to implement resource conservation programs and ensure that adequate water remains available.

4.2 Ensure that new development proposals are adequately evaluated for their impact upon cultural resources, sensitive habitats and species, environmental features, and other such factors.

4.3 Require that all residential developments be thoughtfully integrated into

the natural environment, including woodlands, hillsides, view sheds, wetlands, and other features of the natural terrain.

4.4 Investigate feasibility of offering regulatory and financial incentives to developers proposing green building technologies in housing projects.

Housing Programs

~~19.~~21. Hillside Development and Design

The City's Zoning Code enforces certain regulations and development standards to ensure that its environmental resources are protected. For instance, the Code prohibits development on slopes with an average grade of more than 40 percent~~%~~. For slopes where development is permitted, the City provides design guidelines to the project applicant(s) to ensure that hillsides are preserved. For slopes greater than 10 percent~~%~~, the City has established a Hillside Residential Combining District, which requires a variety of development and design standards to help preserve and conserve natural vegetative and topographic features and open space. City staff and the Design Review Board (Planning Commission) are responsible to review the project to ensure that applicable standards have been fully addressed.

Eight~~Five~~-year Action(s):

- Continue to enforce the setback, height, and density standards identified in the Hillside Residential Combining District.

~~20.~~22. Resource Conservation

The City encourages the conservation of resources in the development and improvement of new housing throughout the City. Buildings should be designed to minimize mechanical heating and cooling. Sunlight should be used for direct heating and illumination wherever possible. Natural ventilation and shading should be used to cool a building. Active and passive solar heating is encouraged. Solar access shall be planned into the site design where possible. Solar access shall be reserved, where appropriate, through recorded easements or other devices or instruments. Climatic factors such as prevailing winds, shade trees, window and door orientation and the positioning of buildings on the site shall all be coordinated to maximize energy conservation.

Eight~~Five~~-year Action(s):

- Encourage energy conservation measures and devices to be incorporated in the development and improvement of housing. Review such requirements through the Design Review and Building Permit process.

~~21.~~23. ~~Water Conservation and Ground Water Recharge~~Water and Sewer Service Providers

~~Scotts Valley is provided water from the Scotts Valley Water District, the San Lorenzo Valley Water District, and private wells. Groundwater is the sole source. The City and SVWD built the County's first Water Reclamation Facility and a 1.0-million-gallon storage facility, and related infrastructure. Despite these improvements, the District has only a limited number of water meters available until new wells are drilled. Section 65589.7 of the Government Code requires each public agency or private entity providing water or sewer services to give priority for the provision of these available and future resources or services to the proposed housing developments which help meet the City's share of the regional housing need for lower-income households.~~Pursuant to Chapter 727, Statutes of 2005 (SB 1087), the City of Scotts Valley is required to deliver its adopted Housing Element and any amendments thereto to local water and sewer service providers. This legislation allows for coordination between the City, water, and sewer providers when considering approval of new residential projects, and to ensure that the providers have an opportunity to provide input on the Element. Additionally review of the Housing Element ensures that priority for water and sewer services is granted to projects that include units affordable to lower-income households.

Eight~~Five~~-year Action(s):

- ~~Work with SVWD and other San Lorenzo Water District to ensure that a water conservation and priority system is implemented.~~Submit the adopted Housing Element, and any subsequent amendments, to local water and sewer providers for their review and input.
- ~~Work with the SVWD and San Lorenzo Water District to ensure that adequate water resources are available for affordable housing projects.~~
- ~~Provide RDA assistance to ensure that all affordable housing projects within the RDA are plumbed to use recycled water for landscaping.~~

~~22.~~24. Cultural Resources

Scotts Valley's location on an ancient seabed has contributed to a wealth of archaeological and paleontological resources in the community today. In fact, the present City Hall site contains a 10,000- to 15,000-year-old archaeological site. The General Plan designates various areas throughout the community as moderate or high cultural resource sensitivity zones. In these areas, development proposals must have appropriate environmental clearance pursuant to state and federal laws, which is reviewed by the City's Cultural Resource Commission. Procedures and scope of authority of the Commission is set forth in Chapter 17.44 of the Scotts Valley Municipal Code.

Eight~~Five~~-year Action(s):

- Continue to review proposals for new housing to ensure that the City's cultural resources are adequately protected.

Chart 5-1
Housing Program Implementation Summary

Housing Program	Eight-Five Year Objective	Responsible Agency	Funding	Time-frame
1. Sites Inventory Monitoring Program	▪ Report on the progress of development in the identified sites inventory in the Annual Progress Report to HCD as required pursuant to Government Code Section 65400 and due April 1 of each year. Continue to monitor site which have been designated as desirable affordable housing sites to assure they are not used for other development. ▪ Monitor development approvals on identified sites and ensure that no net loss occurs. ▪ Continue to implement the City's 15% inclusionary housing requirement and Title 14 Affordable Housing Production requirements.	City Planning and BuildingPlanning Department	General Funds	On-going through December 2023; Update inventory of available vacant and prospective sites annually
2. Zoning Code Revision	▪ Adopt Continue implementation of development standards, provide and clarify design guidelines, and adopt continue to monitor incentives (e.g., density bonus and shared parking, etc.) for the C-SC, C-S, and R-VHD zones.	City Planning and Building	General Funds	Ongoing
3. Redevelop-ment Assistance	▪ Implement the 15% inclusionary requirement in the Project Area and investigate the feasibility of requiring additional affordable units when sites are proposed for re-designation or intensification ▪ Continue to allocate setaside funds to support various infrastructure improvements needed to facilitate new high density housing. Continue to consolidate irregular and underutilized lots.	City Redevelop. Agency City Redevelop. Agency	RDA Set-aside RDA Set-aside	Ongoing
24. Regulatory IncentivesPlanned Unit Development	▪ Continue to provide flexibility of design through the PD district and work with institutional uses to provide a range of housingContinue providing flexible design through the PD zoning district.	City Planning Departmentand Building	General Funds	Ongoing through December 23
35. Secondary Dwelling Unit Programs	▪ Continue to pPublicize secondary dwelling unit program by developing brochures, updating the City'sits web-site, and making available brochures available at the public counter. ▪ Periodically review program and make adjustments as feasible to facilitate the development of secondary dwelling units.	City Planning and BuildingDepartment; Building Department	General Funds	Ongoing through December; Review program annually
4. Emergency Shelters	• Continue to monitor the inventory of sites appropriate to accommodate emergency shelters and work with the appropriate organizations to ensure the needs of homeless and extremely low-income residents are met. • Prioritize available funding and other available incentives for projects that provide housing for homeless and extremely low-income residents whenever possible.	Planning Department	General Fund	Ongoing through December 2023

Chart 5-1
Housing Program Implementation Summary

Housing Program	Eight-Five Year Objective	Responsible Agency	Funding	Time-frame
5. Transitional and Supportive Housing	• Continue to monitor the inventory of sites appropriate to accommodate transitional and supportive housing and work with the appropriate organizations to ensure the needs of homeless and extremely low-income residents are met. • Prioritize available funding and other available incentives for projects that provide housing for homeless and extremely low-income residents whenever possible.	Planning Department	General Fund	Ongoing through December 2023
6. Density Bonus Program	▪ Provide information on the Density Bonus Program at City Hall and on the City's website	Planning Department	General Fund	Provide information on the Density Bonus program at City Hall and on the City's website within one-year of Housing Element adoption
76.Code Enforcement	▪ Continue to implement a proactive code enforcement program through the Building Department and inform residents of rehabilitation assistance when available at City Hall and on the City's website. Continue to implement code enforcement activities and inform residents of rehabilitation assistance.	City Planning and BuildingPlanning Department; Building Department	General Funds	Ongoing through December 2023
7. Owner Occupied Unit Repair Program	▪ Assist in the repair of up to 27 owner-occupied units and provide information about the program to interested parties at the public counter. ▪ Investigate other funding sources to help improve mobile home parks	City Redevelop-mint Agency	RDA Setaside	Ongoing
8. Design Review	▪ Continue to review projects to ensure consistency with the General Plan Zoning Ordinance and area design guidelines. The City will give processing priority to affordable housing projects.	City Planning Department; and Building Department	General Funds	Ongoing through December 2023

Chart 5-1
Housing Program Implementation Summary

Housing Program	Eight-Five Year Objective	Responsible Agency	Funding	Time-frame
9. Preservation of Affordable HousingMonitor and Preserve Affordable Housing	▪ Monitor affordable units and, should any become at-risk of conversion, provide technical and financial assistance, as feasible, to the units to remain affordable for the long-term.Develop and maintain an AB 987 database to include detailed information on all subsidized units, including those that have affordability covenants. ▪ Explore funding sources such as HUD Section 208/811 loans, HOPE II and II Homeownership Program funds, HOME funds, CDBG funds, Low-Income Housing Tax Credit Programs, California Housing Finance Agency single-family and multi-family programs, and other programs to stimulate private developer and non-profit entity efforts in the development and financing of housing for lower and moderate-income households. ▪ Continue to monitor at-risk developments throughout the planning period and pursue partnership opportunities with non-profits to preserve and expand affordable housing in the City.	City Planning Departmentand Building	General Funds	Ongoing through December 2023; Develop Ab 987 database within one-year of Housing Element adoption and update annually
10. ADA Committee	▪ Continue to provide information on ways to make more housing assessable to persons with disabilities	City Building	General Funds	On-going
10. Mobile Home Park Conversion Ordinance	▪ Continue to implement the mobile home park conversion ordinance in an effort to protect existing mobile home parks and the supply of affordable housing. ▪ Provide information on the mobile home park conversion ordinance and other fair housing information on the City's website and at City Hall.	Planning Department	General Funds	Ongoing through December 2023; Provide information at City Hall and on the City's website within one-year of Housing Element adoption
11. Mobile Home Park Rent Stabilization Ordinance	▪ Continue to implement the mobile home park rent stabilization ordinance to ensure that mobile home owners and residents are protected from unreasonable space rental increases while recognizing the need of mobile home park owners to receive a just and reasonable return on their investment. ▪ Provide information on the mobile home park rent stabilization ordinance and other fair housing information on the City's website and at City Hall.	Planning Department	General Funds	Ongoing through December 2023; Provide information at City Hall and on the City's website within one-year of Housing Element adoption

Chart 5-1
Housing Program Implementation Summary

Housing Program	Eight-Five Year Objective	Responsible Agency	Funding	Time-frame
121. Housing Voucher ProgramSection 8 Assistance	▪ Continue to participate with the Housing Authority of Santa Cruz County Section 8 Certificate/Voucher Rental Assistance Program. ▪ Continue to refer residents to the County program and provide information at City Hall and on the City's website. Participate with Housing Authority to provide rental and homeownership assistance	Planning Department; Housing Authority of Santa Cruz County; Planning DepartmentHousing Authority	Federal funds HUD Section 8 Fund	Ongoing through December 2023
12. First Month's Rent/Security Deposit	▪ Continue to set-aside funds over the next five years for this program that will serve up to 7 households annually.	County Housing Authority	RDA Setaside	Ongoing
133. Mortgage Credit Certificate Program	▪ Continue to market the Mortgage Credit Certificate program by providing brochures at City Hall and community centers, and City's website.Continue to refer residents to the County program and provide information at City Hall and on the City website.	County Housing AuthorityHousing Authority of Santa Cruz County; Planning Department	Santa Cruz County Funds	Ongoing through December 2023
14. City Homeownership Program	▪ Assist up to 10 households over the next five years. Advertise program in City Affordable Housing Plan brochure and on the City's website. ▪ Consider working with mobile home owners and parks as opportunities to arise to convert their parks into owner occupied and controlled parks.	City Redevelop. Agency	RDA Setaside	Ongoing
145. Fair Housing Program	▪ Continue to provide informational and educational materials on fair housing services for property owners, apartment managers, and tenants at City Hall and on the City's website. Promote fair housing practices, provide educational information to the public, and refer fair housing complaints to the State DFEH. ▪ Continue to monitor and respond, as appropriate, to complaints of discrimination, and continue to refer tenants to the California Department of Fair Employment and Housing for proper intake, investigation, and resolution of fair housing complaints. ▪ Permit Monitor zoning code amendment to allow transitional housing in the I-L zone. ▪ Further analyze potential constraints in the Zoning Code and, if found, develop programs to remove or mitigate the potential constraints. ▪ Work the Town Center Mixed Use Developer to provide some smaller single room type units.	CA Department of Fair Employment and Housing; Planning Department	State Funds; General Funds	Ongoing through December 2023July 2010

Chart 5-1
Housing Program Implementation Summary

Housing Program	Eight-Five Year Objective	Responsible Agency	Funding	Time-frame
156. Day Care for ChildrenChild Care and Day Care Facilities	▪ Continue to work with various agencies to encourage the development of additional child care options.Continue to work with child care providers and the County to promote child care facilities within the community. ▪ Provide information at City Hall and on the City's website on current zoning regulations that apply to child care and day care facilities. ▪ Continue to encourage new development to provide child care and day care facilities through a variety of activities, including outreaching to developers; providing financial or in-kind technical assistance, when available; providing expedited processing; identifying grant and funding opportunities; and providing information on the City's Density Bonus Ordinance.	City Planning and BuildingPlanning Department	General Funds	Ongoing through December 2023; Provide information at City Hall and on the City's website within one-year of Housing Element adoption
16. Reasonable Accommodation	▪ Provide informational handouts and information at City Hall and on the City's website about reasonable accommodation procedures. ▪ Continue to work with developers and individual home owners to encourage design and construction of projects that include features to make the units usable for persons with disabilities.	Planning Department	General Fund	Ongoing through December 2023; Provide information at City Hall and on the City's website within one-year of Housing Element adoption

Chart 5-1
Housing Program Implementation Summary

Housing Program	Eight-~~Five~~ Year Objective	Responsible Agency	Funding	Time-frame
17. Housing for Persons with Developmental Disabilities	▪ Seek State and Federal monies, as funding becomes available, in support of housing construction and rehabilitation targeted for persons with developmental disabilities. ▪ Provide regulatory incentives, such as expedited permit processing, and fee waivers and deferrals, to projects targeted for persons with developmental disabilities. ▪ Work with the San Andreas Regional Center to implement an outreach program informing households within the City of housing and services available for persons with developmental disabilities. ▪ Provide information on housing and services available for persons with developmental disabilities at City Hall and on the City's website.	~~City Planning and Building~~Planning Department	General Fund~~s~~	Annual review of available State and Federal funding; Annual review of regulatory incentives; Provide information at City Hall and on the City's website within one-year of Housing Element adoption; Ongoing through December 2023
18. Housing for Lower Income Households	▪ Encourage the development of housing for lower income households, including extremely low-, very low-, and low-income, through a variety of activities, such as outreaching to housing developers; providing financial or in-kind technical assistance, when available; providing expedited processing; identifying grant and funding opportunities; and offering additional incentives beyond density bonus provisions.	Planning Department	General Fund	Annual review of available funding opportunities; Annual outreach to housing developers; Ongoing through December 2023
19. Definition of "Family"	▪ Amend, as appropriate, the definition of "family" to be consistent with State and federal fair housing laws.	Planning Department	General Fund	Within one-year of Housing Element adoption

Chart 5-1
Housing Program Implementation Summary

Housing Program	Eight-~~Five~~ Year Objective	Responsible Agency	Funding	Time-frame
20. Agricultural Employee Housing	▪ Amend the Zoning Ordinance to meet the requirements of Health and Safety Codes Section 17021.5 and 17021.6 as it relates to agricultural employee housing	Planning Department	General Fund	Within one-year of Housing Element adoption
21~~17~~. Hillside Development and Design	▪ Continue to enforce the setback, height, and density standards identified in the Hillside Residential Combining District.	~~City Planning and Building~~Planning Department; Building Department	General Fund~~s~~	Ongoing through December 2023
22. Resource Conservation	▪ Encourage energy conservation measures and devices to be incorporated in the development and improvement of housing. Review such requirements through the Design Review and Building Permit process.	~~City Planning and Building~~Planning Department; Building Department	General Fund~~s~~	Ongoing through December 2023
23. Water and Sewer Service Providers~~Conservation~~	▪ Submit the adopted Housing Element, and any subsequent amendments, to local water and sewer providers for their review and input.~~Work with SVWD and other San Lorenzo Water District to ensure that a water conservation and priority system is implemented.~~	~~City Planning and Building~~Planning Department	General Fund~~s~~	Ongoing through December 2023
~~19~~24. Cultural Resources	▪ Continue to review proposals for new housing to ensure that the City's cultural resources are adequately protected.	~~City Planning and Building~~Planning Department	General Fund~~s~~	Ongoing through December 2023

	Quantified Objectives by Income Group			
	Very Low	Low Income	Moderate	Above-Moderate
1. Housing Production[1]	~~50~~ 34	~~66~~ 20	~~77~~ 20	~~371~~0
2. Housing Rehabilitation[3]	~~15~~ 0	~~15~~ 0	~~-0-~~0	~~-0-~~0
~~3. Housing Assistance~~	~~12~~	~~12~~	~~12~~	~~-0-~~
3~~4~~. Preservation of Units[2]	0~~4~~ ~~7~~	0~~2~~ ~~7~~	0~~6~~	0~~-0-~~

Notes:

[1]Production objective represents the City's remaining RHNA need for the 2015-2023 planning period

[2]No affordable units identified that are at-risk of converting to market rate

[3]The City currently has no available funding to administer a housing rehabilitation program

APPENDIX A

Housing Accomplishments

As part of the Housing Element, cities must periodically review the progress, effectiveness, and continued appropriateness of the housing goals, policies, and programs in addressing the housing needs of the community. These results should be quantified wherever possible and qualitative where necessary. This section and **Chart A-1** evaluates past accomplishments of the City's housing programs in meeting objectives for the prior Housing Element.

Housing Element Program	Evaluation of Effectiveness
Housing Production	
1. Housing Sites The City Council rezoned 11 acres of residential and commercial land to very high density residential, allowing densities from 15 to 20 units per acre. An additional 12 acres was rezoned for mixed residential and commercial uses along major corridors. As discussed in Chapter 4 and outlined in Chart 4-4, these sites are located along Scotts Valley Drive, Mt. Hermon Road, and specific plan locations, such as the Gateway Specific Plan. The vast majority of such sites along Scotts Valley Drive and Mt. Hermon Road are in the Redevelopment Project Area and developers must provide affordable units to satisfy RDA inclusionary requirements. These sites if developed can accommodate the remaining unmet affordable housing needs required. **Five-Year Action(s):** • Aggressively pursue the development of the Town Center project which has the potential to provide 300 new residential units.	**Effectiveness**: The majority of housing opportunity sites identified in the 2009-2014 Housing Element to accommodate the City's RHNA are still available for the 5th cycle Housing Element update. These sites include both vacant and underutilized sites, secondary dwelling units, and commercial zones that allow residential development. All housing sites have zoning in place that will allow residential development at the appropriate densities required by state Housing Element law. The City will continue to maintain an inventory of these housing opportunity sites throughout the 2015-2023 planning period. **Appropriateness**: The City will effectively implement this program within the planning period. This program will be modified for the 2015-2023 Housing Element to monitor the inventory of sites appropriate to accommodate the City's RHNA and to publicize the housing opportunity sites inventory on the City's website and at City Hall.
2. Development Code Revision **Five-Year Action(s):** • Amend the City's zoning regulations to allow transitional housing and emergency shelters as a right in the City's I-L zone and R-VH zone.	**Effectiveness**: The City prepared and adopted an amendment to the Zoning Code to permit emergency shelters by-right in the C-S (Service Commercial), C-SC (Shopping Center Commercial), and P (Public) zoning districts along with development and operational standards. The City also

Housing Element Program	Evaluation of Effectiveness
• Adopt development standards, provide and clarify design guidelines, and adopt incentives (e.g., density bonus and shared parking, etc.) for the C-SC, C-S, and R-VHD zones.	amended the Zoning Code to identify transitional and supportive housing as a residential use, permitted in all residential zones, and subject only to those standards/regulations that apply to other residential uses of the same type in the same zone. Additionally, the City also amended the Zoning Code to allow residential uses above ground-level commercial uses and ground-level residential uses at the rear of commercial uses in the C-S zoning district. **Appropriateness**: The City will modify this program and combine it with corresponding programs for emergency shelters, transitional and supportive housing, and development standards in the 2015-2023 Housing Element.
3. Redevelopment Assistance The Redevelopment Agency (RDA) plays an important role in facilitating and encouraging the production of affordable housing. The majority of commercial and residential sites along Scotts Valley Drive are within RDA Project Area and are subject to inclusionary requirements. Since 1994, the RDA has provided regulatory and financial assistance to assist many residential projects. RDA set-aside funds were used to improve infrastructure for Emerald Hill Apartments and make sewer improvements for the Borland facility, Polo Ranch, and the Skypark Specific Plan. Given that much of the City is in redevelopment project areas and that public sector involvement is needed to stimulate projects that benefit the community, the City's RDA will continue to play an active role in facilitating projects that meet the City's affordable housing goals. **Five-Year Action(s):** • Implement the 15% inclusionary requirement in Redevelopment Project Areas and investigate the feasibility of requiring additional affordable units when sites are	**Effectiveness**: Due to the passage of AB1X26 and AB1X27 by the State of California, City funding for new affordable housing programs has been suspended. The City still requires 15 percent inclusionary housing units on sites previously designated within previous redevelopment project areas, including sites identified to meet the City's RHNA. From 2009-2014, 182 housing units have been constructed, including eight low-income units and five moderate-income units. **Appropriateness**: The City will combine this program with the corresponding programs for adequate sites in the 2015-2023 Housing Element.

Housing Element Program	Evaluation of Effectiveness
proposed for redesignation or intensification. • Continue to allocate set-aside funds to support infrastructure improvements needed to facilitate new higher density housing. Continue to consolidate irregular and underutilized lots within the Redevelopment Area.	
4. Regulatory Incentives The Planned Development District (PD) is designed to enable projects to create specific development standards for a site that facilitate quality development and responds to unique site or environmental conditions. For example, a PD district allows smaller lots than normally allowed under the Zoning Code to preserve trees and sloped areas. In these cases, the Planned Development district provides a means of flexibility other than a variance in order to secure modifications to otherwise set development standards. A Planned Development district is approved by the Planning Commission and City Council. The City has successfully used PD districts in recent years to facilitate affordable projects. Examples include Baytree Apartments, Bluebonnet Condominiums, and Windward single-family homes. **Five-Year Action(s):** • Continue providing flexible design through the PD district and work with college institutions (e.g., such as Bethany) to provide housing	**Effectiveness**: The City continues to provide flexibility through the Planned Development District. The City has successfully used PD districts in recent years to facilitate affordable projects. Examples include Baytree Apartments, Bluebonnet Condominiums, Woodside single-family homes, The Manor single-family homes, the Town Center Collection townhomes, and Windward single-family homes. The City will continue to evaluate the PD development zoning district as a flexible mechanism to encourage supply of affordable housing and revise as appropriate. **Appropriateness**: The City will continue to implement this program in the 2015-2023 Housing Element.
5. Second Unit Program The City of Scotts Valley could also accommodate a significant number of accessory dwelling units and guest houses. Since 2000, the City has facilitated the development of second units by the following: 1) reducing development standards; 2) permitting them by right; 3)	**Effectiveness**: During the planning period, the City processed four development applications for second units. The City continues to facilitate the development of second units and make adjustments to the program as needed as well as publicize its accessory dwelling unit program at City Hall and on the City's website.

Housing Element Program	Evaluation of Effectiveness
reducing the impact fee from $14,321 to $9,394; and 4) providing a means to address illegal conversions. Finally, in 2003, the City amended the Zoning Code to allow accessory dwelling units by right in single-family residential zones to bring the City's regulations up to date with state law. Although providing a small component of the City's overall housing strategy, they will continue to be facilitated. **Five-Year Action(s):** • The City will publicize its accessory dwelling unit program by developing brochures, updating its web site, and making available brochures available at the public counter. • Periodically review program and make adjustments as feasible to facilitate the development of second units.	**Appropriateness**: The City will include this program in the 2015-2023 Housing Element.
Housing and Neighborhood Quality	
6. Code Enforcement Zoning and building codes are designed to preserve housing in good condition and maintain the quality of neighborhoods. The City's Code Enforcement staff enforces City ordinances related to property maintenance, building conditions, and other issues. Code Enforcement staff inform property owners of code violations and refer them to available financial resources and programs offered by the City, including the Redevelopment Agency. Code Enforcement staff seek to work cooperatively with residents and businesses to achieve compliance with City building and property maintenance codes. In certain cases, the City may red-tag, fine and prosecute owners of substandard housing. Although the City's housing is in good condition, proactive code enforcement is a key to maintaining the quality of life in neighborhoods. **Five-Year Action(s):** • The City will continue to implement code enforcement activities and	**Effectiveness**: The City continues to implement code enforcement activities and inform residents of available funding for rehabilitation assistance. From 2009-2014, the City's Code Enforcement staff responded to 105 residential-related complaints. **Appropriateness**: The City will include this program in the 2015-2023 Housing Element.

Housing Element Program	Evaluation of Effectiveness
inform residents of rehabilitation assistance.	
7. Homeowner Unit Repair Program A recent study completed for the City RDA by the Housing Authority indicated that about 10% of the mobile home units in the Redevelopment Area required some level of repair. In addition, the Agency believes that a number of other owner occupied units in the Redevelopment Area require moderate levels of rehabilitation and repair. The current cost of funds often forces owners to delay repairs and can lead to disinvestment in the Redevelopment Area. In response, the Agency proposes establishing an affordable owner occupied unit repair program. The program would be open to very low, low and moderate income households and would provide up to $7,500 in low interest loans to qualified households. The Agency would need to approve requested repairs. **Five-Year Action(s):** • Assist in the repair of up to 30 affordable owner-occupied units. The City will provide information about the rehabilitation program in conjunction with code enforcement activities and to interested parties at the public counter. • Investigate other funding sources to help improve mobile home parks in the community that have housing repair and infrastructure needs.	**Effectiveness**: Due to the passage of AB1X26 and AB1X27 by the State of California, City funding for new affordable housing programs has been suspended. The City has not been able to find alternative funding sources to continue the program. **Appropriateness**: This program will not be included in the 2015-2023 Housing Element.
8. Design Review Design review ensures that new housing projects are designed to blend in with the character of the neighborhood, respect topographical and environmental features in Scotts Valley, and ensure compatibility with surrounding land uses. Design review is required for projects at the tentative map stage and for apartment projects where the parcel is larger than 20,000 square feet, and for projects in hillside-combining districts	**Effectiveness**: The City continues to review projects to ensure consistency with the General Plan, Zoning Ordinance and area design guidelines. The City provides all design review guidelines on the City's website, including commercial and industrial design review guidelines, residential design handbook, and Mount Hermon Road Downtown Design Guidelines. **Appropriateness**: This program will be

Housing Element Program	Evaluation of Effectiveness
and other sensitive areas. As mentioned earlier, the City has streamlined the design review process in recent years. Design review is presently conducted by City staff and reviewed by the Planning Commission, rather than separate commissions in the community. City staff assists developers by providing a booklet with design guidelines. **Five-Year Action(s):** • Continue to review projects to ensure consistency with the General Plan Zoning Ordinance and area design guidelines. The City will give processing priority to affordable housing projects.	included in the 2015-2023 Housing Element.
9. Preservation of Affordable Housing With active participation by the RDA, five publicly assisted rental housing projects are located in Scotts Valley. The City has also required town homes and condominiums to contain affordable units as part of RDA agreements. Moreover, the RDA has also provided staff support for the tenant purchase of 58 mobile home spaces in the Mountain Brook Mobile Home Park and provides rent subsidies to residents of the Bay Tree and Acorn Apartments. Although no affordable project is at-risk of conversion, the City will continue to monitor the status of projects and provide technical and financial assistance as feasible to ensure the projects remain affordable for the long-term. **Five-Year Action(s):** • The City will continue to monitor the status of affordable units and, should any become at-risk of conversion, provide technical and financial assistance, as feasible, to encourage the units to remain affordable.	**Effectiveness**: The City continues to monitor the status of affordable units within the City. The City will provide technical and financial assistance, as feasible, to encourage preservation of affordable units should any become at-risk of conversion to market rate. The City's Mobile Home Park Conversion Ordinance recognizes that the unrestricted conversion of mobile home parks to other uses can further diminish the availability of mobile home parks and rental space, and can subject tenants to the costs and inconvenience of relocation. The ordinance provides a formal application procedure for mobile home park conversion and requires approval by the Planning Commission or City Council. The City will continue to implement the ordinance in an effort to protect the community's existing mobile home parks. The Mobile Home Park Rent Stabilization Ordinance recognizes the need to protect the residents of mobile homes from unreasonable space rent increases, while at the same time recognizing the need for mobile home park owners to receive a reasonable income and return on investment. The City receives, investigates,

Housing Element Program	Evaluation of Effectiveness
	and holds hearings on requests for rent adjustments through the City's Rent Review Commission. To ensure that conditions are preserved to promote and enhance fairness in the economic relationship between mobile home park owners and mobile home owners the City will continue to implement the Mobile Home Park Rent Stabilization Ordinance. **Appropriateness**: This program will be modified in the 2015-2023 Housing Element into a new program that will both monitor and assist in the preservation of affordable housing at-risk of conversion to market-rate. The update Housing Plan will also include housing programs for the Mobile Home Park Conversion Ordinance and the Mobile Home Park Rent Stabilization Ordinance.
10. Work with the City's ADA Committee In order to facilitate the development of more housing designed to accommodate persons with disabilities the City in January 2009 appointed an ADA Committee to work with the building official to develop programs to encourage new construction to be designed in a manner to accommodate disabilities. **Five-Year Action(s):** • The City will develop an educational program to work with developers and individual home owners to encourage design and construction of projects that include features to make the units usable for persons with disabilities.	**Effectiveness**: The City established the ADA Committee to work with the City's Building Official to develop programs to encourage new construction to be designed in a manner to accommodate persons with disabilities. The ADA Committee continues as a City Commission that identifies opportunities to increase ADA accessibility throughout the City. **Appropriateness**: This program will be combined with the City program to continue and support formal reasonable accommodation procedures.
Housing Assistance	
11. Housing Voucher Program The Section 8 Rental Assistance Program extends rental subsidies to very low-income households. The program offers a voucher that pays the difference between the current fair market rent established by the Housing Authority and what a tenant can afford to pay (i.e. 30% of household income). The voucher allows a tenant to choose housing	**Effectiveness**: The Section 8 Waiting List for Santa Cruz County is currently closed and full applications are being taken for families who were on the list before September 2008. According to the Housing Authority of Santa Cruz, 76 households renting units in the City of Scotts Valley utilize the County's Section 8 Program.

Housing Element Program	Evaluation of Effectiveness
that costs above the payment standard, provided the tenant pays the extra rent above the payment standard. Currently, 45 Scotts Valley households receive Section 8 assistance. The Housing Choice Voucher Program has recently been expanded to include a homeownership opportunity. Under the new program, renters who have participated in the Housing Choice Voucher program for a minimum of one year, are ready to buy a house, and have pre- qualified for a mortgage loan from a participating lender, may have their monthly housing assistance payment applied to a mortgage payment rather than rent. A three percent downpayment is required to be paid by the prospective homebuyer. **Five-Year Action(s):** • Continue to participate with the Housing Authority of Santa Cruz County to provide rental and homeownership assistance.	**Appropriateness**: This program will be included in the 2015-2023 Housing Element. As the City has little control over how the County's programs are administered, the City will be responsible for providing information to residents.
12. First Month Security Deposit In recent years, the rising cost of apartments, coupled with the lower income of many renters, means that some households have insufficient income to pay a security deposit to secure an apartment. Paying a security deposit presents a potential fair housing concern for persons leaving shelters and transitional housing. Adopted in 1999, Scotts Valley developed a first month's rent security deposit program that is administered by the County Housing Authority. The program leverages RDA set-aside funds to assist low and moderate income families with rental assistance in the form of a grant for the first month's rent, and security for the last month's rent. **Five-Year Action(s):** • The RDA will continue to set-aside funds over the next five years for this program.	**Effectiveness**: Due to the passage of AB1X26 and AB1X27 by the State of California, City funding for new affordable housing programs has been suspended. According to the County of Santa Cruz Housing Authority's website, the City of Scotts Valley no longer has a security deposit program. **Appropriateness**: This program will not be included in the 2015-2023 Housing Element.

Housing Element Program	Evaluation of Effectiveness
13. Mortgage Credit Certificate Program Since 1992, Scotts Valley has participated in the Mortgage Credit Certificate (MCC) program through the Housing Authority of the County Santa Cruz. The MCC program provides a tax credit of up to 20% of the annual interest paid on the applicant's mortgage, reducing the amount of Federal income tax the homeowner pays and freeing more income to qualify and pay for a loan. Fifteen Scotts Valley lower and moderate households have been assisted through the County's MCC program. The Housing Authority also offers a specialized MCC program for teachers and principals of eligible schools. Currently the schools located in Scotts Valley are not eligible for the program. Since the inception of this program, 23 MCC's have been issued. **Five-Year Action(s):** • The City will continue to market the MCC program by providing brochures at City Hall and community centers, and on the City's website. Over the next 5 years, the City anticipates that 20 households will be assisted.	**Effectiveness**: The City continues to participate in the MCC program through the Housing Authority of the County of Santa Cruz. Since the inception of this program, the City has issued 22 MCC's (as of March 2013). **Appropriateness**: This program will be included in the 2015-2023 Housing Element. As the City has little control over how the County's programs are administered, the City will be responsible for providing information to residents.
14. City Ownership Program Scotts Valley is concerned about the inability to meet families' needs for low and moderately priced housing. The RDA indicates that moderate income households should still be able to secure sufficient financing to afford housing if the sales price was equal to the housing's development costs. The City administers a deferred second mortgage program for persons buying a home (including mobile homes) within city limits. The Redevelopment Area contains three mobile home parks, many occupied by low income households. However, the units do not carry any affordability covenants. The Agency proposes to build on the experience of Mountain Brook to assist local residents to	**Effectiveness**: Due to the passage of AB1X26 and AB1X27 by the State of California, City funding for new affordable housing programs has been suspended. The City has been unable to find alternative funding sources to continue this program. **Appropriateness**: This program will not be included in the 2015-2023 Housing Element.

Housing Element Program	Evaluation of Effectiveness
convert their mobile home parks into owner occupied and controlled parks. **Five-Year Action(s):** • Assist up to 10 households over the next 5 years. Advertise program in the City's Affordable Housing Programs brochure and on the City's website. • Consider working with mobile home owners and parks as opportunities to arise to convert their parks into owner occupied and controlled parks.	
15. Fair Housing Fair housing is a broad topic that covers topics ranging from fair housing services to providing sufficient housing opportunities. For fair housing services, the City currently refers fair housing discrimination activities to the State Department of Fair Employment and Housing. The City also funds a variety of nonprofit organizations, which provide referrals and assistance for housing. Pursuant to SB520, the City identified the need to remove several potential constraints to housing opportunities. As noted in Chapter 3, the City will need to designate a zone to conditionally permit transitional housing in compliance with State law, allow for the by-right permitting of all licensed community care facilities serving six or fewer clients in all residential zones, and update its day care ordinance to be in compliance with recent changes to State law. **Five-Year Action(s):** • Continue to promote fair housing practices, provide the public with educational information on fair housing, and refer fair housing complaints to Department of Fair Employment and Housing. • Amend the Zoning Code to: 1) permit the siting of transitional housing in the I-L and C-S zones; and 2) to	**Effectiveness**: The City continues to promote fair housing practices, provide the public with educational information on fair housing, and refer fair housing complaints to the Department of Fair Employment and Housing. The City has amended its Zoning Code to include formal reasonable accommodation procedures and established specific zoning districts to permit emergency shelters, transitional, and supportive housing as a matter of right. The City continues to periodically evaluate the Zoning Code to find whether any regulations constrain the development of housing for persons with disabilities. Fair housing counseling and assistance is currently administered by the California Department of Fair Employment (DFEH) and Housing. **Appropriateness**: This program will be included in the 2015-2023 Housing Element. As the City has little control over how the DFEH administers its fair housing services, the modified program will focus on providing information, referring tenants, and monitoring complaints of housing discrimination.

Housing Element Program	Evaluation of Effectiveness
make the City's residential care facility policy consistent with State law. • Periodically evaluate the Zoning Code to find whether any regulations constrain the development of housing for disabled persons and, if such constraints are found, initiate changes to remove or mitigate constraints.	
16. Child and Day Care Facilities Scotts Valley recognizes that children represent our future community, but also recognizes that existing childcare services and facilities may not be adequate to meet today's demand and that this demand is increasing. To ignore this fact jeopardizes the long-term quality of the City's social, physical, and economic well-being. Thus, the City is committed to making high quality childcare services available, affordable, and accessible to those persons who either live or work in the City and who desire or need such services. **Five-Year Action(s):** • Continue to with child care providers and the county to promote adequate child care facilities within the community. These will include family child care facilities. The City's zoning regulations were amended in 2007 to conform with state law. • Continue to encourage new development such as the Town Center project to provide child care facilities on site.	**Effectiveness**: The City continues to encourage new developments such as the Town Center project to provide child care facilities on-site. The City revised the Zoning Ordinance to provide Density Bonus incentives for developers who provide child care facilities within their proposed developments. **Appropriateness**: This program will be included in the 2015-2023 Housing Element.
Environmental Preservation	
17. Hillside Development and Design The City's Zoning Code enforces certain regulations and development standards to ensure that its environmental resources are protected. For instance, the Code prohibits development on slopes with an average grade of more than 40%. For slopes where development is permitted, the City provides	**Effectiveness**: The City continues to enforce the setback, height, and density standards identified in the Hillside Residential Combining District. The City has received development applications for residential development in hillside areas and appropriately utilized the Hillside Residential Combining District Regulations in order to

Housing Element Program	Evaluation of Effectiveness
design guidelines to the project applicant(s) to ensure that hillsides are preserved. For slopes greater than 10%, the City has established a Hillside Residential Combining District, which requires a variety of development and design standards to help preserve and conserve natural vegetative and topographic features and open space. City staff and the Design Review Board (Planning Commission) are responsible to review the project to ensure that applicable standards have been fully addressed. **Five-Year Action(s):** • Continue to enforce the setback, height, and density standards identified in the Hillside Residential Combining District.	ensure protection of environmental resources. **Appropriateness**: This program will be included in the 2015-2023 Housing Element.
18. Resource Conservation The City encourages the conservation of resources in the development and improvement of new housing throughout the City. Buildings should be designed to minimize mechanical heating and cooling. Sunlight should be used for direct heating and illumination wherever possible. Natural ventilation and shading should be used to cool a building. Active and passive solar heating is encouraged. Solar access shall be planned into the site design where possible. Solar access shall be reserved, where appropriate, through recorded easements or other devices or instruments. Climatic factors such as prevailing winds, shade trees, window and door orientation and the positioning of buildings on the site shall all be coordinated to maximize energy conservation. **Five-Year Action(s):** • Encourage energy conservation measures and devices to be incorporated in the development and improvement of housing. Review such requirements through the Design Review and Building Permit process.	**Effectiveness**: The City continues to encourage energy conservation measures and devices to be incorporated in the development and improvement of housing. Review of such requirements occur through the Design Review and Building Permit process. **Appropriateness**: This program will be included in the 2015-2023 Housing Element.
19. Water Conservation and Groundwater	**Effectiveness**: The City continues to work

Housing Element Program	Evaluation of Effectiveness
Recharge Scotts Valley is provided water from the Scotts Valley Water District, the San Lorenzo Valley Water District, and private wells. Groundwater is the sole source. The City and SVWD built the County's first Water Reclamation Facility and a 1.0-million-gallon storage facility, and related infrastructure. Despite these improvements, the District has only a limited number of water meters available until new wells are drilled. Section 65589.7 of the Government Code requires each public agency or private entity providing water or sewer services to give priority for the provision of these available and future resources or services to the proposed housing developments which help meet the City's share of the regional housing need for lower-income households. **Five-Year Action(s):** • Work with SVWD and other San Lorenzo Water District to ensure that a water conservation and priority system is implemented. • Work with the SVWD and San Lorenzo Water District to ensure that adequate water resources are available for affordable housing projects. • Provide RDA assistance to ensure that all affordable housing projects within the RDA are plumbed to use recycled water for landscaping.	with Scotts Valley Water District (SVWD) and San Lorenzo Water District to ensure that water conservation programs and priority systems are implemented; and to ensure that adequate water resources are available for affordable housing projects. The 2010 SVWD Urban Water Management Plan (UWMP) predicts the Low Income Water Demand through 2035 based on the planning period for the RHNA. The 2010 SVWD UWMP also details the water conservation programs for residential uses. **Appropriateness**: This program will be modified in the 2015-2023 Housing Element to focus on coordination with water and sewer service providers when considering approval of new residential projects per SB 1087.
20. Cultural Resources Scotts Valley's location on an ancient seabed has contributed to a wealth of archaeological and paleontological resources in the community today. In fact, the present City Hall site contains a 10,000- to 15,000-year-old archaeological site. The General Plan designates various areas throughout the community as moderate or high cultural resource sensitivity zones. In these areas, development proposals must have appropriate environmental clearance pursuant to state and federal laws, which is reviewed by the City's Cultural Resource	**Effectiveness**: The City continues to review proposals for new housing to ensure that the City's cultural resources are adequately protected. Proposed development located within moderate or high cultural resource areas are required to have the appropriate environmental clearance and is reviewed by the City's Cultural Resource Commission. **Appropriateness**: This program will be included in the 2015-2023 Housing Element.

Housing Element Program	Evaluation of Effectiveness
Commission. Procedures and scope of authority of the Commission is set forth in Chapter 17.44 of the Scotts Valley Municipal Code. **Five-Year Action(s):** • Continue to review proposals for new housing to ensure that the City's cultural resources are adequately protected.	

~~Chart A-1~~
~~Housing Accomplishments since 1994~~

~~Program Action/Objective~~	~~Accomplishments~~
~~Remove Governmental Constraints~~	
~~-Increase densities along major arterials~~	~~R-VH (very high density) district in place, and designated commercial property rezoned to allow mixed use as a right.~~
~~-Modify Second Unit Standards~~	~~In 1998, the City reduced minimum development standards and impact fees for second units from those charged single-family homes to those charged mobile home units.~~
~~-Establish PD Zones~~	~~Ongoing. City has established PD zones for various affordable housing projects.~~
~~-Adopt density bonus program~~	~~Density bonus for senior projects in place. Otherwise, City follows state law regulations.~~
~~-Develop incentives for lot consolidation~~	~~Scotts Valley Drive reconstruction project and the Skypark project enabled the RDA to reassemble lots for new development and modern uses.~~
~~Address Employment Generated Housing Demand~~	
~~Adopt housing programs to match job growth with housing growth~~ ~~- Survey employers to determine type and amount of job growth anticipated~~ ~~- Develop incentives to construct housing needed to meet employment needs~~ ~~- Cooperate with employers to create mutually beneficial housing programs~~ ~~- Keep abreast of changes in jobs, demographics, and impact on housing.~~	~~City helped complete AMBAG employment forecast in 2008. Redevelopment Plan provides for affordable housing incentives. Economic Development Plan was updated in 2007. Town Center Specific Plan adopted to facilitate development on Mt. Hermon Rd. Also, a business survey was completed in 2000 in conjunction with the Workforce Investment Board.~~

~~Provide housing sites for 42 very low income, 32 low income, and 36~~

~~Program Action/Objective~~	~~Accomplishments~~
~~moderate income units~~	
~~The City has done the following to ensure that adequate sites for housing are made available:~~ ~~-- Annually evaluate land inventory~~ ~~-- Redesignate three areas from commercial uses to high-density residential~~ ~~-- Consider incentives for cluster development, and density bonuses~~ ~~-- Participate in the regional fair share allocation process and report on City's progress in meeting objectives~~ ~~-- Designated up to 25 acres to allow for very high density residential.~~	~~The City conducts a vacant land inventory on a regular basis. City Council completed re-zonings in 1996. Redevelopment Plan has funded new affordable housing projects in 1996, 1999, 2000, and 2001. These projects are listed in Chapter 2. The City participated in the AMBAG's RHNP 2000 process and continues to report progress to HCD in its implementation plan. From 1994-1999, developers built 369 single-family homes, 10 attached products, and 63 apartment units in Scotts Valley. The majority were affordable to upper income households, except for those built in the RDA area or subsidized by the RDA (see Chapter 2).~~
~~Provision of Housing Assistance~~	
~~Encourage the production of affordable rental and ownership housing as follows:~~ ~~-- Dedicate 20% of RDA set-aside funds for affordable housing~~ ~~-- Use RDA powers to reduce the costs of construction by funding off-site infrastructure improvements~~ ~~-- Designate a housing specialist to monitor affordable housing programs~~ ~~-- Monitor progress in providing affordable units and enact incentives as needed~~	~~City provides RDA 20% set-aside funds for affordable housing and funds off-site improvements to infrastructure, including financial assistance for the Town Center Specific Plan, Santa's Village, and Scotts Valley Drive.~~ ~~Additional staff funded through a contract with the Housing Authority. Two positions in Planning Department support Housing Programs on a part-time basis.~~ ~~On-going..~~
~~Ensure Quality of Housing and Neighborhoods~~	
~~Promote housing rehabilitation programs to conserve existing affordable housing~~ ~~- Solicit and encourage maximum utilization of federal and state funds for low interest loans and grants for the rehabilitation of housing units and mobile home parks~~	~~Participated with Mid-Peninsula Housing in tax credit program for a 46-unit project. Implemented MCC Program, to date 15 MCC's have been issued in Scotts Valley helped residents of Mountain Brook Mobile Park purchase the land under the park~~

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~~Program Action/Objective~~	~~Accomplishments~~
~~-- RDA will make available low-interest loans to rehabilitate homes~~	~~In 1998, a silent second mortgage program was created. To date, ten (10) silent second loans have been issued.~~
~~-- Cooperate with other nonprofit developers to develop new or substantially rehabilitate Section 8 housing units and leverage federal and state aid as needed.~~	~~Ongoing. Over 50 units generated since 1996.~~ ~~1995 CDBG grant secured for conditions survey~~ ~~HOME grant of $420,000 secured in 1999~~
~~-- Prohibit the conversion of rental housing to owner-occupied unless the rental vacancy rate is greater than 4%.~~	~~Still in effect.~~
~~-- Retain the mobilehome park conversion ordinance and mobile home park rent review commission~~	~~Administrated by the Mobile Home Rent Review Commission.~~
~~-- Place Article 34 referenda on the ballot to authorize the development of affordable housing~~	~~Article 34 referenda was previously unsuccessful, and currently is not necessary since most affordable units do not require such authority.~~
~~-- Pursue CDBG entitlement stature~~	~~Cannot apply for entitlement status since the City's population is under 50,000 persons.~~
~~**Ensure Fair and Equal Housing**~~	
~~-- Encourage development of services for the elderly and disabled in remaining in their homes~~	~~City contributes to Lift Lines Volunteer Center for seniors and Grey Bears for medical services.~~
~~-- Amend the Zoning Ordinance by October 1993 to allow emergency shelters in the commercial and public quasi-public zones~~	~~Amendment completed.~~
~~-- Encourage new housing to be adaptable for physically disabled persons by requiring a portion of all new projects larger than 4 units to be accessible~~	~~City implements policy consistent with State law.~~
~~-- Encourage new or rehabilitated developments to provide residential care and assisted living for the elderly and disabled by allowing residential care facilities in all high density zones~~	~~Residential care facilities in R-H zone are allowed.~~
~~Cooperate with government agencies to promote housing~~ ~~agencies to promote housing~~ ~~choice and equal opportunity~~	~~The City solicits educational and Housing of any complaints.~~
~~**Encourage Resource Conservation**~~	
~~Disseminate information~~	~~Housing Authority disseminates tax~~

~~Program Action/Objective~~	~~Accomplishments~~
~~pertaining to available federal and state energy conservation tax credit and other available private financial incentives~~	~~credit information to developers.~~
~~-- Promote the use of water conserving appliances in buildings and the use of drought tolerant/low water consuming landscaping. Require such measures through the Design Review process~~	~~City adopted resolutions to establish policy. Evaluated during the plan check process.~~
~~-- Continue to promote the recycling of solid wastes~~	~~City has programs to promote recycling and participates in regional efforts to improve the diversion of waste from the landfills.~~
~~-- Encourage projects to locate dwellings in such a way to get maximum use of solar energy through the development review process and retention of the hillside development zoning regulations~~	~~Energy conservation is evaluated in the plan review process and by the Planning Commission.~~

APPENDIX B

Glossary

Acre: a unit of land measure equal to 43,560~~650~~ square feet. Net acreage refers to the portion of a site exclusive of existing or planned public or private road rights-of-way.

Affordability Covenant: A property title agreement which places resale or rental restrictions on a housing unit.

Affordable Housing: Under State and federal statutes, housing which costs no more than 30 percent of gross household income. Housing costs include rent or mortgage payments, utilities, taxes, insurance, homeowner association fees, and other related costs. Under local statutes, housing units that are required to be occupied by very-low-income, low-income or by moderate-income households.

Affordable Rent: A monthly rent charged to Low and Very Low Income Households for housing units as calculated in accordance with Section 50053 of the Health and Safety Code.

Annexation: The incorporation of land area into the jurisdiction of an existing city with a resulting change in the boundaries of that city.

Assisted Housing: Housing that has been subsidized by federal, state, or local housing programs.

At-Risk Housing: Multi-family rental housing that is at risk of losing its status as housing affordable for low and moderate income tenants due to the expiration of federal, state or local agreements.

California Department of Housing and Community Development (HCD): The State Department responsible for administering State-sponsored housing programs and for reviewing housing elements to determine compliance with State housing law.

Census: The official United States decennial enumeration of the population conducted by the federal government.

Code Enforcement: Enforcement of the Municipal Code through regulations that are applied to administrate enforcement hearings and judicial proceedings by a code enforcement officer.

Community Care Facility: Any building which is maintained and operated to provide nonmedical residential care, or care services for children, adults, or adults and children, including, but not limited to, the

physically handicapped, mentally impaired, or incompetent person. All community care facilities shall be appropriately licensed or registered pursuant to state law, unless exempted therefrom by state law. This definition and all other definitions relating to community care facilities shall be interpreted so as to be consistent with definitions found in state law or state administrative regulations. This could include foster homes, sober living environments, assisted living for elderly or disabled people. A small community care facility is allowed six or fewer residents. When determining the number of residents, that number does not include persons operating the facility, their family members or staff. A large community care facility has seven or more residents.

Community Development Block Grant (CDBG): A grant program administered by the U.S. Department of ~~Housing and~~Housing and Urban Development (HUD). This grant allots money to cities and counties for housing rehabilitation and community development activities, including public facilities and economic development.

Condominium: ~~A building or group of buildings in which units are owned individually, but the structure, common areas and facilities are owned by all owners on a proportional, undivided basis.~~An estate in real property consisting of an undivided interest in common in a portion of a parcel of real property together with a separate interest in space in a residential, industrial or commercial building on such real property, such as an apartment, office or store.

Day Care Center: A facility (including nonresidential structures) that provides supervision and care of more than six children for periods of less than twenty-four hours per day. The term includes nursery school, preschool and similar facilities.

Density: The number of dwelling units per unit of land. Density usually is expressed “per acre,” e.g., a development with 100 units located on 20 acres has density of 5.0 units per acre.

Density Bonus: A density increase for residential units over the otherwise allowed residential density under the applicable zoning and land use designation on the date an application is deemed complete.

Development: Subdivision of land, use permits, special permits, and building permits for residential purposes.

Development Impact Fees: A fee or charge imposed on developers ~~to pay for a jurisdiction’s costs of providing services to new development.~~to ensure that the development bears a proportionate share of the cost of public facilities and service improvements necessary to accommodate such development.

Development Right: The right granted to a land owner or other authorized party to improve a property. Such right is usually expressed in terms of a use and intensity allowed under existing zoning regulation. For example, a development right may specify the maximum number of residential dwelling units permitted per acre of land.

Dwelling, Multi-family: A building, or portion thereof, designed or used for residence purposes by two or more ~~families~~households or housekeeping units. ~~A building containing two or more dwelling units for the use of individual households; an apartment or condominium building is an example of this dwelling unit type~~.

Dwelling, Single-family Attached: A one-family dwelling ~~attached to one or more other one-family dwellings by a common vertical wall. Row houses and town homes are examples of this dwelling unit type.~~in a row of at least two such units in which each unit has its own front and rear access to the outside, no unit is located over another unit, and each unit is separate from any other unit by one or more common, fire-resistant walls.

Dwelling, Single-family Detached: A detached building designed or used for residence purposes by one household or housekeeping unit. ~~welling, not attached to any other dwelling, which is designed for and occupied by not more than one family and surrounded by open space or yards.~~

Dwelling Unit: Any building, or portion thereof, designed or used as the residence or sleeping place of one or more persons. ~~One or more rooms, designed, occupied or intended for occupancy as separate living quarters, with cooking, sleeping and sanitary facilities provided within the unit for the exclusive use of a household.~~

Dwelling Unit, Secondary: An additional dwelling unit which contains no greater than eight hundred square feet of living space, not including the garage, which shares a lot with a primary residence. The second unit is served by the same driveway access to the street as the existing main dwelling.

Elderly Household: As defined by HUD, elderly households are one- or two- member (family or non-family) households in which the head or spouse is age 62 or older.

Emergency Shelter: ~~An emergency shelter is a facility that provides shelter to homeless families and/or homeless individuals on a limited short-term basis~~Housing with minimal supportive services that is limited to occupancy of six months or less. No individual or household may be denied emergency shelter because of an inability to pay; as defined and used in Section 50801(e) of the California Health and

Safety Code. However, emergency shelter providers are not obligated to accept individuals if the shelter is at it approved capacity.-

Fair Market Rent (FMR): Fair Market Rents (FMRs) are freely set rental rates defined by HUD as the median gross rents charged for available standard units in a county or Standard Metropolitan Statistical Area (SMSA). Fair Market Rents are used for the Section 8 Rental Program and many other HUD programs and are published annually by HUD.

Family Child Care Homes: A home that regularly provides care, protection and supervision for fourteen or fewer children, in the providers own home, for periods of less than twenty-four hours per day, while parents or guardians are away, and is either a large family child care home or a small family child care home. Family child care home is the same as described in state law as a family day care home. (See Section 1596.78 of the California Health and Safety Code.)

> **Large Family Child Care Home:** A home that provides family child care for up to twelve children, or for up to fourteen children if certain criteria are met, as set forth in California Health and Safety Code Section 1597.465 and as defined in state regulations (see California Administrative Code Sections 102352(f)(1)(B) and 102316.5(b). These capacities include children under age ten who live in the licensee's home and the assistant provider's children under age ten.
>
> **Small Family Child Care Home:** A home that provides family child care for up to six children, or for up to eight children if certain criteria are met, as set forth in California Health and Safety Code Section 1597.44 and as defined in regulations (see California Administrative Code Sections 102352(f)(1)(B) and 102316.5(b). These capacities include children under age ten who live in the licensee's home

First-Time Home Buyer: Defined by HUD as an individual or family who has not owned a home during the three-year period preceding the HUD-assisted purchase of a home. Jurisdictions may adopt local definitions for first-time home buyer programs which differ from non-federally funded programs.

General Plan: The General Plan is a legal document, adopted by the legislative body of a City or County, setting forth policies regarding long-term development. California law requires the preparation of seven elements or chapters in the General Plan: Land Use, Housing, Circulation, Conservation, Open Space, Noise, and Safety. Additional elements are permitted, such as Economic Development, Urban Design and similar local concerns.

Group Quarters: A facility which houses groups of unrelated persons not living in households (U.S. Census definition). Examples of group quarters include institutions, dormitories, shelters, military quarters, assisted living facilities and other quarters, including single-room occupancy (SRO) housing, where 10 or more unrelated individuals are housed.

Guesthouse: Accessory living quarters, without kitchen or cooking facilities, of a permanent type of construction, clearly subordinate and incidental to the main building on the same lot, and not separately rented, let or leased, whether compensation be direct or indirect.

HCD: The State Department of Housing and Community Development.

Home Mortgage Disclosure Act (HMDA): The Home Mortgage Disclosure Act requires larger lending institutions making home mortgage loans to publicly disclose the location and disposition of home purchase, refinance and improvement loans. Institutions subject to HMDA must also disclose the gender, race, and income of loan applicants.

HOME Program: The HOME Investment Partnership Act, Title II of the National Affordable Housing Act of 1990. HOME is a Federal program administered by HUD which provides formula grants to States and localities to fund ~~activities that~~activities that build, buy, and/or rehabilitate affordable housing for rent or home ownership or provide direct rental assistance to low-income people.

Homeless: Unsheltered homeless are families and individuals whose primary nighttime residence is a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings (e.g., the street, sidewalks, cars, vacant and abandoned buildings). Sheltered homeless are families and persons whose primary nighttime residence is a supervised publicly or privately operated shelter (e.g., emergency, transitional, battered women, and homeless youth shelters; and commercial hotels used to house the homeless).

Household: The US Census Bureau defines a household as all persons living in a housing unit whether or not they are related. A single person living in an apartment as well as a family living in a house is considered a household. Household does not include individuals living in dormitories, prisons, convalescent homes, or other group quarters.

Household Income: The total income of all the persons living in a household. A household is usually described as very low income, low

income, moderate income, and upper income based upon household size, and income, relative to the regional median income.

Housing Problems: Defined by HUD as a household which: (1) occupies a unit with physical defects (lacks complete kitchen or bathroom); (2) meets the definition of overcrowded; or (3) spends more than 30% of income on housing cost.

Housing Authority of Santa Cruz County: Provides housing assistance for Santa Cruz County's low and moderate-income residents.

Housing Subsidy: Housing subsidies refer to government assistance aimed at reducing housing sales or rent prices to more affordable levels. Two general types of housing subsidy exist. Where a housing subsidy is linked to a particular house or apartment, housing subsidy is "project" or "unit" based. In Section 8 rental assistance programs the subsidy is linked to the family and assistance provided to any number of families accepted by willing private landlords. This type of subsidy is said to be "tenant based."

Housing Unit: A room or group of rooms used by one or more individuals living separately from others in the structure, with direct access to the outside or to a public hall and containing separate toilet and kitchen facilities.

HUD: See U. S. Department of Housing and Urban Development.

Income Category: Four categories are used to classify a household according to income based on the median income for the county. Under S~~s~~tate housing statutes, these categories are defined as follows: Very Low (0-50% of County median); Low (50-80% of County median); Moderate (80-120% of County median); and ~~Upper~~ Above Moderate (over 120% of County median).

Large Household: A household with 5 or more members.

Manufactured Housing: Housing that is constructed of manufactured components, assembled partly at the site rather than totally at the site. Also referred to as modular housing.

Market Rate Housing: Housing which is available on the open market without any subsidy. The price ~~for housing~~for housing is determined by the market forces of supply and demand and varies by location.

Median Income: The annual income for each household size within a

region which is defined annually by HUD. Half of the households in the region have incomes above the median and half have incomes below the median.

Mixed Use: A development that contains both commercial (retail or office) uses and residential uses.

Mobile Home: A structure, transportable in one or more sections, which is at least 8 feet in width and 32 feet in length, is built on a permanent chassis and designed to be used as a dwelling unit when connected to the required utilities, either with or without a permanent foundation.

Mortgage Revenue Bond (MRB): A state, county or city program providing financing for the development of housing through the sale of tax-exempt bonds.

Overcrowding: As defined by the U.S. Census, a household with greater than 1.01 persons per room, excluding bathrooms, kitchens, hallways, and porches. Severe overcrowding is defined as housing with more than 1.5 persons per room.

Overpayment: The extent to which gross housing costs, including utility costs, exceed 30 percent of gross household income, based on data published by the U.S. Census Bureau. Severe overpayment, or cost burden, exists if gross housing costs exceed 50 percent of gross income.

Parcel: The basic unit of land entitlement. A designated area of land established by plat, subdivision, or otherwise legally defined and permitted to be used, or built upon.

Physical Defects: A housing unit lacking complete kitchen or bathroom facilities (U.S. Census definition). Jurisdictions may expand the Census definition in defining units with physical defects.

Project-Based Rental Assistance: Rental assistance provided for a project, not for a specific tenant. A tenant receiving project-based rental assistance gives up the right to that assistance upon moving from the project.

Public Housing: A project-based low-rent housing program operated by independent local public housing authorities. A low-income family applies to the local public housing authority in the area in which they want to live.

Planned Unit Development (PUD): A form of development usually characterized by a unified site design for a number of housing units, clustered buildings and the provision of common open space, density

increases and a mix of building types and land uses.

Redevelopment Agency: Previously the primary source for affordable housing funding, Redevelopment Agencies were eliminated in 2012 in the State of California. The City of Scotts Valley was selected to be the Successor Agency responsible for all enforcement obligations owed. ~~California Community Redevelopment Law provides authority to establish a Redevelopment Agency with the scope and financing mechanisms necessary to remedy blight and provide stimulus to eliminate deteriorated conditions. The law provides for the planning, development, redesign, clearance, reconstruction, or rehabilitation, or any combination of these, and the provision of public and private improvements as may be appropriate or necessary in the interest of the general welfare by the Agency. Redevelopment law requires an Agency to set aside 20 percent of all tax increment dollars generated from each redevelopment project area for increasing and improving the community's supply of affordable housing.~~

Regional Housing Needs Plan (RHNP): The Regional Housing Needs Plan (RHNP) is based on State of California projections of population growth and housing unit demand and assigns a share of the region's future housing need to each jurisdiction within the AMBAG (Association of Monterey Bay Area Governments). These housing need numbers serve as the basis for the update of the Housing Element in each California city and county.

Rehabilitation: The upgrading of a building previously in a dilapidated or substandard condition for human habitation or use.

~~**Second Dwelling Unit:** An additional dwelling unit which contains no greater than eight hundred square feet of living space, not including the garage, which shares a lot with a primary residence. The second unit is served by the same driveway access to the street as the existing main dwelling.~~

Section 8 Rental Voucher/Certificate Program: A tenant-based rental assistance program that subsidizes a family's rent in a privately owned house or apartment. The program is administered by local public housing authorities. Assistance payments are based on 30 percent of household annual income. Households with incomes of 50 percent or below the area median income are eligible to participate in the program.

Service Needs: The particular services required by special populations, typically including needs such as transportation, personal care, housekeeping, counseling, meals, case management, personal emergency response, and other services preventing premature institutionalization and assisting individuals to continue living independently.

Small Household: Pursuant to HUD definition, a small household consists of two to four non-elderly persons.

Special Needs Groups: Those segments of the population which have a more difficult time finding decent affordable housing due to special circumstances. Under California Housing Element statutes, these special needs groups consist of the ~~elderly, handicapped, large families, female-headed households, farmworkers and the homeless.~~persons with disabilities, including person with developmental disabilities, elderly, large families, female headed households, farmworkers, and families and persons in need of emergency shelters. A jurisdiction may also choose to consider additional special needs groups in the Housing Element, such as students, military households, other groups present in their community.

Subdivision: The division of a lot, tract or parcel of land in accordance with the Subdivision Map Act (California Government Code Section 66410 et seq.).

Substandard Housing: Housing which does not meet the minimum standards contained in the State Housing Code (i.e. does not provide shelter, endangers the health, safety or well-being of occupants). Jurisdictions may adopt more stringent local definitions of substandard housing.

Substandard, Suitable for Rehabilitation: Substandard units which are structurally sound and where the cost of rehabilitation is economically warranted.

Substandard, Needs Replacement: Substandard units which are structurally unsound and for which the cost of rehabilitation is considered infeasible, such as instances where the majority of a unit has been damaged by fire.

Supportive Housing: ~~Housing with a supporting environment, such as group homes or Single Room Occupancy (SRO) housing and other housing that includes a supportive service component such as those defined below.~~ Housing with no limit on length of stay, that is occupied by the target population, and that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community; as defined by Section 50675 of the California Health and Safety Code.

Supportive Services: Services provided to residents of supportive housing for the purpose of facilitating the independence of residents. Some examples are case management, medical or psychological

counseling and supervision, child care, transportation, and job training.

Target Population: Adults with low-income having one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health conditions, or individuals eligible for services provided under the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code) and may, among other populations, include families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, or homeless people; as defined in Section 50675.14of the California Health and Safety Code.

Tenant-Based Rental Assistance: A form of rental assistance in which the assisted tenant may move from a dwelling unit with a right to continued assistance. The assistance is provided for the tenant, not for the project.

Transitional Housing: Temporary rental housing intended for occupancy by target populations transitioning to permanent housing that is operated under program requirements calling for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six months as defined in Section 50675.2 of the California Health and Safety Code.~~Transitional housing is temporary (often six months to two years) housing for a homeless individual or family who is transitioning to permanent housing. Transitional housing often includes a supportive services component (e.g. job skills training, rehabilitation counseling, etc.) to allow individuals to gain necessary life skills in support of independent living.~~

U.S. Department of Housing and Urban Development (HUD): The cabinet level department of the federal government responsible for housing, housing assistance, and urban development at the national level. Housing programs administered through HUD include Community Development Block Grant (CDBG), HOME and Section 8, among others.

Zone or zoning district: A portion of territory of the City within certain uniform regulations and requirements or various combinations thereof, apply.

Zoning: A land use regulatory measure enacted by local government. Zoning district regulations governing lot size, building bulk, placement, and other development standards vary from district to district, but must be uniform within the same district. Each city and county adopts a zoning ordinance specifying these regulations.

Zoning Code: Regulations governing the use of land, including the construction, alteration, movement, replacement, or maintenance of buildings, the conduct and density of residential, commercial, industrial, and public service activities; the areas and dimensions of sites; the appearance, design, height, bulk and placement of structures on each site; the provision of open space, amenities, off-street parking and loading; the relationships between buildings and uses on adjoining sites or within adjoining classes of districts; and such further aspects of land use and development as are appropriate to attain the purposes of the Zoning Code.