

Appendix A: Glossary of Terms

A

Affordable Housing: Housing capable of being purchased or rented by an extremely low, very low, low, or moderate income household, based on the household's ability to make monthly payments (generally of not more than 30% of their gross household income) necessary to obtain housing. For-sale housing is considered affordable when a household pays no more than 30% of its gross monthly income for housing including utilities.

Arterial Street: A street that primarily moves traffic rather than providing access to property and typically has a greater capacity than local and collector streets. Arterial streets are appropriate for bicycle lanes and transit.

C

CEQA: The California Environmental Quality Act (CEQA) is "A California law which sets forth a process for public agencies to make informed decisions on discretionary project approvals. The process aids decision makers to determine whether any environmental impacts are associated with a proposed project. It requires environmental impacts associated with a proposed project to be eliminated or reduced, and that air quality mitigation measures have been implemented" (California State Energy Commission).

Community Care Facility: Any building that is maintained and operated to provide nonmedical residential care, or day-care services for children, adults, or children and adults, including, but not limited to, the physically handicapped, mentally impaired, or incompetent persons. This definition and others relating to community care facilities shall be interpreted so as to be consistent with definitions found in state law or state administrative regulations.

D

Dwelling Unit: A building with one or more rooms designed for occupancy by one family (or household) for living or sleeping purposes and having only one kitchen.

Developmental Disability: 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. As defined by the Director of Developmental Services, in consultation with the Superintendent of Public Instruction, this term shall include mental retardation, cerebral palsy, epilepsy, and autism. This term shall also include disabling conditions found to be closely related to mental retardation or to require treatment similar to that required for individuals with mental retardation, but shall not include other handicapping conditions that are solely physical in nature. (California Welfare and Institutions Code §4512)

E

Emergency Shelter: Housing with minimal supportive services for homeless persons that is limited to occupancy of 6 months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay. Emergency shelter shall include other interim interventions, including, but not limited to, a navigation center, bridge housing, and respite or recuperative care. (California Government Code §65583)

F

Fair Housing Act: “Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and handicap (disability).” U.S. Department of Housing and Urban Development (HUD)

Family Day Care Home: A home that regularly provides care, protection and supervision for 14 or fewer children, in the provider’s own home, for periods of less than 24 hours per day, while the parents or guardians are away, and is either a large family day care home or a small family day care home.

Family Day Care Home, Large: A home that provides family day care for up to 12 children, or for up to 14 if certain criteria are met, as set forth in California Health and Safety Code §1597.465 and as defined in state regulations. These capacities include children under age 10 who live in the licensee’s home and the assistant provider’s children under age 10.

Family Day Care Home, Small: A home that provides family day care for up to 6 children, or for up to 8 children if certain criteria are met, as set forth in California Health and Safety Code §1597.44 and as defined in regulations. These capacities include children under age 10 who live in the licensee’s home.



General Plan: The General Plan is a long-range planning document that serves as the blueprint for a city or a county. It consists of seven mandatory elements: Land Use, Housing, Circulation, Open Space, Noise, Safety, and Conservation.



Household: All those persons, related or unrelated, who occupy a single housing unit.

Household, Extremely Low Income: A household whose annual income, with adjustment for household size, is less than 30% of the Santa Cruz County area median income.

Household, Very Low Income: A household whose income, with adjustments for household size, is less than 50% of the Santa Cruz County area median income.

Household, Low Income: A household whose income, with adjustment for household size, is between 50% and 80% of the Santa Cruz County area median income.

Household, Moderate Income: A household whose income, with adjustment for household size, is between 80% and 120% of the Santa Cruz County area median income.

Housing Development Project: Any development project requiring a land use permit or approval from the City for: the construction of one or more housing units including single-family residences, condominiums, townhouses, and apartments; the division of land into one or more residential parcels; the subdivision of mobile home parks; the conversion of one or more apartments to one or more condominiums; a demolition/rebuild of an existing housing unit, or a structural addition to an existing housing unit that will result in a 50% or greater increase in the housing unit's square footage.

Housing Element: The Housing Element is one of the seven mandated elements of the local General Plan, and the only one that is required to be updated by state law. Housing Element law, enacted in 1969, mandates that local governments adequately plan to meet the existing and projected housing needs of all economic segments of the community. The Housing Element must be internally and externally consistent; in other words the document may not contradict itself or other elements of the General Plan.



Inclusionary Housing: Dwelling units that were developed in accordance with the Capitola Affordable (Inclusionary) Housing Ordinance. For sale projects in which seven or more units are required to provide 15% of the units for moderate, low, very low, or extremely low income households. Inclusionary units remain resale restricted for the life of the project and must be owner occupied.



Kitchen: Any room or part of a room used or intended or designed to be used for cooking or the preparation of food for a single dwelling unit, and distinct from a “mini-bar/convenience area” that is intended as a supplemental food preparation area within a single-family home.



Lot: A parcel of land under one ownership occupied or capable of being occupied by a building and its accessory buildings, together with such open spaces as are required under the regulations of Title 24, and having its principal frontage upon a street or place, but not including an alley.



Parking Space: Land or space privately owned, covered or uncovered, laid out for, surface, and used or designed to be used for temporary parking or storage of standard motor vehicles.

Prospective Site: A parcel or area of land that has been developed but has the capacity to undergo additional development.



Reasonable Accommodation: A request for reasonable accommodation may include a modification or exception to the rules, standards, and practices for the siting, development, and use of housing or housing-related facilities that would eliminate regulatory barriers and provide a person with a disability equal opportunity to housing of their choice.

Regional Housing Needs Assessment (RHNA): The state determines the projected regional housing need for each part of California. Each Council of Government (in our case, the Association of Monterey Bay Area Governments) allocates the region's housing need, or "Fair share Allocation" among its member jurisdictions. In the 2023-2031 Housing Element the City of Capitola's RHNA allocation is 1,336 units (430 very low income; 282 low income; 169 moderate income; and 455 above moderate income).



Single-Room-Occupancy (SRO): A cluster of residential units of a smaller size than normally found in multiple dwellings within a residential hotel, motel, or facility providing sleeping or living facilities in which sanitary facilities and kitchen or cooking facilities may be provided within the unit or shared within the housing project.

Supportive Housing: Housing with no limit on length of stay, that is occupied by the *target population*, and that is linked to on-site or off-site 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. (California Health and Safety Code §50675.14)



Target Population: Adults with low incomes having one or more disabilities including mental illness, HIV or AIDS, substance abuse, or other chronic health conditions, or individuals with a *developmental disability* 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. (California Health and Safety Code §53260)

Transitional Housing: Buildings configured as rental housing developments, but operated under program requirements that call 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 6 months. (California Health and Safety Code §50675.2)

Transit Oriented Development: A residential, commercial, or mixed-use development that is built in close proximity to public transportation/transit and maximizes access and ridership of public transportation/transit.

Transportation Corridor, Multi-Modal: An arterial street that can accommodate various modes of transportation including but not limited to automobiles, bicycles, light rail, and buses.



Universal Design: The design of environments that can be used by all people to the greatest extent possible without the need for adaptation or specialized design.

Appendix B: Community Outreach Summary

The update to the Housing Element has provided residents and other interested parties with opportunities to review draft documents and proposed policies, and to provide recommendations for consideration by decision-makers pursuant to California Government Code §65583. Community outreach has been conducted using several in-person and virtual engagement tools. Public participation efforts have included stakeholder interviews, an online housing questionnaire, a webpage on the City's website, two Planning Commission Study Sessions, two City Council Study Sessions, a Joint Planning Commission and City Council Study Session focusing on the sites inventory, and two community meetings. All project materials and notices are posted and advertised on the City's website and social media platforms, and printed materials were made available at public facilities including the Capitola City Hall to ensure broad access and exposure throughout the City.

Community Outreach Summary

The outreach efforts mentioned above generated a variety of comments and input from the public. Community input and feedback to help to guide preparation of the 2023-2031 Housing Element are summarized below.

Stakeholder Interviews

On November 2, 2022, November 3, 2022, and November 15, 2022, the City of Capitola's consultant team including Veronica Tam with Veronica Tam & Associates, as well as Brady Woods and Erina Shimanuki with RRM Design Group, conducted stakeholder interviews through a series of seven Teams virtual video calls. City staff reached out to a variety of stakeholders with known involvement in housing issues or development, commitment to serving special needs populations, or affiliation within organizations that provide a variety of services in the community and/or immediate Santa Cruz County region. Approximately 19 stakeholders were interviewed, with a range of for-profit and nonprofit developers, local realtors, local school district officials, and business leaders. The interviews generally focused on key issues and ideas of the various groups and representatives for the Housing Element Update. A strong consensus among the stakeholders interviewed emerged regarding the major challenges, ideas, and needs for the community. Stakeholders were invited to respond to the following questions:

1. What types of housing development or housing programs are you involved with, and what are the specific development types or housing programs with which you are most familiar?
2. In thinking about the Housing Element Update, what are the primary issues that we should consider?
3. How effective are the City's current Housing Element policies and programs (such as those related to developing affordable housing or programs to support special needs populations)? Are there things that could be improved?
4. The City needs to accommodate new housing in the future, and it is likely to be multi-family. Where should new housing opportunities occur? Where do you envision areas of potential change?
5. What challenges do you see for providing a range of housing opportunities, including affordable housing? What regulations and processes could be enhanced?
6. In your opinion, what would be the best outcome for the Housing Element Update?
7. Are there other issues we have not covered that are important for us to consider?

Emerging Themes

A consensus among the stakeholders interviewed emerged about the major issues, ideas, and needs for the community. There is clear agreement on the need for housing in the City and opportunities and constraints that pertain to developing additional housing. The following are key/reoccurring themes heard during the interviews.

1. Streamline entitlement and permitting processes to encourage housing developments
 - Streamline entitlement process to minimize risk and entice developers and property owners to build housing
 - Streamline permitting process for ADU to reduce cost and encourage property owners to build ADUs
2. Encourage partnerships with service organizations and nonprofit organizations to provide housing and/or housing-related services/programs.
 - Consider housing development on available, vacant, or underutilized school district or church/religious institution properties.
 - Consider further partnership with nonprofit affordable housing advocates
3. Look for mixed-use retail/commercial and housing opportunities at Capitola Mall site and along 41st Avenue.
 - Revisit the ratio of residential to non-residential uses for mixed use product types for greater feasibility.

The following pages provide a comprehensive list of the comments received and are organized and separated into the following topics.

1. Demographics, Geographic Context and Influences
2. Housing Development Process
3. COVID-19 Influences and Response
4. Primary Issues / Concerns
5. Sites Inventory
6. Opportunities / Ideas
7. Strategic Partnerships

1. Demographics, Geographic Context, and Influences

- Capitola is a coastal city with unique constraints
 - Hotels bring in major revenue to the City, therefore hotel conversion is not financially viable
 - Residents are proud to live in Capitola and do not necessarily want to see additional housing and development in their city
- Schools with declining enrollments
 - Santa Cruz County
 - 2019 -1,900 enrollments to now - 1,600 enrollments
 - Covid and cost of living may be factors
 - Santa Cruz City Schools
 - Enrollment decline from 7,000 to 6,000 in the last 8 years
 - 96 teachers have left in the last 8 years because of cost of living, and many can't find a rental that is affordable
- Many employees in Capitola are leaving their jobs due to cost of living and lack of affordable housing within the city
 - Teachers
 - Santa Cruz Toyota and Subaru employees
- Many employees currently commute to Capitola
 - Prunedale, Salinas, Watsonville, San Lorenzo Valley, San Jose

- Housing navigation is one of the main housing problems in Capitola
 - Property owners forcing tenants to relocate in order to increase rent
 - People looking for a rental can't afford move-in costs (security deposit + first month's rent)
 - Cost burden for seniors
 - Rent taking up most of SSI that seniors receive, leaving very little for food, transportation, etc.
 - Housing and food insecurity
 - Increasing interest in smaller units (more affordable), especially for seniors living by themselves
2. Housing Development Process
- City of Capitola has pre-approved ADU prototypes that can help streamline the ADU permitting process
 - Make housing entitlement process easier / more streamlined
 - City of Capitola's required radius for neighborhood notice is 300ft, which is the state minimum
3. COVID-19 Influences and Response
- Cost of building has significantly increased due to shortage of labor and materials
 - High demand for contractors has led to increasing costs and delay in projects
4. Primary Issues / Concerns
- Limited available land with existing services
 - Lack of affordable housing for employees in Capitola
 - Housing allocation numbers are significantly higher than what it was in the past
 - Negative community preconception towards additional housing and development in Capitola
 - Not enough action from the City to encourage and bring affordable housing to the City
 - Hotel conversion is not a viable option in Capitola
 - Traffic congestion
 - Limited alternative transportation option in Capitola
 - Lack of connected transportation grid in the region
 - Requires significant streetscape changes, which may not be feasible
 - Housing is a net service sink
 - Every new housing unit diminished the level of service in the City (infrastructure, police, fire, etc)
 - Lack of incentives for businesses to build housing
 - Fear towards SB 9
 - Density and height limitations

5. Sites Inventory

- Capitola Mall
 - Opportunity for mixed-use housing development
 - Likely where residents will have jobs, can easily commute to work
 - Consider subdividing the mall and taking into account leasing duration of tenants, multiple ownership, and feasibility of housing development to identify a site with least disturbance
 - Merlone Geier proposed converting Sears into 629 housing units in 2019
- 41st Avenue
 - Vacant lots along 41st avenue
 - Prime for infill/redevelopment
- Land adjacent to King's Plaza (owned by Ow Commercial)
 - Interest in multifamily housing (affordable, market rate, etc)
- School sites
 - Possibly converting a portion of the school into affordable housing
 - Schools allow up to two ADUs on site for school workers
- Churches
 - Any underutilized properties or buildings can be an opportunity for affordable housing
 - Fairfield Inn used to be a church that got converted into a hotel
- New Brighton State Park
 - A major portion of land within Capitola
 - Look into any opportunities for affordable housing
 - 600 Park Avenue
- Ideal sites
 - Close to jobs
 - Adjacent to existing services
 - Vacant land
 - Underutilized properties
- Accessory Dwelling Units (ADUs)
 - City has recently launched pre-approved ADU prototypes to help streamline the permitting process and reduce cost

6. Opportunities / Ideas

- Educate property owners
 - Exchange of free land for higher density affordable housing units
 - More profit opportunities for property owners
- Look for opportunities to incentivize property owners to build housing
- Capitola Mall and 41st Avenue are high interest opportunity sites
 - 41st Avenue has opportunity for higher density development
- Santa Cruz County has water system plans and Sanitation District has a master plan that shows sufficient capacity in the future
- The City is currently working on adaptive signals to mitigate traffic impacts
- Educate Capitola residents by appealing to their need
- Increase height limit along 41st avenue to allow for additional housing
- Rezone to allow minimum 20 du/acre and increase upper limit
- Funnel select residential projects to planning approval to streamline the process
- Reduce parking size standards
- Ground lease City-owned properties to non-profit housing organizations

7. Strategic Partnerships

- Habitat for Humanity Monterey Bay
 - Completed affordable housing project in Capitola approximately 10 years ago
 - Has interest in further partnership to build affordable housing in the City
- Eden Housing – Non-Profit Affordable Housing Advocate
 - Eden is partnering with market rate developers to allow more units to be built
- School districts
 - Have underutilized land that can be used for housing, but don't have the funds to build
- Religious congregations
- Ow Commercial
 - Land adjacent to King's Plaza
 - Interested in buying properties for housing
- Merlone Geier
 - Capitola Mall

- Community Action Board of Santa Cruz County
 - Strong understanding of housing issues in Capitola and directly works with people struggling to find affordable housing

List of Interviewees

Andrea Mares-Quiroz - Community Action Board of Santa Cruz County, Inc
Benjamin Ow, Ow Commercial
Brian Froelich, Senior Planner, City of Capitola
Doug Kaplan, Lomak Group
Elyssa Sanchez - Community Action Board of Santa Cruz County, Inc
Erica Nunez-Zarate - Community Action Board of Santa Cruz County, Inc
Jamie Goldstein, City Manager, City of Capitola
Jane Barr, Eden
Jeff Hodge, Owner of Santa Cruz Toyota and Santa Cruz Subaru
Jennifer Cosgrove, Intero
Jessica Khan, Director of Public Works, City of Capitola
Katie Herlihy, Community Development Director, City of Capitola
Kris Munro, Santa Cruz City Schools
Lourdes Arellano-Perez - Community Action Board of Santa Cruz County, Inc
Michael Lavigne, Compass
Owen Lawlor, Lawlor Land Use
Satish Rishi, Habitat for Humanity Monterey Bay
Scott McPherson, Merlone Geier
Scott Turnbull, SUESD

Planning Commission and City Council Study Sessions

On February 2 and 9, 2023, and June 1 and 8, 2023, public meetings with the Capitola Planning Commission and City Council were held as study sessions focused on the Housing Element Update. Staff and the consulting team made brief presentations to the Planning Commission and City Council that provided an overview of the Housing Element update process, as well as the City's approach to the Regional Housing Needs Assessment (RHNA). The study sessions were properly noticed, agendized, and advertised on the City's website and social media platforms. Comments from the City Council centered around the sites inventory analysis, ranging from ideas on specific site locations for housing to broader-level ideas to streamline and meet the RHNA housing allocation for the City.

- Permit Information and Guidance
- Vacation Rentals
- Zoning Maps
- Zoning Ordinance

Contact Information

General Inquiries:
planning@ci.capitola.ca.us

Building Inquiries:
building@ci.capitola.ca.us

Building Counter Hours
9 a.m. - 12 p.m. Mon - Fri

Planning Counter Hours
1 p.m. - 4 p.m. Mon - Fri

[View Full Contact Details](#)

3. Attend Planning Commission meeting on June 1, 2023 at 6 pm.

At the Planning Commission meeting, the City's Housing Consultant Team (RRM Design and VTA, Inc.) will provide an overview of the 6th Cycle Housing Element. The Planning Commission will open a public hearing to receive public comment on the draft document.

WHEN: Thursday, June 1, 2023
TIME: 6:00 pm
WHERE: City Council Chambers, Capitola City Hall, 420 Capitola Avenue, Capitola, CA 95010
VIRTUAL:

Meeting link: <https://us02web.zoom.us/j/84769092900?pwd=anpVWVWlQomFzT3BGUm54QStjWTdwQT09> (link is external)
Dial in by Phone: 1 (669) 900 6833 or 1 (408) 638 0968
Meeting ID: 847 6909 2900
Meeting Passcode: 379704

4. Attend the City Council meeting on June 8, 2023 at 6 pm.

At the City Council meeting, the City's housing consultant team (RRM Design and VTA, Inc.) will present an overview of the 6th Cycle Housing Element. The City Council will open a public hearing to receive public comment on the draft document.

WHEN: Thursday, June 8, 2023
TIME: 6:00 pm
WHERE: City Council Chambers, Capitola City Hall, 420 Capitola Avenue, Capitola, CA 95010
VIRTUAL:

Meeting link: <https://us02web.zoom.us/j/83328173113?pwd=aVRwcWN3RU03Zzc2dkNpQzRWVXAYdz09> (link is external)
Dial in by Phone: 1 (669) 900 6833, 1 (408) 638 0968, 1 (346) 248 7799
Meeting ID: 833 2817 3113
Meeting Passcode: 678550

Joint Study Session with Planning Commission and City Council

On March 16, 2023, a meeting with the Capitola Planning Commission and City Council was held as a joint study session focused on the sites inventory, analysis, and site selection. Staff and the consulting team made a brief presentation to the Planning Commission and the City Council that provided an overview of the sites inventory, analysis, and site selection for potential allocation for the Housing Element. There were a small number of public comments made during the joint study session, but they were limited to issues relating to existing mobile home developments. The joint study session was properly noticed, agendized, and advertised on the City's webpage and social media platforms.



The screenshot shows the City of Capitola website. At the top, a blue banner reads "Capitola Village is Open!". Below this is a navigation menu with "Local Government", "City Services", "Community", and "I Want To...". The "Community" menu item is expanded, showing "City Council & Committees", "Departments & Resources", "Activities & Culture", and "Apply For | Connect With | F". The City of Capitola logo is on the left, and a search bar with social media icons (Google, Facebook, Instagram) is on the right. The main content area is titled "Community Development" and features a sidebar with categories: Building, Applications and Forms, Resources and Documents, Accessory Dwelling Units, Affordable Housing, and Advance Planning. The "2024 - 2031 Housing Element Update" is highlighted in the sidebar. The main content area contains the following text:

2024 - 2031 Housing Element Update

How to Participate:

- Attend the joint Planning Commission and City Council worksession. Join us either in person or virtually for a joint Planning Commission and City Council Worksession to learn about the Housing Element Sites Inventory. We want to hear from you on your ideas for future housing in Capitola.
 - WHEN:** Thursday, March 16, 2023
 - TIME:** 6:00 pm
 - WHERE:** **In-person:** City Hall, Council Chambers, 420 Capitola Avenue, Capitola, CA 95010 or
Zoom: Coming Soon **Call into the meeting:** Meeting ID: Passcode:
- Complete the Housing Questionnaire. Please help guide the future of affordable housing in Capitola and fill out the [Housing Questionnaire](#)® (link).

Community Workshops

On February 16, 2023, City staff and consultants hosted the first of two community workshops to solicit public input on the 2024-2031 Housing Element. The workshop was advertised on the City’s website and social media platforms, as well as materials posted at public facilities. Invitations to participate were also sent directly to stakeholders via email. Staff and consultants gave a presentation that provided an overview of the housing element update process. A virtual poll was conducted during the presentation to gather feedback from participants to gauge perceived housing needs and preferred locations for potential future housing. The Community Workshop presentation can be furnished by City staff on request. Participants were able to share their ideas and concepts to address the City’s housing needs and trends by participating in a group discussion at the conclusion of the presentation.

Community Development

- Building
- Applications and Forms
- Resources and Documents
- Accessory Dwelling Units
- Affordable Housing
- Advance Planning
- Capitola Fee Schedule
- Code Enforcement
- Outdoor Dining
- Permit Information and Guidance
- Vacation Rentals
- Zoning Maps
- Zoning Ordinance

City of Capitola Housing Element Update - Virtual Public Workshop

Thursday, February 16, 2023 - 6:30pm [Add to your calendar](#)

The City of Capitola is in the process of updating the 2023-2031 Housing Element. The Housing Element is a part of the City's General Plan and includes goals, policies, and programs for adequately housing our future population.

Please join us for a **virtual** community workshop to learn about the Housing Element Update process. We want to hear from you on your ideas!

Zoom Link: <https://rnmldesign.zoom.us/j/89256605234?pwd=atE0UjVWYVNDh0RU0vEQ1BVG1wtdz09>

Call into the meeting: +1 669 900 6833

Meeting ID: 892 5660 5234
Passcode: 964328

For questions/comments, please contact Katie Herlby, Community Development Director at kherlby@cityofcapitola.ca.gov

For more information about the City's Housing Element update, please visit our webpage: <https://www.cityofcapitola.org/communitydevelopment/page/2024-2031-housing-element-update>

Contact Information

2023-2031 HOUSING ELEMENT UPDATE

VIRTUAL COMMUNITY WORKSHOP

CAPITOLA

The City of Capitola is in the process of updating the 2023-2031 Housing Element. The **Housing Element** is part of the City's General Plan and includes goals, policies, and programs for adequately housing our future population.

Join us for a virtual community workshop to learn about the Housing Element Update process. We want to hear from you on your ideas!

WHEN Thursday, February 16, 2023
6:30 - 7:30 p.m.

WHERE Zoom (virtual)

HOW

Zoom Link
<https://rnmldesign.zoom.us/j/89256605234?pwd=atE0UjVWYVNDh0RU0vEQ1BVG1wtdz09>

Call into the meeting: +1 669 900 6833
Meeting ID: 892 5660 5234
Passcode: 964328

Questions?
For questions or comments, please contact Katie Herlby, Community Development Director at kherlby@cityofcapitola.ca.gov

City Website
Visit the City's webpage for more information on the Housing Element:
<https://www.cityofcapitola.org/communitydevelopment/page/2024-2031-housing-element-update>

On May 16, 2023, City staff and consultants hosted the second of two community meetings regarding the 2024-2031 Housing Element. The workshop was advertised on the City’s website and social media platforms, as well as materials posted at public facilities. Invitations to participate were also sent directly to stakeholders via email. Staff and consultants gave a presentation that provided an overview and update of the housing element update process. The Community Meeting presentation can be furnished by City staff on request. Participants were able to share their ideas to address the City’s housing needs and trends by participating in a group discussion at the conclusion of the presentation.

MAY 2023 ISSUE 1

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The City of Capitola BI-Monthly E-Newsletter



Wharf Resiliency & Public Access Project Approved!

INSIDE THIS ISSUE:

- Housing Element
- Wine Walk
- Wharf Plaque Survey
- Tree Stump Art Project
- Latest Council Action

The City is thrilled to announce that during the May 11 Council Meeting the Capitola Wharf Resiliency and Public Access Improvement Project was approved, and staff has been authorized to advertise for construction bids. Staff anticipates opening bids as soon as May 15.

The project includes work to widen and strengthen the Wharf as well as repairs of storm damage from earlier this year. Staff is hopeful that construction will begin sometime this late summer/early fall and that the Wharf project will be complete by summer 2023.

For more information on the status of this exciting project, visit the City’s website.



We Want Your Feedback on Housing!

The first draft of the **Capitola Housing Element Update** was published on May 10 for public review and comment. The Housing Element is one of the seven State-required “elements” or chapters that comprise the City’s General Plan and includes goals, policies, and programs, to be implemented during the planning period to meet current and future housing needs within the City. The Housing Element provides an analysis of the City’s population, economic, and housing stock characteristics, in addition to a comprehensive evaluation of housing programs and regulations. The following are ways to participate in the discussion:

- Review the Draft Housing element and submit public comment. Review and submit public comment/questions by Friday June 9. Submit via email to sher@ci.capitola.ca.us or mail to City Hall at 430 Capitola Avenue.
- Attend Virtual Community Meeting on May 16, at 6 PM via zoom. At the virtual community meeting, the City’s Housing Consultant Team will provide an overview of the 6th Cycle Housing Element Update. Comments and Q&A to follow. Meeting Link: <https://us07web.zoom.us/j/81450075653>
- Attend the Planning Commission Meeting June 1 at 6PM (virtual or in person)
- Attend the City Council Meeting June 8 at 6PM (virtual or in person)

Village Sip & Stroll

Enjoy sipping local wines and beers while strolling through the charming shops and boutiques in Capitola Village. This fun event is on Saturday, May 13 beginning at 11AM and is hosted by the Capitola Village and Wharf Business Improvement Area. To buy tickets and learn more, click this [link](#). Pre-registration is \$40 and includes:

- Capitola Village Sip & Stroll commemorative glass
- 12 two-ounce pour tickets to be used as you shop
- A map to locate which Village shops are hosting.

On May 13, Wineries & Brewery will be pouring wine in shops from noon to 5PM for your shopping enjoyment. This event will be held rain or shine.



Join Our Team

Work with Us!

There are several opportunities to work for the City of Capitola. Click [here](#), to apply today!

Hourly/Seasonal:

- Recreation Leader I (part-time)
- Recreation Leader II (part-time)
- Rec Program Assistant Coordinator

Career/Fulltime:

- Police Officer - Lateral Recruitment

Public Review Draft

On May 10, 2023, the Public Review Draft was published online, and printed copies were made available at City facilities, including City Hall, for 30 days. The Public Review Draft was distributed to local and regional stakeholders and organizations listed in the List of Interviewees above. Also, an email notifying over 100 interested parties was sent.

Community Development

Building	<h4>2023 - 2031 Housing Element Update</h4> <h5>Capitola Housing Element Update - Public Review Draft (5/10/2023)</h5> <p>The first draft of the Capitola Housing Element Update was published on May 10, 2023 for public review and comment. The City is seeking feedback on the draft. The following list includes multiple ways to participate in the discussion and help shape the future of housing in Capitola.</p> <p>1. Review the Draft Housing element and submit public comment.</p> <p>The first draft of the Capitola Housing Element Update was published on the Capitola website and is available in print at City Hall and the Capitola Library. The 30-day public review extends from May 10, 2023 to June 9, 2023. Interested members of the public are encouraged to review the document and submit public comment/questions by Friday June 9, 2023. Public comment may be submitted via email to kherihy@ci.capitola.ca.us, or mail to City Hall at 420 Capitola Avenue, Capitola, CA 95076.</p>
Applications and Forms	
+ Resources and Documents	
Accessory Dwelling Units	
+ Affordable Housing	
- Advance Planning	
2024 - 2031 Housing Element Update	

Housing Questionnaire

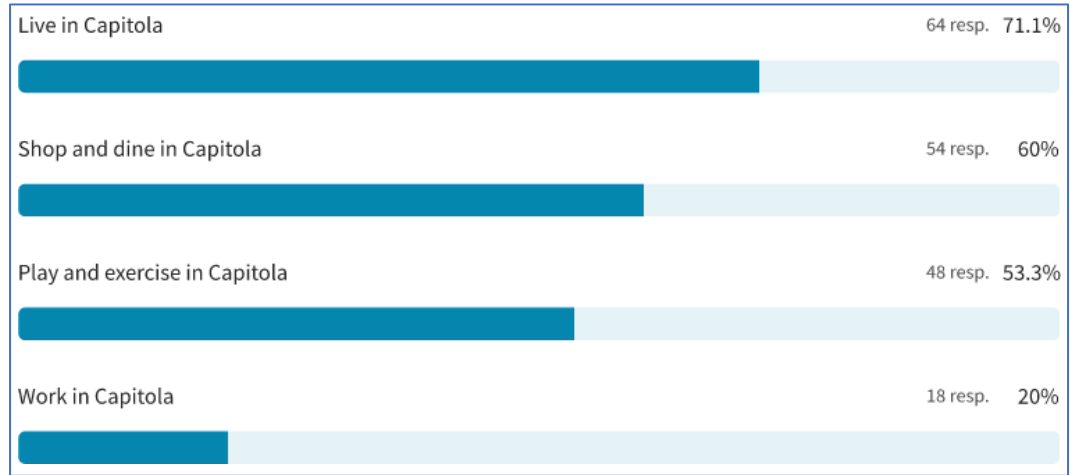
On November 14, 2022, the City launched an online questionnaire on the Housing Element webpage. A printed poster notifying the public of the questionnaire was provided at public facilities, including City Hall. The questionnaire was made available online until March 21, 2023, with a total of 92 responses. Participants were asked to provide feedback on current housing conditions, concerns, and/or preferences for the Housing Element team to consider. Other questions including demographics, age, and connection to the City of Capitola were asked to better understand the range of participants responding. The questionnaire consisted of 22 questions designed to get input on the following:

- Participants Orientation (Questions 1-5)
- Preferred New Housing Locations (6-7)
- Favored Housing-Related Strategies and Programs (8-10)
- Perception of Difficulty Finding Housing (11-14)
- Perceived Condition of Neighborhoods and Properties in Capitola (15-16)
- Level of Support for Various Housing Developments (17-19)
- Perceived Housing Challenges and Issues (20-29)

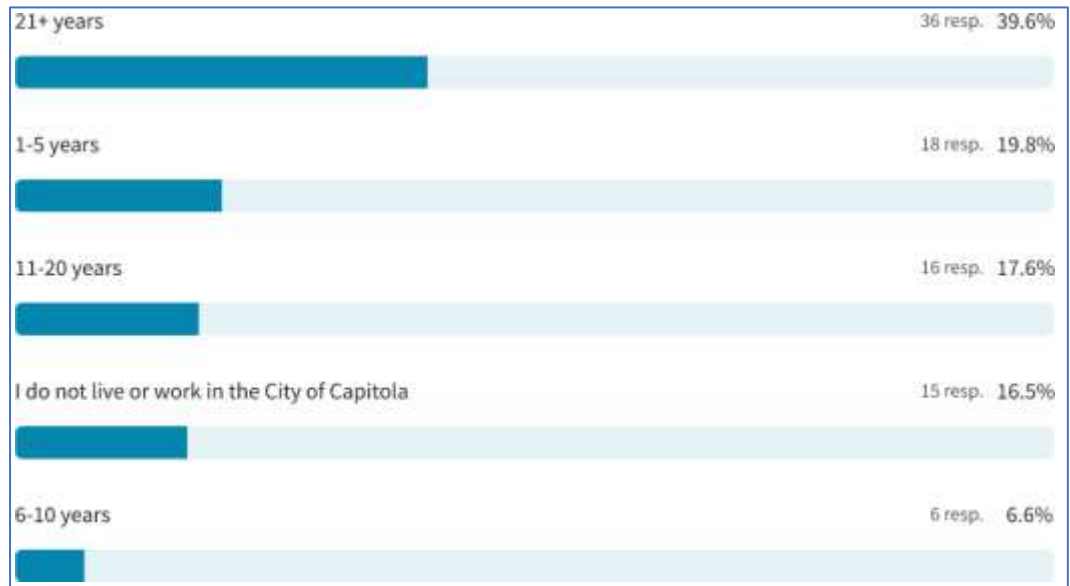
Participant Orientation

The survey's introductory question was aimed at understanding participants' relationship with the City of Capitola. The majority of respondents, 71%, "*live in Capitola.*" 40% of participants indicated that they have lived in worked in Capitola for over 21 years. The majority of respondents are over the age of 65 (36%) or between the ages of 35 and 54 (30%). When asked if participants rent, own a home, or rent a rental property, the majority (52%) indicated that they "*own a home*" in Capitola.

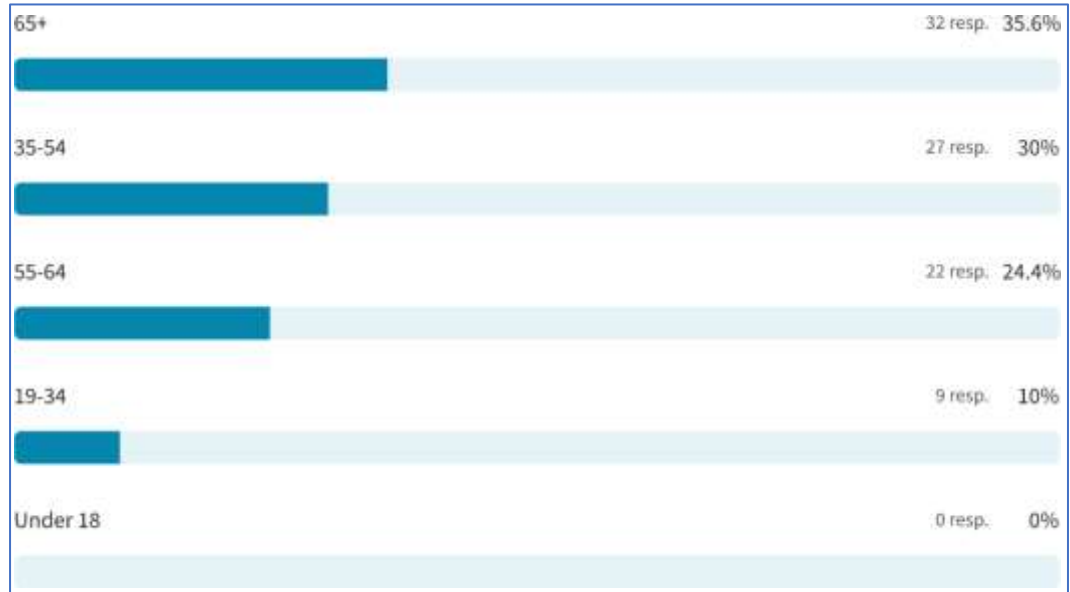
Question 1: What is your primary connection to the City of Capitola?
(select all that apply)



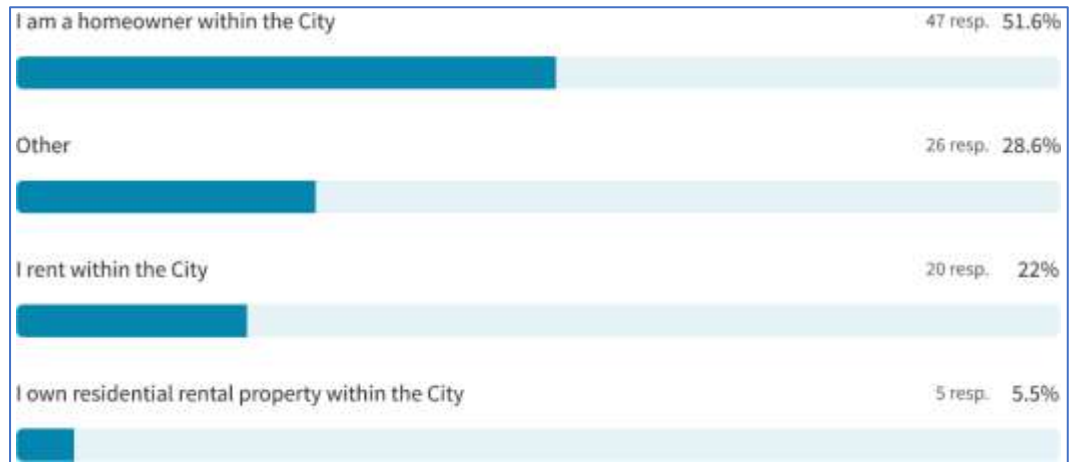
Question 2: How long have you lived and/or worked in the City of Capitola?



Question 3: What is your age?



Question 4: Do you rent, own a home, and/or own a residential rental property within the City? (select all that apply)



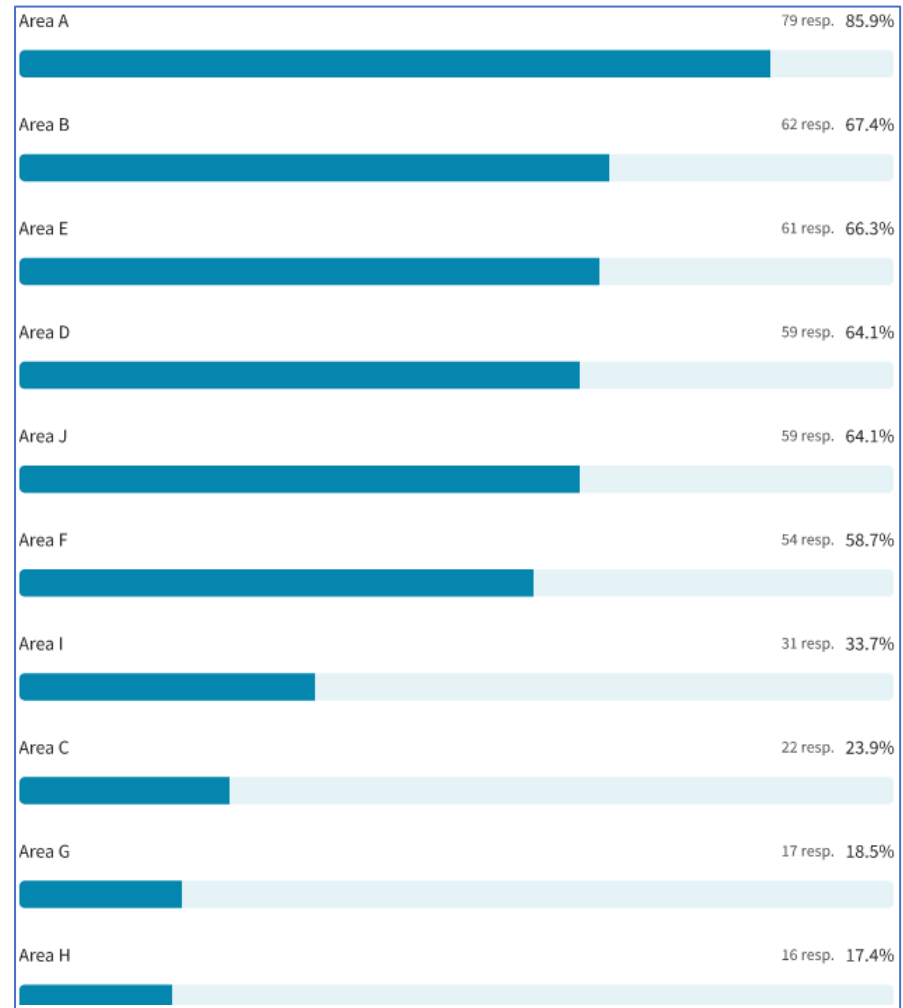
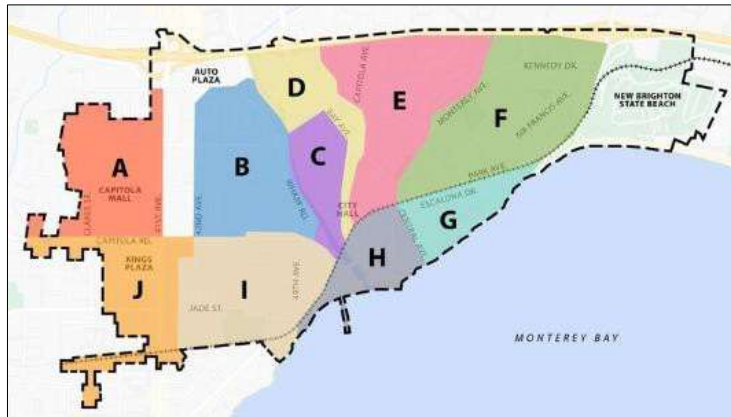
Question 5: If you selected other, please write in your response here:

My disabled son lives in Capitola
Own/live on the Capitola-Soquel border.
I live 1.7 miles from Capitola. Drive/bike through daily. Family members live, work and school within Capitola.
I am a Student at UCSC
I own in Live Oak
I do not live or own property in Capitola, but housing is a regional issue. What Capitola does affects adjacent jurisdictions in the region.
I do not live or own property in Capitola
I have a business in Capitola
Student at UCSC who would like to live in Capitola
I rent in unit in SC
I conduct business but do not have a store-front in Capitola
I live outside the city limits in Aptos
I live and work in Santa Cruz County.
I own a home in Pleasure Point.
Live in Live Oak area
I am a homeowner in Live Oak, very close to the Capitola line, so we are sort of functionally part of the community, if not technically.
own a home in Santa Cruz
I shop and play in Capitola
Live in unincorporated Santa Cruz County
I have family members that rent in Capitola
I rent in Aptos
I own home on 32nd Ave
I do not own residential property in Capitola
I live in Santa Cruz County
My disabled son lives in Capitola

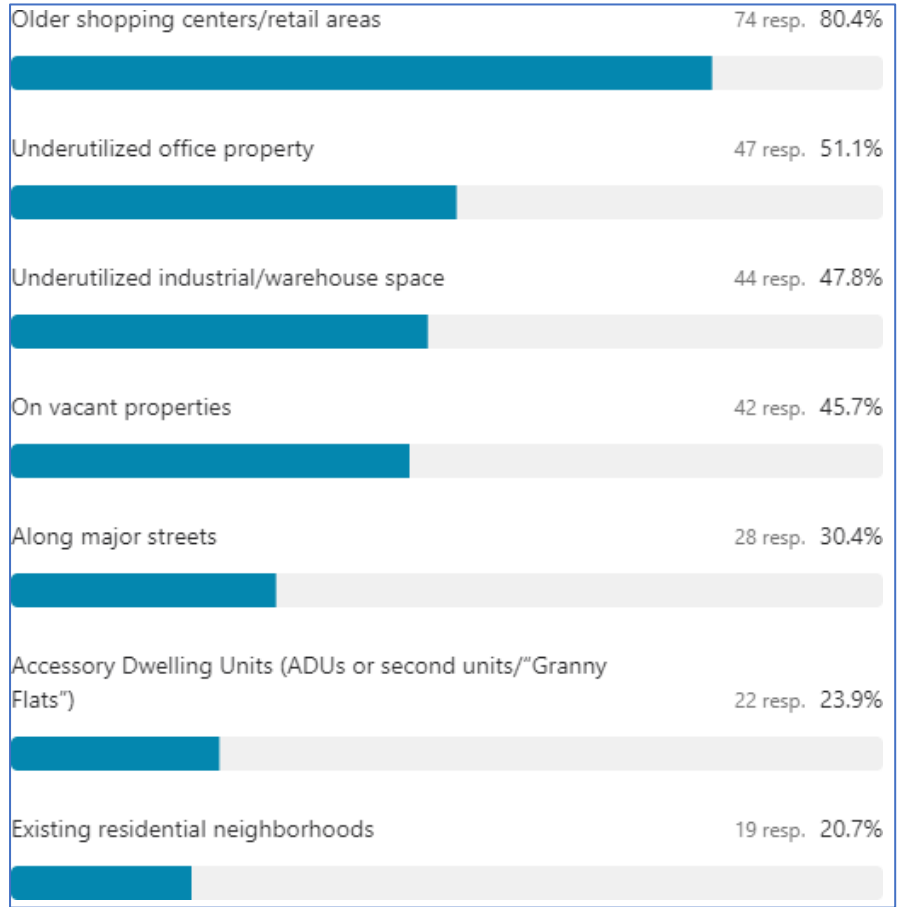
Preferred New Housing Locations

Questions 6 and 7 were designed to identify respondents' favored locations for new housing in Capitola. The majority of respondents (86%) indicated they preferred new housing to be located in "Area A" and in "older shopping centers/retail areas" (80%).

Question 6: As noted previously, the City of Capitola is required to plan for at least 1,336 new housing units during the 2024-2031 planning period. The City is working to identify strategies to meet this obligation. Based on the map provided below, please identify the areas where you think new housing within the City should be prioritized. (Please select five.)



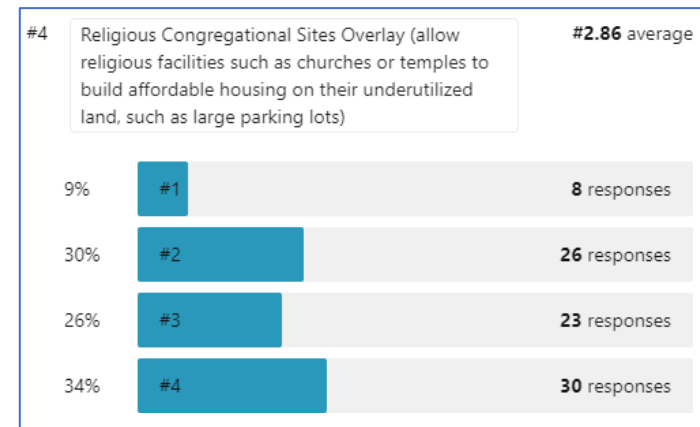
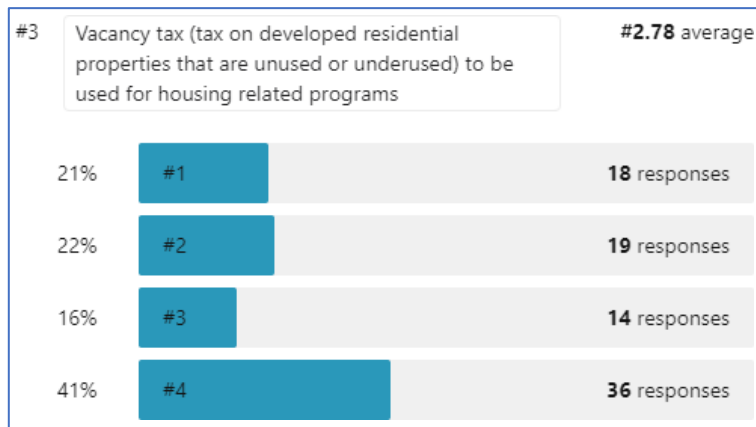
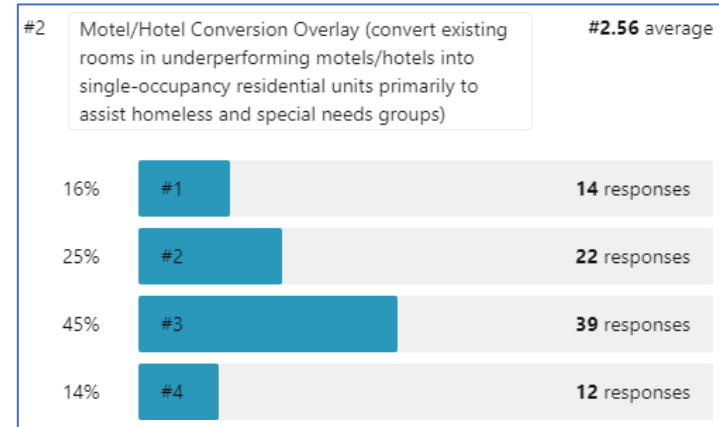
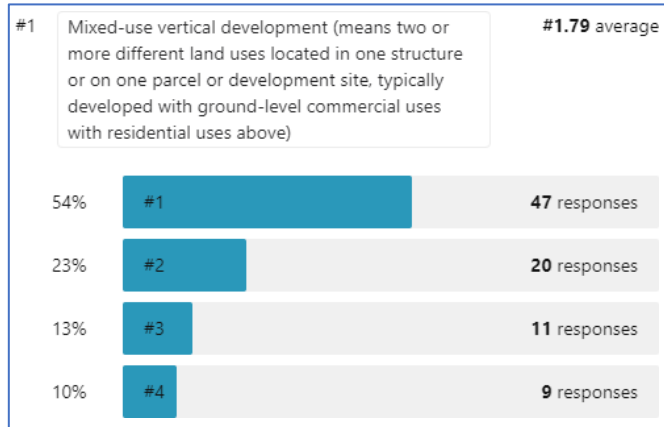
Question 7: Please select the top opportunity areas where you would most like to see additional housing opportunities in Capitola. (Select three choices.)



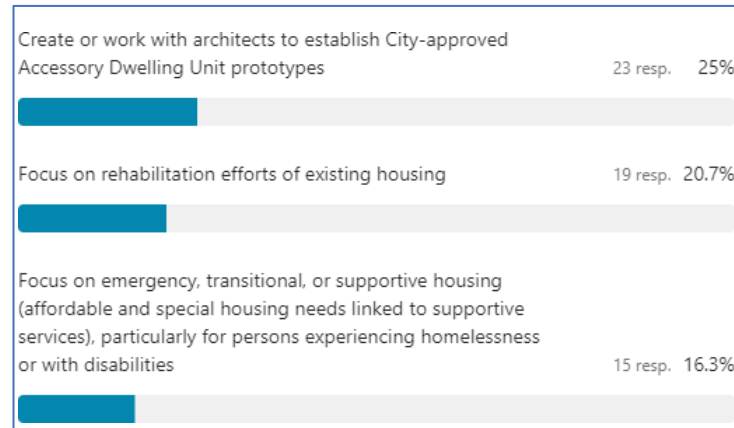
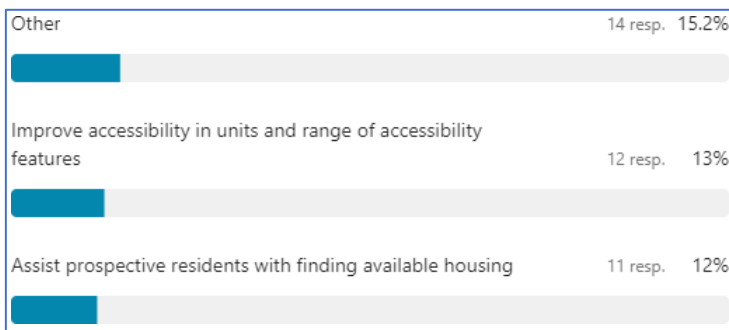
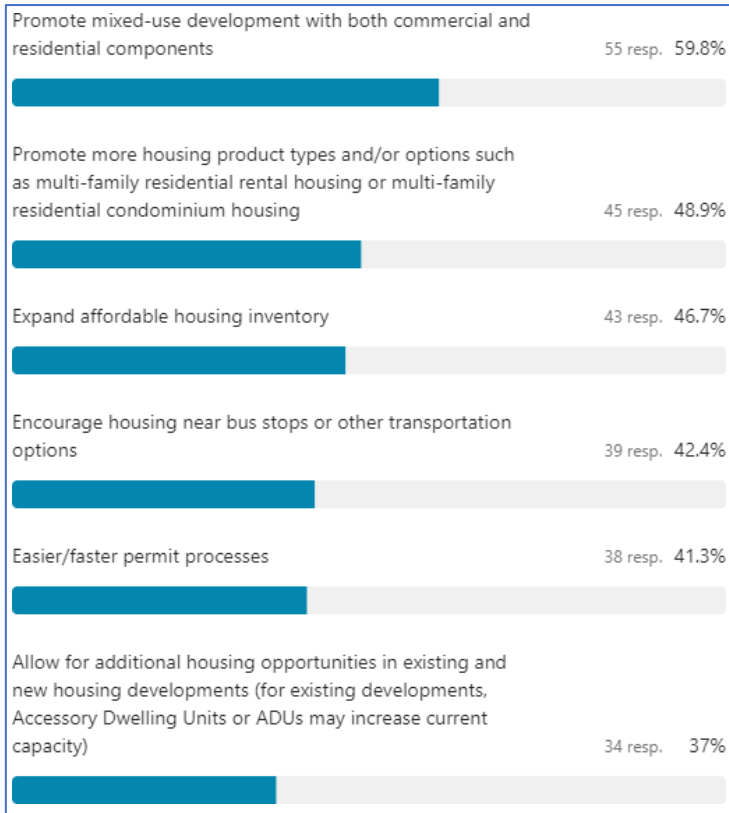
Favored Housing-Related Strategies and Programs

Questions 8, 9, and 10 asked respondents about their preferred strategies and programs to provide additional housing in Capitola. The majority of participants indicated that they prefer “*mixed-use vertical development*” for providing additional housing in Capitola. The majority of participants are in favor of the City of Capitola promoting “*mixed-use development with both commercial and residential components*” as a primary housing-related program.

Question 8: Please rank the following strategies the City should consider implementing to provide additional housing in Capitola.



Question 9: What types of housing-related programs and/or activities do you believe the City should concentrate on over the next eight (8) years? (Please select the top five priorities.)



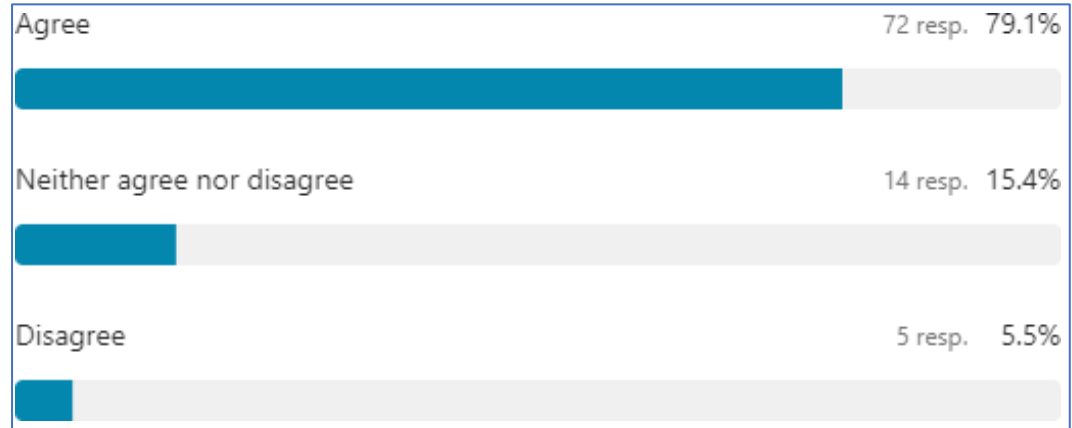
Question 10: If you selected Other, please write in your response here:

Protect existing neighborhoods from overdevelopment
Place affordable housing equally in the city. Consider the Jewel Box and Depot Hill which seem exempt from this type of housing save for the very few duplexes, et al. Develop in the Rispin Mansion instead of creating another park at a reprehensible cost to the taxpayers.
Let's not just cram more units in without addressing the needs of the entire community ie, schools, parks, open space, infrastructure maintenance, water, parking.
Assist and support resident owned mobile home parks and reinstate rent control for those residents that are suffering from the loss of it.
Request that fewer additional units be required to be built
Eliminate single family zoning
Consider abolishing zoning. Plans to limit the availability of homes are plans for creating homelessness.
My biggest fear is the loss of the ability to be a homeowner. Big developers creating "affordable housing" is rental property. That will never allow folks to gain generational wealth. We need a mix of rentals AND condo/apartment/single family.
Too many vacation rentals are in the area and displacing people who would otherwise live year round in Capitola.
Universal design features for increase in accessibility housing with all housing
Capitola will lose its uniqueness without a plan that preserves the existing neighborhood concepts. I mean this is a ten year plan. What are we supposed to look like in 100 years?
Leave R1 neighborhoods alone!
convert unused buildings to housing.

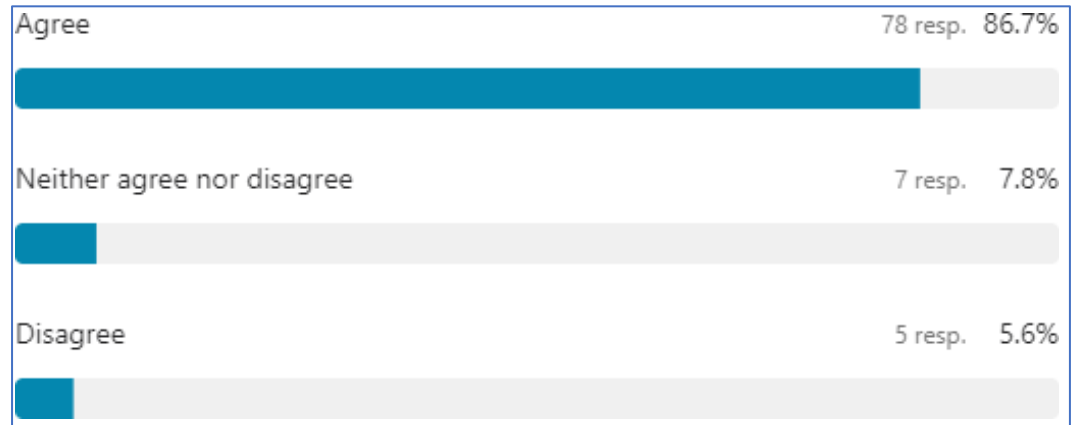
Perception of Difficulty Finding Housing

Questions 11 through 14 asked participants if they agree, disagree, or neither agree nor disagree with the level of difficulty of finding housing in Capitola. The vast majority of respondents indicated that they agree that it is difficult ‘to find affordable rental housing’ (79%) and “affordable housing for ownership” (87%) in Capitola. The majority of respondents indicated that it is difficult “to find rental available housing” (68%) and “available homes for purchase” in Capitola (67%).

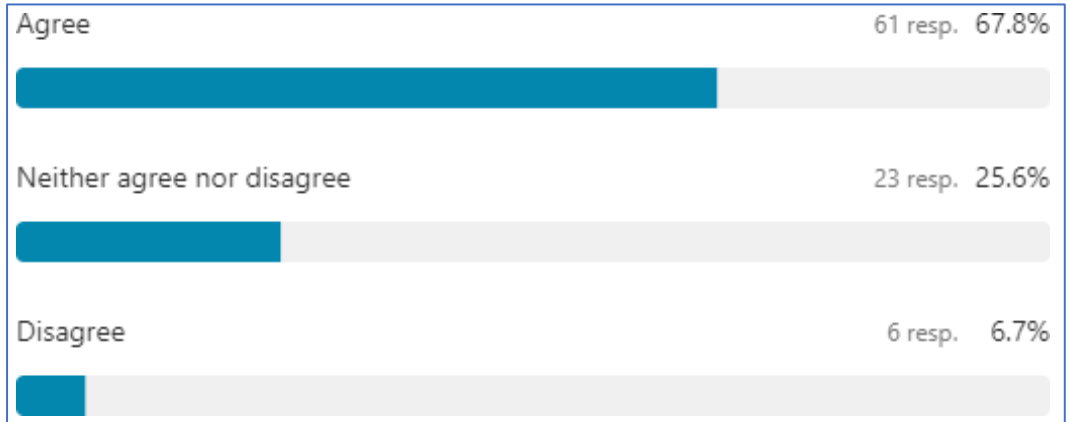
Question 11: Select whether you agree, disagree, or neither agree nor disagree with the following statement: It is difficult to find affordable rental housing in the City of Capitola.



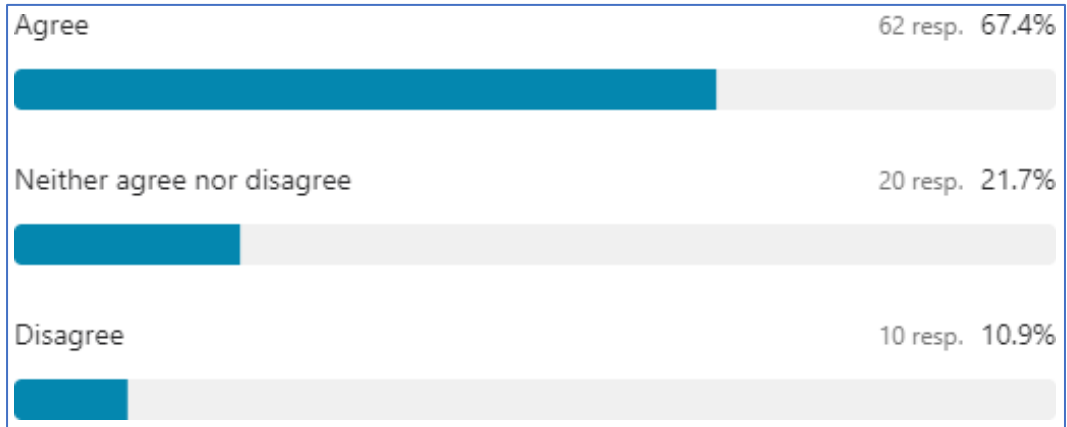
Question 12: Select whether you agree, disagree, or neither agree nor disagree with the following statement: It is difficult to find affordable housing for ownership in the City of Capitola.



Question 13: Select whether you agree, disagree, or neither agree nor disagree with the following statement: It is difficult to find available rental housing in the City of Capitola.



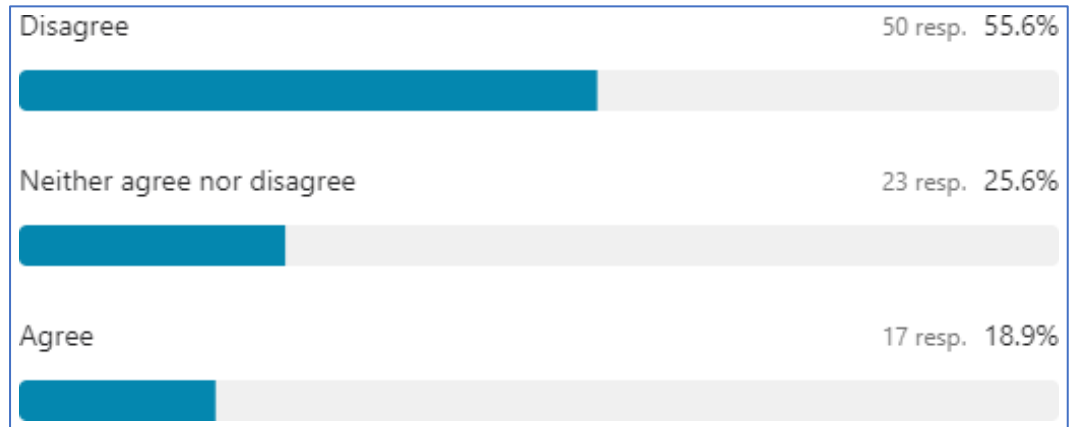
Question 14: Select whether you agree, disagree, or neither agree nor disagree with the following statement: It is difficult to find available homes for purchase in the City of Capitola.



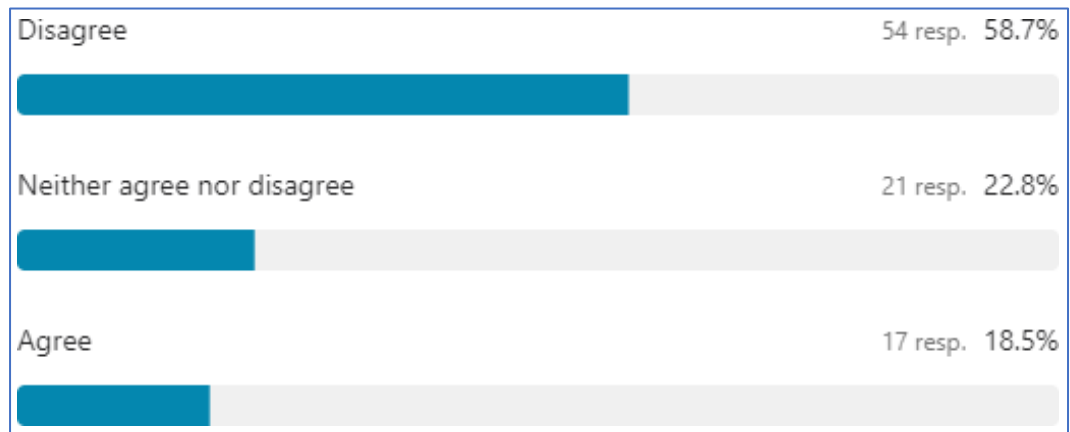
Perceived Condition of Neighborhoods and Properties in Capitola

Questions 15 and 16 asked participants about their perceived condition of neighborhoods and properties in the City of Capitola. The majority of respondents indicated that they “disagree” that the condition of neighborhoods (streetlights, sidewalks, parks, etc.) is the foremost challenge facing the City of Capitola (56%). When asked if participants perceive the condition of existing housing and property maintenance as the foremost challenge facing the City of Capitola, the majority indicated they “disagree” (59%).

Question 15: Select whether you agree, disagree, or neither agree nor disagree with the following statement: The condition of neighborhoods (streetlights, sidewalks, parks, etc.) is the foremost challenge facing the City of Capitola.



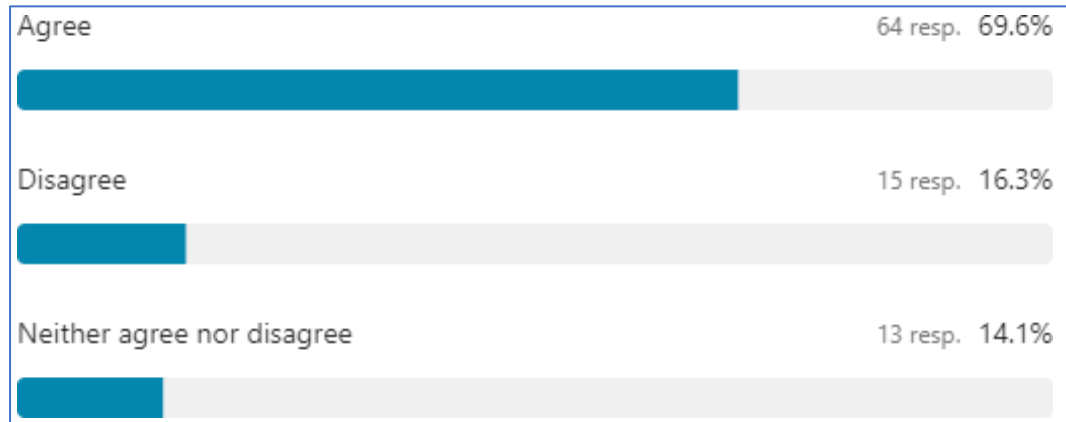
Question 16: Select whether you agree, disagree, or neither agree nor disagree with the following statement: The condition of existing housing and property maintenance is the foremost challenge facing the City of Capitola.



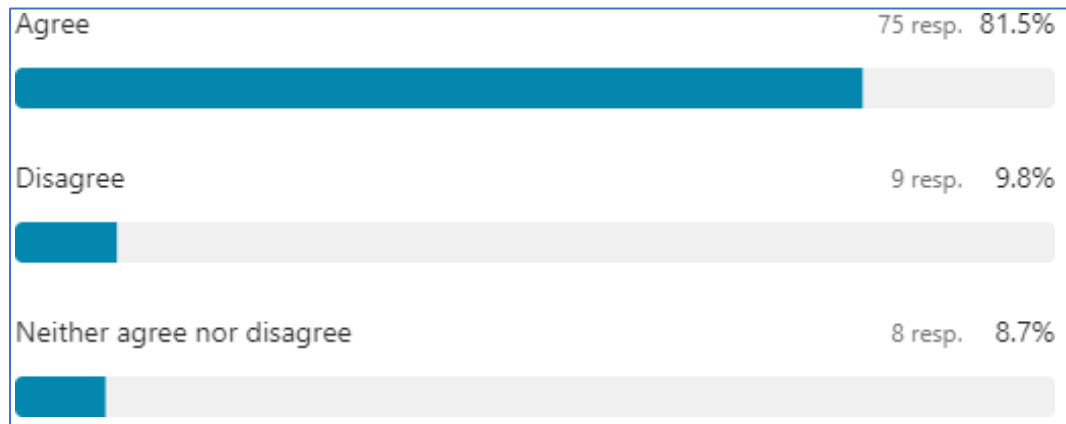
Level of Support for Various Housing Developments

Questions 17, 18, and 19 asked respondents about their support of housing developments in the City. When asked if participants ‘agree’ with the support of Accessory Dwelling Units in existing residential neighborhoods, the majority of respondents strongly agreed (70%). When asked if respondents ‘agree’ with support of additional mixed-use housing on 41st Avenue Corridor, the majority strongly agreed (82%). When asked if respondents ‘agree’ with development of mixed-use housing at the Capitola mall, the majority of participants strongly agreed (86%).

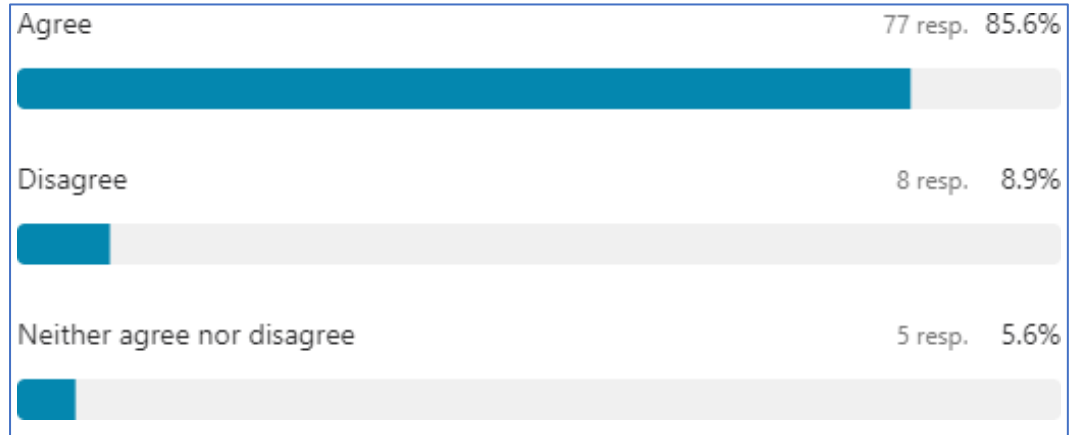
Question 17: Select whether you agree, disagree, or neither agree nor disagree with the following statement: I support the development of Accessory Dwelling Units (Second Units/“Granny Flats”) in existing residential neighborhoods.



Question 18: Select whether you agree, disagree, or neither agree nor disagree with the following statement: I support the development of additional mixed-use housing on 41st Avenue Corridor.



Question 19: Select whether you agree, disagree, or neither agree nor disagree with the following statement: I support the development of mixed-use housing at the Capitola Mall.

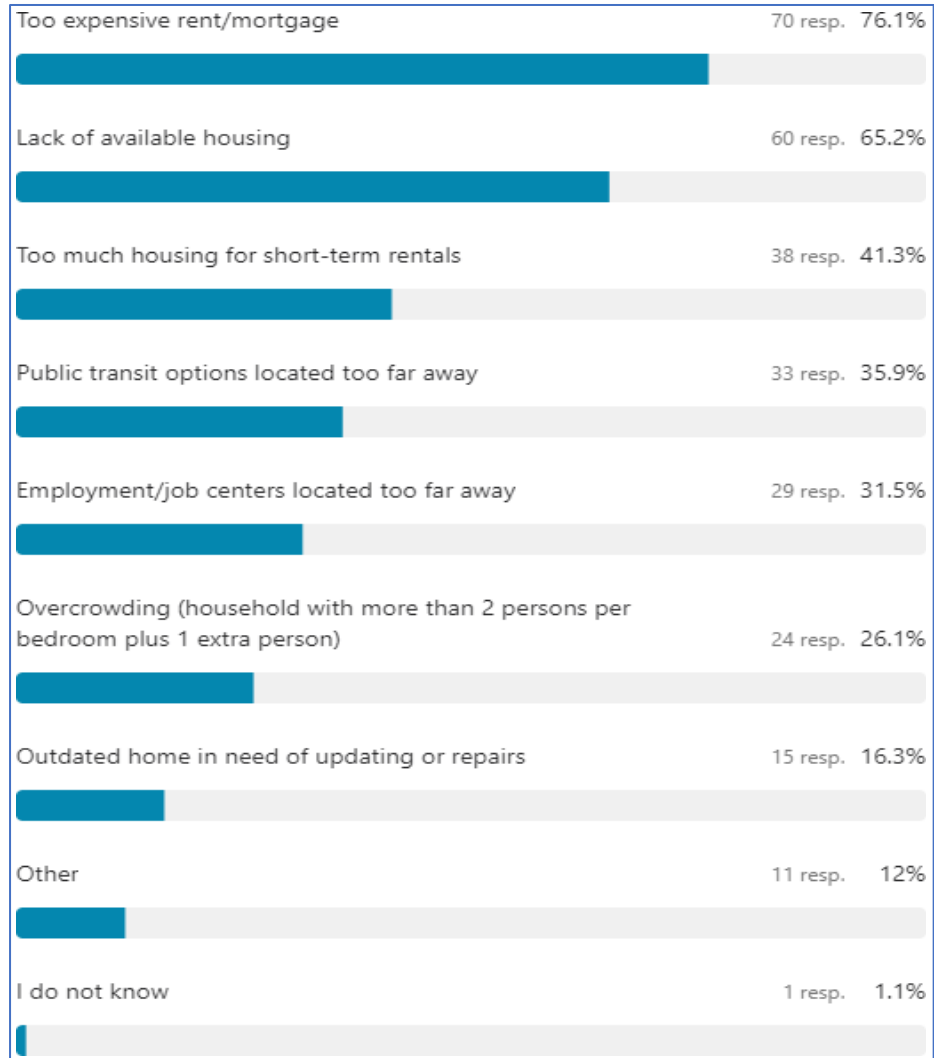


Perceived Housing Challenges and Issues

Question 20 asked participants about their perceived housing challenges and issues. When asked about the main challenges in the City of Capitola, the most favored responses included *‘Too expensive rent/mortgage’* (76%), *‘Lack of available housing’* (65%), and *‘too much housing for short-term rentals’* (41%). While the majority of participants indicated that they have not experienced any housing issues (44.8%), other respondents indicated they have experienced *‘Insufficient income to afford living in Capitola’*, *‘Other’*, *‘Adult children living at home due to the inability to afford housing’*, and *‘struggle to pay rent or mortgage’*. When asked about factors affecting housing discrimination in the City, participants selected *‘Not Applicable’* (36%) and *‘Source of Income (including using public assistance for housing payments)’* (25%). Respondents indicated that they felt the *‘City of Capitola’* (32%), *‘Department of Housing and Urban Development (HUD)’* (17.9%), and *‘Santa Cruz County Housing Authority’* (17.9%) were the most prevalent factors in housing discrimination in the City. When participants were asked to select the groups with the greatest need for housing and related services, the most popular responses included *‘Single-parent head of household’* (75%), *‘Young adults (19-24 years old)’* (65.2%), *‘Seniors (65+ years old)’*, and *‘Persons experiencing homelessness’* (63%). Other responses included low-income individuals and young professionals.

The final poll question allowed participants to submit free responses related to any ideas that the City should consider for creating more housing opportunities or as part of its Housing Element Update. Ideas included mixed-use development supported by public transit, penalizing illegal short-term rentals, dispersing housing developments throughout the city, and streamlining permit processes, among others.

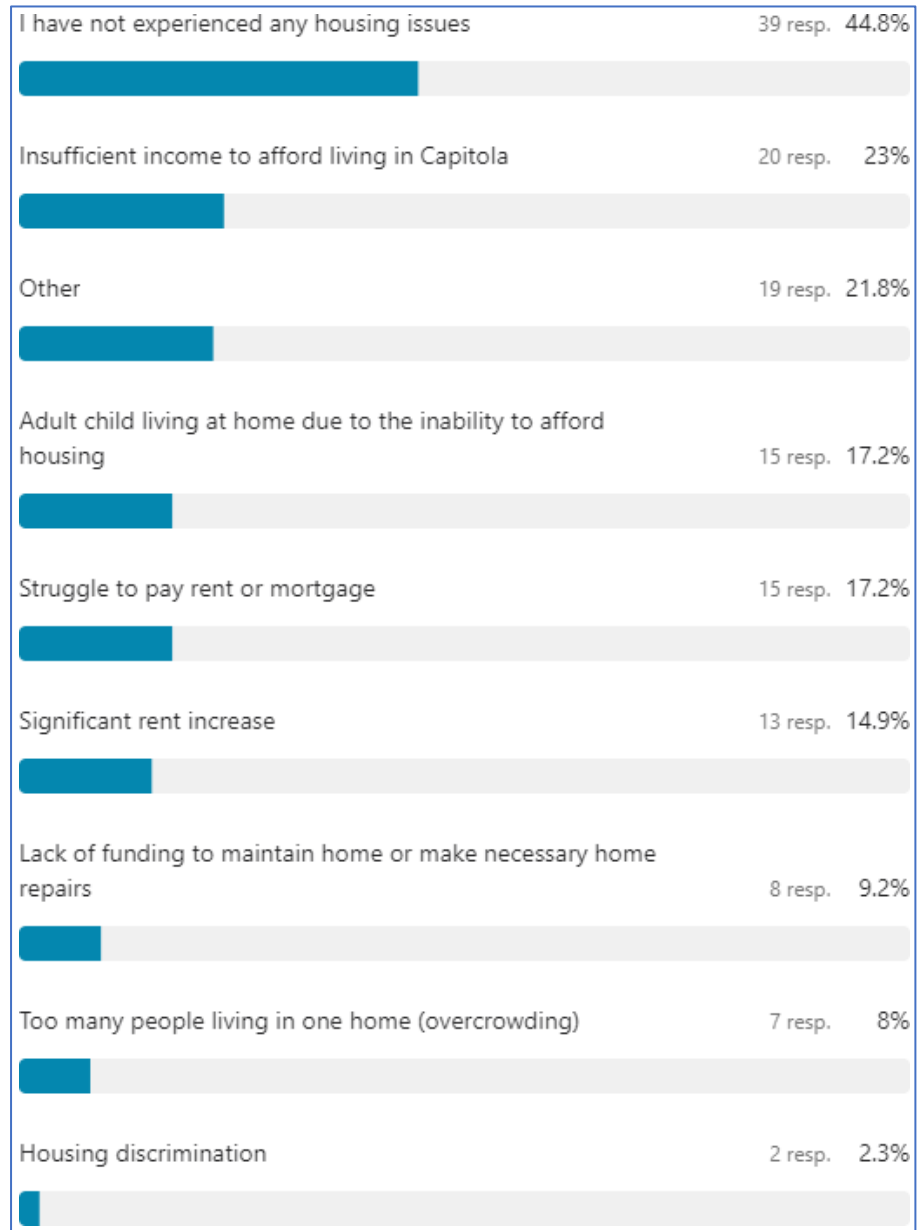
Question 20: What are the main housing challenges in the City of Capitola? (choose all that apply)



Question 21: If you selected Other, please write in your response here:

Maintain the Capitola charm. Resist over development.
Capitola is crowded. There are multiple granny units; they are often illegal. I live in the Heights and there are 5 homes in a very small space. We can hear each other cough. The Rispin Mansion is a boondoggle of epic status. Where is the water coming from for all these additional people? As it is, we keep buckets in my shower, mellow yellow, etcetera and you tell us you are adding more people! City should focus on re-paving streets and placing utilities underground. 41st Avenue is full of potholes yet it is the entrance to this, supposedly, tourist town.
The loss of rent control for low income residents who depended on it for their housing security
Too many wildly overpriced homes bought up by wealthy out-of-town second and third home-buyers that then sit empty. We need a vacancy tax to discourage this!
Restrictive zoning
No available vacant land
Mixed use Zoning which allows for 15 minute walkable neighborhoods and access to basic needs without driving
Providing relevant service for senior homeowners needing help with home repairs.
NIMBY not in my backyard residents - who oppose everything and anything - 1/3 of the houses in Capitola have people living in them. These people vote - just owning property gives no one any say in laws or implementation
Capitola could improve safety, bike lanes, etc for bikers
No land to build on other than mall site. Need to balance sales tax revenue against cost of services for additional housing,

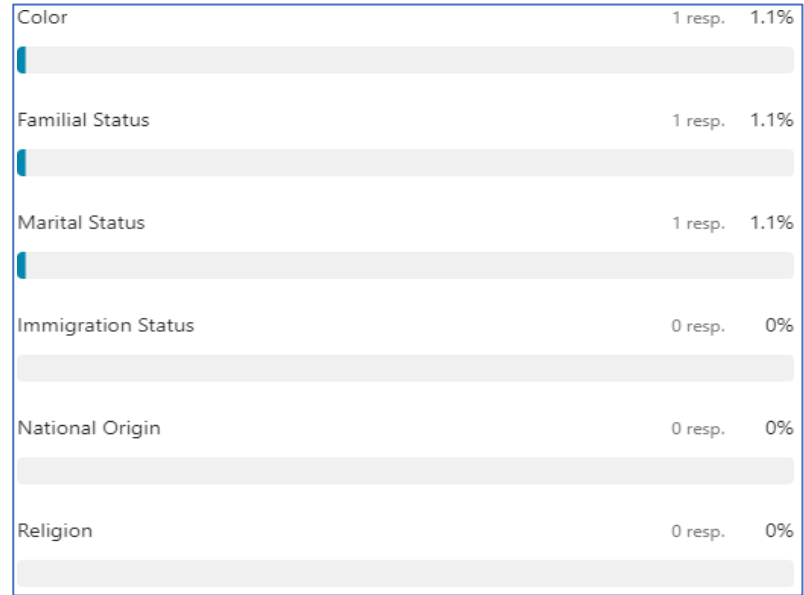
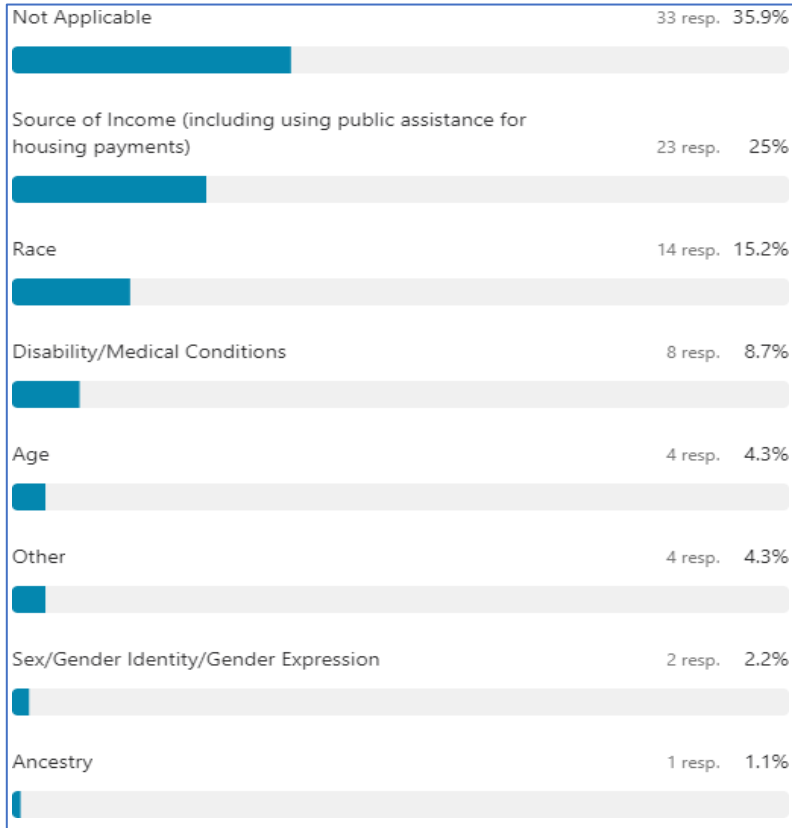
Question 22: If you live in the City of Capitola, within the past five (5) years have you experienced any of the following housing issues? (select all that apply)



Question 23: If you selected Other, please write in your response here:

My grandson has experienced homelessness. He was born at Sutter Maternity Center to a middle class family.
Live on the outskirts of Capitola, not in the city itself
Albeit of an older generation, we worked 47 years each to be able to afford to live then retire here. It rankles to see the culture change to "give me/give me".
None
My apartment building was purchased 101 Grand Ave. the new owners immediately raised our rent by hundreds of dollars and changed our current lease to not including utilities which added another 200.00 on top of the 300.00 additional rent increase. They then stopped maintaining the building. The intention is to use 101 Grand Ave. as an Airbnb with short term renters instead of long term tenants. One by one we all moved out. It was a complete nightmare because as we moved out they started demolishing the units. It was truly the most stressful situation. I happily lived there for 5 years prior to these new owners. They don't care about human beings. They only care about money. Depot Hill is a charming place to live. Their idea of short term housing in an area that is already lacking in long term housing is bad for the community.
Too many second homes that sit empty nearly year round are destroying the ability to create community and keeping from locals from living in our area.
I have not lived in Capitola
I don't live in Capitola
N/A
I do not live in the City of Capitola, I'm outside the city limits.
Lack of affordable housing in City of Capitola.
neighbors, who overcrowd their house with tenants, construction materials and work, and rodents, but call the police if someone parks in front of their house - city doesn't seem to care
I have not lived in the city of Capitola.
do not live in Capitola
Heating for home is too expensive for me, even with new heat pump units
do not live in the city
I do not live in Capitola, I could not find affordable rental within Capitola.
Limited housing stock for sale
n/a

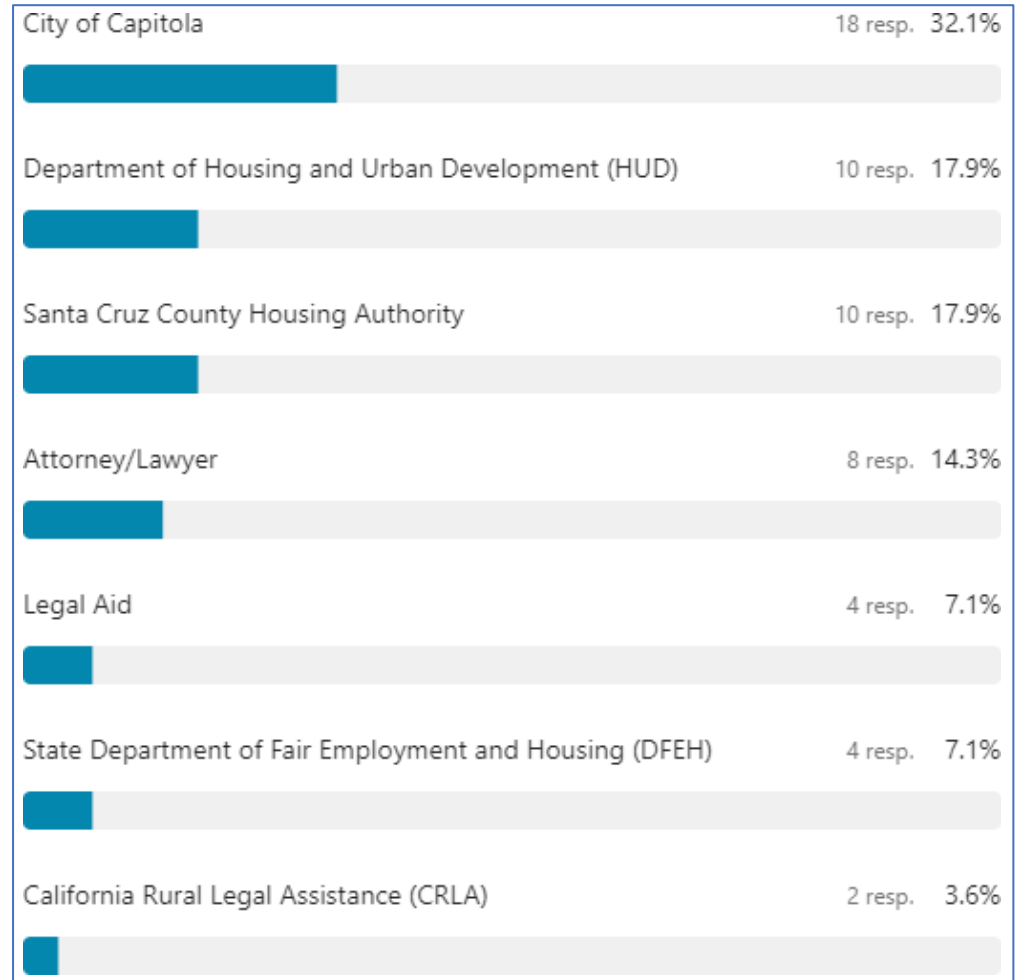
Question 24: State and federal Fair Housing laws prohibit discrimination in the sale, rental, and financing of housing against the protected classes. Of those, which do you think is the most prevalent factor in housing discrimination in the City? (please select one)



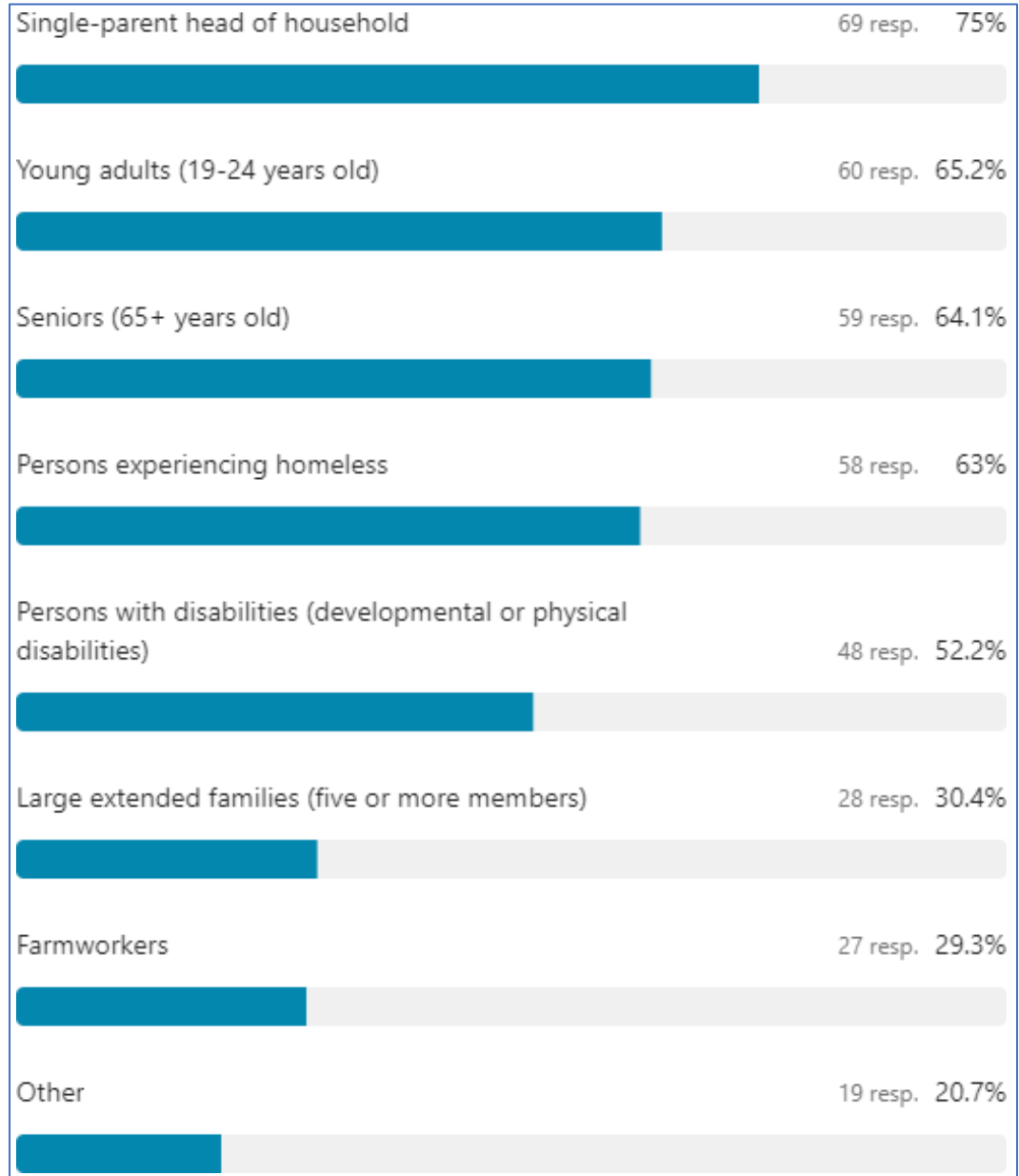
Question 25: If you selected Other, please write in your response here:

My street houses people of all races, creeds and income levels.
Income - we are living through the worst income inequality in one hundred years
unknown

Question 26: State and federal Fair Housing laws prohibit discrimination in the sale, rental, and financing of housing against the protected classes. Of those, which do you think is the most prevalent factor in housing discrimination in the City? (please select one)



Question 27: Please select the groups with the greatest need for housing and related services in the City. (select four choices)



Question 28: If you selected Other, please write in your response here:

Young professionals (25-35 years old)
Those employed in Capitola
First time home buyers
City Workers, School employees
Students
Middle class earners, like teachers, can't afford a home even if there are two earners in the household.
Senior homeowners needing financial assistance to stay in their homes.
Those with Section 8 Vouchers from Housing Authority is being denied housing because of having Section 8 Vouchers. Individuals and families are being discriminated and is illegal under the State of California with the Department of Fair Housing and Employment.
young families, who want to surf
Low income groups
Low income
I only had 2 that I wanted to choose. I don't agree with forcing a choice so I selected other.
unknown

Question 29: Are there any other ideas you would like to suggest the City consider creating more housing opportunities or as part of its Housing Element Update? (Please write in your response)

Turn the mall and major roads into mixed use development well-supported by public transit
Encourage shared housing
Stiff fines for illegal short term rentals
Rispin, Capitola Mall, other empty spaces.
Develop the Capitola Mall. like Santa Row. Or European Centers with shops and gyms day cares and other services downstairs and 2-3 bedroom apartments upstairs with communal living spaces on the roof .. like Facebook main campus. Hire that architect. Save units for teachers and police and fire fighters to lease/ rent at reasonable rents.
Spread out potential housing sites - do not concentrate all identifies sites in one area
The City's plan should equally distribute the housing options throughout the City and not just where there are already a plethora of affordable housing options. A prime example of unequal distribution is the proposed 44th Ave/Capitola Road project which is an area of considerable affordable housing in place.

As previously stated, my wish is to retain the essence of Capitola's charm and beauty by not cramming units in without a commitment to support all residents in the infrastructure and integrity of the community where taxes are paid.
Encourage developers to create more housing with reduced fees and, if the city of Capitola owns property, move forward with development. The process takes years and we don't have time on our side.
Capitola needs to take into consideration all human circumstances and accommodate all without discrimination. Everyone deserves to have shelter and a place to rest. Not having shelter causes so many other issues in a persons life.
More Granny units really to me just means more studios for rent that are super expensive. It really does not help the situation. In fact it makes the housing situation worse because of the expected rental income that teachers cant even afford.
ADU - ease the restrictions
A better survey. Q #22 makes no sense, many other Qs require uneducated guesses.
We all agree that we need affordable housing. The City of Capitola is beautiful place because of all the work City leaders have done in the past years. We cannot over build just for the sake of more housing. The City must make the hard decisions and keep the charm and quality of life. We can meet the numbers of housing that the state is requesting simply by allow existing family homes add ADUs, Granny Flats or split homes into duplexes. The new housing would allow younger folks and families to move in and at the same time benefiting existing property owners.
Rent reduction or reinstate supplemental financial support for households impoverished by the loss of Rent Control especially in my mobile home park because I live on \$100/mo after paying rent, utilities, car insurance and internet.
The City can create housing opportunities without highest density footprints. Development needs to be scaled responsibly and allocated throughout the City; not simply concentrated along the 41st Avenue corridor.
The City of Capitola should streamline permit processes, increase maximum density far above the required 20 du, increase height regulations, and incentivize developers to build affordable housing. Increasing density reduces sprawl
Turn the out-dated, failing Capitola Mall into a large scale 100% affordable housing community featuring mixed-use, including retail and restaurants.
AFFORDABLE HOUSE SHOULD BE WELL DESIGNED, PARKED AND LIVABLE. IT SHOULD NOT BE SUBSTANDARD TO MAKE IT AFFORDABLE.
Consider any & all Options! Do not be deterred! How about Redtree property at bottom of freeway exit?
- Eliminate single family zoning - Add developer incentives for density/height for Transit oriented development, 100% affordable, student housing, and working family housing (2br+) - Adopt a form based zoning code - Create additional commercial/mixed use zones to allow for "15 minute" walkable neighborhoods - Affirmative further fair housing by specifically encouraging low income and multifamily development in opportunity areas / formerly redlined areas - Add tenant protections to prevent displacement - Update laws to allow ministerial approval by city staff of high-quality projects, i.e. under 50 units, or any 100% affordable projects, and pre-approved ADU standards - Remove parking requirements for new housing - Make a realistic Site Inventory - parcels that can actually be developed based on size, and have real redevelopment interest - Plan for a total number of units that goes at least 30% above the required number for capacity buffer
Consider abolishing zoning. If not completely abolishing zoning consider significantly increasing allowable development by setting much higher height limits, nearly eliminating setback requirements, nearly eliminating parking requirements and other items that impede the construction of housing.
Find several locations near jobs or transit that are zoned to allow 5-over-2 mixed use multi family development.

I believe that private landlords and property management companies are the biggest factor in Fair Housing violations. Per Fair Housing the first qualified renter should be offered the opportunity. Santa Cruz Property Management, RE 831, and others collect 50+ applications and fees before offering the units. There should be classes at the library on how to boost credit scores, get rental packets together and how to report fair housing violations!
Affordable homes for first time home buyers and available inventory for long term rentals
Develop the mall property into a mixed use, multiple story, including priced/affordable housing, with wrap-around services
Approve affordable housing projects through an expedited process.
Looser height restrictions, build downtown, incentives to build affordable housing
We are limited on space, and overcrowded as is. Build houses in Merced, Central CA where there is Millions of acres of land! Work with the County to lower Capitola numbers and increase SC / Watsonville that has more land than Capitola. Our infrastructure is taxes, we don't have the space on our Roads, Water, Sewer, Electrical, and School systems. I want to live in Pebble Beach, but i can afford to. Maybe they will subsidize a house i can afford?
Less Commercial, more affordable Residential monitor illegal Short Term Rental
Build multiple story housing.
Join with other cities to fight the state forcing housing mandates on cities.
Housing should be infill, multi-use, easy access to basic needs, safe-walkable, and close to transit. Urban design should include connecting communities, built with street level vibrancy, easy access community commons an easy walk from development, urban forests and community gardens to connect people with each other, nature, source of food, and access to opportunity via public transit which benefits everyone and the local economy. The Capitola Mall is a great location for housing but don't maintain it as a concrete jungle. This is a great opportunity to create a new walkable community with lots of trees and gardens and connecting spaces, as well as dense housing. Let's create affordable housing that ANYONE would want to live in.
Investigate non-profit models of housing, "social housing" as done in other nations. Also, explore "missing middle" types of multifamily development, townhomes and courtyard complexes.
Support passenger rail and metro as well as more housing near public transit
Bay Avenue, around the Nob Hill/CVS area, would be a great place for denser multi-family infill housing as it's in an already-developed zone, offers food and medicine shopping within quick walking distance, and its building heights would be non-disruptive. And: thanks for this survey!
Provide resources for financial assistance to seniors trying to stay in their homes and repairing them.
We need more accessible housing for seniors and people with disabilities. The City has a poor record of letting go like Capitola Gardens and not building any affordable housing. We need mixed of workforce housing, families, seniors, and people with disabilities. Universal designed can increase access to accessible housing significantly. The Capitola mall is a perfect and ideal location.
instead of lying about how long the permit process takes, tell the truth(a year or more)
Pretty much anything to promote density and walkability. Capitola has a weird grid with lots of parking lot surface area, intense arterial "stroads", and a lot of SFDs that are too big and look like they're made of cheap materials. I find it pretty grim, to be honest, and only come out to Capitola because it is convenient to my home in Live Oak (which has all the same problems, FWIW). I think more mixed-use projects and multifamily housing, and more pedestrian friendly streets, would be great for the city and give it a more vibrant character (there are neighborhoods where I am nervous running in broad daylight because all the huge ugly houses are in dumb little cul-de-sacs or whatever, so there are NO eyes on the road, except in the cars that are driving

too fast on all the through streets; it really is pedestrian hell) while at the same time providing badly-needed housing. Making it easier to build ADUs is a great stopgap, and I support that as well as making it easier to build duplexes and triplexes or convert SFDs to duplexes and triplexes, but long-term, Capitola is going to be pretty sad and undesirable if it doesn't densify and do something about its car-centric, hyper-suburban development pattern. Anything you all can come up with to address that, little by little, is great.
Higher FARs near transit possibilities
Some data would be helpful. I don't have a way to assess who is being discriminated against or who the vulnerable populations are
Take advantage of SB 35 to increase development of housing
Does your fee structure incentivize building single-family homes (including second homes) over multi-family homes? Can you shift the incentive so that multiple units make more sense than single family on the expensive lots that are bought and flipped
Paths to home ownership.
Yes. Water, sewer, streets, parking, municipal services, parks, youth activities all should be weighted for the impact on the City and adequacy of city services, police and law enforcement, library, pge, water, and impact on existing schools, roads and traffic, and overall quality of life!
Allow multilabel adu on large property
Send notice to neighbors and allow them to choose if an ADU is appropriate on their street.
Capitola will never be able to provide 1300+ housing units without destroying the city and residential neighborhoods. The city should maintain its current FAR and max bldg height rules. RESTORE LOCAL CONTROL! If you can't afford to live here, go somewhere where you can.
Rezoning of underutilized industrial land for mixed use development
Please increase the infrastructure needed to support more traffic and law enforcement
The city should look to Atherton, which is challenging the state mandate. Even though the intentions are different, Capitola is landlocked and lacks undeveloped spheres. The state's policy is unrealistic.
Increase the housing unit number for the Capitola mall redevelopment plan
None
Focus on multi-story tiny studio apartments in Capitola Mall. Watch y tube video "New Yorkers living large in Small Spaces" for tiny apartment ideas. ideas. Also use vacant businesses for apartments- rezone them for business/ housing uses.
Easier and faster permit process. More permissive zoning with little/no ground floor retail requirements.

Housing Questionnaire Summary

Participants represented a variety of backgrounds and experiences with the City and had differing opinions on housing needs and implementation strategies. However, several main themes emerged from the questionnaire responses:

- **Who participated?** The vast majority of participants were homeowners from Capitola and have lived and/or worked in the City limits for over twenty-one (21) years.
- **Preferred New Housing Locations.** Participants were strongly in favor of Area A as the preferred area for the City to prioritize new housing in the City. The top three preferred opportunity areas for additional housing opportunities included older shopping centers/retail areas, underutilized office property, underutilized industrial warehouse space, and vacant properties.
- **Favored Housing-Related Strategies and Programs.** Participants were supportive of vertical mixed-use development with both commercial and residential components. Many expressed concern for protecting residential neighborhoods from “overdevelopment”, while others support rental and for-sale affordable housing opportunities throughout the city.
- **Perception of Difficulty Finding Housing.** Participants strongly agreed that it is difficult to find affordable and rental housing and affordable and available housing for ownership in the City of Capitola.
- **Perceived Condition of Neighborhoods.** Participants generally disagreed that the foremost challenges facing the City are the condition of neighborhoods and the condition of existing housing and property maintenance.
- **Level of Support for Various Housing Developments.** The majority of participants support the development of Accessory Dwelling Units in existing residential neighborhoods and the development of additional mixed-use housing on 41st Avenue Corridor.
- **Perceived Housing Challenges and Issues.** Participants were mixed on the main housing challenges in the City of Capitola, with some expressing that too expensive rent/mortgage costs were the main challenge, while others attributed challenges to lack of available housing and too much housing for short-term rentals. Many participants generally had not personally experienced any housing issues in the City and were mixed on the most prevalent factor of housing discrimination. Participants were mixed on the City of Capitola, Department of Housing and Urban Development, or Santa Cruz County Housing Authority being the more prevalent factors in housing discrimination in the City. Participants generally agreed that the groups with the greatest need for housing and related services in the City are Single-parent heads of households, young adults, seniors, and persons experiencing homelessness.

Appendix C: 2015-2023 Housing Element Program Evaluation

A. Progress Towards Implementing the 2015-2023 Housing Element Programs

The 2015–2023 Housing Element established six primary housing goals. Under each goal, policies were provided that outlined more specifically how these goals could be carried out. Finally, programs were provided that outlined the actual actions that would be taken to facilitate the goals and policies. To review progress made during the 2015-2023 Housing Element, each goal is listed along with implementing programs and a discussion of the actions that have been accomplished.

Goals / Policies / Implementing Programs	Actions That Have Been Accomplished
Goal 1.0 Housing Production: Diversity in housing type and affordability level to accommodate the needs of Capitola Residents	
Policy 1.1 Provide adequate sites and supporting infrastructure to accommodate present and future housing needs of Capitola residents.	
Program 1.1a Providing Adequate Housing Sites <ul style="list-style-type: none"> Maintain an inventory of available vacant and prospective sites that can accommodate new housing. Maintain Opportunity Sites identified in the Housing Element to meet any outstanding Housing Element RHNA obligation for the 2015-2023 planning period. Continue to require housing production goals for housing opportunity sites remaining in Capitola. 	Effectiveness/Progress in Implementation: The City has worked together with applicants to entitle and/or build residential projects throughout the City, including ADU and inclusionary units: 822 Bay Avenue Entitled as a hotel on 7/21/2022 No net loss findings with ADU development, 4401 Capitola Road (36 units pending), and 1098 38 th Avenue. 1575 38th Avenue Developed with 11 new units. One of the units is an inclusionary unit. Citywide ADUs Expected 6 units 2016–2021: 21 units Most of the housing opportunity sites identified in the 2015-2023 Housing Element to accommodate the City’s RHNA are still available for the 2023-2031 Housing Element cycle. These sites include vacant and underutilized

Goals / Policies / Implementing Programs	Actions That Have Been Accomplished
	<p>sites, Affordable Housing Overlay sites, ADUs, 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 2023-2031 Housing Element planning period, as well as include additional sites to satisfy the current required number of RHNA sites.</p> <p>Appropriateness: Program is updated for the 2023-2031 Housing Element.</p>
Policy 1.2 Encourage mixed-use developments.	
<p>Program 1.2a Mixed-Use Developments</p> <ul style="list-style-type: none"> • Encourage opportunities for the production of mixed residential-commercial use projects in the CC (Community Commercial), CN (Neighborhood Commercial), CR (Commercial/Residential), and PO (Professional Office) zones. • Utilize appropriate development standards, design and compatibility review and regulatory and financial incentives to encourage mixed-use development. • Continue to explore possibilities for mixed use development with current property owners, such as the owners of the opportunity sites identified in the Housing Element and in the 41st Avenue Economic Development/Mixed Use Revitalization Study. • Continue to monitor and implement the policies in the 41st Avenue/ Capitola Mall Re-Visioning Plan that addresses the distribution of land uses, mixed-use parcels, transportation alternatives, and urban design. • Monitor and include an update in the annual Housing Element Progress Report for all mixed-use development activities to identify unforeseen barriers that should be addressed and to evaluate additional incentives that may be needed. 	<p>Effectiveness/Progress in Implementation: A citywide Zoning Code update was passed in 2018 which encourages mixed use in Regional Commercial (CR), Community Commercial (CC), Mixed Use Neighborhood (MU-N), and Mixed Use Village (MU-V) zones. The zones were renamed but the areas remained the same.</p> <p>The City added a new overlay to incentivize development in return for community benefits. Increased height and density are allowed near the Capitola Mall and intersection of 41st Avenue and Capitola Road.</p> <p>The City also adopted new objective design standards in 2022 for multifamily and mixed use.</p> <p>Appropriateness: Program implementation remains appropriate for the 2023-2031 Housing Element.</p>
Policy 1.3 Provide opportunities for the development of alternative housing.	
<p>Program 1.3a Alternative Housing</p>	<p>Effectiveness/Progress in Implementation: The City updated the Zoning Code in 2018 and the ADU ordinance in 2020 (previously referred to as Secondary Dwelling Unit Ordinance). As a result, an ADU can be built on</p>

Goals / Policies / Implementing Programs	Actions That Have Been Accomplished
<ul style="list-style-type: none"> Review and monitor the effect of the Secondary Dwelling Unit Ordinance on neighborhood vitality; consider possible modifications to the parking, height and setback requirements to encourage increased participation, if necessary. Review existing zoning codes and the City's Condominium Conversion Ordinance to determine if modifications to encourage co-housing programs would be appropriate. Continue to work with the local mobile home park residents, owners, and the state to improve mobile home park affordability and sustainability. Encourage and facilitate the exploration and possible development of other alternative housing types including farmworker housing, factory-built housing, live/work units, and Small Ownership Units (SOUs). 	<p>any lot with a residential use. Limiting factors such as the 5,000-square-foot minimum lot size were removed and setbacks and heights were amended. Also, the review process is now streamlined, consistent with state law.</p> <p>The condominium conversion ordinance was not modified during the 5th cycle. Due to the rising rents statewide, apartment rental is a profitable investment option for most property owners. Condominium conversion has not been a trend in the last decade or more.</p> <p>In 2017, the City was awarded a CDBG grant for housing rehabilitation for up to \$7,500 to senior citizens, disabled persons, and income eligible Capitola residents. The program allowed residents to invest in home improvements for energy and water efficiency. The program was available for mobile homes, condos, townhomes, and single-family homes.</p> <p>The City zoning code update included new standards for single-room occupancy units and factory built ADUs.</p> <p>Appropriateness: Program is updated for the 2023-2031 Housing Element.</p>
<p>Policy 1.4 Periodically review development regulations, permit processes, and fees and their effect on development to ensure that such requirements facilitate housing production and rehabilitation.</p>	
<p>Program 1.4a Review Development Regulations</p> <ul style="list-style-type: none"> Review requirements such as the minimum unit size, setbacks, parking requirements, and height restrictions to determine that they are necessary and pertinent and do not pose constraints on the development of affordable housing. Evaluate the feasibility of shared parking for mixed-use developments. Evaluate the feasibility of reduced parking standards for senior and special needs housing. Consider development standard modifications, streamlined processing for applications related to the creation of affordable housing, and fee modifications for projects proposing affordable units that are required to apply for variations to the existing development standards. 	<p>Effectiveness/Progress in Implementation:</p> <p>City zoning code and associated development standards amended and certified by Coastal Commission on June 9, 2021.</p> <p>The City adopted new parking allowances for mixed use to decrease required parking if a study is completed.</p> <p>Appropriateness: Program is updated to reflect recent changes to state law for the 2023-2031 Housing Element.</p>

Goals / Policies / Implementing Programs	Actions That Have Been Accomplished
Goal 2.0 Affordable Housing Development: Increased and protected supply of housing affordable to extremely-low, very- low, low and moderate-income households	
Policy 2.1 Protect the affordability of existing mobile home parks.	
<p>Program 2.1.a Mobile Home Park Technical Assistance and Feasibility Studies</p> <ul style="list-style-type: none"> • Provide feasibility and technical assistance funding and predevelopment funding, acquisition, and rehabilitation assistance for resident-controlled and non-profit acquisition of mobile home parks, requiring long-term affordability where possible. • If conversions of use are contemplated, ensure that resident investment values are preserved and that adequate relocation assistance is provided. To the extent possible, preserve or replace affordable housing units. 	<p>Effectiveness/Progress in Implementation: In 2017, the City was awarded a CDBG grant for housing rehabilitation for up to \$7,500 to senior citizens, disabled persons, and income eligible Capitola residents. The program allowed residents to invest in a variety of home improvements for energy and water efficiency. The program was available for mobile homes, condos, townhomes, and single-family homes.</p> <p>The City has not been able to acquire one of the mobile home parks (Cabrillo) as the owner has no interest in selling. The City is coordinating discussions between park tenants and owner for a new lease.</p> <p>Appropriateness: Program is updated for the 2023-2031 Housing Element.</p>
<p>Program 2.1.b Mobile Home Resident Acquisition Projects</p> <ul style="list-style-type: none"> • Encourage park acquisition or conversion, which will depend on resident/owner interest and funding availability. • Evaluate necessary infrastructure improvements as part of the acquisition or conversion process. 	<p>Effectiveness/Progress in Implementation: See Program 2.1.a</p> <p>Appropriateness: This program is combined with Program 2.1.a in the 2023-2031 Housing Element.</p>
Policy 2.2 Encourage continued affordability of affordable rental housing supply in existing mobile home parks, subsidized rental housing, and special needs housing.	
<p>Program 2.2a Monitor Affordable Housing Units</p> <ul style="list-style-type: none"> • 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 I and II Homeownership Program funds, HOME funds, CDBG funds, Low-Income Housing Tax Credit Programs, California Housing Financial Agency single-family and multi-family programs, and other applicable programs to stimulate private developer and non-profit entity 	<p>Effectiveness/Progress in Implementation: The City created 17 affordable units through its inclusionary housing program.</p> <p>Appropriateness: Program is updated for the 2023-2031 Housing Element.</p>

Goals / Policies / Implementing Programs	Actions That Have Been Accomplished
<p>efforts to develop and finance housing for extremely-low, low and moderate-income households.</p> <ul style="list-style-type: none"> Proactively monitor opportunity sites that may be no longer available for residential development and identify alternative sites. 	
<p>Program 2.2b Preservation of Rental Housing</p> <ul style="list-style-type: none"> Investigate new funding and financing opportunities to encourage the development, through acquisition of existing housing and new construction, of affordable housing projects that provide long-term affordability through homeownership, non-profit ownership, and residentially owned cooperatives. 	<p>Effectiveness/Progress in Implementation: The City funds an emergency rental assistance program and a security deposit program for low income renters.</p> <p>Appropriateness: Program implementation remains appropriate for the 2023-2031 Housing Element, and the investigation of new opportunities for affordable housing projects is ongoing.</p>
<p>Policy 2.3 Continue participation in State and federally sponsored programs designed to maintain housing affordability, including the HUD Section 8 rental assistance program.</p>	
<p>Program 2.3a Section 8</p> <ul style="list-style-type: none"> Continue to participate in the Housing Authority of Santa Cruz County Section 8 Certificate/Voucher Rental Assistance. Continue to refer residents to the County program and provide information at City Hall and the City's website. 	<p>Effectiveness/Progress in Implementation: The City continues to participate in the Section 8 program. Currently 206 Housing Choice Vouchers (HCVs) are used in the City</p> <p>Appropriateness: Program implementation is updated for the 2023-2031 Housing Element.</p>
<p>Policy 2.4 Preserve existing unrestricted affordable rental housing during the Housing Element planning period</p>	
<p>Program 2.4a Condominium Conversion Ordinance</p> <ul style="list-style-type: none"> Continue to implement the Condominium Conversion Ordinance 	<p>Effectiveness/Progress in Implementation: There have been no conversion activities in the last decade or more due to the highly profitable rental housing market.</p> <p>Appropriateness: The ordinance remains in effect but is removed from the Housing Element as a specific program.</p>
<p>Policy 2.5 Promote the development of affordable housing on opportunity sites.</p>	
<p>Program 2.5a Affordable Housing Development Program</p> <ul style="list-style-type: none"> Encourage utilization of the Affordable Housing Overlay Ordinance by non-profit affordable housing developers with an emphasis on the development of new housing opportunities that result in long-term affordable housing. Encourage the production of affordable housing 	<p>Effectiveness/Progress in Implementation: The City promotes the development of affordable units in new developments through its Inclusionary Housing Ordinance, State Density Bonus program, and by encouraging development on opportunity sites and affordable housing overlay sites.</p>

Goals / Policies / Implementing Programs	Actions That Have Been Accomplished
<p>units per the City's 2015-2023 RHNA for very low and low-income housing units (57 units).</p> <ul style="list-style-type: none"> Facilitate the development of affordable housing through the provision of regulatory concessions and density increases under the City's Density Bonus Ordinance. Collaborate with non-profit organizations, private developers, employers, special needs groups, state and federal agencies and other interested parties to develop affordable housing. Continue to utilize available financing to assist with the planning and development of new affordable housing for all ages and household types. Community Development staff will regularly monitor the variety of federal and state funding sources that are available for affordable housing projects. The annual Housing Element Progress Report will include an analysis of the funding sources that have been applied for and that will become available during the coming year. 	<p>However, with the comprehensive zoning change to allow mixed use development in many commercial districts, the Affordable Housing Overlay has become obsolete. The 2023-2031 Housing Element includes an action to review and update the Affordable Housing Overlay.</p> <p>Appropriateness: Program is updated for the 2023-2031 Housing Element. The Density Bonus ordinance will be programmed for an update.</p>
<p>Policy 2.6 Promote meaningful and informed participation of residents, community groups, and governmental agencies, in local housing and community development activities.</p>	
<p>Program 2.6a Public Outreach for Housing and Community Development Activities</p> <ul style="list-style-type: none"> Maintain communication channels with City residents, community groups, local housing representatives, and other agencies. Periodically update the City website to provide accurate and up-to-date information regarding public hearings, community events, and City projects. Organize community workshops for large development projects. 	<p>Effectiveness/Progress in Implementation: The City proactively encourages participation in community development activities through workshops, community meetings, and public hearings. Zoning code update included over 60 opportunities for the public to participate including workshops, stakeholder groups, surveys, and public meetings.</p> <p>Appropriateness: Program is expanded to affirmatively further fair housing during the 2023-2031 Housing Element planning period.</p>
<p>Policy 2.7 Maintain the City's Housing Trust Fund.</p>	
<p>Program 2.7a Housing Trust Fund</p> <ul style="list-style-type: none"> Maintain the Housing Trust Fund and utilize the available funds to provide loans and grants through the City's Housing rehabilitation loan and grant program, to assist with affordable housing project feasibility studies and to assist with the permanent financing of acquisition/ rehabilitation projects and new construction affordable housing projects. 	<p>Effectiveness/Progress in Implementation: The City continues to implement the Housing Trust Fund to accrue funds to finance affordable housing activities.</p> <p>Appropriateness: Program implementation remains appropriate for the 2023-2031 Housing Element.</p>

Goals / Policies / Implementing Programs	Actions That Have Been Accomplished
<p>Housing Trust Funds must be used to assist households with incomes at or below 80% of the area median income (low-income).</p> <ul style="list-style-type: none"> Collect in-lieu fees from the City's Inclusionary Housing Ordinance to fund the Affordable Housing Trust Fund. Augment the Affordable Housing Trust Fund through researching and applying for state or federal funding. Continue to utilize the Housing Trust Fund balance to fund the City's housing rehabilitation projects and affordable housing development projects. 	
<p>Policy 2.8 Encourage the production of affordable ownership housing through the City's Affordable "Inclusionary" Housing Ordinance.</p>	
<p>Program 2.8a Inclusionary Housing Ordinance</p> <ul style="list-style-type: none"> Continue to implement the Inclusionary Housing Ordinance. Monitor and include an update in the annual Housing Element Progress Report to evaluate any possible impacts on the costs and supply of housing and to evaluate additional incentives that may be needed. 	<p>Effectiveness/Progress in Implementation: In 2021, the City updated the Inclusionary Housing Ordinance (IHO) and completed a nexus-based affordable housing fee analysis for for-sale housing and for-rent housing. The City's IHO was updated to incorporate more options for developers to contribute toward Capitola's housing stock. Also, the inclusionary housing fee was increased based on the nexus study.</p> <p>Appropriateness: Program implementation remains appropriate for the 2023-2031 Housing Element.</p>
<p>Goal 3.0 Special Housing Needs: Accessible housing and appropriate supportive services that provide equal housing opportunities for special needs populations.</p>	
<p>Policy 3.1 Encourage the accessibility and utilization of universal design principles in new housing construction as well as through conversion of existing housing to create environments that can be used by all people.</p>	
<p>Program 3.1 Barrier-Free Housing</p> <ul style="list-style-type: none"> Implement state accessibility standards. Provide technical assistance to encourage barrier-free housing. Provide financial assistance to homeowners and renters through the City's Housing Rehabilitation Program, to make needed accessibility improvements; assist 12 households during the planning period. Provide information on formal reasonable accommodation procedures at City Hall and on the City's website. 	<p>Effectiveness/Progress in Implementation: The City follows the state accessibility standards as outlined in the building code.</p> <p>In 2017, the City was awarded a CDBG grant for housing rehabilitation for up to \$7,500 to senior citizens, disabled persons, and income-eligible Capitola residents. The program allowed residents to invest in a variety of home improvements for energy and water efficiency. The program was available for mobile homes, condos, townhomes, and single-family homes.</p>

Goals / Policies / Implementing Programs	Actions That Have Been Accomplished
	<p>Information on accommodations is on the website and at City Hall on the meeting agendas.</p> <p>Appropriateness: Implementation of building code is not included in the 2023-2031 Housing Element as a separate housing program. The updated Housing Element includes program actions to address special needs housing.</p>
Policy 3.2 Promote Fair Housing	
<p>Program 3.2a Fair Housing</p> <ul style="list-style-type: none"> • Continue to provide funding to agencies such as California Rural Legal Assistance to assist in resolution of fair housing issues. • Provide referral services and fair housing information to tenants and landlords. • Encourage and support the enforcement of laws and regulations prohibiting discrimination in lending practices and in the sale, rental, and management of housing. • Continue to provide informational and educational materials on fair housing services for property owners, apartment managers, and tenants at City Hall and the City's website. • Continue to monitor and respond, as appropriate, to complaints of discrimination, and refer tenants to the California Rural Legal Assistance and the Office of Consumer Affairs for proper intake, investigation, and resolution of fair housing complaints. 	<p>Effectiveness/Progress in Implementation: Ongoing effort. We provide referral services to tenants and landlords when asked.</p> <p>Appropriateness: Program implementation remains appropriate for the 2023-2031 Housing Element. The City recognizes the importance of maintaining fair housing practices and will update this program to reflect changes to state law related to Affirmatively Furthering Fair Housing within the 2023-2031 Housing Element cycle, with the caveat that it will be implemented upon the identification of a funding source that provides the resources needed to properly administer the program to achieve the objectives established herein.</p>
Policy 3.3 Support and facilitate programs that address the housing needs of special needs groups including the elderly population, homeless persons, female-headed households, extremely low-income households, and persons with disabilities, including developmental disabilities.	
<p>Program 3.3a Emergency Shelters</p> <ul style="list-style-type: none"> • Continue to monitor the inventory of sites appropriate to accommodate emergency shelters. • Work with the appropriate organizations to ensure the needs of homeless and extremely low-income residents are met. 	<p>Effectiveness/Progress in Implementation: Ongoing monitoring and provides funding to the County toward regional shelters, as funding permits.</p> <p>Appropriateness: Program is updated to reflect recent changes to state law for the 2023-2031 Housing Element.</p>

Goals / Policies / Implementing Programs	Actions That Have Been Accomplished
<ul style="list-style-type: none"> • Prioritize funding and other available incentives for projects that provide housing for homeless and extremely low-income residents whenever possible. 	
<p>Program 3.3b Transitional and Supportive Housing</p> <ul style="list-style-type: none"> • Continue to monitor the inventory of sites appropriate to accommodate transitional and supportive housing. • Prioritize funding and other available incentives for housing projects that provide services to homeless and extremely low-income residents whenever possible. 	<p>Effectiveness/Progress in Implementation: No transitional or supportive housing was developed during the fifth cycle Housing Element.</p> <p>Appropriateness: Program is updated to reflect recent changes to state law for the 2023-2031 Housing Element.</p>
<p>Program 3.3c Housing for Persons with Developmental Disabilities</p> <ul style="list-style-type: none"> • 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. • Collaborate 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. 	<p>Effectiveness/Progress in Implementation: Ongoing. The City is currently working with the Dakota Apartment toward rehabilitation and preservation of affordable unit for persons with disabilities.</p> <p>Appropriateness: Program is updated for the 2023-2031 Housing Element.</p>
<p>Program 3.3d Housing for Extremely Low-Income Households</p> <ul style="list-style-type: none"> • Encourage the development of housing for extremely low-income households by 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. 	<p>Effectiveness/Progress in Implementation: The City continues to maintain a proactive approach to support and allow for extremely-low income households and households with special needs. However, no new housing units appropriate to these groups were built during the 2015-2023 Housing Element cycle.</p> <p>Appropriateness: Program is updated for the 2023-2031 Housing Element.</p>
<p>Policy 3.4 Continue the provision of city-initiated incentives, to encourage affordable units in development projects.</p>	
<p>Program 3.4a Density Bonus Program</p> <ul style="list-style-type: none"> • Provide information on the Density Bonus Program at City Hall and on the City's website. 	<p>Effectiveness/Progress in Implementation: Ongoing</p> <p>Appropriateness: Program implementation remains appropriate for the 2023-2031 Housing Element. In accordance with California Government</p>

Goals / Policies / Implementing Programs	Actions That Have Been Accomplished
	Code 65915 et seq., the City will continue to monitor State requirements related to Density Bonus provisions and amend the Capitola Municipal Code for compliance with changes in State law as applicable during the 2023-2031 Housing Element cycle.
Policy 3.5 Support the development of accessible and affordable senior rental housing readily accessible to support services; provide assistance for seniors to maintain and improve their homes.	
Policy 3.6 Support the development of accessible and affordable housing that is designed to serve all ages.	
Policy 3.7 Facilitate and encourage the development of rental units appropriate for families with children, including the provision of supportive services such as child care.	
Policy 3.8 Encourage the integration of special needs housing in residential environments, readily accessible to public transit, shopping, public amenities, and supportive services.	
Policy 3.9 Encourage the provision of supportive services for persons with special needs to further the greatest level of independence and equal housing opportunities.	
Policy 3.10 Investigate and encourage the development of a variety of housing options for seniors including Congregate Housing, Continuing Care Retirement Communities (CCRCs), Assisted Living, Mobile Home Parks, co-housing, secondary dwelling units and Independent Living.	
Policy 3.11 Encourage the establishment of child care centers and family child care homes in all appropriate zoning districts	
<p>Program 3.11a Child Care and Day Care Facilities</p> <ul style="list-style-type: none"> • Continue to work with child care providers and the County to promote adequate child care facilities within the community. • Provide current zoning regulations applicable to child care and daycare facilities information at City Hall and on the City's website. • 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. 	<p>Effectiveness/Progress in Implementation: The City's recreation department created a new partnership with the local schools to provide after school care with special funds to assist low-income families.</p> <p>The City's zoning ordinance was updated to allow by right small family home daycare and a minor use permit for a large home daycare.</p> <p>The City allocated funds out of the youth and early childhood funds of Measure J to offset the cost associated with large home daycare facilities.</p> <p>The pamphlet is available at City Hall and on the website explaining the standards and available funding.</p> <p>Appropriateness: Program is revised to focus on housing-related activities for the 2023-2031 Housing Element update. The City would also consider</p>

Goals / Policies / Implementing Programs	Actions That Have Been Accomplished
	creating objective standards for daycare centers in Commercial Districts to allow daycare centers with a minor use permit.
Goal 4.0 Housing Assistance: Increased Assistance for extremely low, very low, low and moderate income residents to rent or purchase homes	
Policy 4.1 Maintain the City’s rental and ownership assistance programs.	
Program 4.1a Security Deposit Program <ul style="list-style-type: none"> Assist 7-10 households per year during the planning period. Continue the funding of the City’s Security Deposit Program which offers income-eligible individuals and families assistance to cover the costs of the security deposit for new rental contracts. Seek state and federal funding to expand this program. 	Effectiveness/Progress in Implementation: Current annual funding of \$7,500 covers approximately 4 to 5 families. Appropriateness: Program implementation remains appropriate for the 2023-2031 Housing Element, with the goal of increasing funding to assist 7 to 10 households during the planning period.
Program 4.1b Emergency Housing Assistance <ul style="list-style-type: none"> Continue the funding of the City’s Emergency Housing Assistance program that offers eviction and foreclosure prevention in the form of non-reimbursable grants to eligible applicants. Assist 20 households per year during the planning period. 	Effectiveness/Progress in Implementation: Successful ongoing program, given the rent increases and impacts of the pandemic. Appropriateness: Program implementation remains appropriate for the 2023-2031 Housing Element.
Program 4.1c Mortgage Assistance Program <ul style="list-style-type: none"> Assist two households during the planning period Continue the funding of the City’s Mortgage Assistance program that offers loans for low and moderate income home buyers to purchase a home in the City. Continue to seek federal and state grants through programs such as the State’s BEGIN program to augment the current City and grant funding for this program 	Effectiveness/Progress in Implementation: Challenging program due to real estate pricing and having to qualify for low and moderate income. One household qualified for this program during the 5 th cycle. Appropriateness: Program is updated to reflect the limited funding available and program efforts focus on referral to outside sources of assistance.
Policy 4.2 Explore and pursue City participation in other affordable homeownership assistance programs in the private market.	
Policy 4.3 Support the provision of child care services, employment training, rental assistance, and other supportive services to enable households to be self-sufficient.	

Goals / Policies / Implementing Programs	Actions That Have Been Accomplished
Policy 4.4 Seek and support collaborative partnerships of nonprofit organizations and the development community to aid in the provision of affordable housing.	
Policy 4.5 Prohibit discrimination in all aspects affecting the sale, rental or occupancy of housing based on status or other arbitrary classification.	
Goal 5.0 Neighborhood Vitality: Maintain, preserve and improve the character of existing residential neighborhoods	
Policy 5.1 Ensure a compatible relationship between new housing and circulation patterns and encourage pedestrian and bicycle friendly communities in order to minimize traffic impacts on quality of life.	
Policy 5.2 Protect the integrity of existing single family and multiple family neighborhoods by promoting balanced site design and architecture	
<p>Program 5.2a Design Review</p> <ul style="list-style-type: none"> • Continue to enforce guidelines to control the size, scale and appearance of single-family residential development to be compatible with Capitola’s traditional or “cottage” character of neighborhoods. • Continue to encourage and require sustainable development practices. • Continue to review new and substantially rehabilitated residential construction to ensure compatibility with existing scale and architectural character of residences in the surrounding neighborhood. • Continue to enforce guidelines to control the size, scale, massing and appearance of multi-residential development to minimize the impacts of any transition from existing single-family residential districts. 	<p>Effectiveness/Progress in Implementation: The City has incorporated new objective design standards into the zoning code for ADUs and Multifamily. The City has also adopted an SB 9 ordinance with objective standards.</p> <p>Appropriateness: Ongoing implementation of adopted codes is not included in the 2023-2031 Housing Element as a separate housing program.</p>
Policy 5.3 Assist individual neighborhoods in establishing their own identity through the development of neighborhood amenities (pocket parks, lighting, signs, etc.), mixed use neighborhood nodes, and pedestrian and sustainability improvements.	
Policy 5.4 Promote the repair, improvement and rehabilitation of housing and encourage replacement of substandard housing to enhance quality of life in neighborhoods.	
<p>Program 5.4a Housing Rehabilitation Program</p> <ul style="list-style-type: none"> • Continue to seek federal and state grants through programs such as the State’s BEGIN program to augment the current City and grant funding for this program. 	<p>Effectiveness/Progress in Implementation: The program was not effective due to the administrative burden of a loan program and limited funding.</p>

Goals / Policies / Implementing Programs	Actions That Have Been Accomplished
<ul style="list-style-type: none"> Assist 12 low-income households during the planning period through the Housing Rehabilitation program. Promote sustainable energy practices and encourage more residents and businesses to utilize sustainable energy technologies such as, rooftop solar photovoltaic systems, solar water heaters, and electric vehicle charging stations. 	<p>Appropriateness: The 2023-2031 Housing Element revises the program to pursue funding for a repair grant program for seniors and lower income households.</p>
<p>Policy 5.5 Improve the quality of housing and neighborhoods by educating landlords, tenants and property owners about code compliance issues and enforcing compliance with building and property maintenance standards.</p>	
<p>Program 5.5a Code Enforcement</p> <ul style="list-style-type: none"> Continue to implement a proactive code enforcement program for health and safety violations through the Building Department and inform residents of rehabilitation assistance when available at City Hall and the City’s website. 	<p>Effectiveness/Progress in Implementation: To prevent the deterioration of the existing housing stock, the City staff has continued to bring sub-standard properties into compliance with the enforcement and implementation of existing development code standards relative to property maintenance. The City’s greatest success was at the Dakota Apartments in which the property management, HUD and the City worked together for the residents to resolve water related issues with the building.</p> <p>Appropriateness: Program implementation remains appropriate for the 2023-2031 Housing Element.</p>
<p>Goal 6.0 Resource Conservation Fulfill the City’s housing needs while promoting an environmentally sensitive, compact community that is a pedestrian oriented, neighborhood-centered community, using resources in a sustainable manner</p>	
<p>Policy 6.1 Encourage the use of alternative modes of transportation</p>	
<p>Program 6.1a Alternative Transportation Planning</p> <ul style="list-style-type: none"> Direct higher density housing close to transportation corridors, including bus routes and arterial roadways Coordinate with transit service providers to expand service to Capitola’s residential and mixed-use districts. Promote design of new residential development for people rather than for automobiles. Direct City staff, Planning Commission and City Council to consider amending the zoning code to allow for increased height limits in commercial areas to support mixed-use developments. 	<p>Effectiveness/Progress in Implementation: Various elements of the City’s General Plan provide the goals, policies, and programs that address transit-oriented development and alternative transportation modes. Policies includes encouraging development and land uses that enhance a pedestrian-oriented environment; requiring new development to provide for pedestrian and bicycle connections between residential and commercial areas; and supporting projects, programs, policies, and regulations to maintain a balanced multi-modal transportation network.</p> <p>During the 5th Cycle, the City was supportive of a conceptual redevelopment project at the Capitola Mall which would have implemented Policy 6.1.</p>

Goals / Policies / Implementing Programs	Actions That Have Been Accomplished
	<p>Capitola’s zoning code update in 2018 directs higher density housing to be constructed close to transportation corridors.</p> <p>Appropriateness: This is not included in the 2023-2031 Housing Element as a housing program.</p>
Policy 6.2 Strive to maintain a jobs/housing balance	
<p>Program 6.2a City Jobs/Housing Balance</p> <ul style="list-style-type: none"> • Encourage housing in close proximity to employment through encouraging residential-commercial mixed-use development. • Encourage the development of housing that will be affordable to the individuals who are employed in locally-centered jobs. • Continue the policy to inform and market new affordable housing constructed pursuant to Capitola’s housing programs to households that currently live or work in Capitola. • Periodically conduct a jobs/housing balance study to evaluate the current balance and determine which economic and housing strategies are appropriate. 	<p>Effectiveness/Progress in Implementation: The Land Use Element of the General Plan provides the goals, policies, and programs that address City Jobs/Housing Balance. Policies include ensuring that land use decisions balance the needs, interests, and concerns of Capitola’s residents, visitors, and workers, and maintain and protect a healthy balance of commercial and residential uses in the Village. Additionally, the City informed residents of new affordable housing through its website.</p> <p>Appropriateness: Capitola’s zoning code update in 2018 directs higher density housing to be constructed close to employment centers, specifically 41st Avenue. This is not included in the 2023-2031 Housing Element as a housing program.</p>
Policy 6.3 Promote Green Building techniques, development and construction standards that provide for resource conservation	
<p>Program 6.3a City of Capitola Green Building Program</p> <ul style="list-style-type: none"> • Encourage and require sustainable development practices. • Continue to implement the mandatory Green Building Program for all major remodels and new construction. • Update the Program periodically to reflect and utilize new developments in ecological/sustainable technologies. 	<p>Effectiveness/Progress in Implementation: Capitola’s Green Building Program is rarely used. state regulations are outpacing the local ordinance.</p> <p>Appropriateness: Implementation of state building code is not included in the 2023-2031 Housing Element as a separate housing program.</p>
<p>Policy 6.4 Promote the use of renewable energy technologies (such as solar and wind) in new and rehabilitated housing when possible.</p> <p>Policy 6.5 Ensure that adequate water supplies and sewer services continue to be available for residents and businesses.</p>	
<p>Program 6.5a Adequate Water Supplies and Sewer Services</p>	<p>Effectiveness/Progress in Implementation: The City depends on private water and county sewer.</p>

Goals / Policies / Implementing Programs	Actions That Have Been Accomplished
<ul style="list-style-type: none"> Continue to ensure that water and sewer providers meet their obligation to provide priority to affordable housing projects pursuant to state law. 	Appropriateness: Program is updated for the 2023-2031 Housing Element.

Table C-1: Progress toward Meeting the 2015-2023 Housing Element RHNA Goals

Income Category	RHNA Goals	Total Units Built
Very Low	34	2
Low	23	0
Moderate	26	2
Above Moderate	60	45
Total	143	49

B. Cumulative Impact of the Effectiveness of Addressing Special Housing Needs

As a small city, Capitola has limited funding for affordable housing. However, the City was able to provide some assistance to special needs households during the 2015-2023 planning period. Specifically, the City was able to provide rehabilitation assistance, focusing on energy and water efficiency, to seniors, disabled, and lower income households using CDBG funds. The City also funds an emergency rental assistance program and a security deposit program for lower income households. The Housing Choice Voucher (HCV) program, which prioritizes assistance to extremely low income households, seniors, disabled, and persons at risk of homelessness, provides assistance to 206 households in Capitola.

APPENDIX D: SITES MAP AND INVENTORY



HOUSING ELEMENT UPDATE: 6TH CYCLE SITES INVENTORY ANALYSIS

RHNA SITES

MAP FEATURES

- City Limit
- Selected Sites for Analysis
- Coastal Zone Boundary

ZONING DESIGNATIONS

Residential Zoning Districts

- R-1 - Single Family Residential
- RM-L - Multi-Family Residential, Low Density
- RM-M - Multi-Family Residential, Medium Density
- RM-H - Multi-Family Residential, High Density
- MH - Mobile Home Park

Mixed-Use Zoning Districts

- MU-V - Mixed Use Village
- MU-N - Mixed Use Neighborhood

Commercial and Industrial Zoning Districts

- C-R - Regional Commercial
- C-C - Community Commercial
- I - Industrial

Other Zoning Districts

- P/OS - Parks and Open Space
- CF - Community Facility
- PD - Planned Development
- VS - Visitor Serving

NOTES

Maps and data are to be used for reference purposes only. Map features are approximate, and are not necessarily accurate to surveying or engineering standards. The City of Capitola makes no warranty or guarantee as to the content (the source is often third party), accuracy, timeliness, or completeness of any of the data provided, and assumes no legal responsibility for information contained on this map. Any use of this product with respect to accuracy and precision shall be the sole responsibility of the user.



Base map and data from City of Capitola and Santa Cruz County GIS data. Direct all inquiries to the City of Capitola Planning Division at (831) 475-7300 or at planning@ci.capitola.ca.us.

Drawn by: RRM Design Group; Created on: February 29, 2024.
ArcMap GIS, Version 10.8.1, Redlands, CA; Esri

FEBRUARY 29, 2024

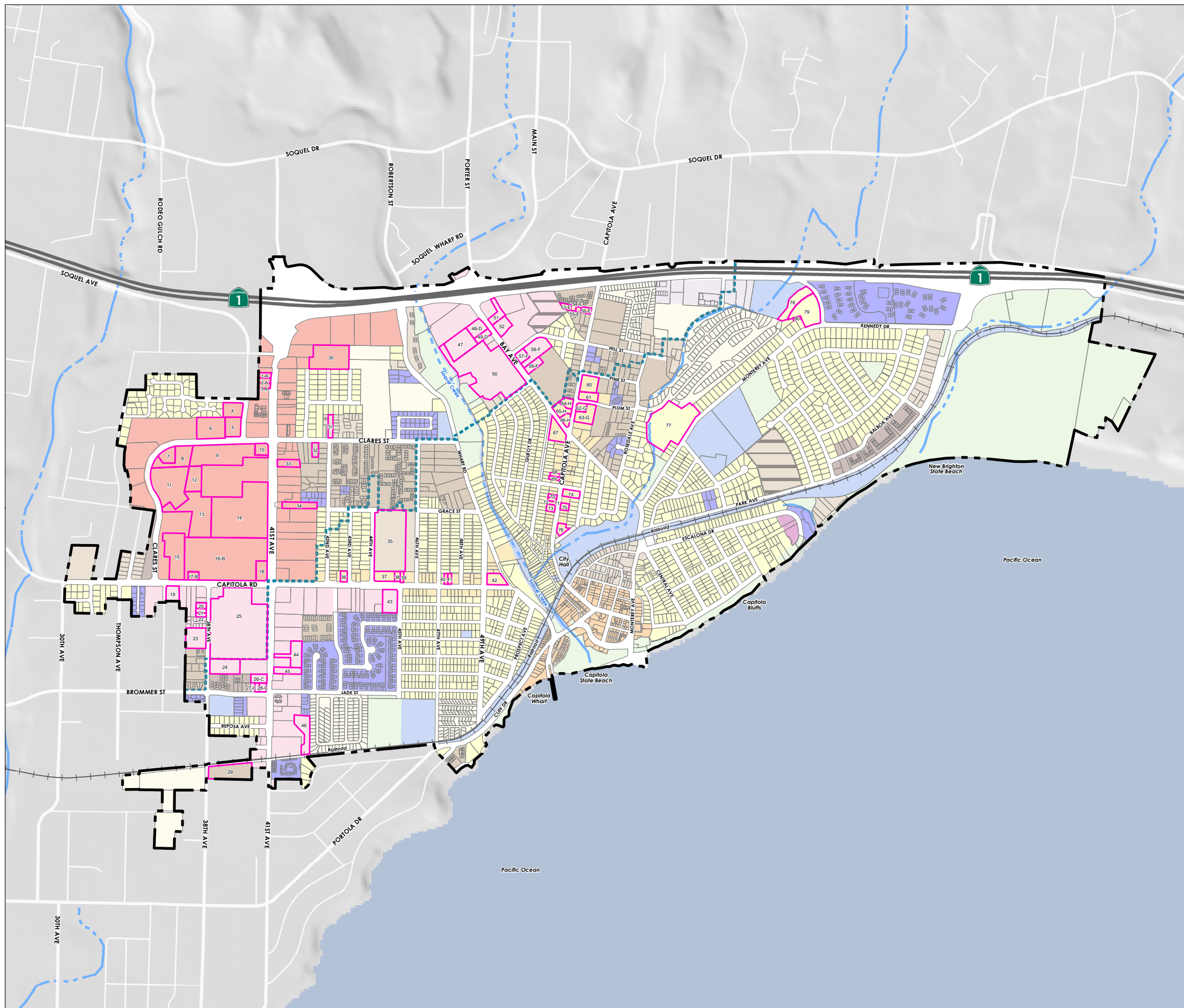


Table D-1: Housing Element Sites Inventory

Site Address	Site #	APN	Consolidated Sites	Single Owner	Shared Access	GP Existing	Zoning Existing	Density Min	Density Max	Density Realistic	Acres	Income Category	Units Lower	Units Mod	Units Above	UNITS Realistic Capacity	Developer Interest	Vacant/ Non-Vacant	FAR	% of Max FAR	Building Age	Improv. / Land Ratio	Discontinued/ Non-Conforming Use	Existing Uses	Special Considerations
2175 41ST AVE	1	034-192-07	A	Yes	Yes	C-R	C-R	0	Unlimited	21	0.21	Mixed	2	1	1	4	No	Non-Vacant	0.38	25.5%	1969	2.74	No	121-MULTI STORES/1 BLDG	
2165 41ST AVE	2	034-192-08	A	Yes	Yes	C-R	C-R	0	Unlimited	21	0.20	Mixed	2	1	1	4	No	Non-Vacant	0.24	15.8%	1969	1.46	No	120-SINGLE STORE	
2155 41ST AVE	3	034-192-09	A	Yes	Yes	C-R	C-R	0	Unlimited	21	0.20	Mixed	2	1	1	4	No	Non-Vacant	0.33	22.1%	1969	2.22	No	120-SINGLE STORE	
2045 A 40TH AVE	4	034-512-01				C-R	C-R	0	Unlimited	21	0.87	Mixed	9	3	6	18	No	Non-Vacant	0.41	27.1%	1989	0.48	Yes	171-MULTI OFFICES/1 BLDG; office use	
2001 40TH AVE	5	034-512-02				C-R	C-R	0	Unlimited	21	0.95	Mixed	49 20	3 0	7 0	20	No	Non-Vacant	0.40	26.4%	1989	1.05	No	121-MULTI STORES/1 BLDG	
3825 CLARES ST	6	034-261-47				C-R	C-R	0	Unlimited	21	1.89	Mixed	49 20	3 0	7 0	20	No	Non-Vacant	0.32	21.4%	1992	0.96	Yes	160-MAJOR SHOPPING CENTER; discontinued use	Old Pier 1 site; East half available
3400 CLARES ST	7	034-261-35				C-R	C-R	0	Unlimited	48	0.66	Mixed	5	2	25	32	No	Non-Vacant	0.29	19.6%	2019	1.89	No	200-RESTAURANT Capitola Mall	Capitola Mall
3700 CLARES ST	8	034-261-36				C-R	C-R	0	Unlimited	48	1.45	Mixed	10	3	56	69	No	Non-Vacant	0.00	0.0%	n/a	0.00	No	192-COMMERCIAL PARKING Capitola Mall	Capitola Mall
1955 41ST AVE B8	9	034-261-53				C-R	C-R	0	Unlimited	48	3.94	Mixed	28	9	151	188	No	Non-Vacant	0.33	21.9%	1979	4.71	No	161-MINOR SHOPPING CENTER Capitola Mall	Capitola Mall
1995 41ST AVE	10	034-261-54				C-R	C-R	0	Unlimited	48	0.48	Mixed	3	1	18	22	No	Non-Vacant	0.28	18.6%	1977	0.41	No	211-SAVINGS & LOAN Capitola Mall	Capitola Mall
1865 41st AVE	11	034-261-34				C-R	C-R	0	Unlimited	29 48	4.92 3.84	Mixed	28 28	8 9	49 147	55 184	No	Non-Vacant	0.28	18.4%	1988	1.55	No	160-MAJOR SHOPPING CENTER; Capitola Mall	Capitola Mall Utilizing 50%-of-site
1855 41ST AVE	12	034-261-15				C-R	C-R	0	Unlimited	29 48	1.16	Mixed	17 8	5 3	12 45	34 56	Yes	Non-Vacant	0.00	0.1%	n/a	0.95	No	192-COMMERCIAL PARKING; Capitola Mall	Capitola Mall
1855 41ST AVE	13	034-261-38				C-R	C-R	0	Unlimited	29 48	3.57	Mixed	52 26	15 9	37 137	104 172	Yes	Non-Vacant	0.59	39.3%	1988	2.15	No	160-MAJOR SHOPPING CENTER; Capitola Mall	Capitola Mall
1855 41ST AVE	14	034-261-37				C-R	C-R	0	Unlimited	29 48	8.36	Mixed	124 60	36 20	85 321	242 401	Yes	Non-Vacant	0.42	28.3%	1978	0.98	No	160-MAJOR SHOPPING CENTER; Capitola Mall	Capitola Mall
1855 41ST AVE	15	034-261-51				C-R	C-R	0	Unlimited	48	2.59	Mixed	19	6	99	124	No	Non-Vacant	0.80	53.3%	1990	3.24	No	160-MAJOR SHOPPING CENTER Capitola Mall	Capitola Mall
4015 CAPITOLA RD	16	034-261-40	B	Yes	Yes	C-R	C-R	0	Unlimited	29 48	10.05	Mixed	446 72	44 24	404 386	294 482	Yes	Non-Vacant	0.24	16.2%	1971	0.09	No	160-MAJOR SHOPPING CENTER; Capitola Mall	Capitola Mall
3775 CAPITOLA RD	17	034-261-39	B	Yes	Yes	C-R	C-R	0	Unlimited	29 48	0.28	Mixed	4 2	4 1	3 11	8 14	Yes	Non-Vacant	0.69	45.7%	1992	0.36	Yes	200-RESTAURANT; Capitola Mall; discontinued use	Capitola Mall
4055 CAPITOLA RD	18	034-261-14				C-R	C-R	0	Unlimited	48	0.68	Mixed	5	2	26	33	No	Non-Vacant	0.33	21.8%	1968	0.60	No	210-BANK Capitola Mall	Capitola Mall
3720 CAPITOLA RD	19	034-181-14				C-C	C-C	0	Unlimited	17	0.62	Mixed	5	2	4	11	Yes	Non-Vacant	0.24	23.7%	1961	0.18	Yes	023-NON-CONFORMING RES; non-conforming use	
1625 38TH AVE	20	034-181-03				C-C	C-C	0	Unlimited	17	0.18	Mixed	0	1	2	3	No	Non-Vacant	0.25	25.2%	1941	0.39	Yes	171-MULTI OFFICES/1 BLDG; non-conforming use	
1605 38TH AVE	21	034-181-04				C-C	C-C	0	Unlimited	17	0.14	Mixed	0	1	1	2	No	Non-Vacant	0.51	51.0%	1962	0.32	Yes	023-NON-CONFORMING RES; non-conforming use	
1595 38TH AVE	22	034-181-05				C-C	C-C	0	Unlimited	17	0.13	Mixed	0	1	1	2	No	Non-Vacant	0.31	30.5%	1962	0.43	No	023-NON-CONFORMING RES	
1465 38TH AVE	23	034-181-18				C-C	C-C	0	Unlimited	17	1.29	Mixed	11	3	8	22	No	Non-Vacant	0.56	56.3%	1988	0.67	No	322-MINI STORAGE	
1404 38TH AVE	24	034-164-41				C-C	C-C	0	Unlimited	25	1.40	Mixed	18	5	12	35	Yes	Non-Vacant	0.10	10.2%	1990	0.98	No	615-OTHER SPORTS CENTER	Agility Boulders Gym; Assuming 25 du/ac
1475 41ST AVE	25	034-151-20				C-C	C-C	0	Unlimited	17	3.00	Mixed	26	8	17	51	Yes	Non-Vacant	0.34	33.9%	1974	1.41	No	160-MAJOR SHOPPING CENTER	Exception - Only utilizing 3.0 ac of site (parking lot)
1395 41ST AVE	26	034-164-12	C	No	Potential	C-C	C-C	0	Unlimited	17	0.44	Mixed	4	1	3	8	No	Non-Vacant	0.27	26.7%	1985	0.89	No	131-MULTI STORES/OFFICES	
4055 BROMMER ST A	27	034-164-09	C	No	Potential	C-C	C-C	0	Unlimited	17	0.12	Mixed	1	0	1	2	No	Non-Vacant	0.46	46.1%	1962	0.24	Yes	030-SINGLE DUPLEX; non-conforming use	
1355 41ST AVE	28	034-164-13	C	No	Potential	C-C	C-C	0	Unlimited	17	0.20	Mixed	2	0	1	3	No	Non-Vacant	0.21	20.7%	1954	0.52	Yes	028-SFR + SECOND UNIT; non-conforming use	
1098 38TH AVE	29	034-172-01				R-M	RM-M	0	15.0	15	1.98	Low	52	0	0	52	Yes	Non-Vacant	0.36		n/a	n/a	Yes	742-CONVALESCENT HOSPITAL; discontinued use	Rehab - No existing units; 52-unit project
4180 GROSS RD	30	034-141-23				C-R	C-R	0	Unlimited	21	2.82	Mixed	30 59	9 0	29 0	59	No	Non-Vacant	0.41	27.6%	1977	1.53	Yes	322-MINI STORAGE; non-conforming use	
4205 CLARES ST	31	034-222-06				R-M	RM-L	0	9.9	10	0.34	Mixed	0	1	1	2	No	Non-Vacant	0.18		1978	3.69	No	033-TRIPLEX	
4180 CLARES ST	32	034-201-42				R-M	RM-M	0	15.0	15	0.29	Mixed	0	1	2	3	No	Non-Vacant	0.31		1949	4.18	No	020-SINGLE RESIDENCE	
1970 41ST AVE	33	034-201-11				C-R	C-R	0	Unlimited	21	0.53	Mixed	6	2	3	11	No	Non-Vacant	0.02	1.1%	n/a	0.07	No	192-COMMERCIAL PARKING	
1840 41ST AVE	34	034-131-15				C-R	C-R	0	Unlimited	21	0.69	Mixed	7	2	5	14	Yes	Non-Vacant	0.29	19.0%	1984	1.18	No	131-MULTI STORES/OFFICES	
1710 44TH AVE A	35	034-124-21				R-M	RM-L	0	9.9	15	5.91	Mixed	8	3	5	16	No	Non-Vacant	0.20		1979	3.09	No	044-41 - 60 UNITS	Capitola Gardens; 0.8 ac available; Assign AHO
4243 CAPITOLA RD	36	034-121-18				MU-N	MU-N	0	Unlimited	17	0.23	Mixed	0	1	3	4	Yes	Non-Vacant	0.35	35.3%	1978	1.29	No	171-MULTI OFFICES/1 BLDG	
4401 CAPITOLA RD	37	034-123-05				MU-N	MU-N	0	Unlimited	17	0.63	Low	36	0	0	36	Yes	Non-Vacant	0.14	13.5%	1985	1.01	No	171-MULTI OFFICES/1 BLDG	The Bluffs; No existing units; 36-unit project
4401 CAPITOLA RD	38	034-124-18				MU-N	MU-N	0	Unlimited	17	0.18	Mixed	0	1	2	3	Yes	Non-Vacant	0.30	29.9%	n/a	0.00	No	110-VACANT COMMERCIAL LAND	

Site Address	Site #	APN	Consolidated Sites	Single Owner	Shared Access	GP Existing	Zoning Existing	Density Min	Density Max	Density Realistic	Acres	Income Category	Units Lower	Units Mod	Units Above	UNITS Realistic Capacity	Developer Interest	Vacant/ Non-Vacant	FAR	% of Max FAR	Building Age	Improv. / Land Ratio	Discontinued/ Non-Conforming Use	Existing Uses	Special Considerations
4525 CAPITOLA RD	39	034-124-06				MU-N	MU-N	0	Unlimited	17	0.12	Mixed	0	1	1	2	No	Non-Vacant	0.33	33.3%	1949	0.33	No	020-SINGLE RESIDENCE	Congregational; Assigned 2 units
4625 CAPITOLA RD	40	034-022-19				MU-N	MU-N	0	Unlimited	17	0.12	Mixed	0	1	1	2	No	Vacant	0.03	3.1%	n/a	0.00	No	110-VACANT COMMERCIAL LAND	Vacant
4655 CAPITOLA RD	41	034-022-18				MU-N	MU-N	0	Unlimited	17	0.12	Mixed	0	1	1	2	No	Vacant	0.00	0.0%	n/a	0.00	No	110-VACANT COMMERCIAL LAND	Vacant
1750 WHARF RD	42	034-024-10				MU-N	MU-N	0	Unlimited	17	0.61	Mixed	5	2	3	10	No	Non-Vacant	0.00	0.0%	n/a	0.06	No	192-COMMERCIAL PARKING	
4450 CAPITOLA RD	43	034-111-47				C-C	C-C	0	Unlimited	17	1.07	Mixed	9	3	6	18	Yes	Non-Vacant	0.33	32.9%	1986	1.33	No	171-MULTI OFFICES/1 BLDG	
1430 41ST AVE	44	034-111-52				C-C	C-C	0	Unlimited	17	1.10	Mixed	9	3	7	19	Yes	Non-Vacant	0.34	34.3%	1987	1.03	Yes	160-MAJOR SHOPPING CENTER; discontinued use	
1408 1/2 41ST AVE	45	034-111-36				C-C	C-C	0	Unlimited	17	0.57	Mixed	5	2	3	10	No	Non-Vacant	0.27	27.0%	1961	0.49	No	122-STORE W/ LIVING UNIT	
1210 41ST AVE	46	034-101-36				C-C	C-C	0	Unlimited	17	1.17	Mixed	49 20	3 0	7 0	20	No	Non-Vacant	0.34	33.9%	n/a	7.70	Yes	20-SINGLE STORE; discontinued use	Existing use is discontinued
829 BAY AVE	47	035-381-02				C-C	C-C	0	Unlimited	17	1.82	Mixed	7	2	5	14	No	Non-Vacant	0.12	11.7%	1970s	1.94	No	620-CLUB/LODGE HALL	While exact age is unknown, a Google Earth review indicates the building is consistent in age/style with surrounding structures. Available open space area - 0.8 ac
831 BAY AVE	48	035-381-03	D	No	Yes	C-C	C-C	0	Unlimited	17	0.67	Mixed	6	2	4	12	No	Non-Vacant	0.29	28.6%	1978	1.00	No	171-MULTI OFFICES/1 BLDG	
827 BAY AVE	49	035-381-04	D	No	Yes	C-C	C-C	0	Unlimited	17	0.35	Mixed	3	1	2	6	No	Non-Vacant	0.23	22.7%	1970s	1.19	No	122-STORE W/ LIVING UNIT	While exact age is unknown, a Google Earth review indicates the building is consistent in age/style with surrounding structures.
809 BAY AVE	50	035-021-43				C-C	C-C	0	Unlimited	17	1.70	Mixed	14	0	15	29	No	Non-Vacant	1.52	152.2%	1965	10.72	No	160-MAJOR SHOPPING CENTER	Exception - Only utilizing 1.7 ac of site (parking lot)
830 BAY AVE	51	036-011-22				C-C	C-C	0	Unlimited	17	0.57	Mixed	5	2	3	10	No	Non-Vacant	0.24	24.2%	1973	3.38	No	171-MULTI OFFICES/1 BLDG	
828 BAY AVE	52	036-011-31				C-C	C-C	0	Unlimited	17	0.88	Mixed	6	2	3	11	No	Non-Vacant	0.18	17.7%	1986	0.62	No	120-SINGLE STORE	
911 CAPITOLA AVE	53	036-011-13	E	Yes	Yes	MU-N	MU-N	0	Unlimited	17	0.16	Mixed	1	1	1	3	No	Vacant	0.00	0.0%	n/a	0.00	No	110-VACANT COMMERCIAL LAND; discontinued use	Vacant
911 CAPITOLA AVE	54	036-011-14	E	Yes	Yes	MU-N	MU-N	0	Unlimited	17	0.10	Mixed	1	0	1	2	No	Non-Vacant	0.25	25.0%	n/a	0.00	No	192-COMMERCIAL PARKING; discontinued use	
911 CAPITOLA AVE	55	036-011-12	E	Yes	Yes	MU-N	MU-N	0	Unlimited	17	0.08	Low	1	0	0	1	No	Non-Vacant	0.94	94.4%	1967	0.53	No	191-OTHER COMMERCIAL USE; discontinued use	
911 CAPITOLA AVE A	56	036-011-11	E	Yes	Yes	MU-N	MU-N	0	Unlimited	17	0.18	Mixed	2	0	1	3	No	Non-Vacant	0.22	22.3%	1934	1.03	No	122-STORE W/ LIVING UNIT; discontinued use	
816 BAY AVE	57	036-051-26	F	Yes	Potential	C-C	C-C	0	Unlimited	17	0.38	Mixed	3	1	2	6	No	Non-Vacant	0.16	15.9%	1967	0.32	No	201-FAST FOOD RESTAURANT	
816 BAY AVE A	58	036-051-29	F	Yes	Potential	C-C	C-C	0	Unlimited	17	1.36	Mixed	42 23	4 0	7 0	23	No	Non-Vacant	0.22	22.3%	1971	3.20	No	161-MINOR SHOPPING CENTER	
800 BAY AVE	59	036-051-30	F	Yes	Potential	C-C	C-C	0	Unlimited	17	0.44	Mixed	4	1	2	7	No	Non-Vacant	0.16	16.1%	1936	0.34	Yes	023-NON-CONFORMING RES; non-conforming use	
718 CAPITOLA AVE	60	036-062-11				MU-N	MU-N	0	Unlimited	17	0.86	Mixed	7	2	6	15	No	Non-Vacant	0.24	24.1%	1946	0.86	No	190-MISC MULTI USE	
716 CAPITOLA AVE	61	036-062-12				MU-N	MU-N	0	Unlimited	17	0.50	Mixed	4	1	3	8	No	Non-Vacant	0.43	42.9%	1966	1.45	No	131-MULTI STORES/OFFICES	
712 CAPITOLA AVE	62	036-062-14	G	No	Potential	MU-N	MU-N	0	Unlimited	17	0.27	Mixed	2	1	2	5	No	Non-Vacant	0.23	23.2%	1965	1.43	No	122-STORE W/ LIVING UNIT	
706 CAPITOLA AVE	63	036-062-15	G	No	Potential	MU-N	MU-N	0	Unlimited	17	0.88	Mixed	7	2	6	15	No	Non-Vacant	0.24	24.1%	1965	1.45	No	131-MULTI STORES/OFFICES	
715 CAPITOLA AVE	64	036-051-34	H	Yes	No	MU-N	MU-N	0	Unlimited	17	0.33	Mixed	3	1	2	6	No	Non-Vacant	0.32	32.0%	1980	4.00	No	131-MULTI STORES/OFFICES	
700 BAY AVE	65	036-051-35	H	Yes	No	MU-N	MU-N	0	Unlimited	17	0.50	Mixed	4	1	4	9	No	Non-Vacant	0.35	35.1%	1948	0.57	No	122-STORE W/ LIVING UNIT	
600 BAY AVE	66	036-051-12	H	Yes	No	MU-N	MU-N	0	Unlimited	17	0.29	Mixed	2	1	2	5	No	Vacant	0.00	0.0%	n/a	0.00	No	110-VACANT COMMERCIAL LAND	Vacant
601 BAY AVE	67	035-301-01				MU-N	MU-N	0	Unlimited	17	0.86	Mixed	7	2	6	15	No	Non-Vacant	0.16	16.2%	1974	0.57	No	210-BANK	
605 CAPITOLA AVE	68	035-301-16				MU-N	MU-N	0	Unlimited	17	0.10	Mixed	0	1	1	2	No	Non-Vacant	0.31	30.9%	1925	0.28	No	020-SINGLE RESIDENCE	
603 CAPITOLA AVE	69	035-301-18				MU-N	MU-N	0	Unlimited	17	0.11	Mixed	0	1	1	2	No	Non-Vacant	0.32	32.2%	1910	1.08	No	023-NON-CONFORMING RES	
525 CAPITOLA AVE 1	70	035-093-03				MU-N	MU-N	0	Unlimited	17	0.09	Mixed	0	1	1	2	No	Non-Vacant	0.50	50.1%	1977	0.66	No	180-MEDICAL OFFICE	
523 CAPITOLA AVE	71	035-093-04				MU-N	MU-N	0	Unlimited	17	0.09	Mixed	0	1	1	2	No	Non-Vacant	0.33	33.4%	1966	0.62	No	181-DENTAL OFFICE	
521 CAPITOLA AVE	72	035-093-05				MU-N	MU-N	0	Unlimited	17	0.09	Mixed	0	1	1	2	No	Non-Vacant	0.45	45.4%	1964	0.47	No	180-MEDICAL OFFICE	
519 CAPITOLA AVE	73	035-093-06				MU-N	MU-N	0	Unlimited	17	0.19	Mixed	0	1	2	3	No	Non-Vacant	0.29	29.1%	n/a	2.51	No	171-MULTI OFFICES/1 BLDG	
528 CAPITOLA AVE	74	035-094-29				MU-N	MU-N	0	Unlimited	17	0.38	Mixed	0	2	4	6	No	Non-Vacant	0.36	36.1%	1961	2.71	No	180-MEDICAL OFFICE	
522 CAPITOLA AVE	75	035-094-37				MU-N	MU-N	0	Unlimited	17	0.18	Mixed	0	1	2	3	No	Non-Vacant	0.36	36.2%	1976	0.78	No	171-MULTI OFFICES/1 BLDG	
506 CAPITOLA AVE 1	76	035-094-14				MU-N	MU-N	0	Unlimited	17	0.31	Mixed	0	2	3	5	No	Non-Vacant	0.17	16.7%	1947	1.96	No	041-5 - 10 UNITS	
435 MONTEREY AVE	77	036-072-48				R-1	R-1	0	8.7	40 8.7	5.02	Mixed	5 0	0 3	0 2	5	No	Non-Vacant	0.10	21.7%	n/a	5.10	No	710-CHURCH	Congregational; Assigned 5 units
875 MONTEREY AVE	78	036-041-28	I	Yes	Yes	R-1	R-1	0	8.7	0	1.08	Above	4 0	0	0 1	1	No	Non-Vacant	0.16	32.6%	n/a	0.00	No	711-OTHER CHURCH PROPERTY	Congregational

Site Address	Site #	APN	Consolidated Sites	Single Owner	Shared Access	GP Existing	Zoning Existing	Density Min	Density Max	Density Realistic	Acres	Income Category	Units Lower	Units Mod	Units Above	UNITS Realistic Capacity	Developer Interest	Vacant/ NonVacant	FAR	% of Max FAR	Building Age	Improv. / Land Ratio	Discontinued/ Non-Conforming Use	Existing Uses	Special Considerations	
875 MONTEREY AVE	79	036-041-26	J	Yes	Yes	R-1	R-1	0	8.7	8.7	1.99	Mixed	3 0	0 2	0 1	3	No	Non-Vacant	0.30	61.6%	1972	15.15	No	710-CHURCH	Congregational; Assigned 5 units	
837 MONTEREY AVE	80	036-195-02	J	Yes	Yes	R-1	R-1	0	8.7	0	0.07	Above	4 0	0	0 1	1	No	Non-Vacant	0.12	21.1%	n/a	n/a	No	801-UTILITY WATER COMPANY	Congregational	
													716	180	1,615	2,511										

APPENDIX E: AFFIRMATIVELY FURTHERING FAIR HOUSING

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Appendix E: Affirmatively Furthering Fair Housing (AFFH)

A. Introduction and Overview of AB 686

Assembly Bill 686 requires the inclusion in the Housing Element of an analysis of barriers that restrict access to opportunity¹ and a commitment to specific meaningful actions to affirmatively further fair housing.² AB 686 mandates that local governments identify meaningful goals to address the impacts of systemic issues such as residential segregation, housing cost burden, and unequal educational or employment opportunities to the extent these issues create and/or perpetuate discrimination against protected classes.³ In addition, AB 686:

- Requires the state, cities, counties, and public housing authorities to administer their programs and activities related to housing and community development in a way that affirmatively furthers fair housing;
- Prohibits the state, cities, counties, and public housing authorities from taking actions materially inconsistent with their AFFH obligation;
- Requires that the AFFH obligation be interpreted consistent with HUD’s 2015 regulation, regardless of federal action regarding the regulation;
- Requires an AFFH analysis in the Housing Element (an existing planning process that California cities and counties must complete); and
- Includes in the Housing Element’s AFFH analysis a required examination of issues such as segregation and resident displacement, as well as the required identification of fair housing goals.
- Requires an assessment of fair housing to the Housing Element that includes the following components: a summary of fair housing issues and assessment of the City’s fair housing enforcement and outreach capacity;

1 While California’s Department of Housing and Community Development (HCD) does not provide a definition of opportunity, opportunity is usually related to access to resources and improvement of quality of life. HCD and the California Tax Credit Allocation Committee (TCAC) have created Opportunity Maps to visualize place-based characteristics linked to critical life outcomes, such as educational attainment, earnings from employment, and economic mobility.

2 “Affirmatively furthering fair housing” is defined to mean taking meaningful actions that “overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity” for communities of color, persons with disabilities, and others protected by California law.

3 A protected class is a group of people sharing a common trait who are legally protected from being discriminated against on the basis of that trait.

an analysis of segregation patterns and disparities in access to opportunities, an assessment of contributing factors, and an identification of fair housing goals and actions.

1. Analysis Requirements

An assessment of fair housing must consider the elements and factors that cause, increase, contribute to, maintain, or perpetuate segregation, racially or ethnically concentrated areas of poverty, significant disparities in access to opportunity, and disproportionate housing needs.⁴ The analysis must address patterns at a regional and local level and trends in patterns over time. This analysis should compare the locality at a county level or even broader regional level such as a Council of Governments, where appropriate, for the purposes of promoting more inclusive communities.

For the purposes of this AFFH, “Regional Trends” describes trends in Santa Cruz County. “Local Trends” describes trends specific to the City of Capitola.

2. Sources of Information

The City uses a variety of data sources for the assessment of fair housing at the regional and local level. Sources include:

- California Department of Housing and Community Development (HCD) AFFH Data Viewer 2.0.
- U.S. Census Bureau’s Decennial Census (referred to as “Census”) and American Community Survey (ACS).
- U.S. Department of Housing and Urban Development (HUD) Comprehensive Housing Affordable Strategy (CHAS) reports (based on the 2015-2019 ACS).

Some of these sources provide data on the same topic, but because of different methodologies, the resulting data differ. For example, the decennial census and ACS report slightly different estimates for the total population, number of households, number of housing units, and household size. This is in part because ACS provides estimates based on a small survey of the population taken over the course of the whole year.⁵ Because of the survey size and seasonal

4 Gov. Code, §§65583, subds. (c)(10)(A), (c)(10)(B), 8899.50, subds. (a), (b), (c); see also AFFH Final Rule and Commentary (AFFH Rule), 80 Fed. Reg. 42271, 42274, 42282-42283, 42322, 42323, 42336, 42339, 42353-42360, esp. 42355-42356 (July 16, 2015). See also 24 C.F.R. §§ 5.150, 5.154(b)(2) (2016).

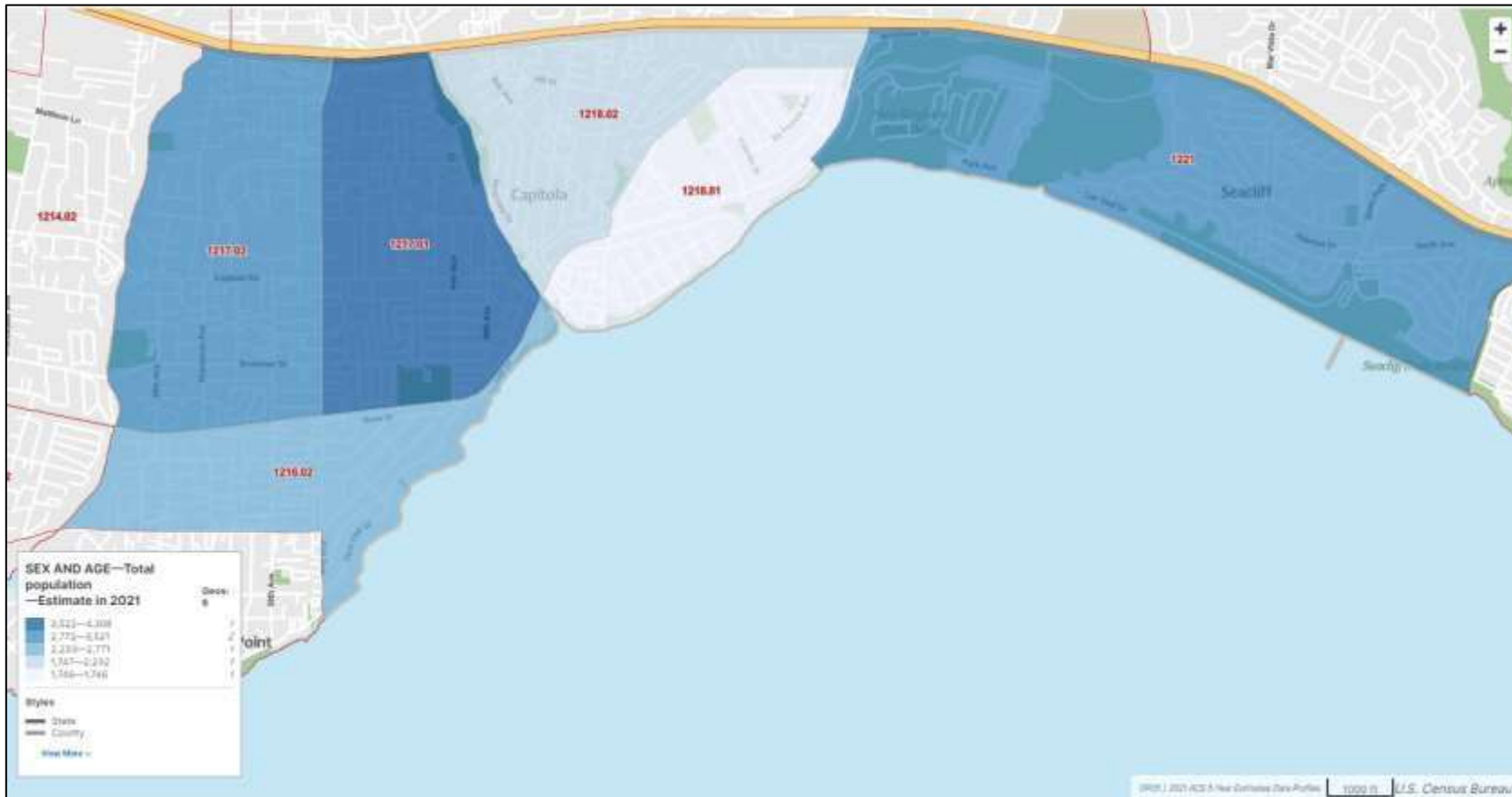
5 The American Community Survey is sent to approximately 250,000 addresses in the United States monthly (or 3 million per year). It regularly gathers information previously contained only in the long form of the decennial census. This information is then averaged to create an estimate reflecting a 1- or 5-year reporting period (referred to as a “5-year estimate”). 5-year estimates have a smaller margin of error due to the longer reporting period and are used throughout this AFFH analysis.

population shifts, some information provided by the ACS is less reliable. For this reason, the readers should keep in mind the potential for data errors when drawing conclusions based on the ACS data used in this chapter. The information is included as it provides an indication of possible trends.

In addition, HCD has developed a statewide AFFH Data Viewer. The AFFH Data Viewer consists of map data layers from various data sources and provides options for addressing each of the components within the full scope of the assessment of fair housing.

Figure E-1 shows the Census tracts in Capitola that will be referred to throughout this Assessment of Fair Housing Issues.

Figure E-1: Capitola Census Tracts and Populations (2021)



Source: 2017-2021 ACS (5-Year Estimates).

B. Assessment of Fair Housing Issues

1. Fair Housing Enforcement and Outreach

Regional Trends

Federal fair housing laws prohibit discrimination based on race, color, religion, national origin, sex/gender, handicap/disability, and familial status. Specific federal legislation and court rulings include:

- **The Civil Rights Act of 1866** – covers only race and was the first legislation of its kind
- **The Federal Fair Housing Act 1968** – covers refusal to rent, sell, or finance to protected classes
- **The Fair Housing Amendment Act of 1988** – added the protected classes of handicap and familial status
- **The Americans with Disabilities Act (ADA)** – covers public accommodations in both businesses and in multifamily housing developments
- **Rehabilitation Act of 1973** – expanded federal programs and services for persons with disabilities
- **Shelly v. Kramer 1948** – made it unconstitutional to use deed restrictions to exclude individuals from housing based on race
- **Jones v. Mayer 1968** – made restrictive covenants based on race illegal and unenforceable

California state fair housing laws protect the same classes as the federal laws with the addition of marital status, ancestry, source of income, sexual orientation, and arbitrary discrimination. Specific state legislation and regulations include:

- **Unruh Civil Rights Act** – extends to businesses and covers age and arbitrary discrimination
- **California Fair Employment and Housing Act (Rumford Act)** – covers the area of employment and housing, with the exception of single-family houses with no more than one roomer/boarder
- **California Civil Code Section 53** – takes measures against discriminatory restrictive covenants
- **Department of Real Estate Commissioner’s Regulations 2780-2782** – defines disciplinary actions for discrimination, prohibits panic selling and affirms the broker’s duty to supervise
- **Business and Professions Code** – covers people who hold licenses, including real estate agents, brokers, and loan officers
- **Government Code Section 65008** - prohibits a local government from using public or private land practices, decisions or authorizations to discriminate against low or moderate-income families or individuals.

- **Government Code Section 8899.50** - defines and requires public agencies to affirmatively further fair housing.
- **Government Code Section 11135** – no person shall be unlawfully denied full and equal access to the benefits of, or be unlawfully subjected to discrimination under, any program or activity that is conducted by the state or funded/receives financial assistance from the state.

The City complies with applicable federal and state fair housing laws to ensure that housing is available to all persons without regard to race, color, religion, national origin, disability, familial status, or sex.

Fair housing enforcement and outreach capacity relates to the ability of a locality and fair housing entities to disseminate information related to fair housing and provide outreach and education to assure community members are aware of fair housing laws and rights. In addition, enforcement and outreach capacity includes the ability to address compliance with fair housing laws, such as investigating complaints, obtaining remedies, and engaging in fair housing testing. The following organizations provide legal assistance and mediation services to Santa Cruz County residents:

- **California Rural Legal Assistance (CRLA)** – Nonprofit law firm that provides a full range of legal services to low-income residents of Santa Cruz and San Benito County who are under the age of 62. Services include legal information, representation, and advocacy.
- **Senior Citizens’ Legal Services** – Nonprofit law firm that provides a full range of legal services to low-income residents in Santa Cruz County aged 62 and older. Services include legal information, representation, and advocacy.
- **Conflict Resolution Center of Santa Cruz County** – Nonprofit organization that provides affordable tools, training, and guided mediation processes for people in conflict. Services include housing mediation, counseling, conflict consultation, and mediation training.
- **Tenant Sanctuary** – Nonprofit organization in the City of Santa Cruz that offers information, education, housing counseling, and advocacy to help renters understand and assert their rights.
- **Watsonville Law Center** – Nonprofit organization that provides free legal services to low-income individuals on the Central Coast.
- **Lawyer Referral Service of Santa Cruz County** – A low-cost attorney referral agency.
- **Self-Help Center of the Superior Court of California, Santa Cruz** – Free assistance to self-represented customers for basic legal issues.

- **Santa Cruz Law Library** – Free access to legal information and free assistance with finding the best resources for legal research.
- **Tenant Power Toolkit** – Collaborative organization that assists with tenant-landlord law issues.

HUD’s Office of Fair Housing and Equal Opportunity implements federal fair housing laws and investigates fair housing complaints. **Figure E-2** shows FHEO cases by city in the region in 2022. In most jurisdictions, including Capitola, the FHEO opened less than one case per 1,000 people per year. Aptos and Moss Landing have higher FHEO case rates of 1.26 and 90.9 per 1,000 people, respectively. However, Moss Landing has a population of only 11.

According to the HCD AFFH Data Viewer 2.0, 155 total cases were filed through FHEO between 2006 and 2020. This amounts to approximately 0.58 cases per 1,000 people, a higher rate compared to Santa Clara County (0.40), San Mateo County (0.43), and Monterey County (0.36). While there were 155 cases filed, a single case may be filed with multiple bases for discrimination. A total of 170 bases of discrimination were filed during this period. A majority of cases were filed based on disability status (115 cases), representing 67.6% of all cases filed. An additional 28 (16.5%) were filed on the basis of retaliation, 15 on familial status (8.8%), 13 on race (7.6%), 12 on national origin (7.1%), 12 on sex (7.1%), two on religion (1.2%), and one on color (0.6%). Of the cases filed on the basis

of race, 11 were filed with a Black or African American race basis.

Figure E-2: Regional FHEO Cases by City (2022)



Source: HCD AFFH Data Viewer (2013-2022 HUD), 2023

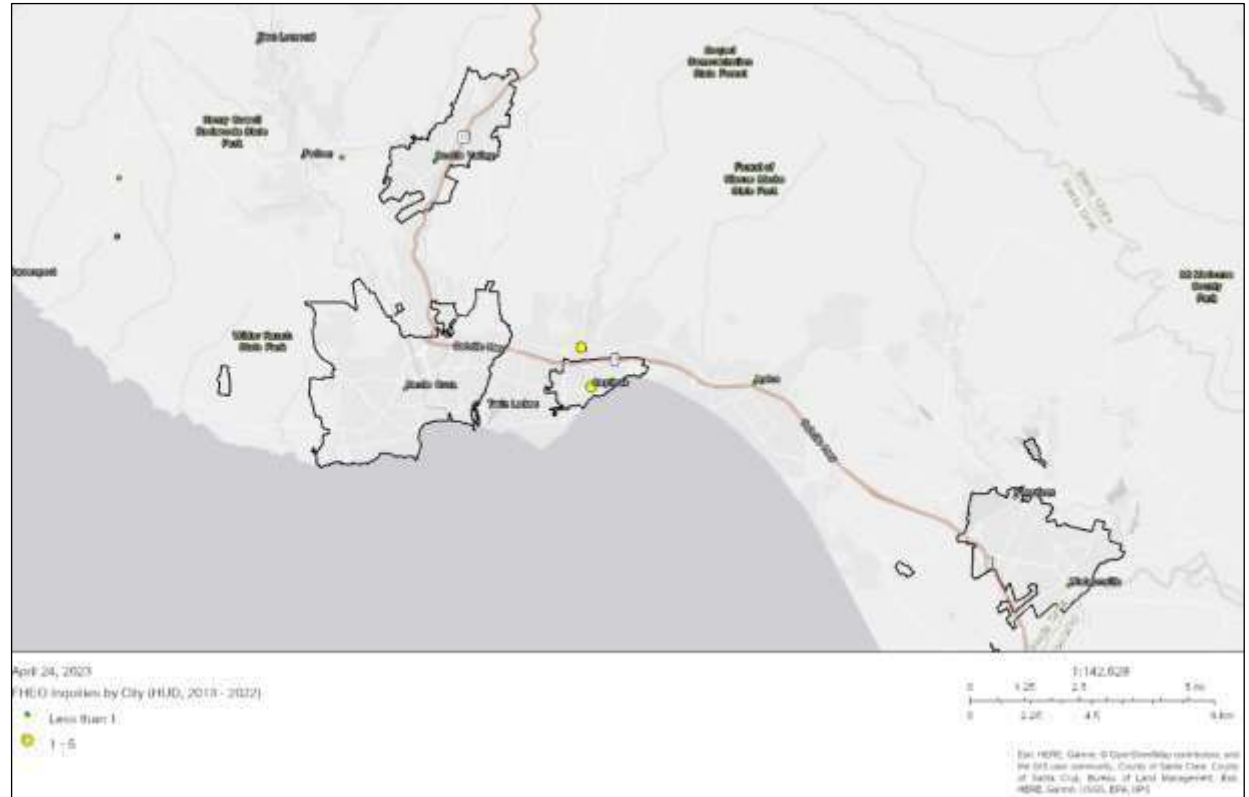
Local Trends

The HCD Data Viewer 2.0 provides both FHEO inquiries and cases at the City level (Figure E-3). While FHEO inquiries are not official cases, there is still value to identify concerns that residents have about possible discrimination. These inquiries may not have been pursued by the resident for any number of reasons. Inquiries may have multiples bases of discrimination.

Between 2013 and 2022, the FHEO recorded 11 total inquiries from Capitola residents. Of the 11 inquiries, 5 had no given basis, 5 were on the basis of disability, and 1 was on the basis of familial status. The 11 inquiries represent 1.1 inquiries per 1,000 people in

the City. The rate of inquiries in Capitola is comparable to Soquel, but higher than the City of Santa Cruz, Scotts Valley, Watsonville, and most other adjacent jurisdictions.

Figure E-3: FHEO Inquiries by City (2022)



Source: HCD AFFH Data Viewer (2013-2022 HUD), 2023.

Only two discrimination cases were officially filed through FHEO by Capitola residents between 2013 and 2022. One case was filed on the basis of sex and the other was filed with no specific basis. The two cases account for 0.2 cases per 1,000 people in Capitola. The rate of FHEO cases in the City is comparable to most neighboring jurisdictions.

2. Integration and Segregation

a. Race/Ethnicity

Ethnic and racial composition of a region is useful in analyzing housing demand and any related fair housing concerns, as it tends to demonstrate a relationship with other characteristics such as household size, locational preferences, and mobility. For example, prior studies have identified socioeconomic status, generational care needs, and cultural preferences as factors associated with “doubling up”- households with extended family members and non-kin. These factors have also been associated with ethnicity and race. Other studies have also found minorities tend to congregate in metropolitan areas though their mobility trend predictions are complicated by economic status (minorities moving to the suburbs when they achieve middle class) or immigration status (recent immigrants tends to stay in metro areas/ports of entry).

In addition to an analysis of regional, local, and geographical racial/ethnic population trends over time, HUD provided dissimilarity indices to analyze segregation patterns. Dissimilarity indices are used to measure the evenness with which two groups (frequently defined on racial or ethnic characteristics) are distributed across the geographic units, such as tracts within a community. The index ranges from 0 to 1, with 0 denoting no segregation and 1 indicating complete segregation between the two groups. The index score can be understood as the percentage of one of the two groups that would need to move to produce an even distribution of racial/ethnic groups within the specified area. For example, an index score above 0.60 indicates 60% of people in the specified area would need to move to eliminate segregation. The following shows how HUD views various levels of the index:

- <0.40: Low Segregation
- 0.40-0.54: Moderate Segregation
- >0.55: High Segregation

Regional Trends

Table E-1 shows racial/ethnic populations in Santa Cruz County, Capitola, and neighboring cities. Countywide, 56.1% of the population is White and 34% of the population is Hispanic or Latino. All selected jurisdictions except Watsonville have White populations exceeding the countywide average of 56.1%. Scotts Valley has the largest population of 78%. In comparison, Watsonville has a White population of only 12% and a Hispanic/Latino population of 84%. Los Gatos and the City of Santa Cruz have the largest Asian populations of 16.6% and 10.6%, respectively. As presented in Figure E-4, block groups with larger racial/ethnic minority populations, or non-White populations, are more concentrated in southern Santa Cruz County and Monterey County, as well as the area in and around San Jose City area north of Capitola. The central Santa Cruz County areas, including unincorporated block groups and the cities of Santa Cruz and Capitola, tend to be comprised of block groups with racial/ethnic minority populations.

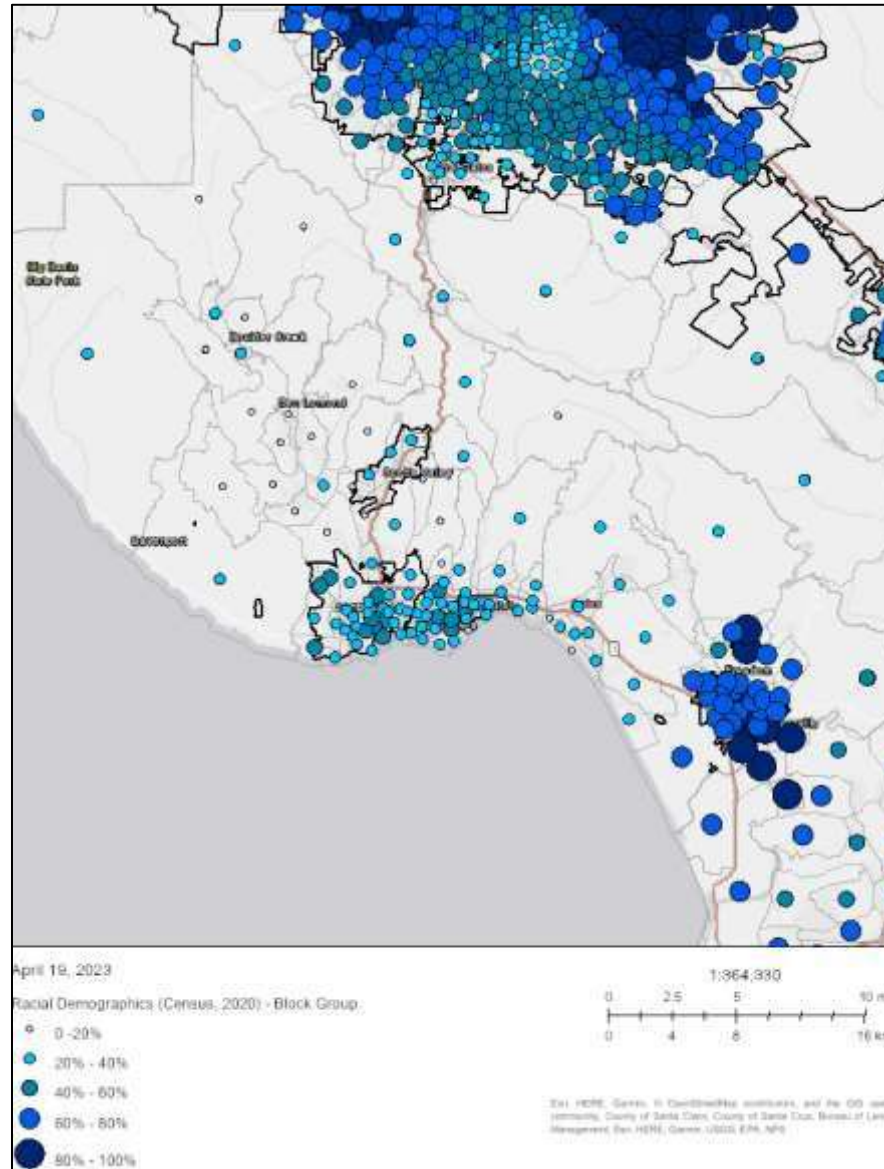
As presented in Figure E-5, most tracts in the central Santa Cruz County areas have low-medium segregation or high White segregation. Tracts in the San Jose City area and in parts of southern Santa Cruz County have high person-of-color (POC) segregation, consistent with the overall demographics shown in Figure E-5.

Table E-1: Racial/Ethnic Composition of Santa Cruz County and Neighboring Cities

	Santa Cruz County	Capitola	Los Gatos	Santa Cruz (City)	Scotts Valley	Watsonville
White alone	56.1%	66.0%	70.1%	60.8%	77.7%	11.9%
Black or African American alone	0.8%	0.2%	0.8%	1.8%	0.4%	0.5%
American Indian and Alaska Native alone	0.1%	0.4%	0.0%	0.1%	0.0%	0.0%
Asian alone	4.7%	6.3%	16.6%	10.6%	5.8%	2.5%
Native Hawaiian and Other Pacific Islander alone	0.1%	0.0%	0.0%	0.1%	0.0%	0.0%
Some other race alone	0.4%	0.0%	0.4%	0.5%	0.4%	0.3%
Two or more races	3.6%	3.8%	3.9%	5.1%	3.5%	0.5%
Hispanic or Latino	34.0%	23.3%	8.3%	21.1%	12.1%	84.3%
Total	272,138	10,041	33,309	62,714	12,317	52,966

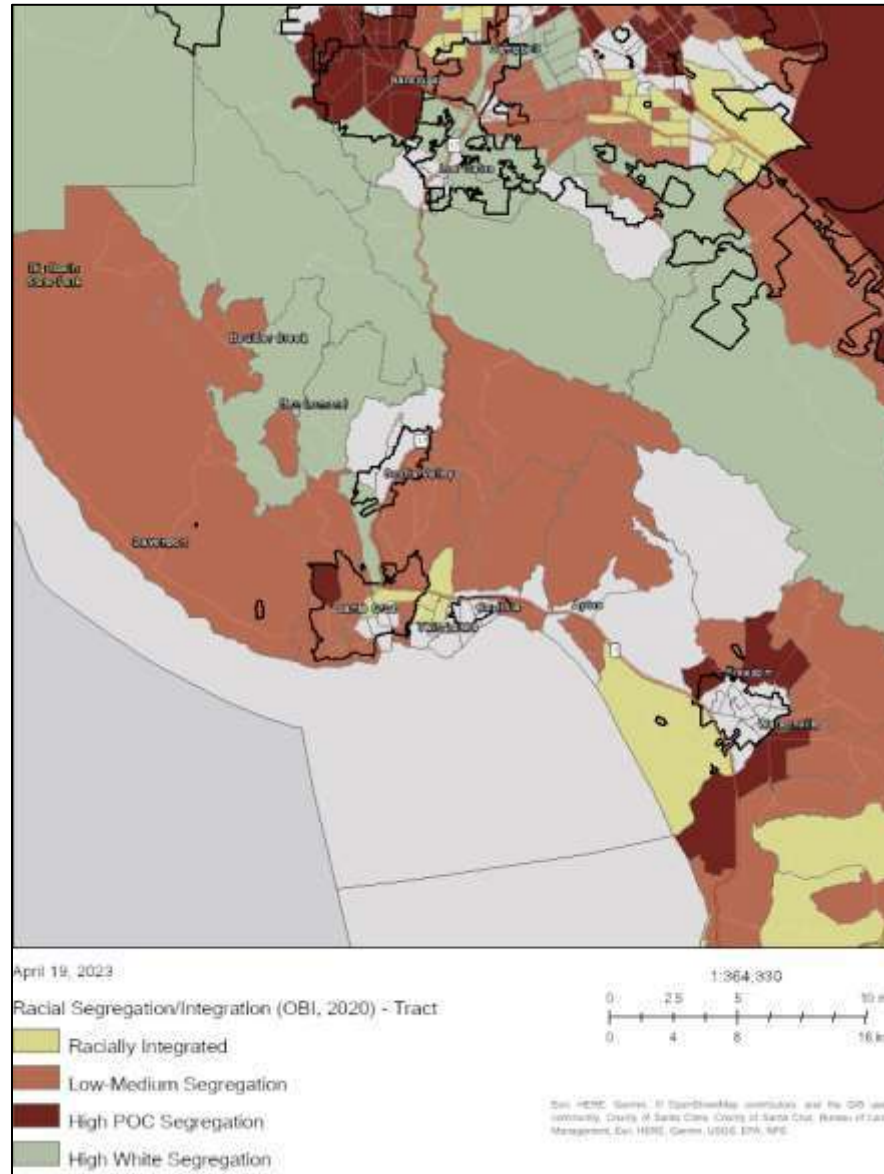
Source: 2017-2021 ACS (5-Year Estimates).

Figure E-4: Regional Racial/Ethnic Minority Population by Block Group (2020)



Source: HCD AFFH Data Viewer 2.0 (2020 Census), 2023.

Figure E-5: Regional Racial Segregation by Tract (2020)



Source: HCD AFFH Data Viewer 2.0 (OBI, 2020), 2023.

Dissimilarity indices for Santa Cruz County are shown in Table E-2. According to HUD’s definition of the index, non-White and White populations countywide are moderately segregated. Segregation between Black and White populations and Asian/Pacific Islander and White populations is considered low, while Hispanic and White populations are highly segregated. Since 1990 dissimilarity indices for the non-White and White populations have increased indicating that segregation has increased countywide.

Table E-2: Dissimilarity Indices – Santa Cruz County (1990-2020)

	1990	2000	2010	Current
Non-White/White	47.26	47.95	47.66	53.07
Black/White	28.09	25.72	24.17	33.62
Hispanic/White	54.15	56.53	55.36	58.29
Asian and Pacific Islander/White	26.87	24.76	27.39	35.21

HUD dissimilarity indices are available for entitlement jurisdictions only. HUD dissimilarity indices are not available for Capitola alone.
 Source: HUD AFFH-T Data – Dissimilarity Indices, 2020.

Local Trends

Table E-3 shows the racial and ethnic makeup of Capitola’s population. The White population makes up the largest share of the population citywide, representing 66%. Since the 2006-2010 ACS, the White population has decreased 10.6%. The Black/African American population, Native Hawaiian and other Pacific Islander population, and population of some other race have also decreased. The Asian and American Indian and Alaska Native populations have seen the largest increases of 112% and 80%, respectively. The Hispanic/Latino population has also grown, representing 16.5% of the population during the 2006-2010 ACS and 23.3% of the population during the 2017-2021 ACS.

Consistent with the citywide demographics, all Capitola tracts have White majority populations. As shown in Figure E-6, there are two block groups in Capitola where more than 40% of the population is non-White. The first is bound by Soquel Wharf Road and 41st Avenue and the second is bound by 30th Avenue and 41st Avenue. It is relevant to note that the second block group mentioned encompasses part of Capitola and part of the unincorporated County area west of the City. Both block groups are on the western side of the City. Since the 2010 Census, shown in Figure E-7, all block groups have seen an increase in non-White populations, consistent with the decrease in the White population citywide.

Like the 2020 Census data in Figure E-6, block group data using the 2010 Census shows the western block groups mentioned previously have larger non-White populations compared to all other block groups.

Table E-3: Change in Racial/Ethnic Minority Population (2006-2021)

Race/Ethnicity	2006-2010		2017-2021	
	Persons	Percent	Persons	Percent
White alone	7,410	75.6%	6,624	66.0%
Black or African American alone	109	1.1%	24	0.2%
American Indian and Alaska Native alone	20	0.2%	36	0.4%
Asian alone	299	3.1%	634	6.3%
Native Hawaiian and Other Pacific Islander alone	88	0.9%	0	0.0%
Some other race alone	41	0.4%	0	0.0%
Two or more races	212	2.2%	381	3.8%
Hispanic or Latino	1,622	16.5%	2,342	23.3%
Total	9,801	100.0%	10,041	100.0%

Source: 2006-2010 and 2017-2021 ACS (5-Year Estimates).

Figure E-6: Racial/Ethnic Minority Population by Block Group (2020)



Source: HCD AFFH Data Viewer 2.0 (2020 Census), 2023.

Figure E-7: Racial/Ethnic Minority Population by Block Group (2010)



Source: HCD AFFH Data Viewer 2.0 (2020 Census), 2023.

b. Persons with Disabilities

Persons with disabilities have special housing needs because of the lack of accessible and affordable housing, and the higher health costs associated with their disability. In addition, many may be on fixed incomes that further limits their housing options. Persons with disabilities also tend to be more susceptible to housing discrimination due to their disability status and required accommodations associated with their disability.

Regional Trends

According to the 2017-2021 American Community Survey (ACS) 5-year estimates, 11.3% of the Santa Cruz County population reported having one of six disability types listed in the ACS (hearing, vision, cognitive, ambulatory, self-care difficulties, and independent living difficulties). The percentage of residents detailed by disability are listed in Table E-4 below. The Native Hawaiian and other Pacific Islander population has the highest disability rate of 24.5%, followed by the American Indian and Alaska Native population (18.3%), Black/African American population (12.3%), and non-Hispanic White population (12.2%). All other racial/ethnic groups have disability rates below the County average of 11.3%.

Elderly populations are significantly more likely to experience disability. Approximately 45% of the population aged 75 and older experiences a disability compared to 18.2% of the population aged 65 to 74 and 10.1% of the population aged 35 to 64. Cognitive difficulties and independent living difficulties are the most common disability types in the County, where 5.1% and 5% of the population experiences each, respectively.

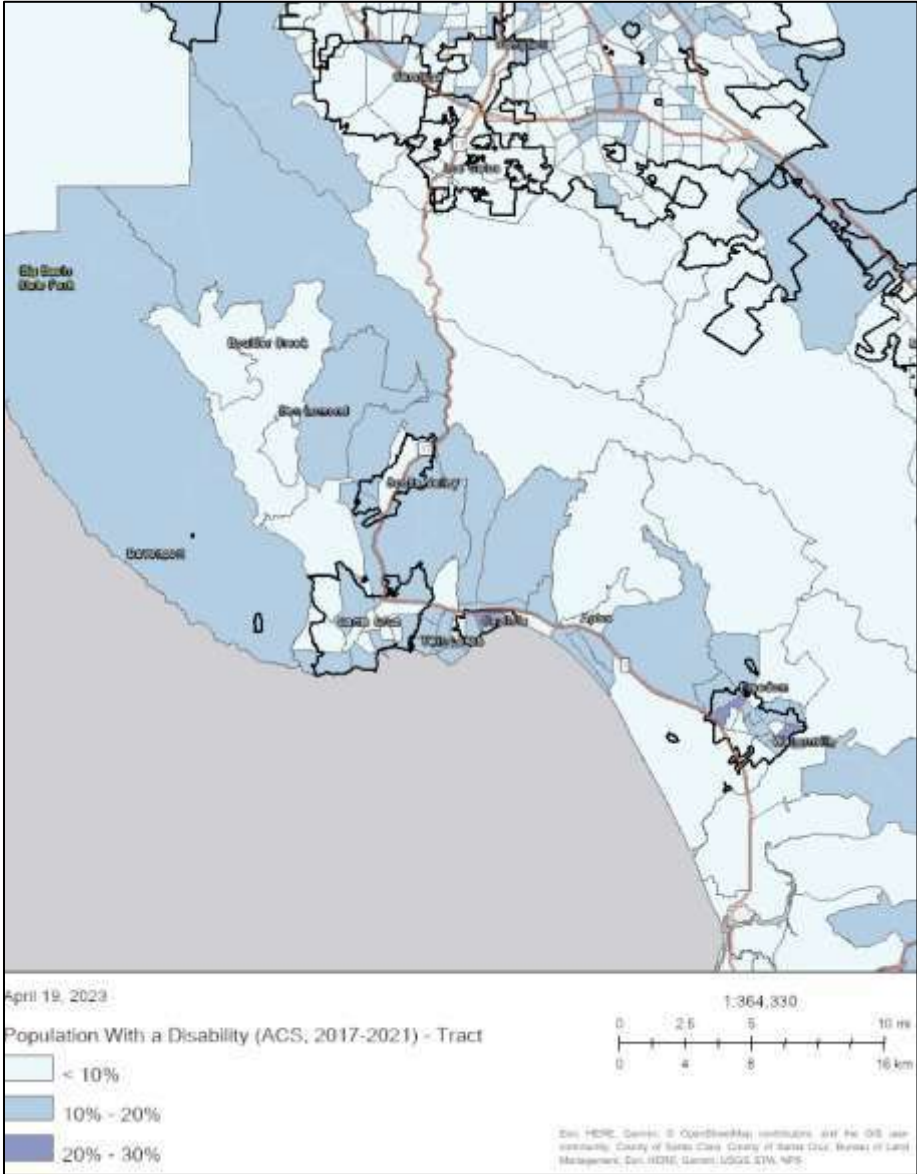
Table E-4: Populations of Persons with Disabilities – Santa Cruz County (2021)

	Total Population	Percent with Disability
Total civilian noninstitutionalized population	270,860	11.3%
Race/Ethnicity		
White alone	185,587	11.9%
Black or African American alone	2,983	12.3%
American Indian and Alaska Native alone	1,819	18.3%
Asian alone	13,419	9.9%
Native Hawaiian and Other Pacific Islander alone	564	24.5%
Some other race alone	40,432	9.7%
Two or more races	26,056	9.2%
White alone, not Hispanic or Latino	152,065	12.2%
Hispanic or Latino (of any race)	92,252	10.1%
Age		
Under 5 years	13,075	2.3%
5 to 17 years	38,861	6.4%
18 to 34 years	72,797	7.2%
35 to 64 years	100,788	10.1%
65 to 74 years	29,515	18.2%
75 years and over	15,824	44.9%
Type		
With a hearing difficulty	–	3.5%
With a vision difficulty	–	2.2%
With a cognitive difficulty	–	5.1%
With an ambulatory difficulty	–	4.8%
With a self-care difficulty	–	2.3%
With an independent living difficulty	–	5.0%

Source: 2017-2021 ACS (5-Year Estimates).

Populations of persons with disabilities at the tract-level are presented in Figure E-8. In nearly all tracts in the region surrounding Capitola, less than 20% of the population experiences a disability. There are two tracts in Watsonville and one tract in Capitola where more than 20% of the population has a disability. Beyond these tracts, persons with disabilities are generally not concentrated in a single area of the region.

Figure E-8: Regional Populations of Persons with Disabilities by Tract (2021)



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

Local Trends

As presented in Table E-5, Capitola has a larger population of persons with disabilities compared to the County (15% vs. 11.3%). In Capitola, the American Indian and Alaska Native population has the highest disability rate of 39%, followed by the non-Hispanic White population (18.6%). The disability rate amongst the population aged 75 and older in Capitola, 53.5%, is significantly higher than the rate for this age group countywide (44.9%). Like the countywide trend, cognitive difficulties and independent living difficulties are the most common disability types in the City.

The population of persons with disabilities in Capitola in excess of the countywide trend is likely, in part, due to the population of elderly adults residing in the City. According to the 2017-2021 ACS, the population aged 65 and older in Santa Cruz County represents 16.8% of the countywide population compared to 22.3% in Capitola. Further, the population aged 75 and older represents 8.6% of the population in Capitola compared to 5.9% countywide.

Table E-5: Populations of Persons with Disabilities – Capitola (2021)

	Total Population	Percent with Disability
Total civilian noninstitutionalized population	9,938	15.0%
Race/Ethnicity		
White alone	8,060	16.3%
Black or African American alone	24	0.0%
American Indian and Alaska Native alone	59	39.0%
Asian alone	632	10.0%
Native Hawaiian and Other Pacific Islander alone	26	0.0%
Some other race alone	498	9.8%
Two or more races	639	5.6%
White alone, not Hispanic or Latino	6,540	18.6%
Hispanic or Latino (of any race)	2,328	8.1%
Age		
Under 5 years	213	0.0%
5 to 17 years	1,271	9.1%
18 to 34 years	1,989	4.7%
35 to 64 years	4,318	15.5%
65 to 74 years	1,371	13.9%
75 years and over	776	53.5%

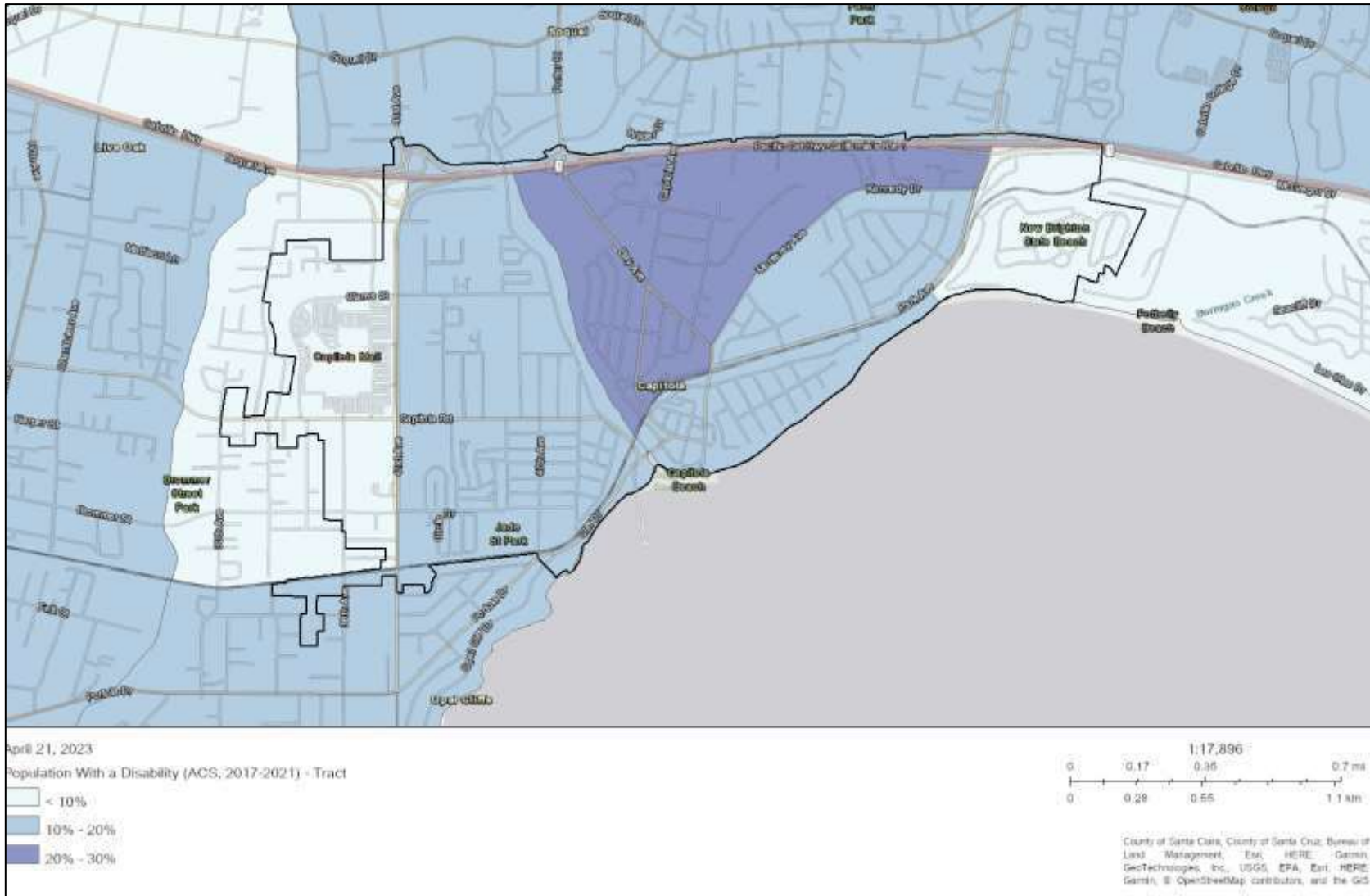
Type	Total Population	Percent with Disability
With a hearing difficulty	--	4.8%
With a vision difficulty	--	3.1%
With a cognitive difficulty	--	8.6%
With an ambulatory difficulty	--	6.6%
With a self-care difficulty	--	4.5%
With an independent living difficulty	--	8.2%

Source: 2017-2021 ACS (5-Year Estimates).

There is one tract in Capitola where more than 20% of the population experiences a disability (Figure E-9). This tract is located in the center of the City, bound by the Pacific Coast Highway (PCH), Monterey Avenue, and Soquel Wharf Drive. The tracts adjacent to the central tract to the east and west have populations of persons with disabilities between 10% and 20%, while the far eastern and western tracts have populations of persons with disabilities below 10%. It is relevant to note that the far eastern and western tracts also include unincorporated County areas outside the City boundaries.

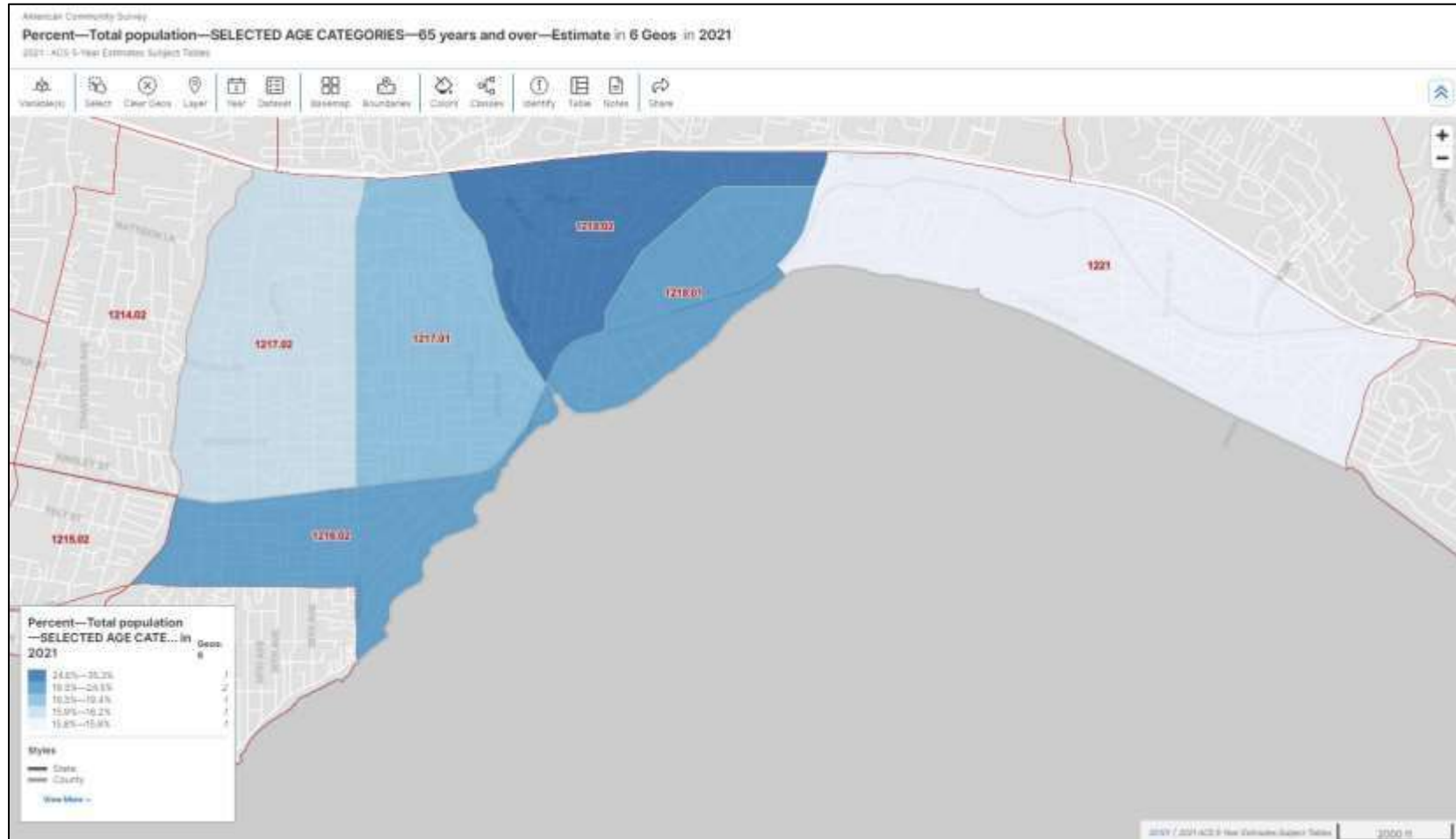
Populations of persons aged 65 and older by tract using the 2017-2021 ACS are shown in Figure E-10. Consistent with the populations of persons with disabilities, the central tract, tract 1218.02, has the largest population aged 65 and older. Tract 1218.02 is generally bound by the PCH, Soquel Wharf Road, and Monterey Avenue. Tracts 1218.01 (bound by Monterey Avenue to the north, Park Avenue to the east, and Soquel Wharf Road to the west), 1217.01 (bound by 41st Avenue and Soquel Wharf Road), and 1216.02 (south of Cliff Drive and the Union Pacific railroad), where between 10% and 20% of the population experiences a disability, also have larger elderly populations compared to tracts 1217.02 and 1221, where less than 10% of the population has a disability.

Figure E-9: Populations of Persons with Disabilities by Tract (2021)



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

Figure E-10: Population Aged 65 and Older by Tract (2021)



Source: 2017-2021 ACS (5-Year Estimates).

c. Familial Status

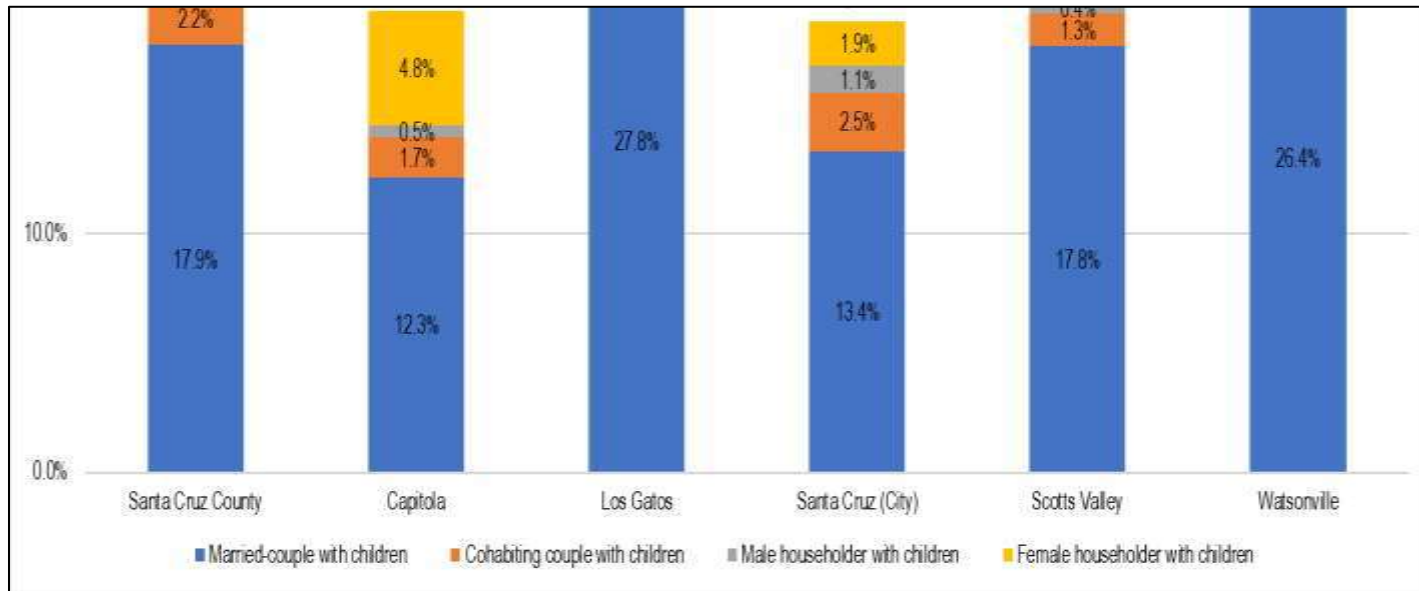
Under the FHA, housing providers (e.g., landlords, property managers, real estate agents, or property owners) may not discriminate because of familial status. Familial status refers to the presence of at least one child under 18 years old, pregnant persons, or any person in the process of securing legal custody of a minor child (including adoptive or foster parents). Examples of familial status discrimination include refusing to rent to families with children, evicting families once a child joins the family (through birth, adoption, or custody), enforcing overly restrictive rules regarding children's use of common areas, requiring families with children to live on specific floors, buildings, or areas, charging additional rent, security deposit, or fees because a household has children, advertising a preference for households without children, and lying about unit availability.

Families with children often have special housing needs due to lower per capita income, the need for affordable childcare, the need for affordable housing, or the need for larger units with three or more bedrooms. Single parent households are also protected by fair housing law. Of particular consideration are female-headed households, who may experience greater housing affordability challenges due to typically lower household incomes compared to two-parent households. Often, sex and familial status intersect to compound the discrimination faced by single mothers.

Regional Trends

According to the 2017-2021 ACS, approximately 24.5% of households in Santa Cruz County are households with children. Of the selected jurisdictions shown in Figure E-11, Watsonville has the largest proportion of households with children, representing 38.7% of households citywide. Los Gatos also has a higher share of households with children compared to the County. Only 19.3% of households in Capitola are households with children. In Santa Cruz County, 17.9% of households are married couples with children, 3.4% are single-parent female-headed households, 2.2% are cohabiting couple households with children, and 1% are single-parent male-headed households. Watsonville has the largest share of single-parent female headed households of the selected jurisdictions (7.5%). Capitola and Scotts Valley also have larger shares of single-parent female-headed households compared to the County, Los Gatos, and the City of Santa Cruz.

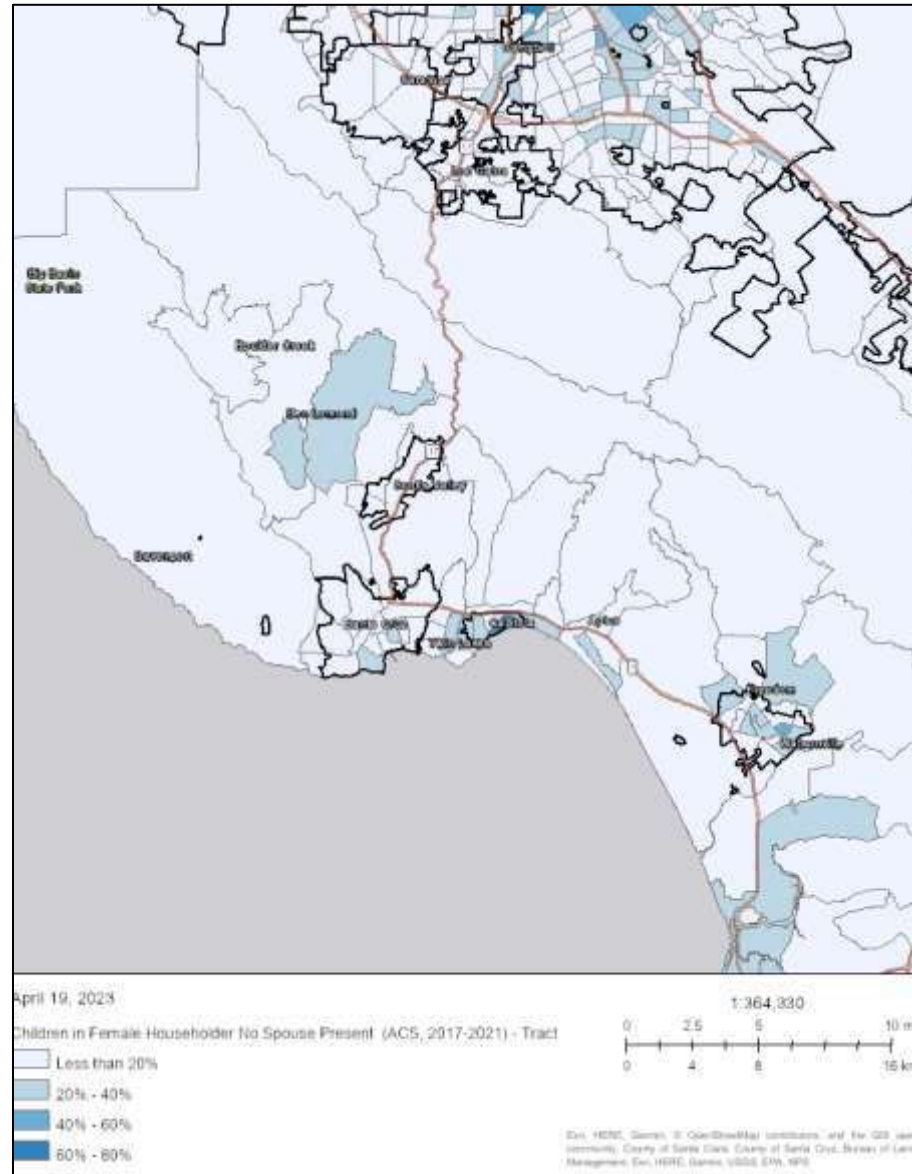
Figure E-11: Households with Children in Santa Cruz County and Neighboring Cities (2021)



Source: 2017-2021 ACS (5-Year Estimates).

Populations of children residing in single-parent female-headed households by tract are presented in Figure E-12. In most tracts in the region, fewer than 40% of children reside in female-headed households. There are a handful of tracts where more than 40% of children are in female-headed households in Capitola, Watsonville, and in the San Jose area. Tracts where more than 40% of children reside in female-headed households are generally more concentrated in and around incorporated cities rather than unincorporated County areas.

Figure E-12: Regional Children in Female-Headed Households by Tract (2021)



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

Local Trends

Capitola has seen a slight decrease in the proportion of households with children in recent years (Table E-6). During the 2006-2010 ACS, there were 918 households with children representing 19.6% of all City households. The most recent 2017-2021 ACS estimates show there are now 898 households with children in Capitola representing only 19.3% of households citywide. All household types with children have decreased since the 2006-2010 ACS except for single-parent female-headed households, which grew 2.8% during this period. As discussed previously, Capitola has a smaller share of households with children compared to the County but a larger share of single-parent female-headed households. Capitola also has a larger elderly population compared to the County, as outlined in Subsection B, Persons with Disabilities, above.

Table E-6: Change in Households with Children (2006-2021)

Household Type	2006-2010		2017-2021	
	Households	Percent	Households	Percent
Married-couple family with children	621	13.3%	575	12.3%
Cohabiting couple with children	--	--	78	1.7%
Single-parent, male-headed	81	1.7%	23	0.5%
Single-parent, female-headed	216	4.6%	222	4.8%
Total Households with Children	918	19.6%	898	19.3%
Total Households	4,684	100.0%	4,656	100.0%

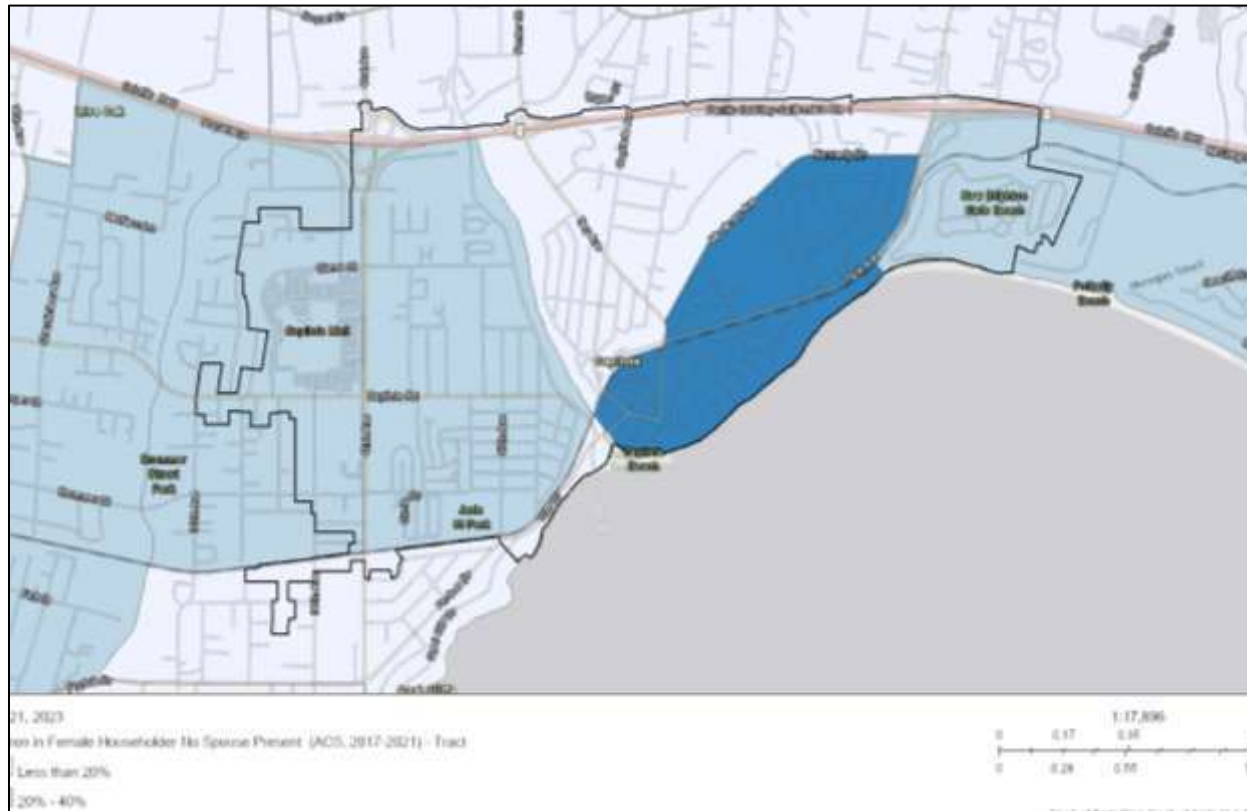
Source: 2006-2010 and 2017-2021 ACS (5-Year Estimates).

Figure E-13 shows that tract 1218.01, generally bound by Monterey Avenue and Kennedy Drive to the north, has the largest share of children residing in single-parent female-headed households. According to the HCD AFFH Data Viewer 2.0, 61.8% of children residing in this tract live in female-headed households. Less than 40% of children live in female-headed households in all other tracts. Conversely, Figure E-14 shows that fewer than 20% of children in this tract live in married couple households. Tract 1218.01 also has the largest population of persons living alone compared to all other Capitola tracts. Approximately 40% of the population 18 years and over are in households living alone in tract 1218.01.

Figure E-16 shows that there are very few children under the age of 18 residing in tract 1218.01. Only 7.5% of the population residing in this tract are children, compared to 13% to 20% of the population in all other tracts. As shown in

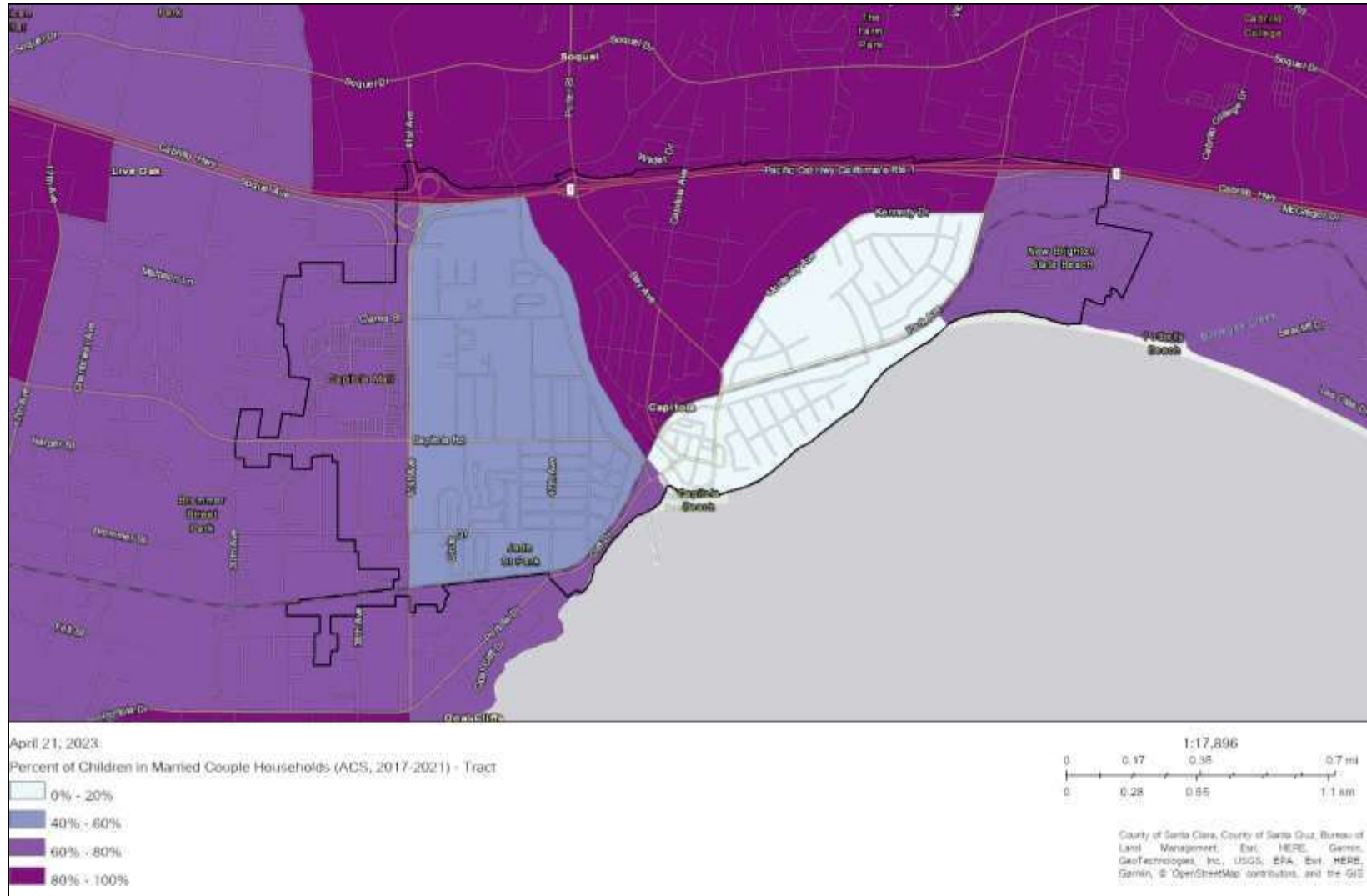
Figure E-10 above, 24.3% of the population in this tract are aged 65 and older compared to 22.3% citywide. Tract 1218.01 also has the second highest median population age of 49.8 years compared to other Capitola tracts. Tract 1218.02 has the highest median age of 52.4. Tract 1218.02 also has a larger population of adults living alone compared to most other areas in Capitola (Figure E-15). Overall, there are very few children residing in tract 1218.01. This section of the City is characterized by an older population, many of which live alone. Cliffwood Heights and Depot Hill, two of Capitola’s more expensive neighborhoods, are located in tract 1218.01.

Figure E-13: Children in Female-Headed Households by Tract (2021)



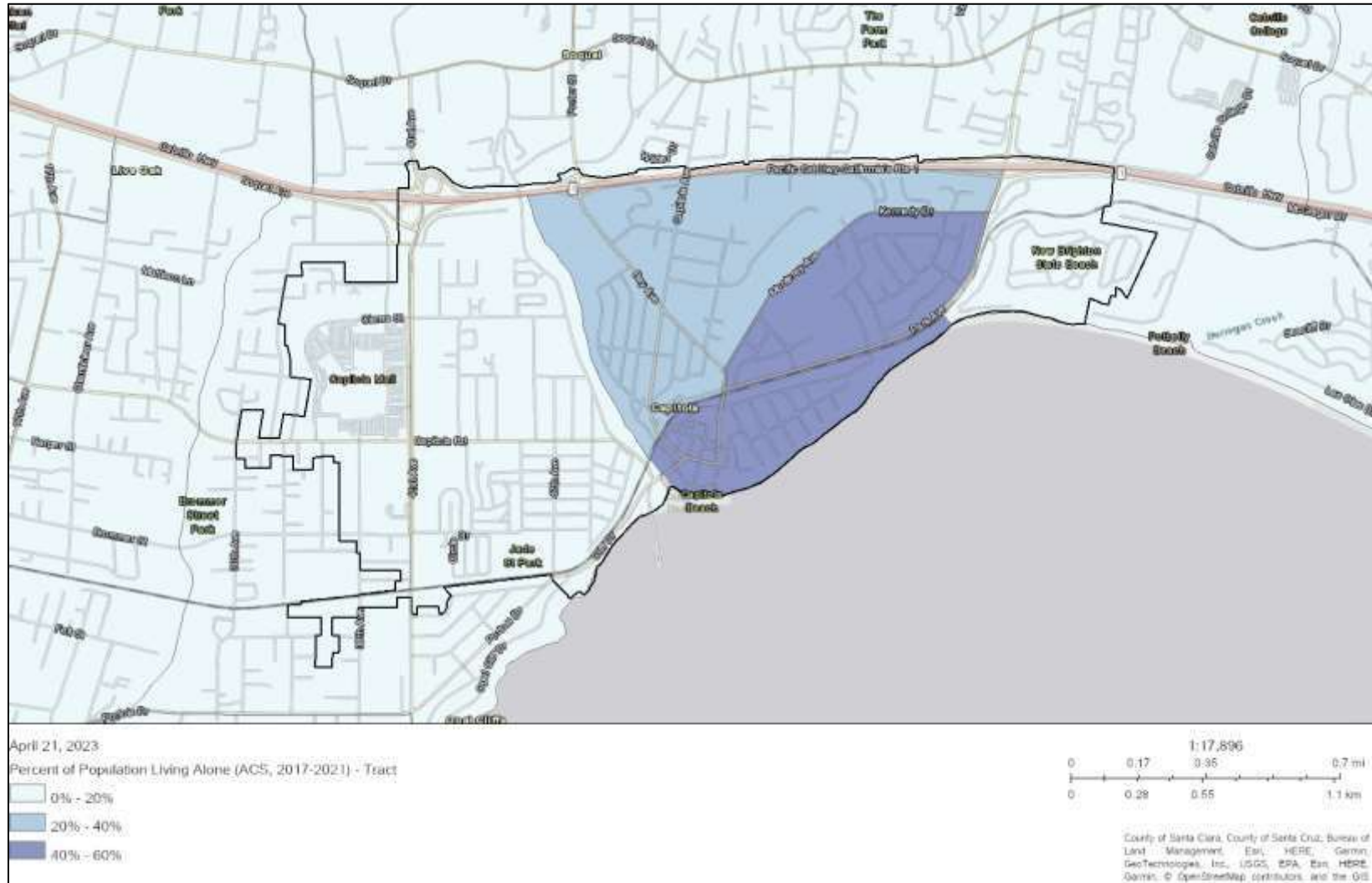
Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

Figure E-14: Children in Married Couple Households by Tract (2021)



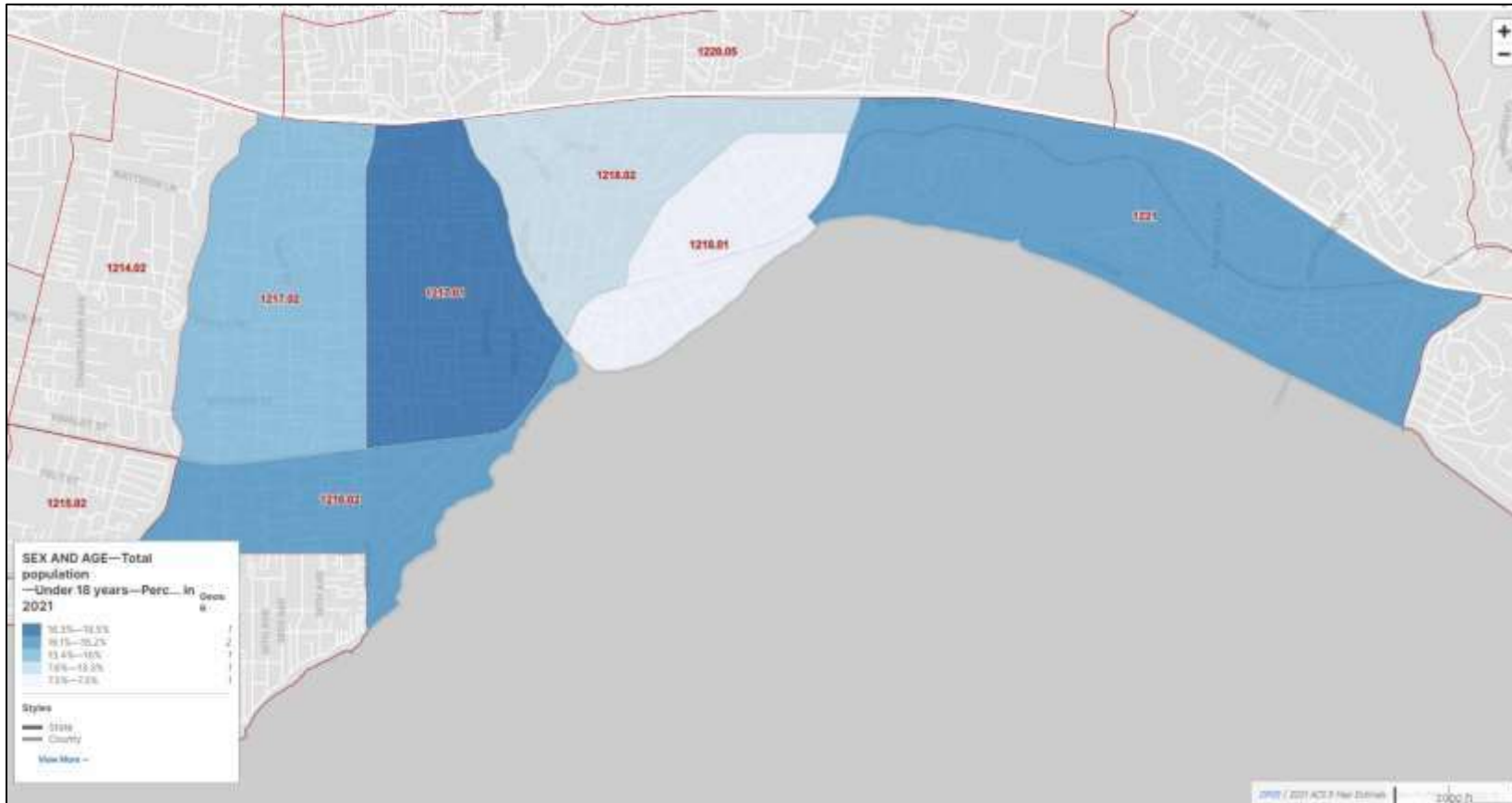
Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

Figure E-15: Population Living Alone by Tract (2021)



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

Figure E-16: Populations of Children Under Age 18 by Tract (2021)



Source: 2017-2021 ACS (5-Year Estimates).

d. Income Level

Identifying low or moderate income (LMI) geographies and individuals is important to overcome patterns of segregation. HUD defines a LMI area as a Census tract or block group where over 51% of the population is LMI (based on HUD income definition of up to 80% of the Area Median Income).

Regional Trends

According to Comprehensive Housing Affordability Strategy (CHAS) data based on the 2015-2019 ACS, 40.9% of Santa Cruz County households earn more than 100% of the AMI (Table E-7). Approximately 49% of households countywide earn 80% or less than the AMI and are considered low or moderate income. A significantly larger proportion of renters, 69%, are LMI households compared to owners (35.1%).

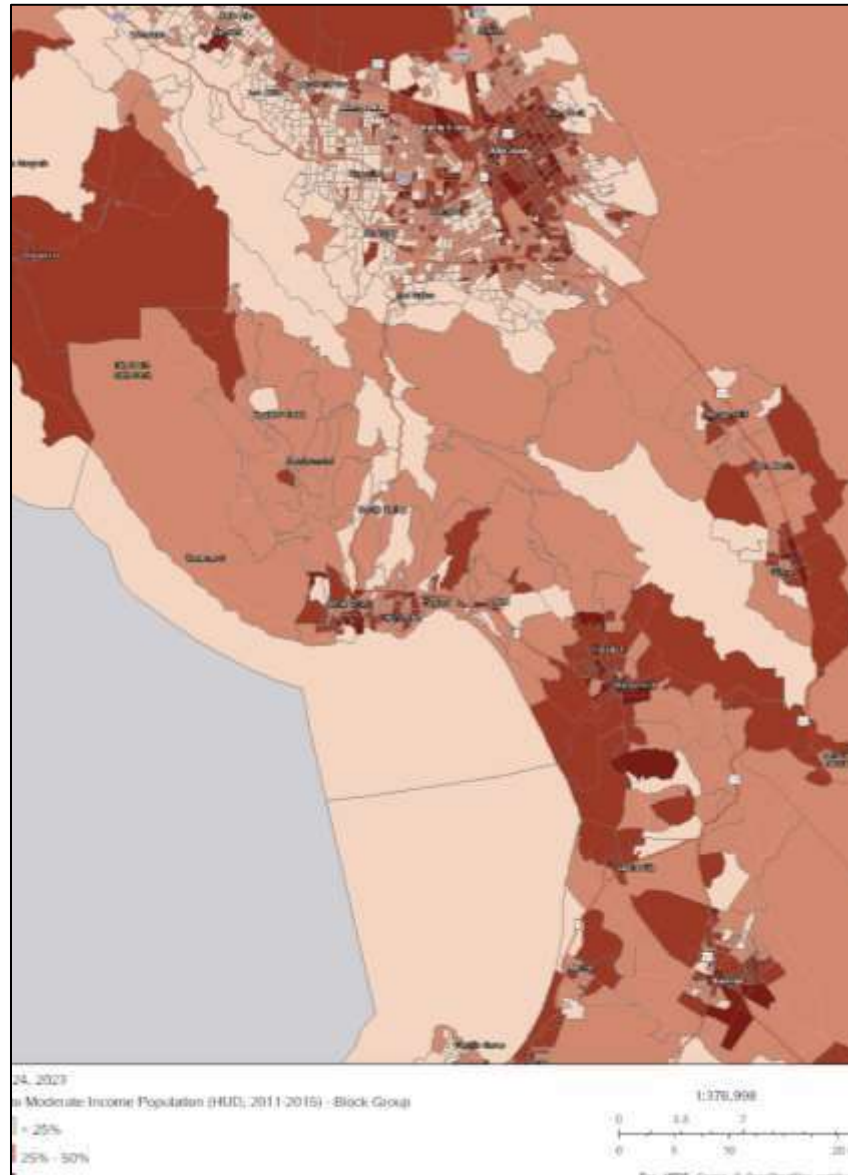
As shown in Figure E-17, block groups with larger populations of LMI households are more concentrated in southern Santa Cruz County around Watsonville. Block groups with larger LMI household populations are generally more prevalent around incorporated cities rather than unincorporated County areas. Block groups that are considered LMI areas, where more than half of households are low or moderate income, are also scattered throughout Capitola, the City of Santa Cruz, Gilroy, and the San Jose area.

Table E-7: Households by Income and Tenure – Santa Cruz County (2022)

Income Category	Owner	Renter	Total
0%-30% of AMI	9.9%	31.4%	18.5%
31%-50% of AMI	9.7%	18.3%	13.1%
51%-80% of AMI	15.5%	19.3%	17.0%
81%-100% of AMI	11.1%	9.5%	10.5%
Greater than 100% of AMI	53.8%	21.5%	40.9%
Total	57,560	38,255	95,820

Source: 2022 HUD CHAS Data (based on 2015-2019 ACS).

Figure E-17: Regional LMI Households by Block Group (2015)



Source: HCD AFFH Data Viewer 2.0 (HUD 2011-2015), 2023.

Local Trends

Capitola has slightly more renter households than owner households. Approximately 53% of households in the City are renter-occupied. As presented in Table E-8, nearly 54% of households in Capitola are LMI households, a larger proportion compared to the County. Unlike the County, a larger proportion of owners in Capitola are low or moderate income. Approximately 54.5% of owner-occupied households are LMI compared to 53.4% of renters. However, a larger proportion of owner households also earn more than 100% of the AMI compared to renters.

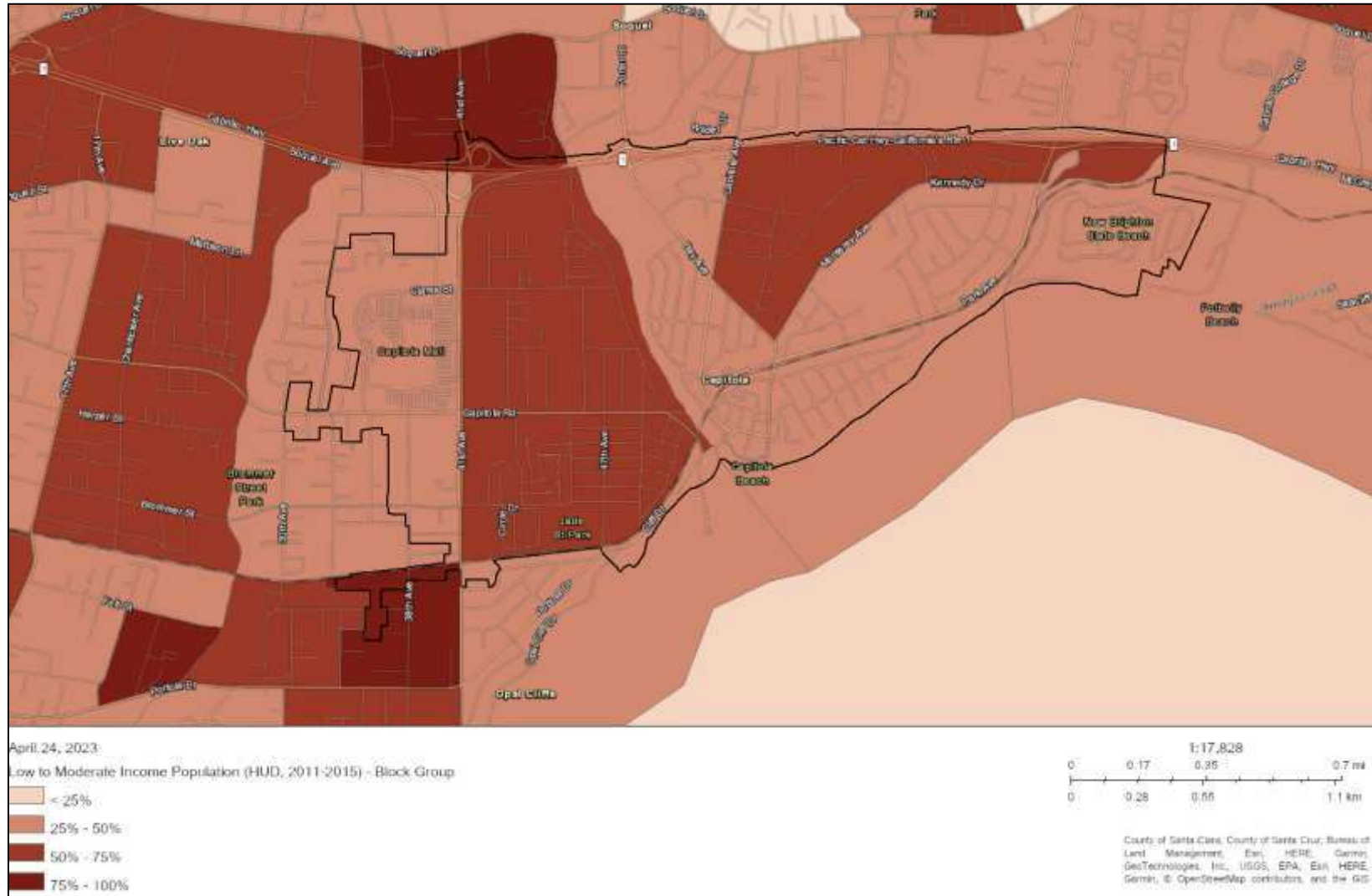
Figure E-18 shows the population of LMI households by block group in Capitola. There are three block groups where 50% to 75% of households are LMI and one block group, encompassing the southwestern corner of the City, where 91% of households are LMI. It is important to note that the block group with an LMI population of 91% encompasses part of Capitola but also extends south of the City to Portola Drive into the unincorporated County area. As mentioned previously, there are two block groups on the western side of the City with larger non-White populations compared to the remainder of Capitola (see Figure E-6). While these block groups are also LMI areas, LMI block groups are not exclusive to areas with larger racial/ethnic minority populations.

Table E-8: Households by Income and Tenure – Capitola (2022)

Income Category	Owner	Renter	Total
0%-30% of AMI	20.0%	18.9%	19.4%
31%-50% of AMI	15.0%	13.1%	14.0%
51%-80% of AMI	19.5%	21.4%	20.5%
81%-100% of AMI	8.6%	14.0%	11.4%
Greater than 100% of AMI	36.9%	32.6%	34.6%
Total	2,100	2,360	4,460

Source: 2022 HUD CHAS Data (based on 2015-2019 ACS).

Figure E-18: LMI Households by Block Group (2015)



Source: HCD AFFH Data Viewer 2.0 (HUD 2011-2015), 2023.

e. Housing Choice Vouchers

An analysis of the trends in Housing Choice Voucher (HCV) concentration can be useful in examining the success of the program in improving the living conditions and quality of life of its holders. The HCV program aims to encourage participants to avoid high-poverty neighborhoods and promote the recruitment of landlords with rental properties in low poverty neighborhoods. HCV programs are managed by Public Housing Agencies (PHAs), and the programs assessment structure (SEMAPS) includes an “expanding housing opportunities” indicator that shows whether the PHA has adopted and implemented a written policy to encourage participation by owners of units located outside areas of poverty or minority concentration.

A study prepared by HUD’s Development Office of Policy Development and Research found a positive association between the HCV share of occupied housing and neighborhood poverty concentration and a negative association between rent and neighborhood poverty⁶. This means that HCV use was concentrated in areas of high poverty where rents tend to be lower. In areas where these patterns occur, the program has not succeeded in moving holders out of areas of poverty.

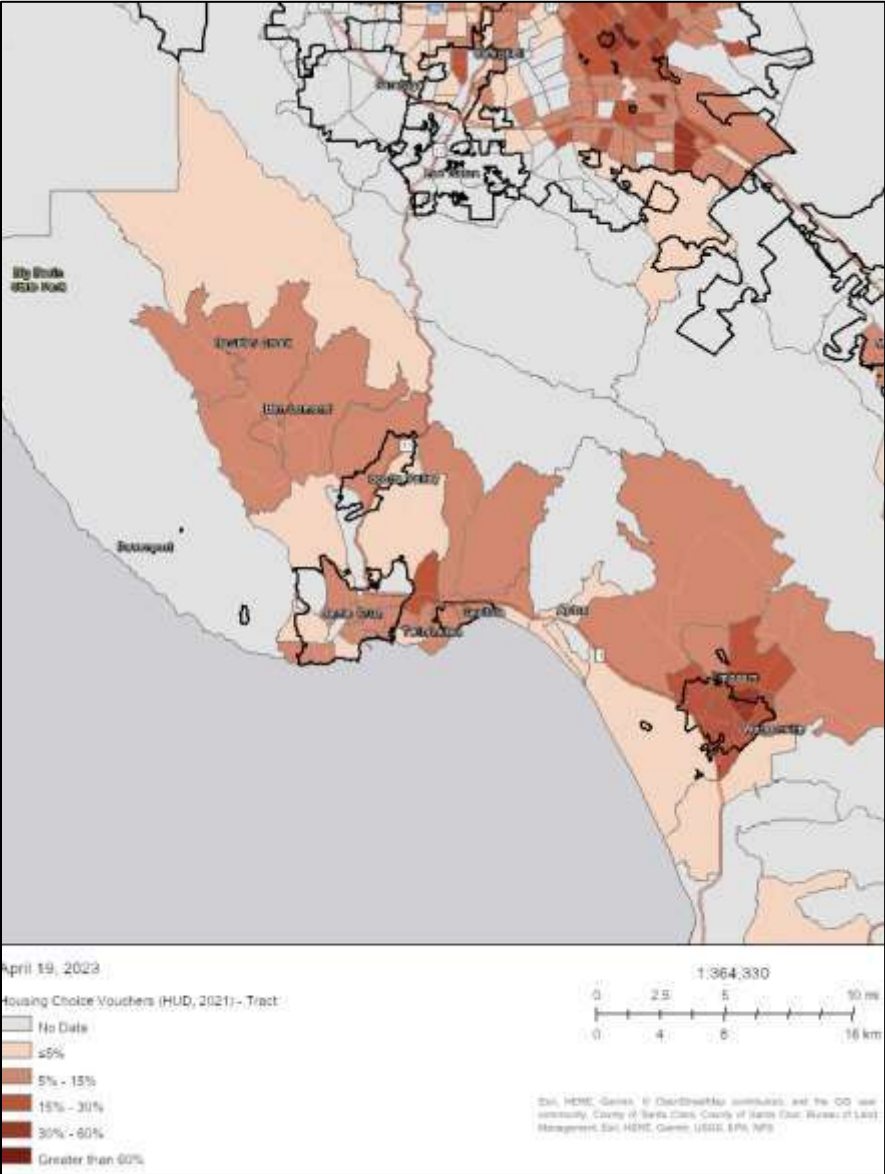
Regional Trends

Like racial/ethnic minority and LMI household populations, tracts with larger populations of renters receiving HCVs are more prevalent in and around incorporated cities compared to unincorporated County areas. As presented in Figure E-19, tracts in Watsonville, Gilroy, and the San Jose area tend to have larger HCV recipient populations. In the area closest to Capitola, including Capitola, the City of Santa Cruz, and Scotts Valley, most tracts have HCV recipient populations of up to 15%.

HCV recipient populations are generally consistent with concentrations of racial/ethnic minority populations, LMI household populations, and populations of children residing in single-parent female-headed households (see Figure E-4, Figure E-12, and Figure E-17). These areas also have larger renter populations (Figure E-20).

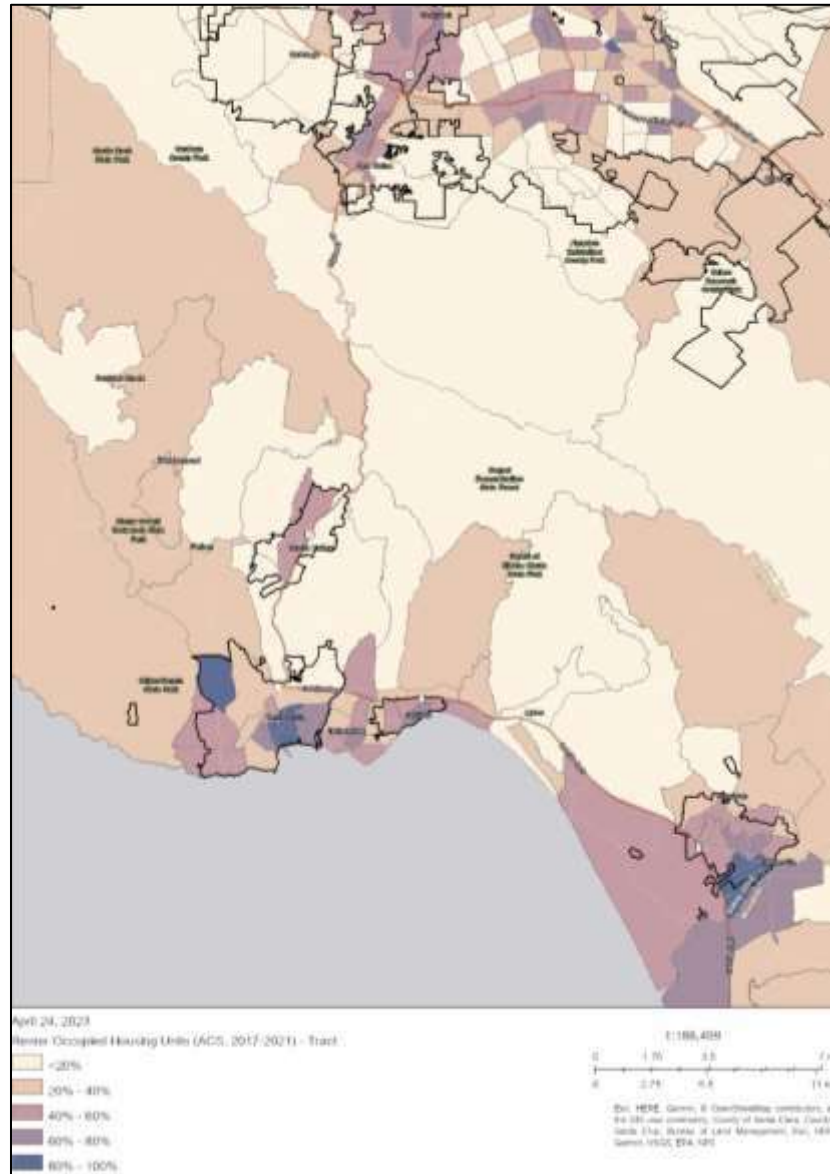
6 Devine, D.J., Gray, R.W., Rubin, L., & Taghavi, L.B. (2003). *Housing choice voucher location patterns: Implications for participant and neighborhood welfare*. Prepared for the U.S. Department of Housing and Urban Development, Office of Policy Development and Research, Division of Program Monitoring and Research.

Figure E-19: Regional HCV Recipients by Tract (2021)



Source: HCD AFFH Data Viewer 2.0 (HUD 2021), 2023.

Figure E-20: Regional Renter-Occupied Households by Tract (2021)

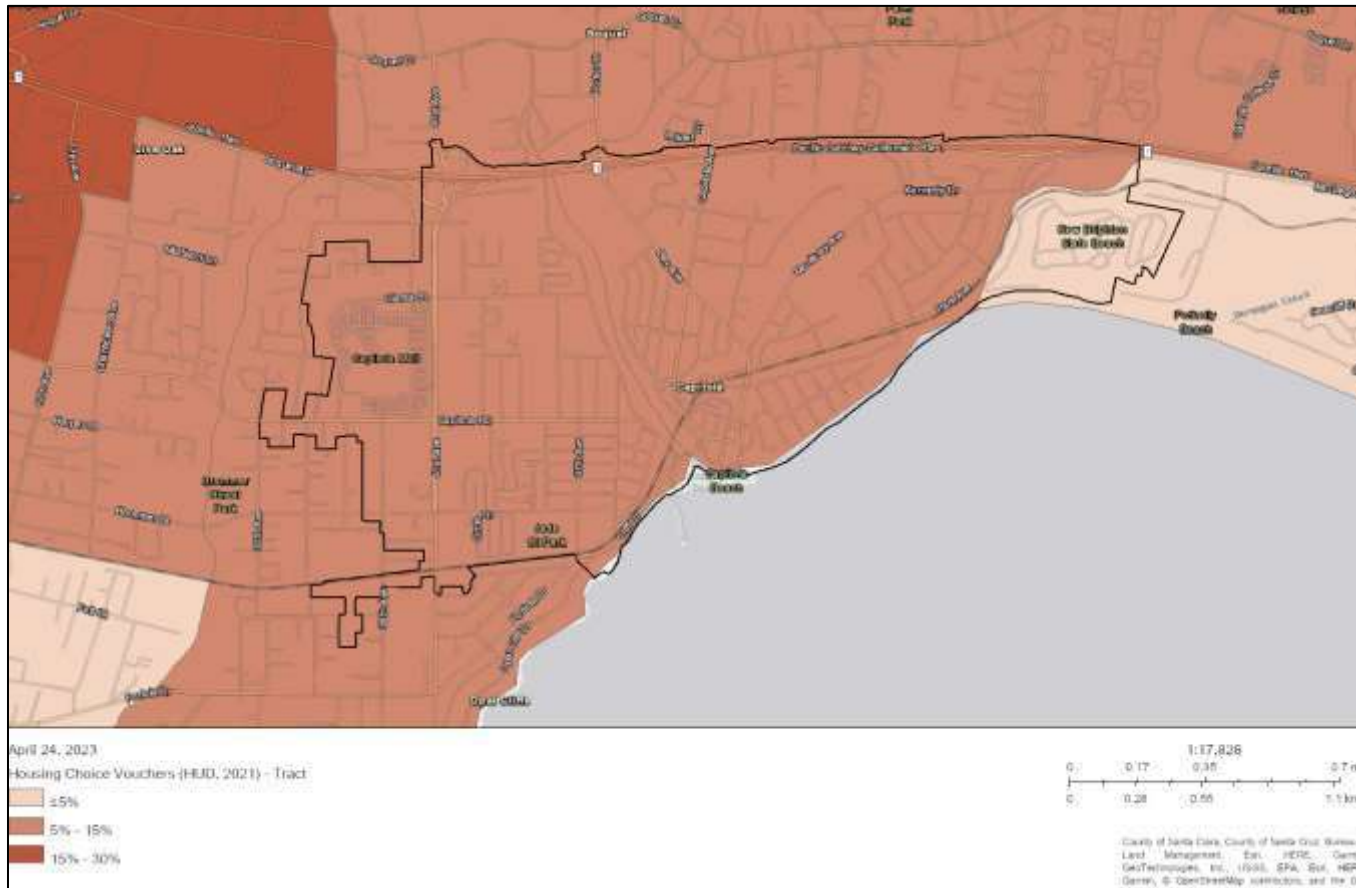


Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

Local Trends

As of April 2023, 206 Capitola households received HCV assistance from the Housing Authority of the County of Santa Cruz. The map in Figure E-21 shows that in Capitola, between 5% and 15% of renters in most tracts receive HCVs. Only 4.5% of renters in tract 1221 on the eastern side of the City receive HCVs. As mentioned above, this tract encompasses the unincorporated County area east of the City and does not reflect Capitola residents alone.

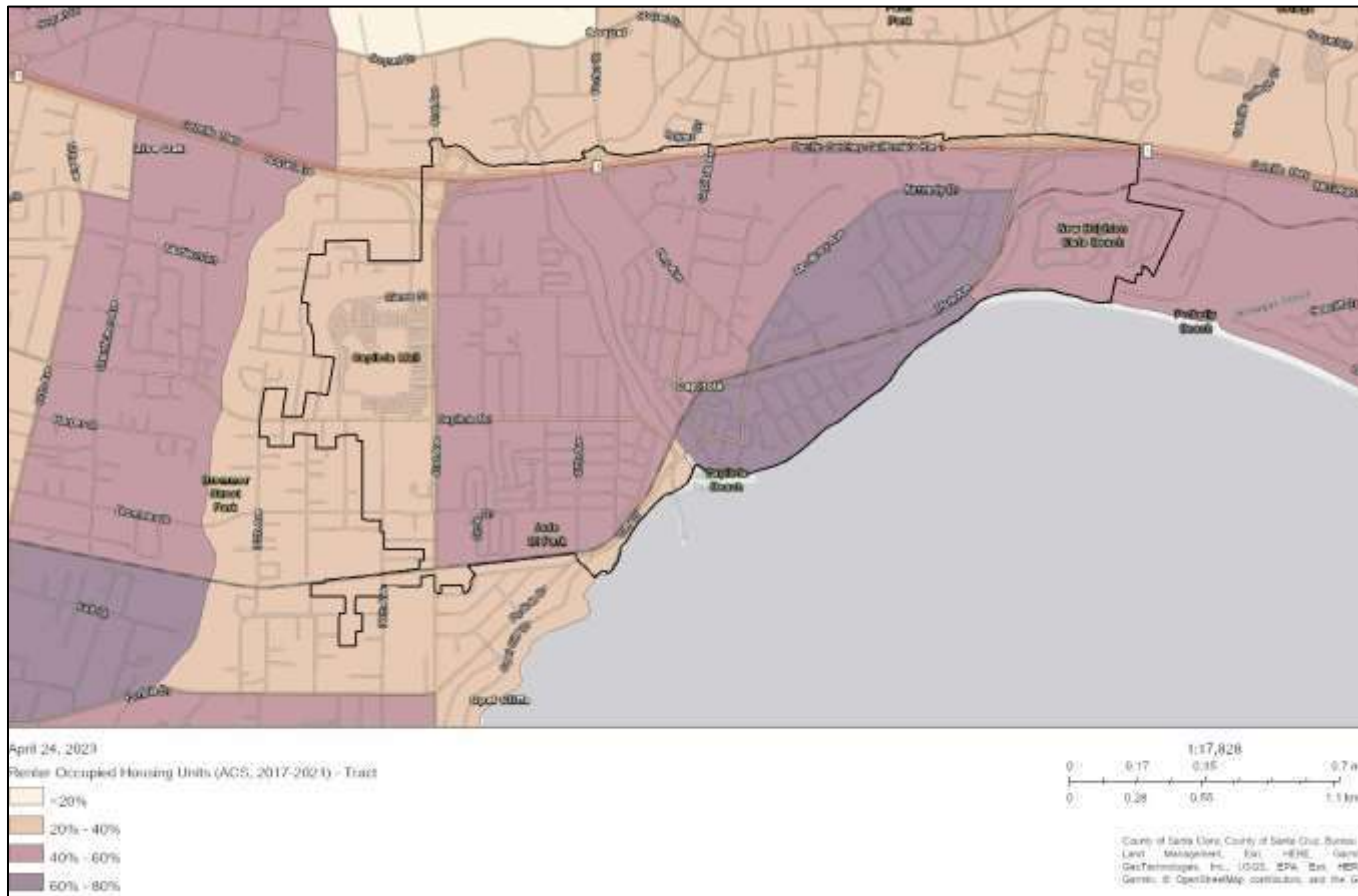
Figure E-21: HCV Recipients by Tract (2021)



Source: HCD AFFH Data Viewer 2.0 (HUD 2021), 2023.

Between 40% and 60% of households are renters in a majority of Capitola (Figure E-22). The western tract, tract 1217.02, has the smallest renter population compared to other tracts in the City. Tract 1216.02, which includes the small section of Capitola south of Cliff Drive, also has a smaller renter population. Like tract 1221, tract 1216.02 encompasses the unincorporated County area south of the City and is not representative of Capitola residents alone. Tract 1218.01 has the largest renter population. Regardless of renter-occupied household populations, HCVs are generally distributed evenly throughout the City.

Figure E-22: Renter-Occupied Households by Tract (2021)



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

3. Racially and Ethnically Concentrated Areas

a. Racially/Ethnically Concentrated Areas of Poverty (R/ECAPs)

In an effort to identify racially/ethnically concentrated areas of poverty, HCD has identified areas of high segregation and poverty. Census tracts that are considered areas of high segregation and poverty are based on a two-stage approach. HCD's methodology for identifying areas of high segregation and poverty is as follows:

Concentrated Poverty: First, the filter identifies tracts and rural block groups where at least 30% of the population is living below the poverty line. Research has found that the impact of area poverty rates in producing negative outcomes for individuals—including crime, school leaving, and duration of poverty spells—begin to appear after an area exceeds approximately 20% poverty, whereupon the externality effects grow rapidly until the neighborhood reaches approximately 40% poverty.

To prevent college towns from distorting the filter's concentrated poverty measure, college and graduate students are removed from the poverty calculation in the filter in tracts where they comprise at least 25% of the population. An internal analysis found that without this adjustment, some tracts with high proportions of college students—many of which have high domain scores—are shown as having poverty rates exceeding 30%, likely due to the Census classifying many unemployed and partially employed students living off-campus up as poor.

The total population living in areas of extreme poverty declined in the 1990s, following government action designed to affirmatively counteract intentionally segregationist public policy. Following national trends, however, concentrated poverty has risen dramatically in California since 2000.

Racial Segregation: Second, the filter relies on a measure of racial segregation to capture which tracts and rural block groups have a disproportionate share of households of color. Setting an absolute threshold (as the federal RECAP metric does) does not account for substantial variation in the racial and ethnic population across California's counties. To properly account for the features of inequality operating on individuals at the neighborhood level, a relative segregation measure is more appropriate to reflect the experience of residents. The filter thus relies on the location quotient of residential racial segregation (LQ), which is increasingly being used in studies that seek to assess the impact of racial segregation on individual and community outcomes. The LQ is a small-area measure of relative segregation calculated at the residential census tract level that represents how much more segregated

an area (e.g., a census tract or block group) is relative to the larger area (in this case, the county). Tracts that have a LQ higher than 1.25 for Black, Hispanic, Asian, or all people of color are flagged as being racially segregated in comparison to the county. Census tracts and rural block groups that have both a poverty rate of over 30% and that are designated as being racially segregated are filtered into the “High Segregation & Poverty” category. Due to data unreliability at the block group level in the poverty indicator, the “High Poverty and Segregation” category is designated at the tract level in rural areas.

Regional Trends

No areas of high segregation and poverty have been identified in the region surrounding Capitola. The closest areas of high segregation and poverty are in the cities of San Jose and Salinas. Additional areas of high segregation and poverty are located in Stanislaus County, Fresno County, San Francisco, and Alameda County.

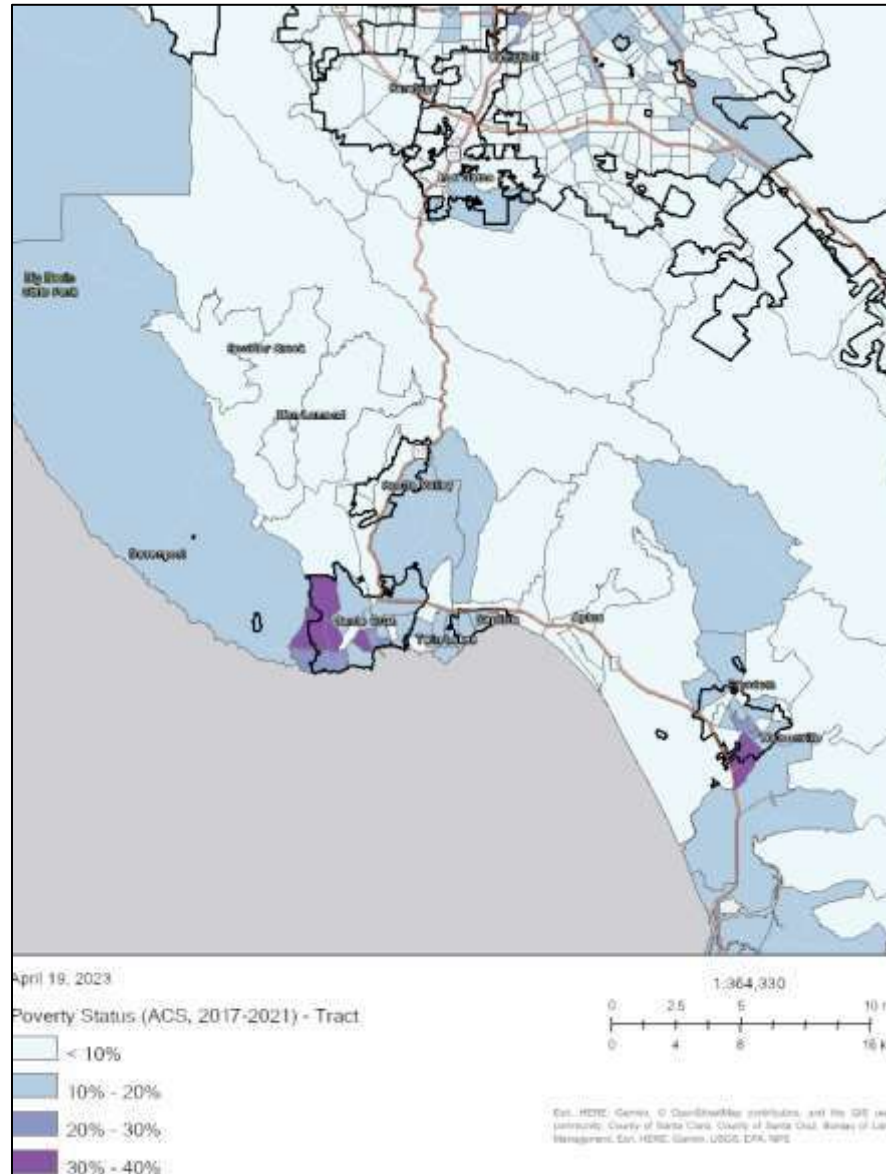
Poverty status by tract for the region is presented in Figure E-24. While these tracts have not been identified as areas of high segregation and poverty, likely due to the small non-White populations, the City of Santa Cruz and Watsonville contain tracts where more than 30% of the population is below the poverty level. There are no other tracts with populations of persons below the poverty line exceeding 30% elsewhere in the region, including in Capitola.

Figure E-23: Regional Areas of High Segregation and Poverty (2023)



Source: HCD AFFH Data Viewer 2.0, 2023.

Figure E-24: Regional Poverty Status by Tract (2021)



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

Local Trends

There are no tracts in Capitola that have been identified as areas of high segregation and poverty. Most tracts in the City have populations of people below the poverty level between 10% and 20% (Figure E-25). Tract 1221, encompassing the eastern corner of Capitola and the unincorporated County area east of the City, has a smaller population of persons below the poverty level compared to all other areas of the City. As discussed above, this tract also has a smaller population of renters receiving HCVs (see Figure E-21).

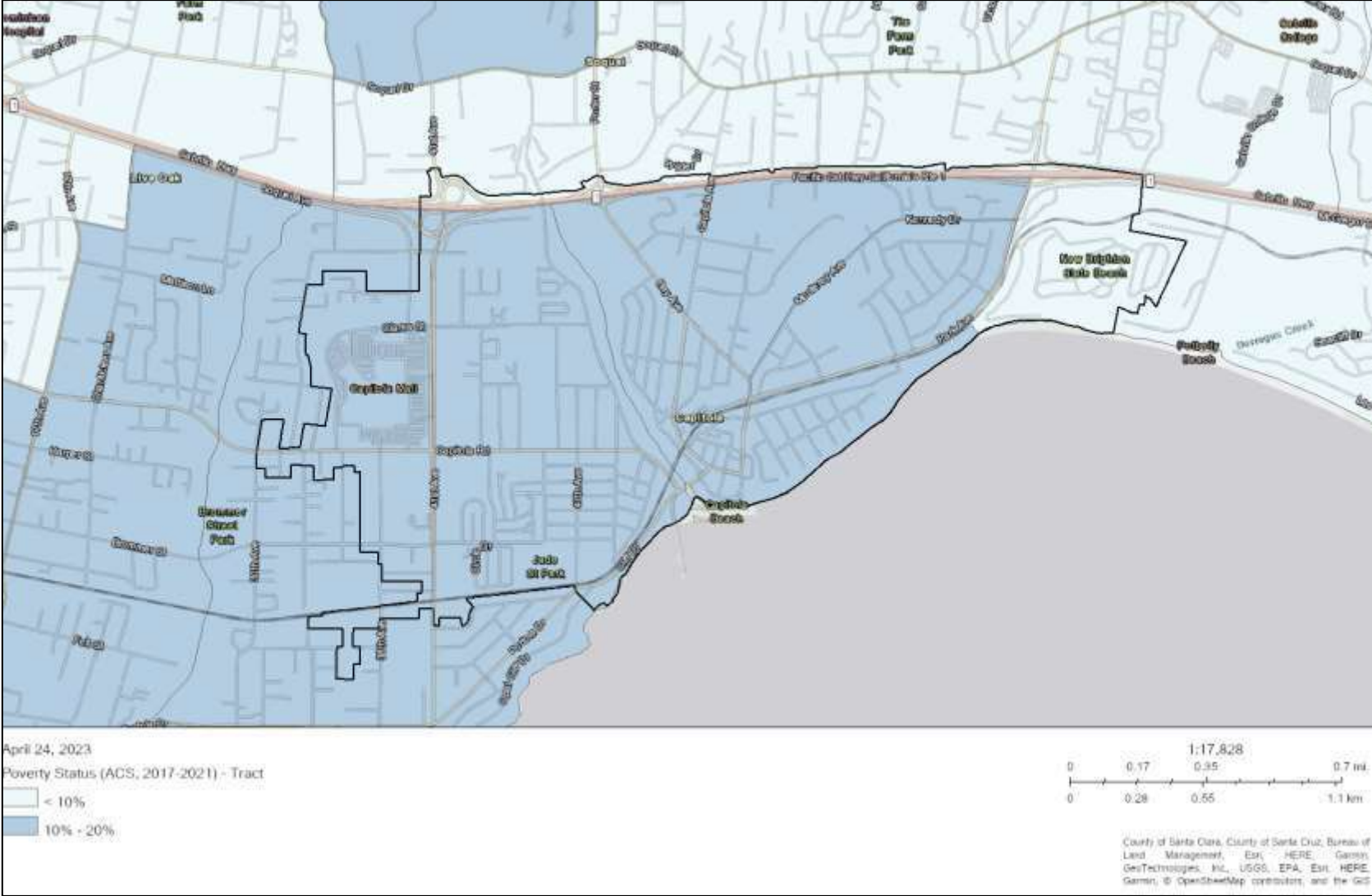
Poverty status by race and ethnicity for Capitola and Santa Cruz County is shown in Table E-9. A larger proportion of Capitola residents are below the poverty line (14.4%) compared to residents countywide (10.9%). In the County, the Asian population has the highest poverty rate of 17.6%, followed by the American Indian and Alaska Native population (17.2%), population of some other race (15.7%), and Native Hawaiian and other Pacific Islander population (15%). In Capitola, the population of some other race has the highest poverty rate of 33.5%. The Black/African American population, population of two or more races, and Hispanic/Latino population also have poverty rates exceeding the citywide average of 14.4%. There are no American Indian/Alaska Native, Asian, and Native Hawaiian/other Pacific Islander residents below the poverty level in Capitola.

Table E-9: Poverty Status by Race/Ethnicity (2021)

Race/Ethnicity	Capitola		Santa Cruz County	
	Total Population	Percent Below Poverty Level	Total Population	Percent Below Poverty Level
Black or African American alone	24	25.0%	2,555	10.9%
American Indian and Alaska Native alone	59	0.0%	1,749	17.2%
Asian alone	632	0.0%	10,828	17.6%
Native Hawaiian and Other Pacific Islander alone	26	0.0%	545	15.0%
Some other race alone	498	33.5%	39,068	15.7%
Two or more races	639	25.7%	24,599	10.2%
Hispanic or Latino origin (of any race)	2,328	27.9%	88,738	13.7%
White alone, not Hispanic or Latino	6,540	10.7%	148,644	8.8%
Population for whom poverty status is determined	9,938	14.4%	260,154	10.9%

Source: 2017-2021 ACS (5-Year Estimates).

Figure E-25: Poverty Status by Tract (2021)



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

b. Racially Concentrated Areas of Affluence (RCAAs)

While racially concentrated areas of poverty and segregation (R/ECAPs) have long been the focus of fair housing policies, racially concentrated areas of affluence (RCAAs) must also be analyzed to ensure housing is integrated, a key to fair housing choice. According to a policy paper published by HUD, RCAAs are defined as communities with a large proportion of affluent and non-Hispanic White residents. According to HUD's policy paper, non-Hispanic Whites are the most racially segregated group in the United States. In the same way neighborhood disadvantage is associated with concentrated poverty and high concentrations of people of color, conversely, distinct advantages are associated with residence in affluent, White communities. HCD's methodology for identifying RCAAs is as follows:

HCD has created a new version of the RCAA metric to better reflect California's relative diversity and regional conditions, and to aid local jurisdictions in their analysis of racially concentrated areas of poverty and affluence pursuant to AB 686 and AB 1304.

To develop the RCAA layer, staff first calculated a Location Quotient (LQ) for each California census tract using data from the 2015-2019 ACS. This LQ represents the percentage of total white population (White Alone, Not Hispanic or Latino) for each census tract compared to the average percentage of total white population for all census tracts in a given COG region. For example, a census tract with a LQ of 1.5 has a percentage of total white population that is 1.5 times higher than the average percentage of total white population in the given COG region.

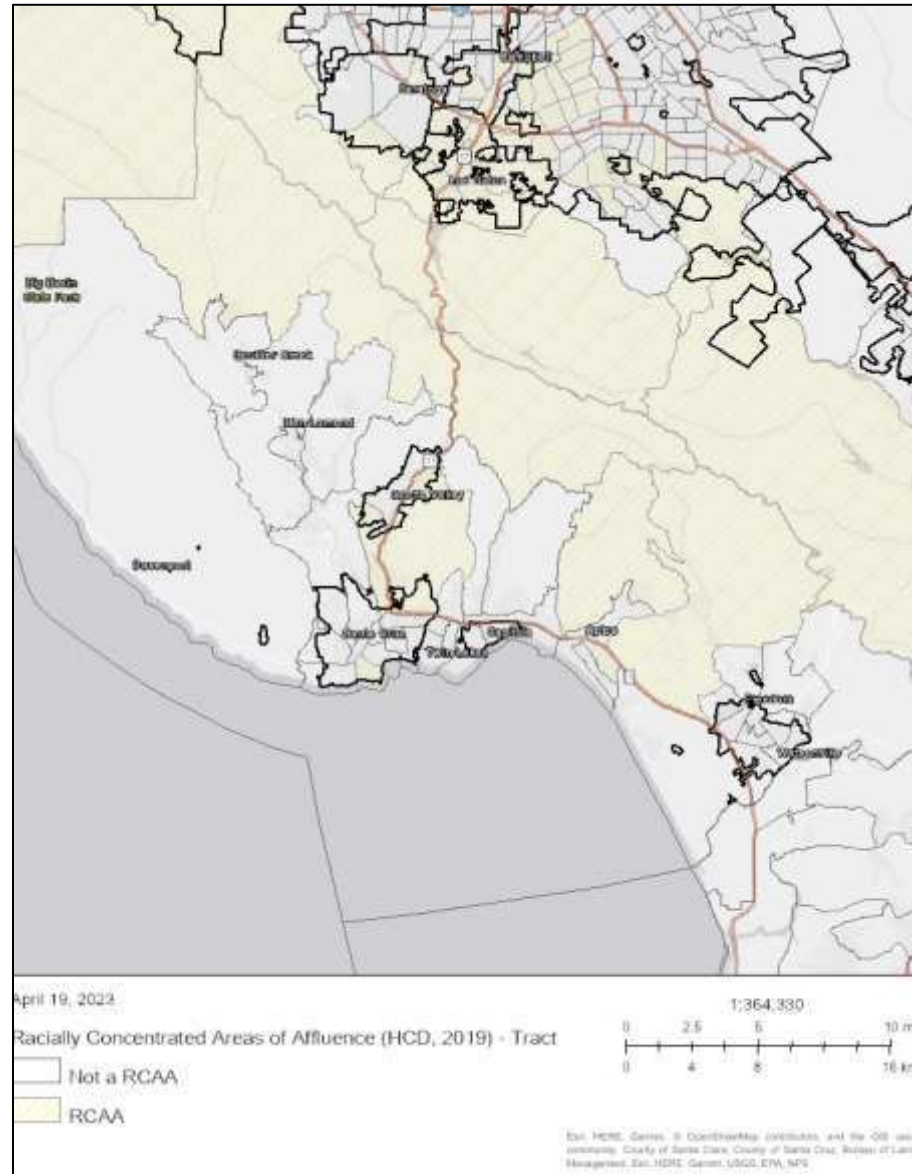
To determine the RCAAs, census tracts with a LQ of more than 1.25 and a median income 1.5 times higher than the COG AMI (or 1.5x the state AMI, whichever is lower) were assigned a numeric score of 1 (Is a RCAA). Census tracts that did not meet this criterion were assigned a score of 0 (Not a RCAA).

Regional Trends

While there are very few areas of high segregation and poverty in the region, RCAAs are prevalent. As shown in Figure E-26, much of the unincorporated Santa Cruz County areas are considered RCAAs. RCAAs have also been identified in the City of Santa Cruz, Scotts Valley, Los Gatos, and throughout the San Jose area. As described above, many of these areas, specifically the unincorporated Santa Cruz County areas, have smaller racial/ethnic minority populations and populations of persons below the poverty line (see Figure E-4 and Figure E-24).

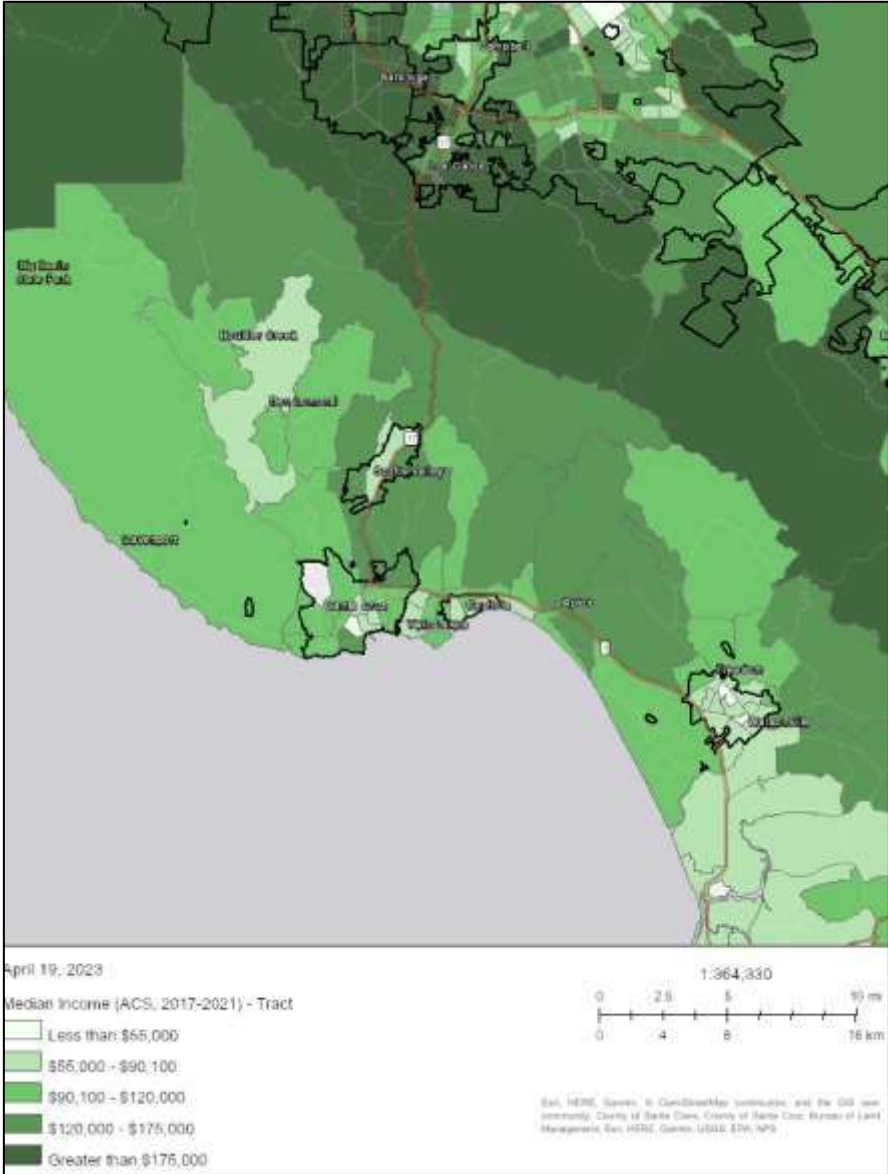
The median income is also highest for tracts in the unincorporated Santa Clara County area along the Santa Cruz County boundary. Tracts with lower median incomes are more prevalent in incorporated cities such as Watsonville, San Jose, and parts of the City of Santa Cruz and Capitola. Lower median incomes are generally consistent with LMI household populations shown in Figure E-17 above.

Figure E-26: Regional RCAA Tracts (2019)



Source: HCD AFFH Data Viewer 2.0 (2019 HCD), 2023.

Figure E-27: Regional Median Income by Tract (2021)



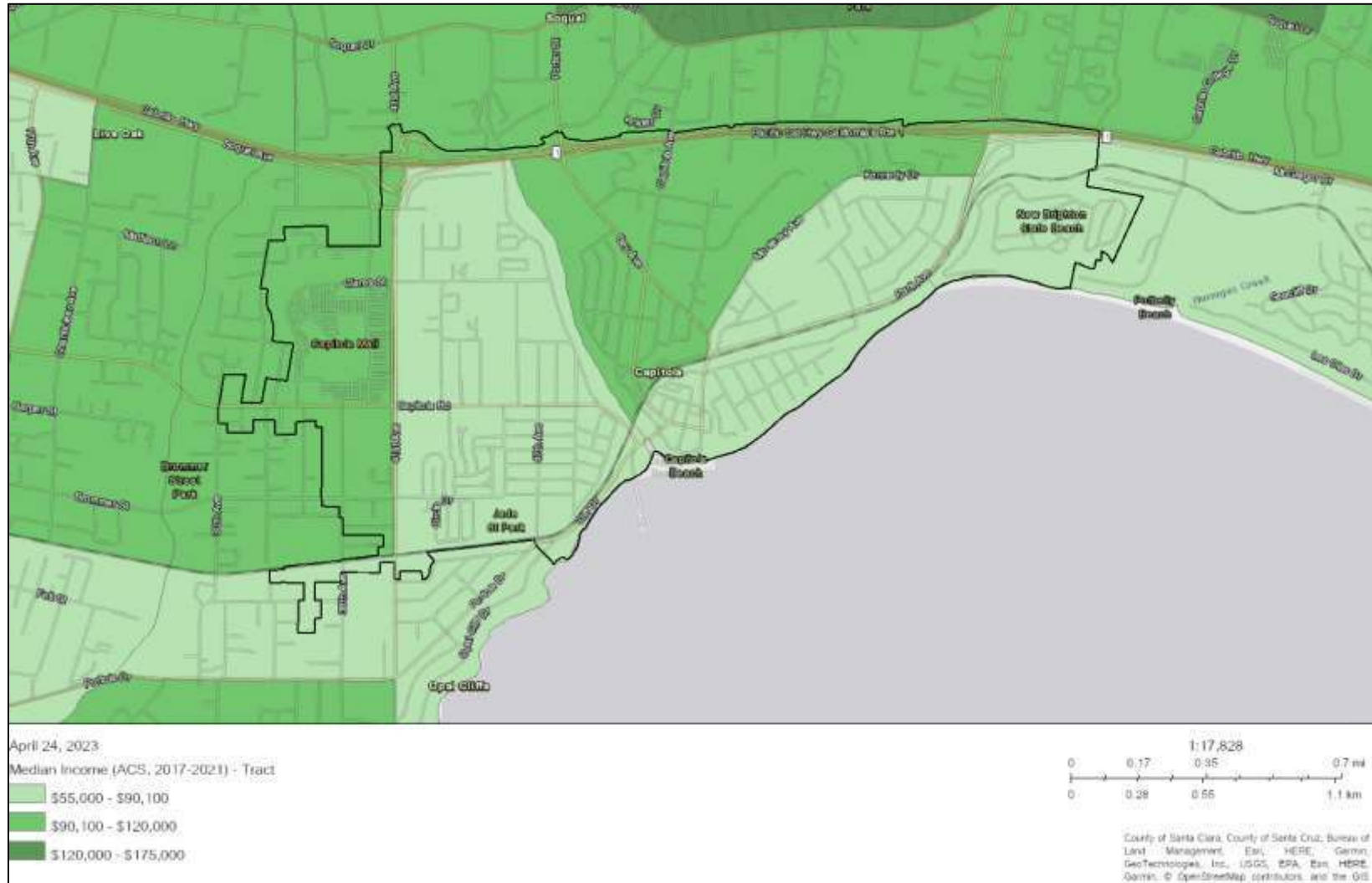
Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

Local Trends

There are no RCAAs in Capitola. Capitola tracts have median incomes ranging from \$55,000 to \$120,000 (Figure E-28). Tract 1218.02, bound by the PCH, Monterey Avenue, and Soquel Wharf Road, and tract 1217.02 on the western side of the City have higher median incomes compared to all other tracts in Capitola. As discussed previously, tract 1218.02 has a larger population of elderly adults and persons with disabilities compared to other areas of Capitola (see Figure E-9 and Figure E-10). Tract 1217.02 on the western side of Capitola has a larger owner-occupied household population (see Figure E-22). As discussed previously, tract 1218.01 has a large population of older adults living alone (see Figure E-15 and Figure E-16). The median family income at the tract-level is presented in Figure E-29. The median family income is significantly higher for block group 1218.01, containing Cliffwood Heights and Depot Hill, compared to the median household income. A family group is any two or more people (not necessarily including a householder) residing together, and related by birth, marriage, or adoption. A household may be composed of one such group, more than one, or none at all. The household income for this tract is likely lower because elderly adults, who make up a large proportion of this tract population, are more likely to be retired and have fixed or limited incomes. The median family income of \$118,625 in tract 1218.01 is a better indicator of income status in this tract. Income alone, specifically for the elderly and retired population residing in this tract, does not accurately reflect this populations' assets.

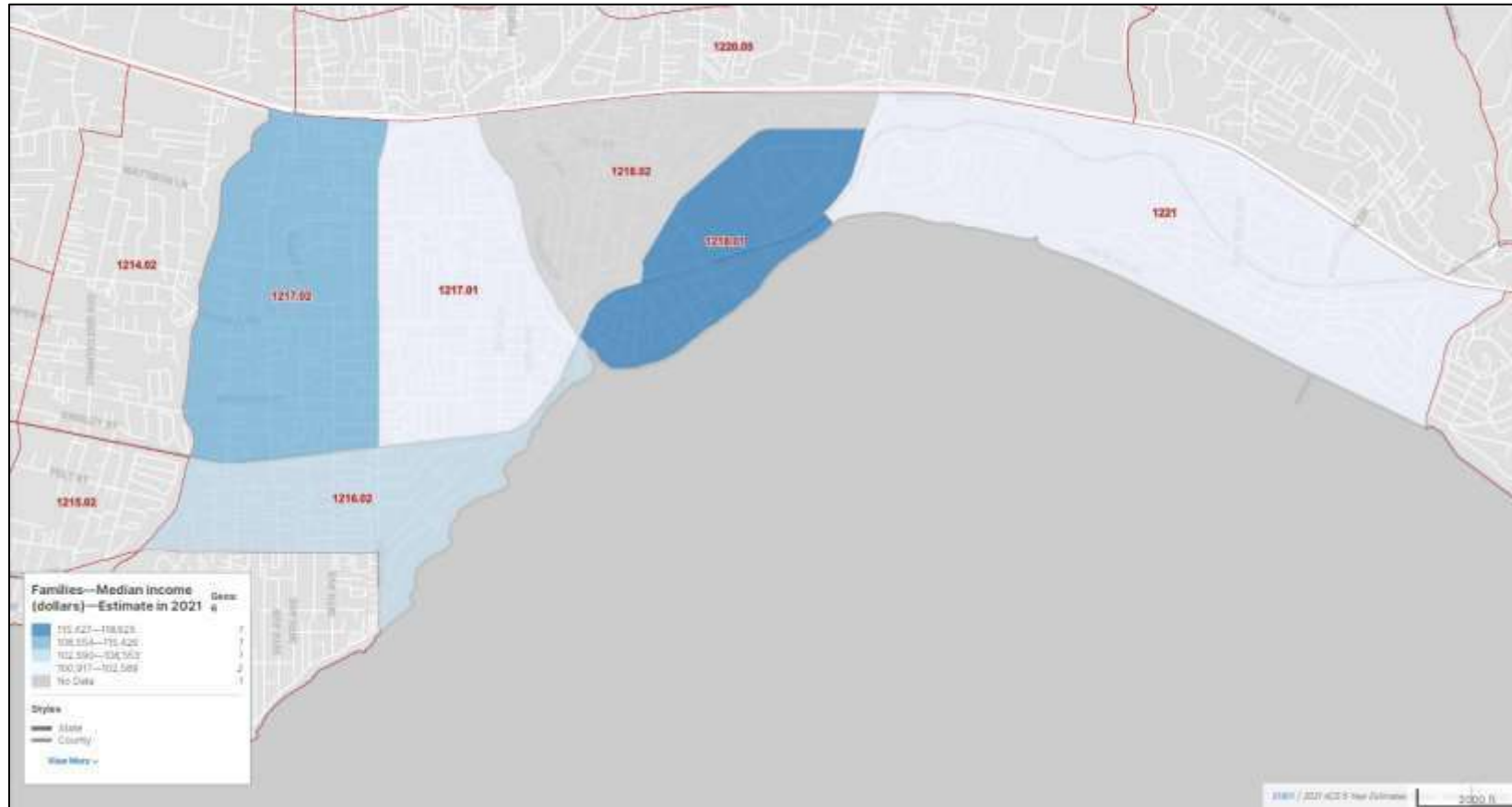
While HCD has not identified any RCAAs in Capitola, the Association of Monterey Bay Area Governments (AMBAG) identified the City as an RCAA in its 2023-2031 Regional Housing Needs Allocation Plan. Jurisdictions identified as RCAAs by AMBAG received a higher share of their RHNA in the lower income categories. AMBAG defines RCAAs as “jurisdictions that are both high income (higher than the regional average for percentage above 200% of the poverty level) and racially-concentrated (above the regional average for percent white non-Hispanic).” The AMBAG RCAA analysis does not target specific tracts like HCD.

Figure E-28: Median Income by Tract (2021)



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

Figure E-29: Median Family Income by Tract (2021)



Source: 2017-2021 ACS (5-Year Estimates).

Table E-10 shows median household income by race/ethnicity for Capitola and Santa Cruz County. Santa Cruz County has a higher median income, \$96,093, compared to Capitola, \$83,726. As mentioned above, Capitola also has a higher poverty rate compared to the County as a whole (see Table E-9). Countywide, the population of two or more races and non-Hispanic White population have the highest median household income, while the Asian population has the highest median household income in Capitola. All other racial/ethnic groups in Capitola have lower median household incomes compared to the citywide average of \$83,726.

Table E-10: Median Household Income by Race/Ethnicity (2021)

Race/Ethnicity	Capitola		Santa Cruz County	
	Percent Distribution	Median HH Income	Percent Distribution	Median HH Income
Black or African American alone	0.0%	-	0.8%	\$83,642
American Indian and Alaska Native alone	0.0%	-	0.7%	\$79,000
Asian alone	5.7%	\$118,275	4.6%	\$78,482
Native Hawaiian and Other Pacific Islander alone	0.6%	-	0.2%	-
Some other race alone	4.0%	\$55,963	10.2%	\$68,177
Two or more races	4.7%	\$76,136	6.5%	\$105,864
Hispanic or Latino origin (of any race)	16.1%	-	23.8%	\$78,502
White alone, not Hispanic or Latino	75.0%	\$83,679	68.1%	\$107,361
Total Households	4,656	\$83,726	96,476	\$96,093

Source: 2017-2021 ACS (5-Year Estimates).

4. Access to Opportunities

Access to opportunity is a concept to approximate the link between place-based characteristics (e.g., education, employment, safety, and the environment) and critical life outcomes (e.g., health, wealth, and life expectancy). Ensuring access to opportunity means both improving the quality of life for residents of low-income communities, as well as supporting residents' mobility and access to 'high resource' neighborhoods.

The Department of Housing and Community Development (HCD) and California Tax Credit Allocation Committee (TCAC) convened the California Fair Housing Task force to "provide research, evidence-based policy recommendations, and other strategic recommendations to HCD and other related state agencies/ departments to

further the fair housing goals (as defined by HCD).” The Task Force has created Opportunity Maps to identify resources levels across the state “to accompany new policies aimed at increasing access to high opportunity areas for families with children in housing financed with nine percent Low Income Housing Tax Credits (LIHTCs)”. These opportunity maps are made from composite scores of three different domains made up of a set of indicators. Table E-11 shows the full list of indicators. The opportunity maps include a measure or “filter” to identify areas with poverty and racial segregation. To identify these areas, census tracts were first filtered by poverty and then by a measure of racial segregation. The criteria for these filters are:

- Poverty: Tracts with at least 30% of population under federal poverty line;
- Racial Segregation: Tracts with location quotient higher than 1.25 for Blacks, Hispanics, Asians, or all people of color in comparison to the County.

Table E-11: Domains and List of Indicators for Opportunity Maps

Domain	Indicator
Economic	Poverty Adult education Employment Job proximity Median home value
Environmental	CalEnviroScreen 4.0 pollution Indicators and values
Education	Math proficiency Reading proficiency High School graduation rates Student poverty rates
Poverty and Racial Segregation	Poverty: tracts with at least 30% of population under federal poverty line Racial Segregation: Tracts with location quotient higher than 1.25 for Blacks, Hispanics, Asians, or all people of color in comparison to the County

Source: California Fair Housing Task Force, Methodology for TCAC/HCD Opportunity Maps, December 2020.

TCAC/HCD assigns “scores” for each of the domains in Table E-11 by census tract and computes “composite” scores that are a combination of the three domains. Scores from each individual domain range from 0-1, where higher scores indicate higher “access” to the domain or higher “outcomes.” Composite scores do not have a numerical value but rather rank census tracts by the level of resources (low, moderate, high, highest, and high poverty and segregation).

The TCAC/HCD Opportunity Maps offer a tool to show areas of highest resource, high resource, moderate resource, moderate resource (rapidly changing), low resource, and high segregation and poverty and can help to identify areas within the community that provide good access to opportunity for residents or, conversely, provide low access to opportunity. They can also help to highlight areas where there are high levels of segregation and poverty.

The information from the opportunity mapping can help to highlight the need for housing element policies and programs that would help to remediate conditions in low resource areas and areas of high segregation and poverty and to encourage better access for low and moderate income and black, indigenous, and people of color (BIPOC) households to housing in high resource areas.

Regional Trends

Tract-level TCAC Opportunity score categories for the region are shown in Figure E-30. This visual representation of TCAC Opportunity Areas in Santa Cruz County is based on a composite score, where each tract is categorized based on percentile rankings of the level of resources within the region. Most of the tracts in the county are high and highest resource areas. Moderate resource tracts are found near Boulder Creek, Twin Lakes and the in the City of Santa Cruz. Low resource tracts are located in and around the community of Freedom and the City of Watsonville.

Local Trends

TCAC Opportunity Area scores for Capitola have been compiled by tract (Table E-12) and are presented geographically in Figure E-31. The tracts west of Wharf Road (tracts 1216.00 and 1217.00) are high resource areas while the tract between Wharf Road and Park Avenue (1218.00) has a highest resource designation. It should be noted that most of tract 1216.00 is in the unincorporated County. The portion within Capitola is south of the rail line and just on either side of Cliff Drive. Also, the only portion of the tract east of Park Avenue within city limits is New Brighton State Beach; therefore, this tract was not included in the table.

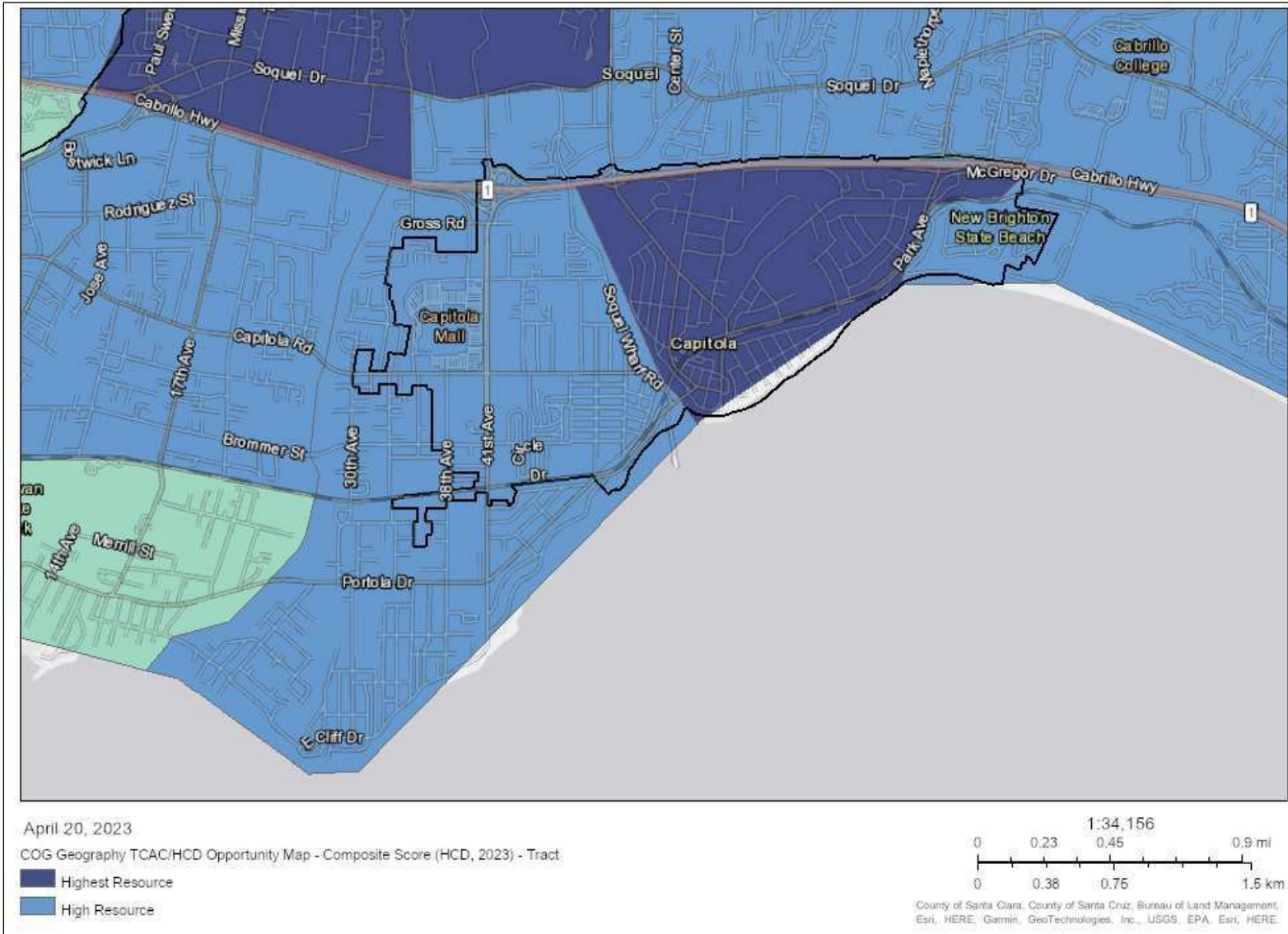
Table E-12: TCAC Opportunity Area Scores By Tract in Capitola

Tract	Economic Score	Environmental Score	Education Score	Composite Score	Final Category
1216.00	0.64	0.61	0.67	4.00	High Resource
1217.00	0.65	0.24	0.64	4.00	High Resource
1218.00	0.86	0.26	0.81	5.00	Highest Resource
Total Households	58,094	38,181	96,275		

Source: Source: HCD AFFH Data Viewer 2.0, 2023; UC Berkeley – TCAC Opportunity Area Scores by Tract.

Note: Most of tract 1216.00 is in the unincorporated County. The portion within Capitola is south of the rail line and just on either side of Cliff Drive.

Figure E-31: Capitola TCAC Opportunity Area Composite Score By Tract (2021)



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

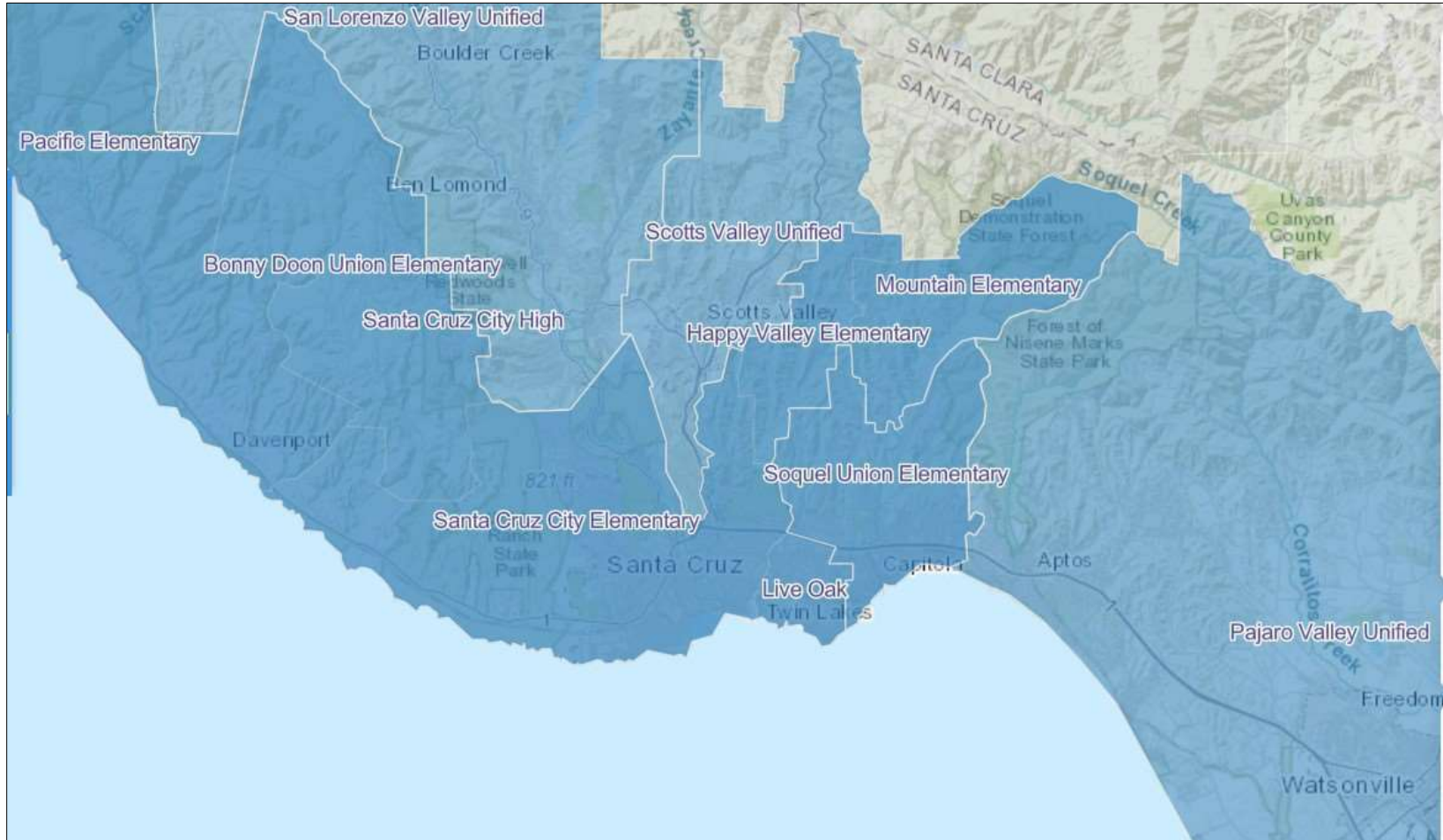
a. Educational

Housing and school policies are mutually reinforcing, which is why it is important to analyze access to educational opportunities when assessing fair housing. At the most general level, school districts with the greatest amount of affordable housing tend to attract larger numbers of LMI families (largely composed of minorities). As test scores are a reflection of student demographics, where Black/Hispanic/Latino students routinely score lower than their White peers, less diverse schools with higher test scores tend to attract higher income families to the school district. This is a fair housing issue because as higher income families move to the area, the overall cost of housing rises and an exclusionary feedback loop is created, leading to increased racial and economic segregation across districts as well as decreased access to high-performing schools for non-White students.

Regional Trends

Santa Cruz County has 10 school districts serving about 40,000 students. The boundaries of these districts are shown on Figure E-32 (Santa Cruz Elementary and Santa Cruz High are under the same District office). In terms of public schools, the County has 40 elementary, 12 middle and eight high schools. In addition, the County has charter schools, alternative high schools and alternative schools of choice.

Figure E-32: School District Boundaries in Santa Cruz County



Source: California State Geoportal; gis.data.ca.gov

Table E-13 looks at high school graduation rates in the County by race and ethnicity. In the 2021-2022 school year, the graduation rate in the County overall was 86.9%, which was comparable to the state (97.0%). Asian and African American students had the highest rates at 96% while Hispanic students had the lowest graduation rate at 84%. The graduation rates of all groups of students increased between the 2016-2017 and 2021-2022 school years.

Table E-13: High School Graduation Rates By Race/Ethnicity in Santa Cruz County

	2016-2017		2021-2022	
	Students	Graduation Rate	Students	Graduation Rate
African American	30	80.0%	25	96.0%
American Indian and Alaska Native	11	72.7%	12	91.7%
Asian	50	94.0%	81	96.3%
Filipino	28	92.9%	19	94.7%
Hispanic or Latino	1,577	82.4%	1,915	84.2%
Pacific Islander	---	---	---	---
White	1,269	88.7%	1,258	90.4%
Two or more races	79	84.8%	126	89.7%
Not Reported	---	---	---	---
Santa Cruz County	2,610	85.0%	3,476	86.9%
California	493,795	82.7%	497,884	87.0%

Source: California Department of Education, Data Reporting Office. Cohort Outcome Data for the Class of 2016-17 and 2021-22.

Local Trends

As shown in Figure E-33, the majority of Capitola is within the Soquel Union Elementary School District. A small western portion of the City is in the Live Oak District boundaries. High school aged students in the Soquel Union Elementary School District attend Soquel High School located north of Highway 1. This high school is in the Santa Cruz City School District. Those in the Live Oak Elementary District are served by the Cypress Charter High School.

Figure E-33: School District Boundaries In and Around Capitola



Source: California State Geoportal; gis.data.ca.gov

Greatschools.org is a nonprofit organization that rates schools across the states. The Great Schools Summary Rating calculation is based on four ratings: the Student Progress Rating or Academic Progress Rating, College Readiness Rating, Equity Rating, and Test Score Rating. Ratings at the lower end of the scale (1-4) signal that the school is “below average,” 5-6 “average.” and 7-10 “above average.”

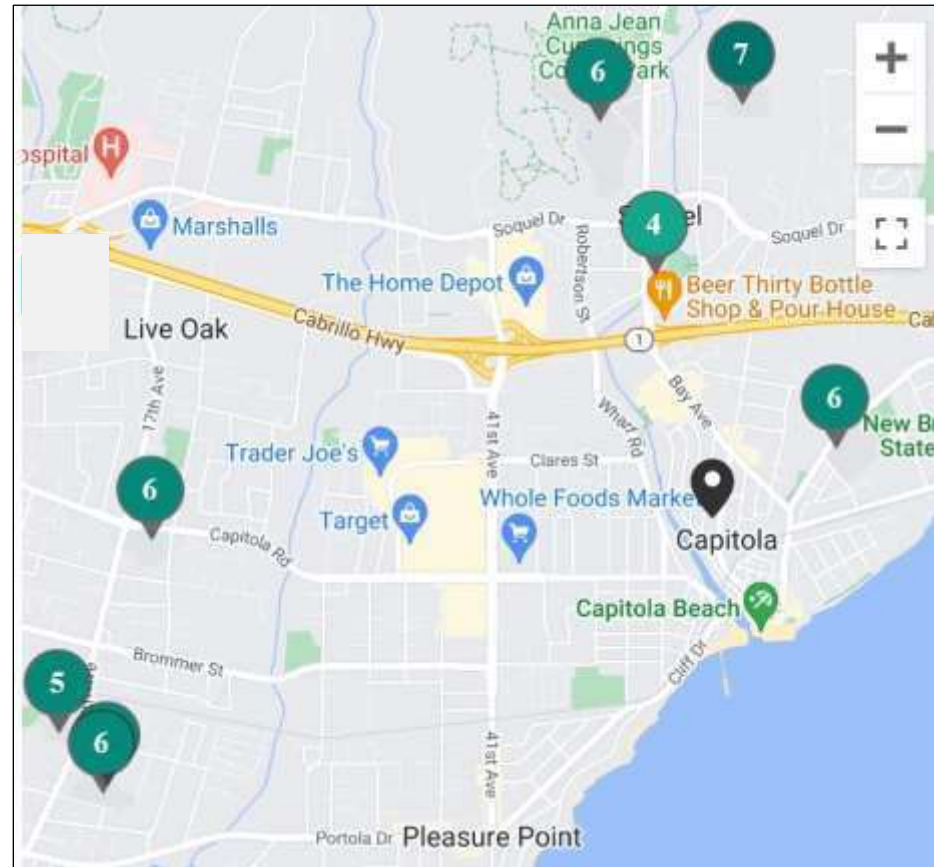
The schools serving Capitola residents in the Soquel Union Elementary School District have the following Great School Summary Ratings:

- Soquel Elementary: 4
- Main Street Elementary: 7
- New Brighton Middle School: 6
- Soquel High School: 6

The schools in the Live Oak District serving Capitola residents have the following ratings:

- Live Oak Elementary: 6
- Shoreline Middle School: 5
- Cypress Charter High School: 6

Figure E-34: Great School Ratings



Source: Greatschools.org

Looking at high school graduation rates in 2021-2022, Soquel High School reported on two race/ethnic groups: White students had a 98.6% graduation rate and Hispanic students had a 97.3% graduation rate. The Cypress Charter High School reported a 100% graduation rate for White students.⁷

⁷ California Department of Education, Data Reporting Office. Cohort Outcome Data for the Class of 2021-22. 2023-2031 HOUSING ELEMENT CAPITOLA GENERAL PLAN

b. Transportation

Access to public transit is of paramount importance to households affected by low incomes and rising housing prices, especially because lower income households are often transit dependent. Public transit should strive to link lower income persons, who are often transit dependent, to major employers where job opportunities exist. Access to employment via public transportation can reduce welfare usage and increase housing mobility, which enables residents to locate housing outside of traditionally low-income neighborhoods.

Regional Trends

The Santa Cruz County Regional Transportation Commission (RTC), along with its partners, obtains and distributes funding to maintain the existing transportation network as well as prepare for future transportation needs. The RTC's 2045 Regional Transportation Plan (RTP), approved in June 2022, looks at future projects throughout the County.

Regional Transportation Plan (RTP)⁸

The following information about the County's transportation system is from the 2045 RTP:

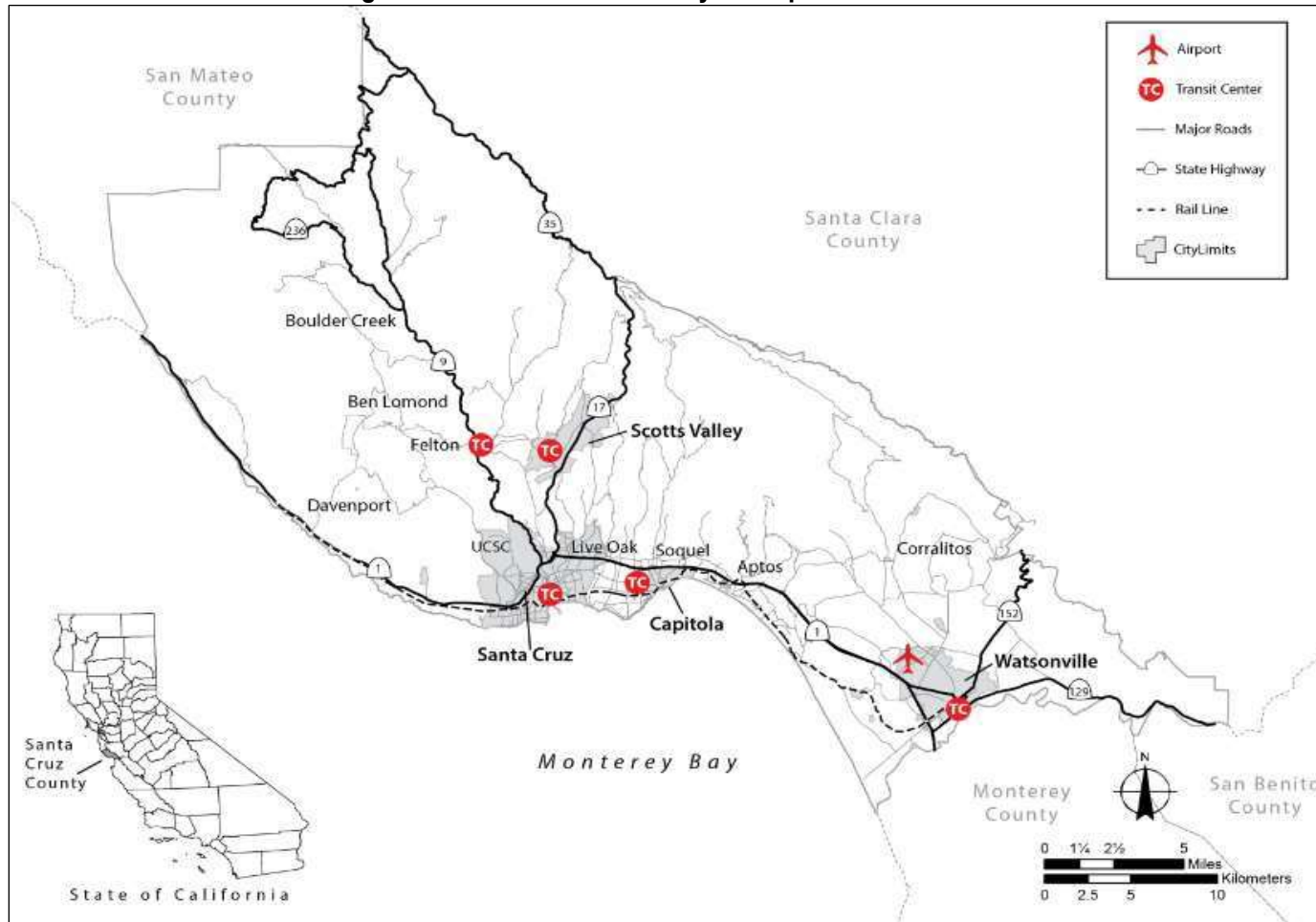
Santa Cruz County's transportation network includes facilities for private automobiles, public transit, bicycles, pedestrians, specialized transportation for seniors and people with physical or mental disabilities, transport of goods and services, and emergency vehicles. Santa Cruz County's main transportation corridors and facilities are limited by the area's physical barriers of mountains and the sea (Figure E-35). Population settlement patterns are primarily centered along highways, major arterials, and the Santa Cruz Branch Rail Line (SCBRL).

Santa Cruz Metropolitan Transit District (METRO) buses serve approximately 400 miles of roads throughout the county and cover the majority of roads designated as arterial and collector routes. There are 218 miles of bicycle lanes and bicycle paths which generally follow primary transportation corridors. Sidewalks and other pedestrian facilities are also an important part of the transportation network.

8 Santa Cruz County Regional Transportation Commission, *2045 Regional Transportation Plan for Santa Cruz County*, June 2022.

There are seven state highways, or State Routes (SR), in Santa Cruz County – SR 1, 9, 17, 35, 129, 152 and 236 (Figure E-35).

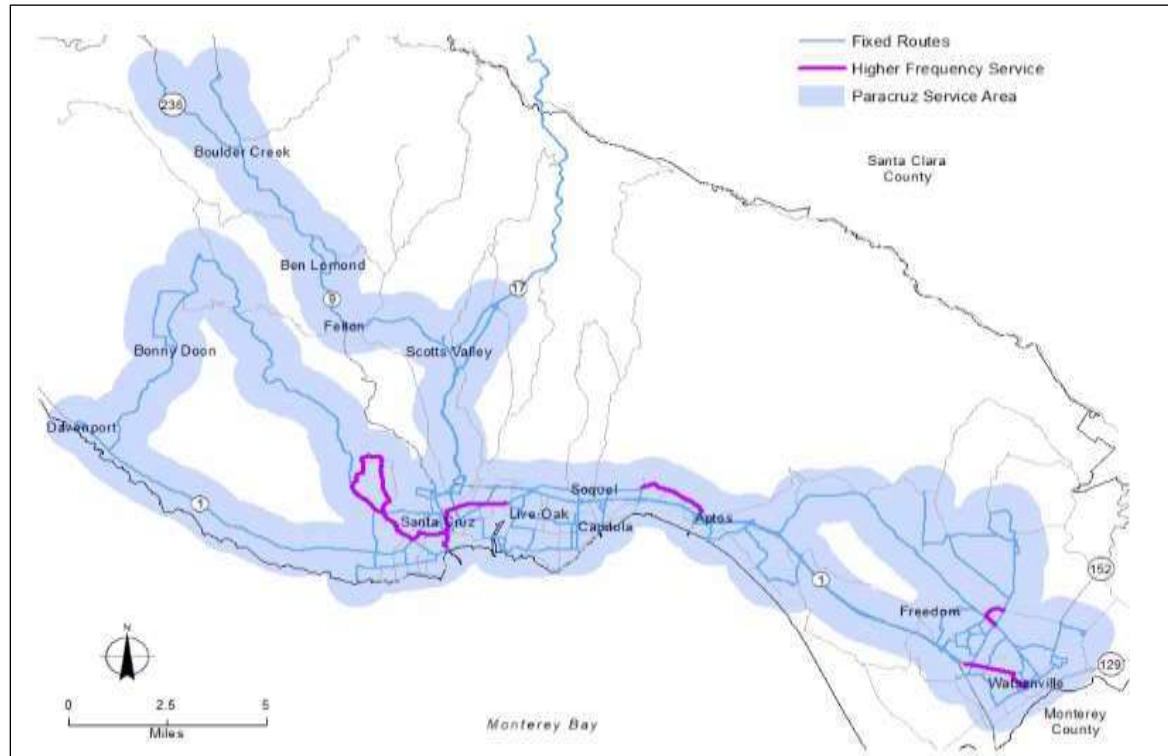
Figure E-35: Santa Cruz County Transportation Network



Source: 2045 Regional Transportation Plan for Santa Cruz County (Figure 2.1)

Public transit is operated locally by the Santa Cruz Metropolitan Transit District (METRO). METRO provides four types of services: local fixed-route bus service, Highway 17 Express Bus service, ParaCruz ADA-mandated paratransit, and Cruz On-Demand microservices (Figure E-36). METRO operates over 90 buses (including four all electric buses) on 24 fixed routes on approximately 400 miles of roads and four transit centers in Santa Cruz County: Cavallaro Transit Center in Scotts Valley, Santa Cruz METRO Center in Downtown Santa Cruz, Capitola Mall Transit Center, and Watsonville Transit Center in Downtown Watsonville (Figure E-35). In 2023, Metro was awarded \$38.6 million from the California State Transportation Agency’s Transit and Intercity Rail Capital Program (TIRCP) to support 24 zero-emission hydrogen-powered buses and associated fueling infrastructure on a regional level. This will increase service frequency while providing clean energy.

Figure E-36: Transit Provided by Santa Cruz Metropolitan Transit District (METRO)



Source: 2045 Regional Transportation Plan for Santa Cruz County (Figure 2.3)

Figure E-37 shows the locations of high quality transit stops and areas in the County. These areas are located within the boundaries of the County's four incorporated cities.

Figure E-37: High Quality Transit Stops and Areas in Santa Cruz County

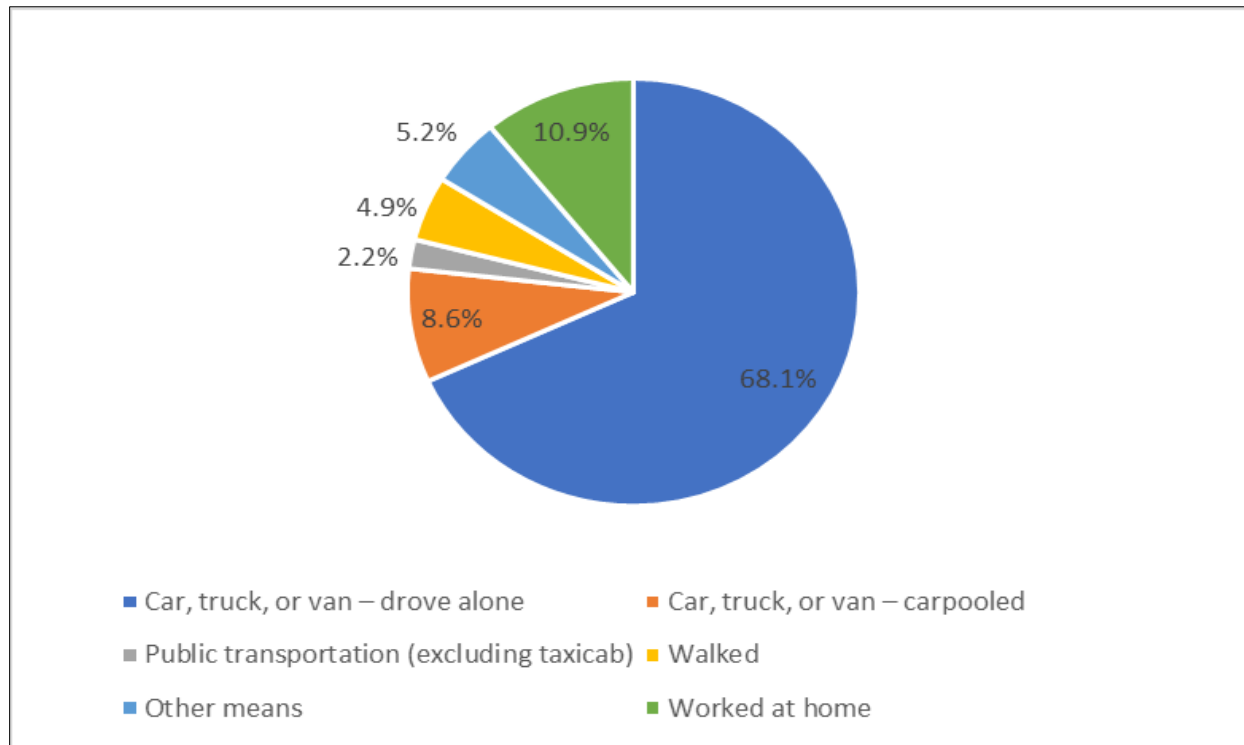


Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

Commuting Patterns in Santa Cruz County

Additional information about transit usage in Santa Cruz County is available by looking at commuting patterns. Figure E-38 shows how people in the County travel to and from their jobs. Approximately 76% of county residents travel by automobile to their job. Of those who drove, 8.6% carpooled. About 11% of workers in the county worked from home. Public transit was used by 2% of residents for work travel. Five percent of workers walked to their jobs and another 5% used other modes of travel, such as biking.

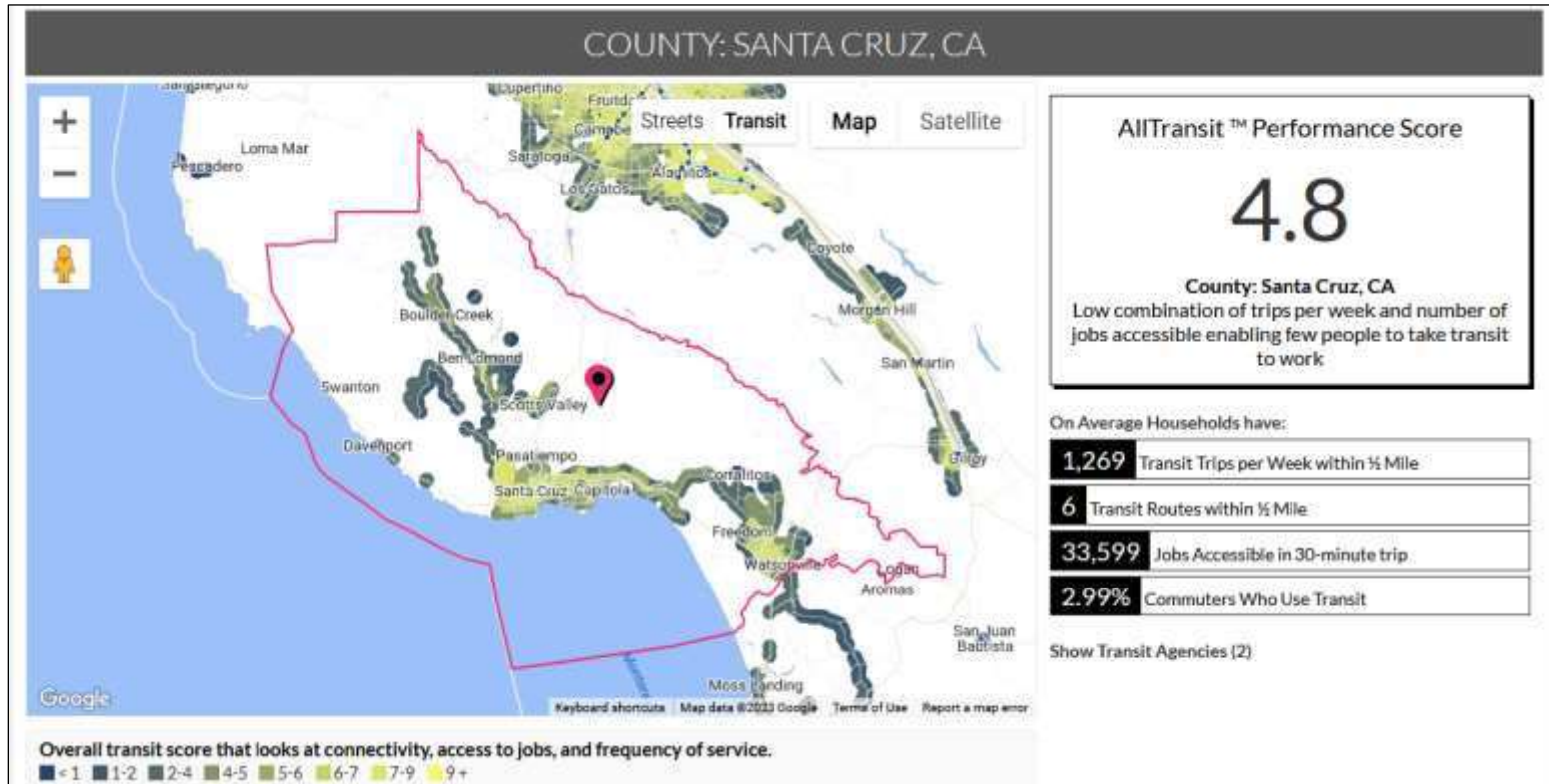
Figure E-38: Means of Transportation to Work in Santa Cruz County



Source: 2016-2020 American Community Survey 5-year Estimates

All Transit explores metrics that reveal the social and economic impact of transit, specifically looking at connectivity, access to jobs, and frequency of service. According to the most recent data posted (2019), Santa Cruz County has an AllTransit Performance Score of 4.8 (out of 10). The map in Figure E-39 shows that the cities in the county as well as the communities in the central corridor of the county have a higher transit usage.

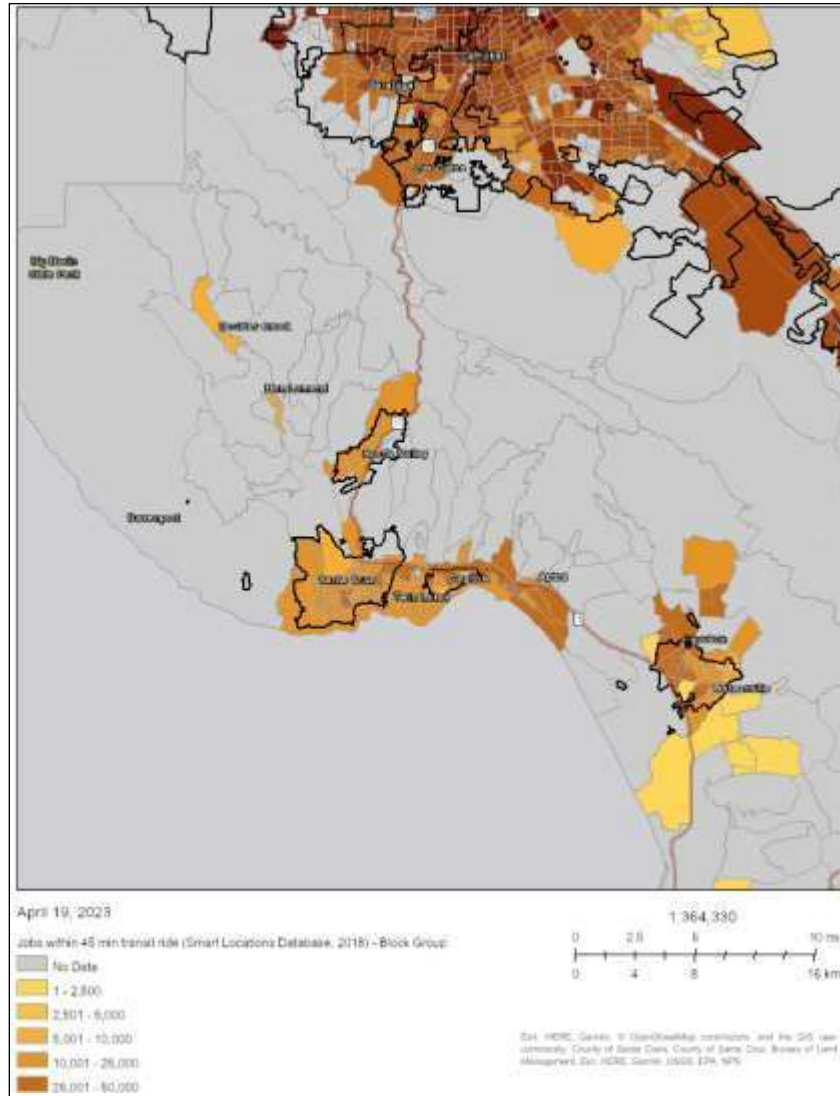
Figure E-39: Santa Cruz County All Transit Performance Score and Map (2019)



Source: AllTransit, <https://alltransit.cnt.org/rankings>

Figure E-40 shows the areas with jobs located within a 45-minute transit ride.

Figure E-40: Jobs Within A 45-Minute Transit Ride in Santa Cruz County



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

Local Trends

Highway 1 is the major road that goes through Capitola (Figure E-41). In addition to the regional traffic congestion along Highway 1, within the City of Capitola, traffic congestion along the 41st Avenue corridor remains problematic. The County of Santa Cruz completed improvements to the 41st Avenue overcrossing at Highway 1, which include the restriping of the bridge deck to add an additional southbound lane. An adaptive signal and bicycle lane mileage for 41st Avenue have also been added.

Figure E-41: Capitola Roadway Network



Source: City of Capitola and RBF Consulting, 2011.
Source: City of Capitola General Plan

In February 2011, Capitola adopted an updated Bicycle Transportation Plan (BTP).⁹ The BTP identifies a number of existing and proposed bikeways for Capitola, as shown in Figure E-42. In addition, a multi-use trail for bicycles and pedestrians is planned along the Santa Cruz Branch rail line corridor. The long-term plan is for the multi-use trail to cross Soquel Creek along the trestle. In the short term, the rail trail will cross Soquel Creek over Stockton Bridge in the Village until sufficient funds are available to retrofit the trestle to accommodate bicycles and pedestrians.

Figure E-42: Capitola Bikeway Network

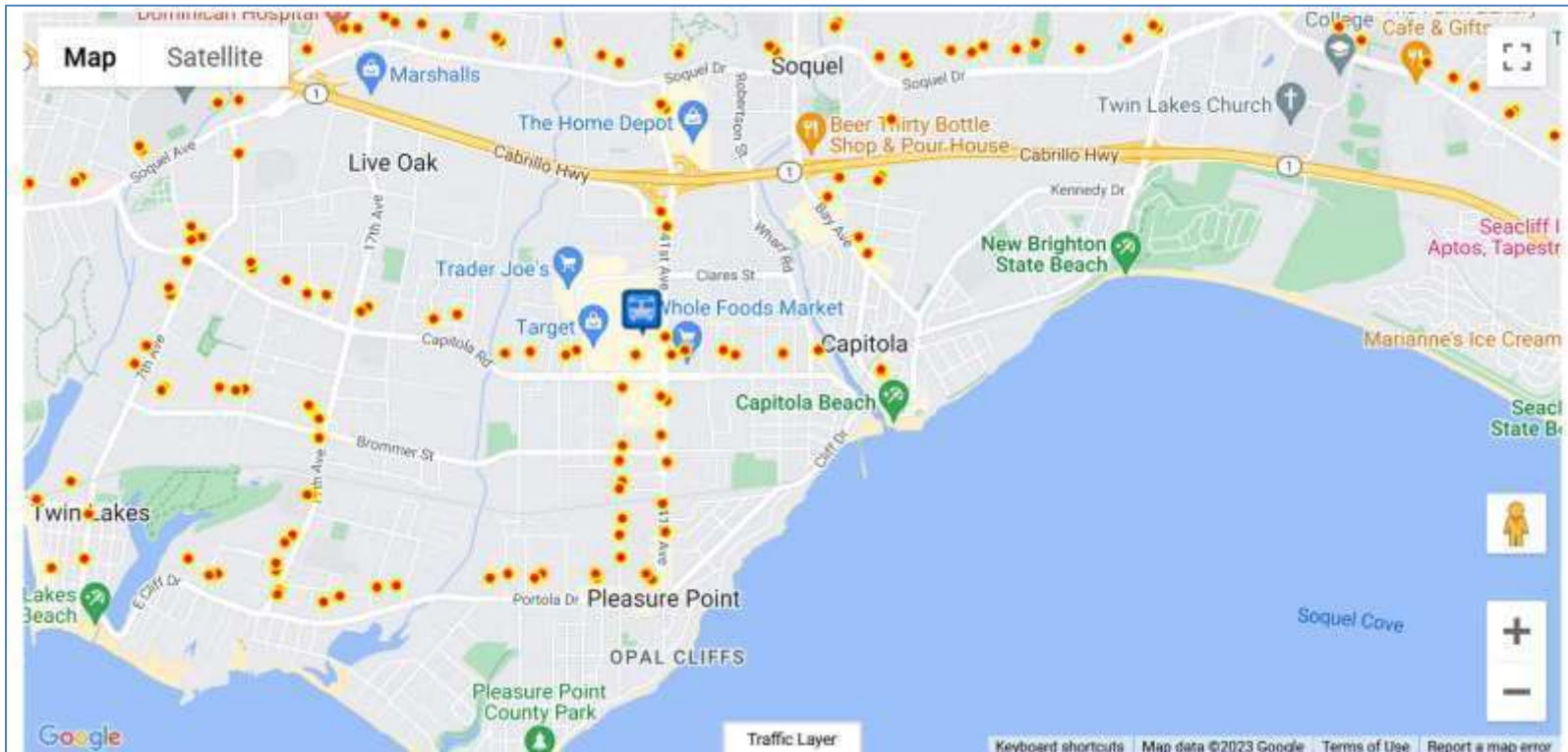


*A sharrow, or shared-lane marking, is a street markings placed in the center of a travel lane to indicate that a bicyclist may use the full lane.
Source: City of Capitola and RBF Consulting, 2011.

9 City of Capitola, Capitola General Plan. Adopted June 26, 2014.

The Capitola Mall Transit Center has a ticket vending machine and has four routes that provide bus service in and around Capitola (Figure E-43). Service begins around 10:30 in the morning until 10:30 at night.

Figure E-43: Bus Service In and Around Capitola



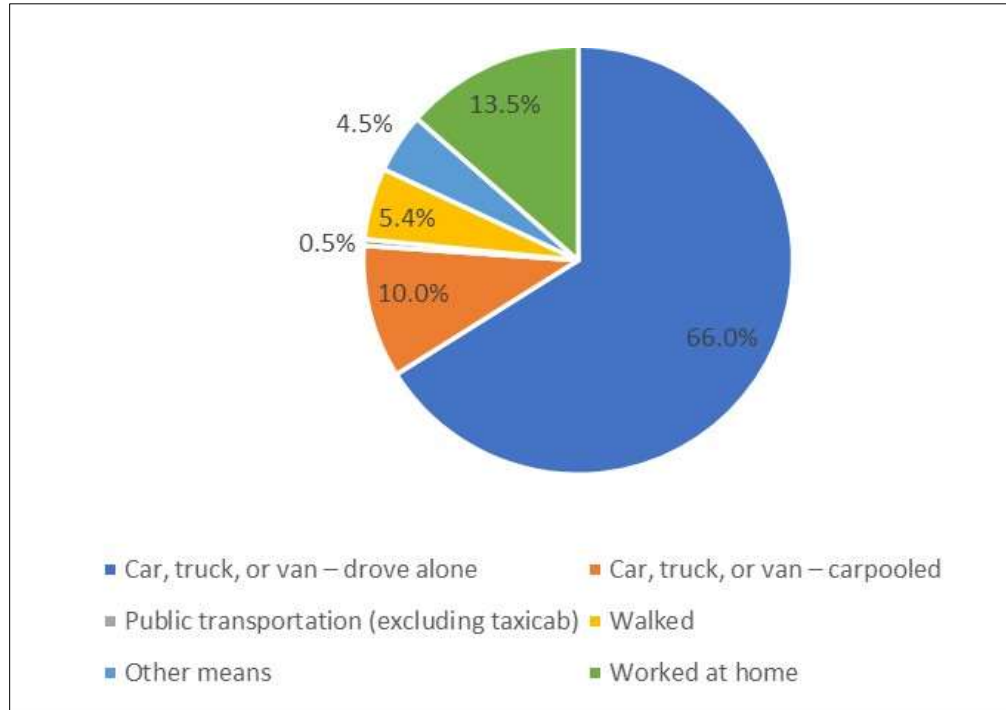
Source: Santa Cruz METRO website, 2023.

In addition to information on bus routes, the City’s website provides information on park and ride locations, ride sharing, bike routes and other means of alternative transportation.

Commuting Patterns in Capitola

Figure E-44 shows the commuting patterns for Capitola residents. The percentage of residents who drive alone (66%) is slightly less than the County (68%). Fewer Capitola workers use public transit (<1%) than the County, but more carpool (10%) and work from home (14%).

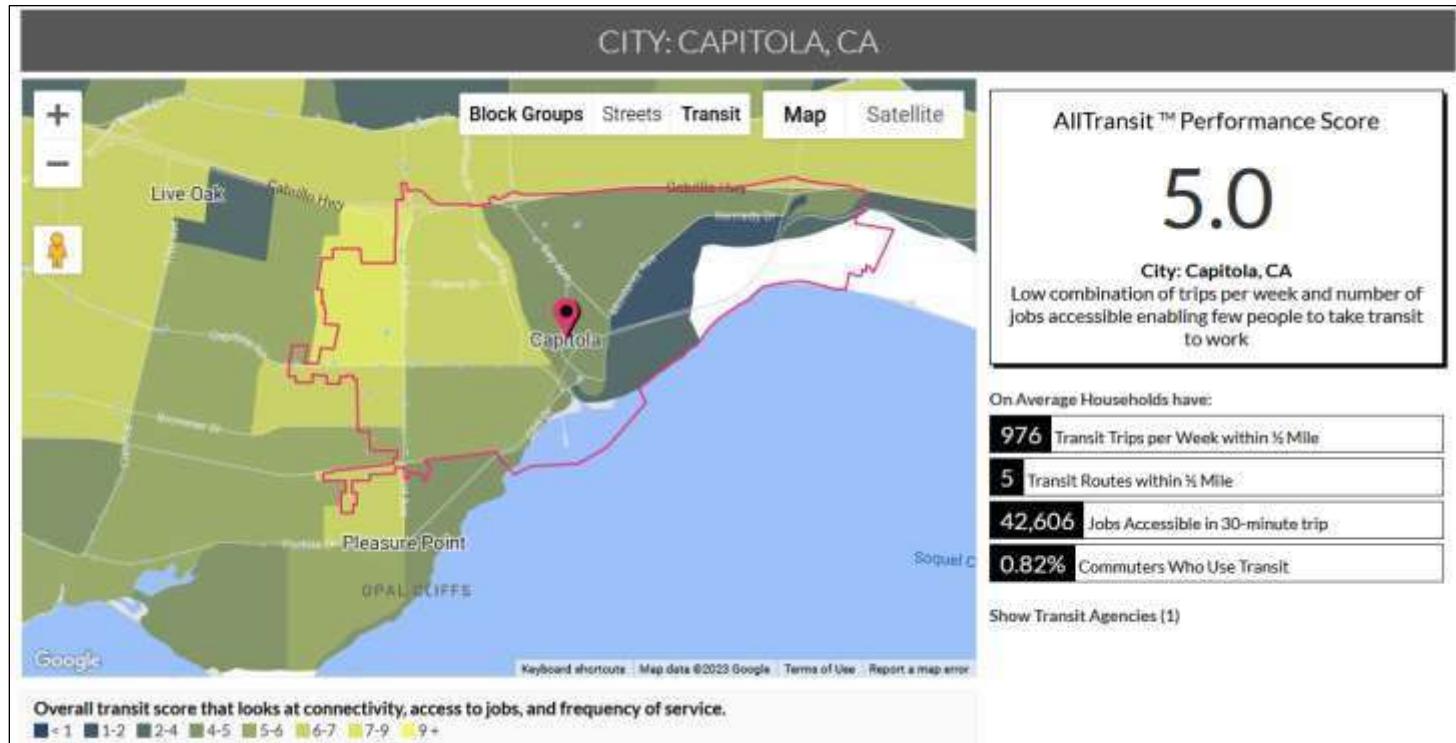
Figure E-44: Means of Transportation to Work in Capitola



Source: 2016-2020 American Community Survey 5-year Estimates

The All Transit score for Capitola is 5.0, which is slightly higher than the 4.8 for the county (Figure E-45).

Figure E-45: Capitola All Transit Performance Score and Map (2019)



c. Economic

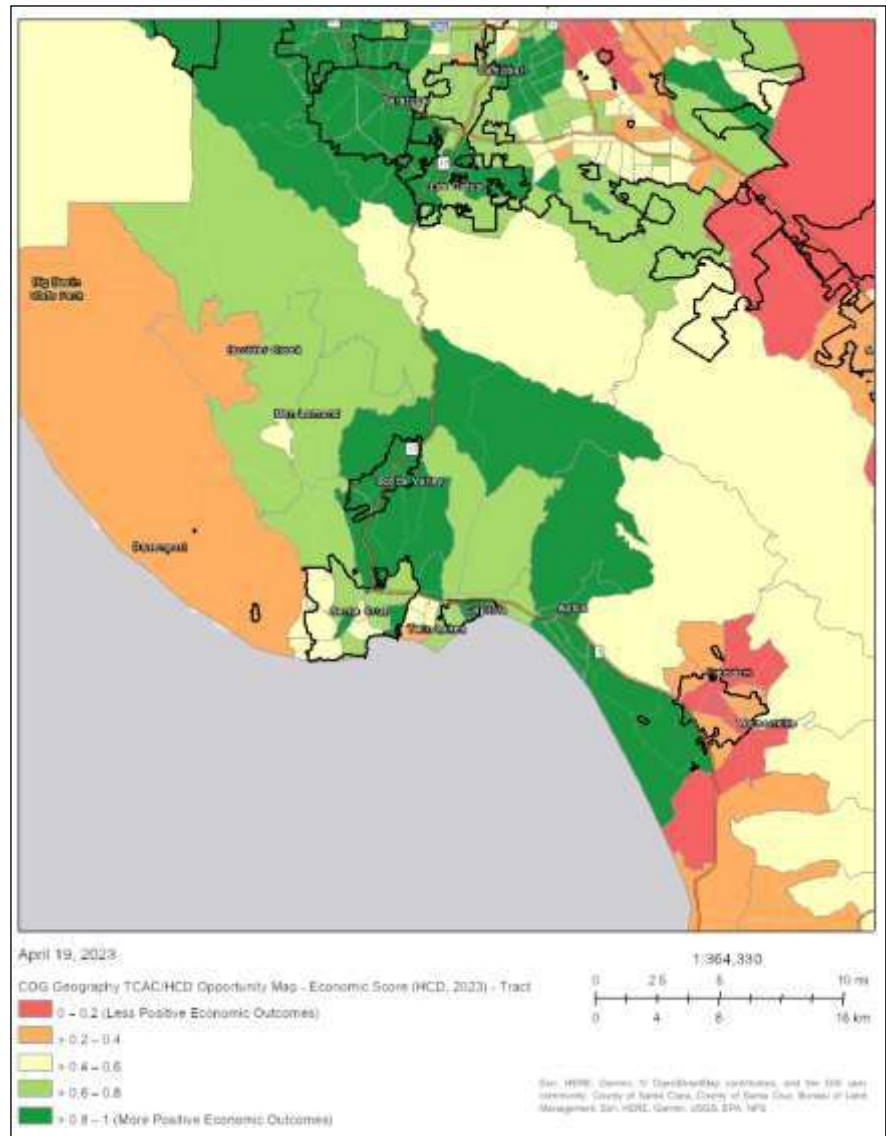
Regional Trends

TCAC economic scores are determined using the following variables: poverty, adult education, employment, job proximity, and median home value. A complete list of TCAC Opportunity Map domains and indicators are included in Table E-11. TCAC economic scores by tract in the County are presented in Figure E-46. The portions of the County with lower economic scores (0.4 or less) are in the northwest, including the community of Davenport, part of the Twin Lakes community, the southwest and in and near the City of Watsonville.

Local Trends

As shown on Figure E-46, Capitola has favorable economic opportunity scores. The eastern area of the City (east of Wharf Road) has the highest score possible (>0.8-1.0). While the economic scores are high in Capitola, one concern is the economic base being dependent of tourism and how that impacts the types of job opportunities for residents. This issue is discussed further in the *Other Relevant Factors* section of this AFFH.

Figure E-46: Santa Cruz County TCAC Opportunity Areas – Economic Score By Tract



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

d. Environmental

TCAC environmental score are based on the CalEnviroScreen 4.0 scores that was developed by the California Environmental Protection Agency (CalEPA) to evaluate pollution sources in a community while accounting for a community's vulnerability to the adverse effects of pollution. Measures of pollution burden and population characteristics are combined into a single composite score that is mapped and analyzed. Higher values on the index indicate higher cumulative environmental impacts on individuals arising from these burdens and population factors.

The California Office of Environmental Health Hazard Assessment (OEHHA) compiles these scores to help identify California communities disproportionately burdened by multiple sources of pollution. In addition to environmental factors (pollutant exposure, groundwater threats, toxic sites, and hazardous materials exposure) and sensitive receptors (seniors, children, persons with asthma, and low birth weight infants), CalEnviroScreen also considers socioeconomic factors such as educational attainment, linguistic isolation, poverty, and unemployment.

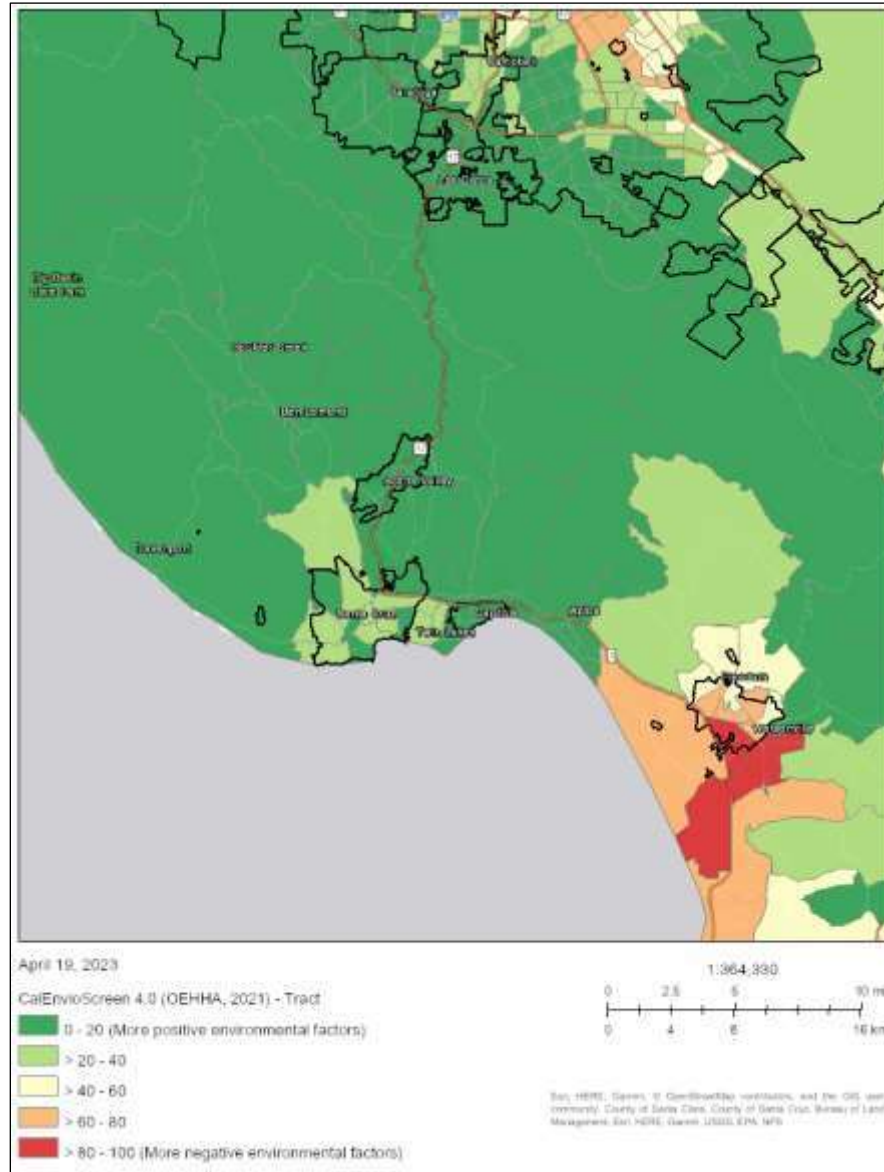
Regional Trends

Figure E-47 shows scores for CalEnviroScreen 4.0 released by the California Office of Environmental Health Hazard Assessment. Most of the County has more positive environmental scores, with the exception of the southwest portion south of Aptos. The southwest corner of the City of Watsonville has the most negative environmental factors.

Local Trends

As shown in Figure E-47, Capitola has the most positive environmental scores. The City has a variety of open space and recreational resources, including Capitola Beach and the New Brighton State Beach park. Figure E-48 shows the locations of the local parks in Capitola.

Figure E-47: CalEnviroScreen Scores for Santa Cruz County



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

Figure E-48: Local Parks in Capitola



Source: Santa Cruz County and RBF Consulting, 2011.

Source: Santa Cruz County and RBF Consulting 2011

5. Disproportionate Housing Needs

Disproportionate housing needs generally refers to a condition in which there are significant disparities in the proportion of members of a protected class experiencing a category of housing need when compared to the proportion of members of any other relevant groups, or the total population experiencing that category of housing need in the applicable geographic area. The Comprehensive Housing Affordability Strategy (CHAS) developed by the Census for HUD provides detailed information on housing needs by income level for different types of households in Santa Cruz County and Capitola. Housing problems considered by CHAS include:

- Housing cost burden, including utilities, exceeding 30% of gross income;
- Severe housing cost burden, including utilities, exceeding 50% of gross income;
- Overcrowded conditions (housing units with more than one person per room); and
- Units with physical defects (lacking complete kitchen or bathroom)

Housing Problems.

In Santa Cruz County, 44% of households experience housing problems (Table E-14). These problems can be: 1) housing units lacking complete kitchen facilities, 2) housing units lacking complete plumbing facilities, 3) household is overcrowded, and 4) household is cost burdened. Renter households in the County face a greater percentage of problems compared to owner households (60% versus 33%). Black residents face the highest amount of housing problems overall (51.2%). When looking at tenure, 80% of American Indian renter households and 43% of Hispanic owner households experience housing problems. The following section provides an overview of housing problems including cost burden, overcrowding, substandard housing conditions, displacement risk and persons experiencing homelessness.

a. Cost Burden

Housing cost burden, or overpayment, is defined as households paying 30% or more of their gross income on housing expenses, including rent or mortgage payments and utilities. Renters are more likely to overpay for housing costs than homeowners. Housing cost burden is considered a housing need because households that overpay for housing costs may have difficulty affording other necessary expenses, such as childcare, transportation, and medical costs.

Regional Trends

In Santa Cruz County, 44% of households experience housing problems (Table E-14). These problems can be: 1) housing units lacking complete kitchen facilities, 2) housing units lacking complete plumbing facilities, 3) household is overcrowded, and 4) household is cost burdened. Renter households in the County face a greater percentage of problems compared to owner households (60% versus 33%). Black residents face the highest amount of housing problems overall (51.2%). When looking at tenure, 80% of American Indian renter households and 43% of Hispanic owner households experience housing problems.

Cost burden impacts 40% of households in the County. Similar to housing problems overall, renter households experience a higher rate of cost burden than owner households (54% versus 30%). When looking at race and ethnicity, American Indian households have the lowest percentage (25%) while half of Hispanic households in the County are paying more than 30% of their income on housing.

Table E-14: Housing Problems and Cost Burden By Race/Ethnicity – Santa Cruz County (2019)

	White	Black	Asian	American Indian	Pacific Islander	Hispanic	All
With Housing Problem							
Owner-Occupied	31.0%	34.5%	41.7%	29.4%	0.0%	42.8%	33.1%
Renter-Occupied	53.3%	64.8%	57.8%	80.0%	0.0%	72.8%	60.4%
All Households	38.2%	51.2%	48.4%	37.0%	0.0%	61.3%	44.0%
With Cost Burden							
Owner-Occupied	29.5%	34.5%	41.2%	26.5%	0.0%	33.2%	30.4%
Renter-Occupied	49.6%	59.2%	51.3%	13.3%	0.0%	61.7%	53.9%
All Households	36.0%	48.1%	45.4%	24.5%	0.0%	50.7%	39.8%

Source: HUD CHAS Data (2015-2019)

Housing problems and cost burdens can also affect special needs populations disproportionately. Table E-15 shows that renter elderly and large family households experience housing problems and cost burdens at higher rates than all renters, all households, and their owner counterparts.

Table E-15: Housing Problems, Elderly and Large Households – Santa Cruz County (2019)

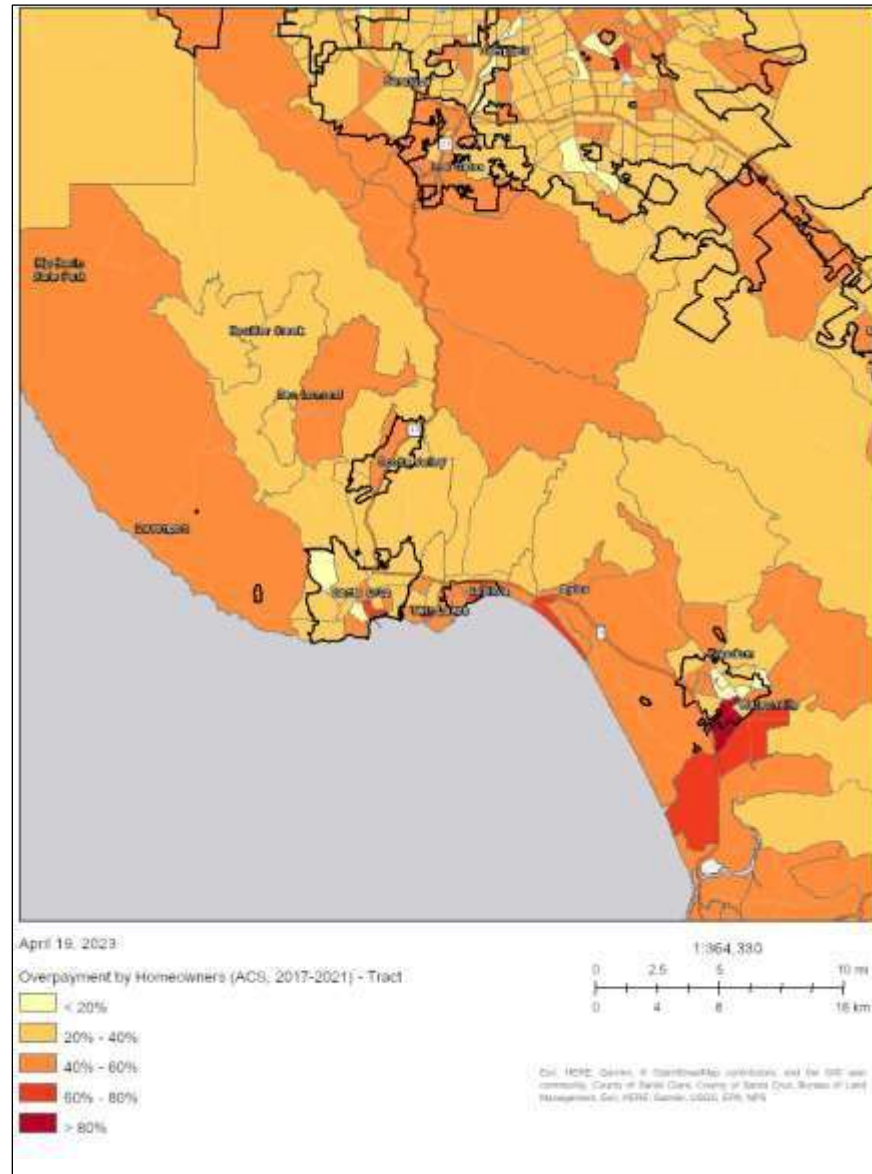
	Owner-Occupied			Renter-Occupied			All Households
	Elderly	Large Households	All Owner	Elderly	Large Households	All Renters	
Any Housing Problem	33.5%	51.1%	33.1%	70.5%	87.9%	60.4%	44.0%
Cost Burden > 30%	32.2%	24.7%	30.4%	66.8%	63.0%	53.9%	39.8%

Source: HUD CHAS Data (2015-2019)

As shown in Figure E-49, the majority of homeowner overpayment in Santa Cruz County is between 20% and 60%. Pockets of higher cost burden are found in the cities of Santa Cruz, Capitola and Watsonville as well as along the coastline west of Aptos. The northern portion of Monterey County also has a high percentage (60% and higher) of cost burdened owner households.

Figure E-50 shows cost burden by renter households in the County. Cost burden for renters is less than owners along the northern coastline, north and west of Boulder Creek, and around the community of Aptos. However, for the remainder of the County, renter household face equal or greater cost burden compared to owners. Concentrations of households with 60% or higher overpayment are found in and around Scott’s Valley, Ben Lomond, Santa Cruz, Capitola, Watsonville and along the coastline south of Capitola.

Figure E-49: Percentage of Overpayment by Homeowners in Santa Cruz County (2021)



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

Local Trends

Housing problems and cost burden, for Capitola is shown in Table E-16. Overall housing problems and cost burden is higher in Capitola than the County (46% versus 44% and 45% versus 40%, respectively). Over 60% of Asian and Hispanic households face housing problems and cost burden in the city versus around 40% of White households. Hispanic renter households face the highest percentage in Capitola.

Table E-16: Housing Problems and Cost Burden By Race/Ethnicity – Capitola (2019)

	White	Black	Asian	American Indian	Pacific Islander	Hispanic	All
With Housing Problem							
Owner-Occupied	40.1%	---	100.0%	---	---	47.2%	42.9%
Renter-Occupied	43.8%	---	33.3%	0.0%	---	69.1%	48.7%
All Households	41.9%	---	64.3%	0.0%	---	62.0%	46.0%
With Cost Burden							
Owner-Occupied	40.4%	---	100.0%	---	---	49.1%	43.1%
Renter-Occupied	39.9%	---	33.3%	0.0%	---	66.4%	45.7%
All Households	40.1%	---	64.3%	0.0	---	60.7%	44.5%

Source: HUD CHAS Data (2015-2019)

Table E-17 shows that elderly renter households face housing problems (90%) and cost burden (76%) at a much greater rate than large households and renter households overall in Capitola. These higher percentages indicate that elderly renters face challenges with rental prices and maintenance issues in the City.

Table E-17: Housing Problems, Elderly and Large Households – Capitola (2019)

	Owner-Occupied			Renter-Occupied			All Households
	Elderly	Large Households	All Owner	Elderly	Large Households	All Renters	
Any Housing Problem	39.8%	31.3%	43.1%	90.3%	58.4%	48.7%	46.0%
Cost Burden > 30%	39.4%	25.6%	42.9%	76.4%	38.2%	45.7%	44.5%

Source: HUD CHAS Data (2015-2019)

Figure E-51 and Figure E-52 shows homeowner cost burden in Capitola between 2014 and 2021. Over the six-year period, 40% to 60% of homeowners faced overpayment. However, tract 1218.01 (located on either side of Monterey Avenue) saw an increase in owner cost burdened households to 60% to 80% since 2014.

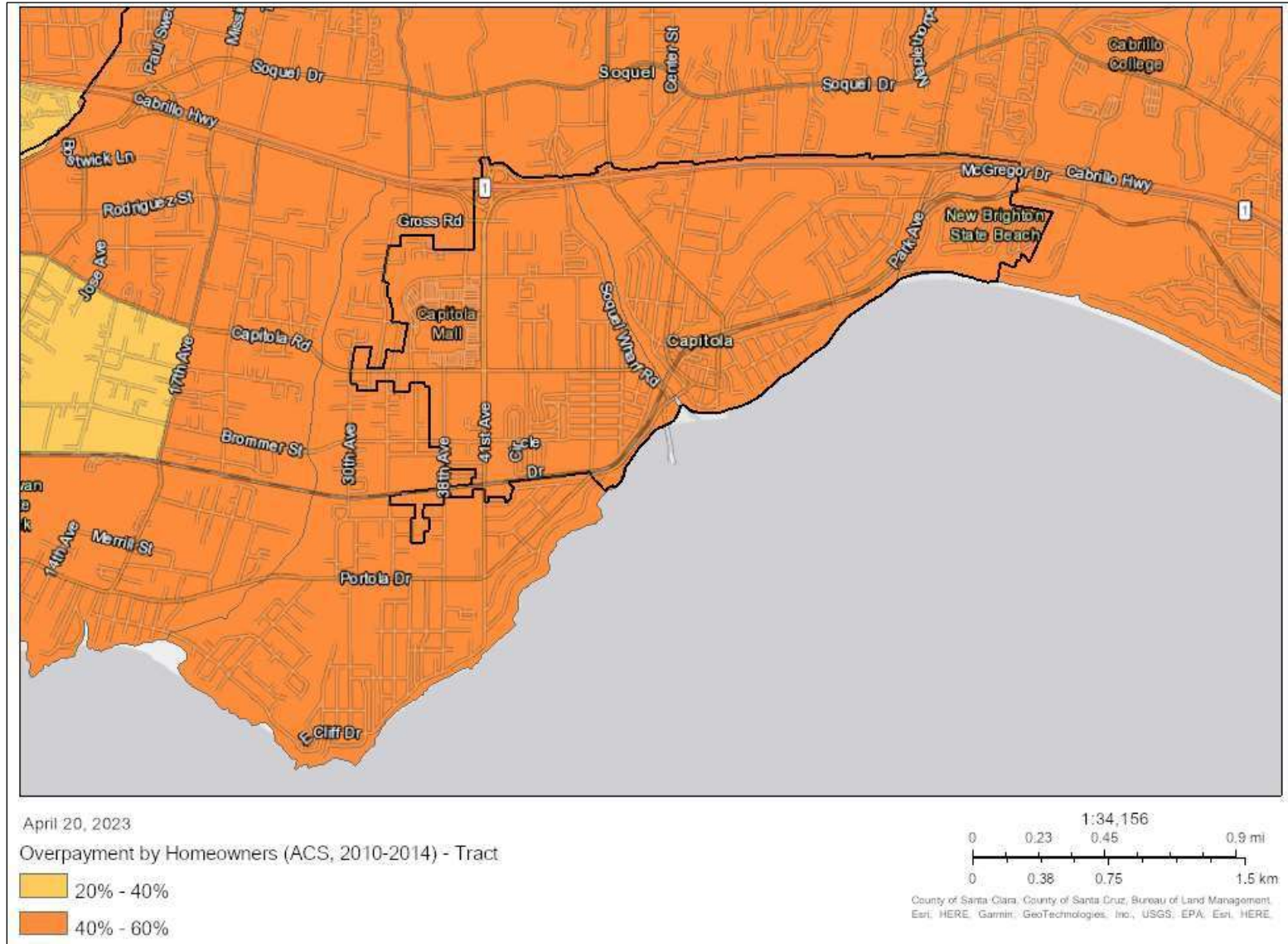
Renter cost burden in Capitola is shown in Figure E-53 and Figure E-54. In 2014, 40% to 60% of renter households in the city faced overpayment. In 2021, that percentage dropped to 20% to 40% of renter households in tract 1217.02 (west of 41st Street), 1218.01 (south of Monterey Avenue) and 1218.02 (north of Monterey Avenue).

As mentioned previously, tract 1218.01, where the Cliff Heights and Depot Hill neighborhoods are located, has a large population of older adults living alone. Elderly adults, who make up a large proportion of this tract population, are more likely to be retired and have fixed or limited incomes and therefore are more likely to experience cost burden. According to the 2016-2020 ACS, 57% of households residing in tract 1218.01 are non-family households. Specifically, in tract 1218.01 57.1% of households are single-person households including 22.6% that are senior single-person households (65 or older). In comparison, only 35.7% of households citywide are one person including 14.5% with an elderly person living alone.

Additionally, only 62% of the population aged 16 and older with earnings residing in tract 1218.01 have full-time year-round earnings, consistent with the large population of elderly adults in this tract. However, the median annual earnings for the 62% of persons in tract 1218.01 with full-time year-round work is \$53,542, significantly higher than the median of \$45,982 citywide. The median income for non-families residing in tract 1218.01 is \$80,541 compared to only \$61,814 for non-family households citywide.

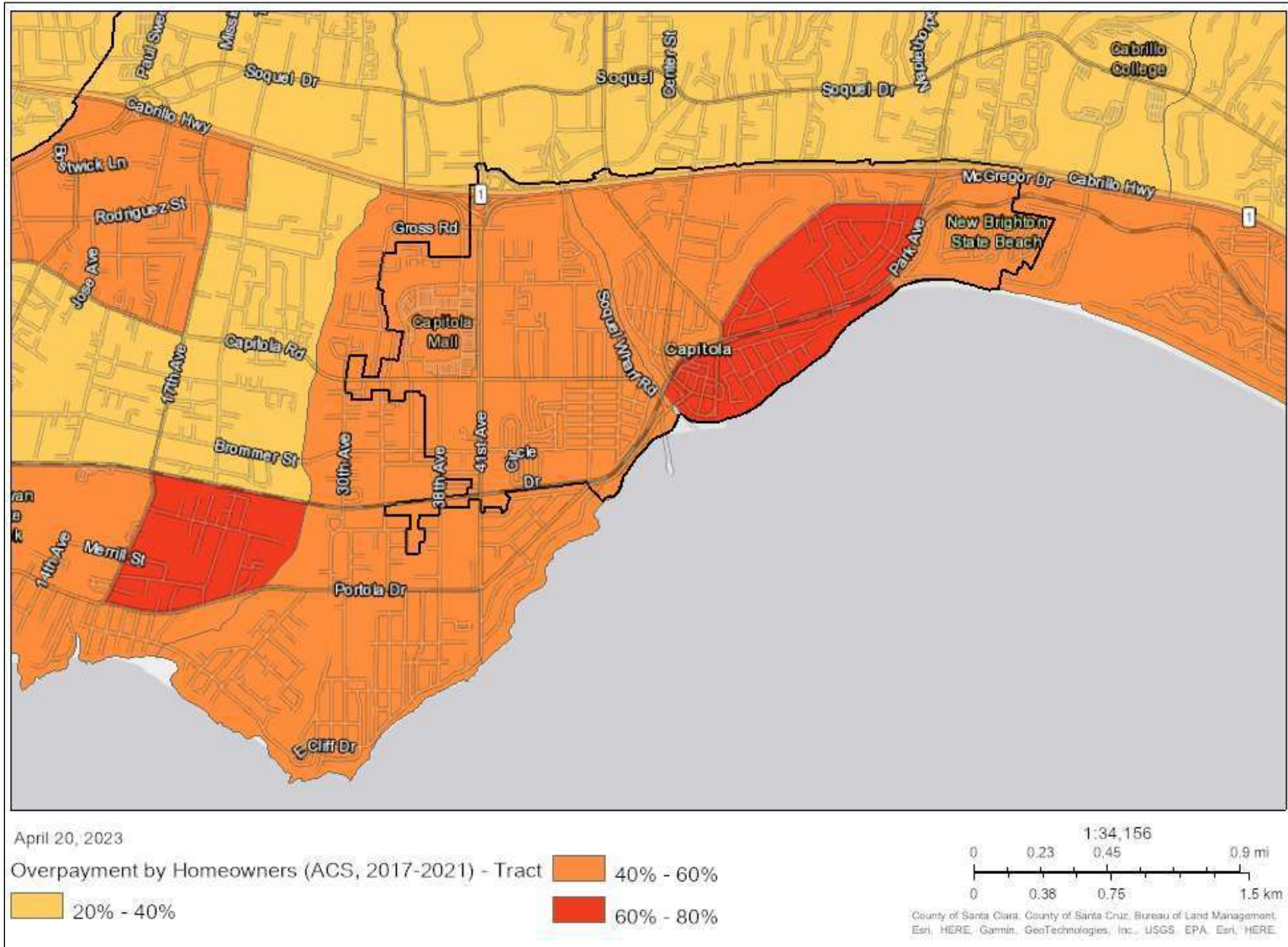
This is likely due to other sources of income including Social Security payments, pensions, child support, public assistance, annuities, money derived from rental properties, interest, and dividends. While owners appear cost burdened at a higher rate in tract 1218.01, this may not reflect the overall character of the population. The map in Figure E-51 below shows housing costs as a percentage of household income based on earnings in the past 12 months of survey. Because a large proportion of the population in tract 1218.01 does not earn salaries or wages due to retirement, cost burden in this area appears worse than it may be in reality. As discussed above, the median income, which includes salaries and other income sources, for non-family households in this tract, including elderly adults living alone, is significantly higher in tract 1218.01 compared to the City as a whole.

Figure E-51: Percentage of Overpayment by Homeowners in Capitola (2014)



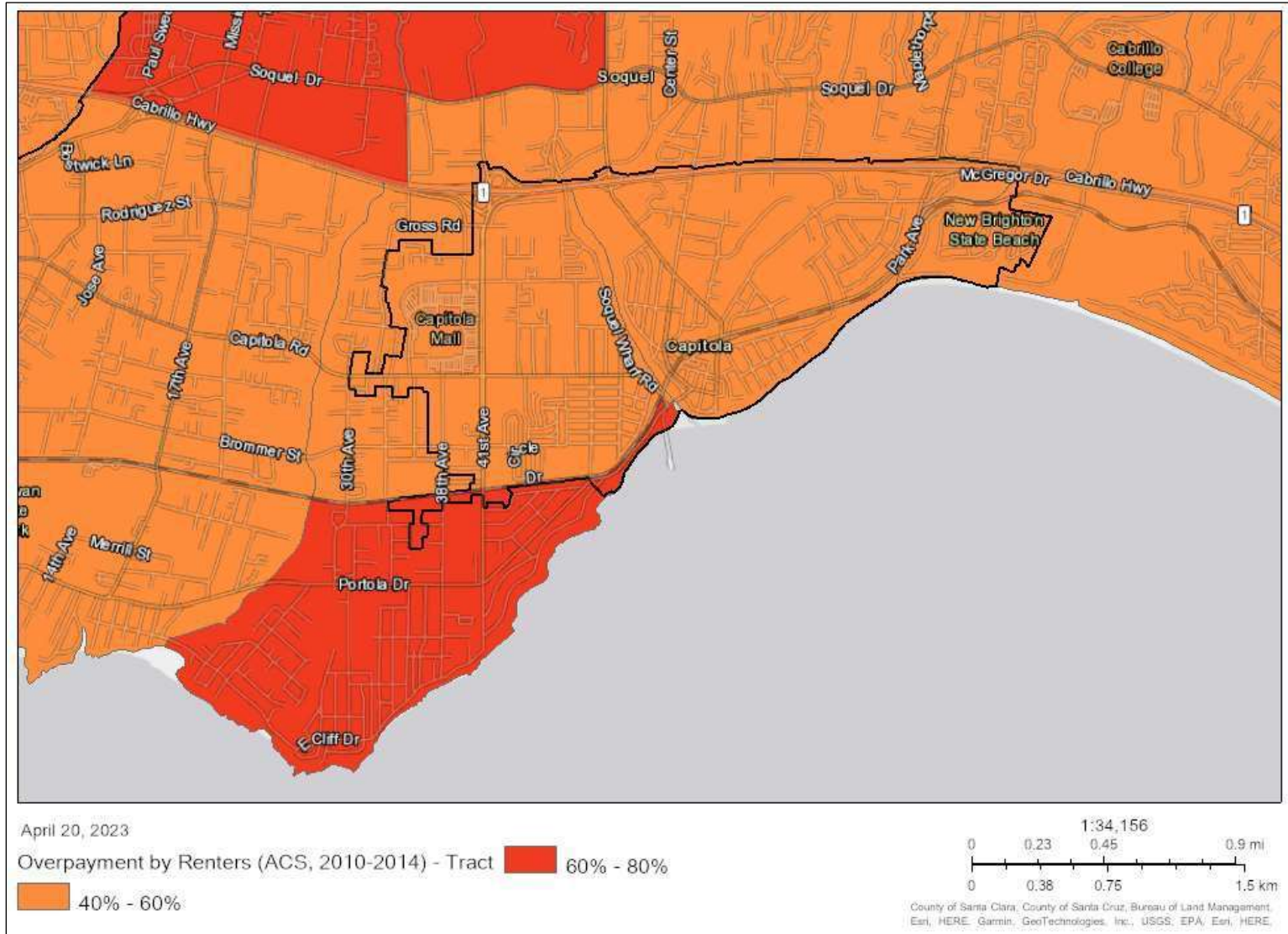
Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

Figure E-52: Percentage of Overpayment by Homeowners in Capitola (2021)



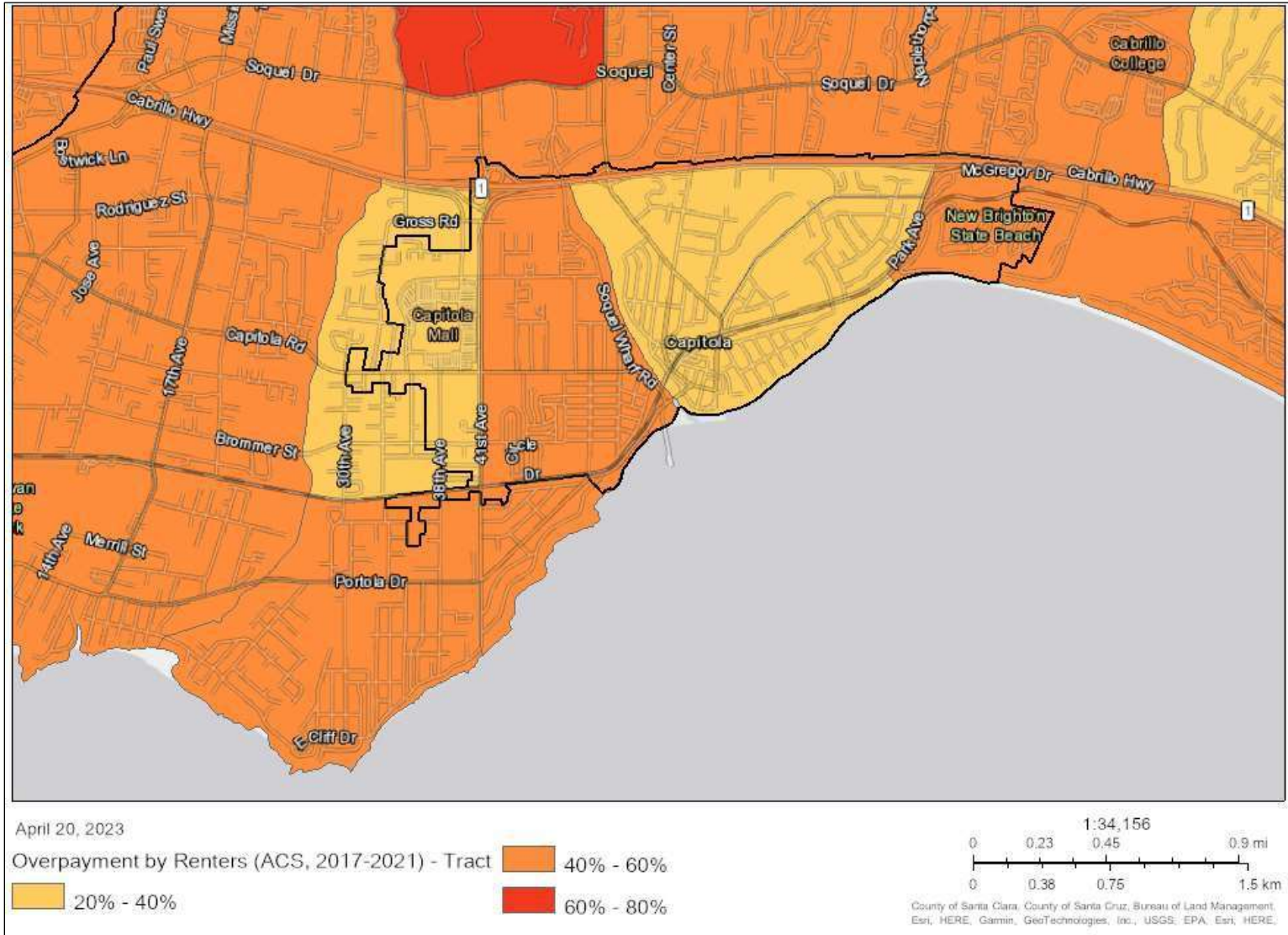
Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

Figure E-53: Percentage of Overpayment by Renters in Capitola (2014)



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

Figure E-54: Percentage of Overpayment by Renters in Capitola (2021)



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

b. Overcrowding

Overcrowding is typically defined as a housing unit occupied by more than one person per room. A housing unit occupied by more than 1.5 persons per room is considered to be severely overcrowded. Overcrowding typically occurs when there are not enough adequately sized units within a community, when high housing costs relative to income force too many individuals to share a housing unit than it can adequately accommodate, or when families reside in smaller units than they need to devote income to other necessities, such as food and health care. Overcrowding tends to accelerate the deterioration of housing. Therefore, maintaining a reasonable level of occupancy and alleviating overcrowding are critical to enhancing quality of life.

The 2016-2020 ACS indicates overcrowding affected 7% of all housing units countywide, including 3.5% of owner units and 11.9% of renter units. Figure E-55 shows the geographic distribution of overcrowded households. A majority of the tracts in the County have less than 5% overcrowded households. Tracts with 10% or more overcrowded households are located in the communities of Twin Lakes, Aptos, and Freedom and in and around the City of Watsonville.

Regional Trends

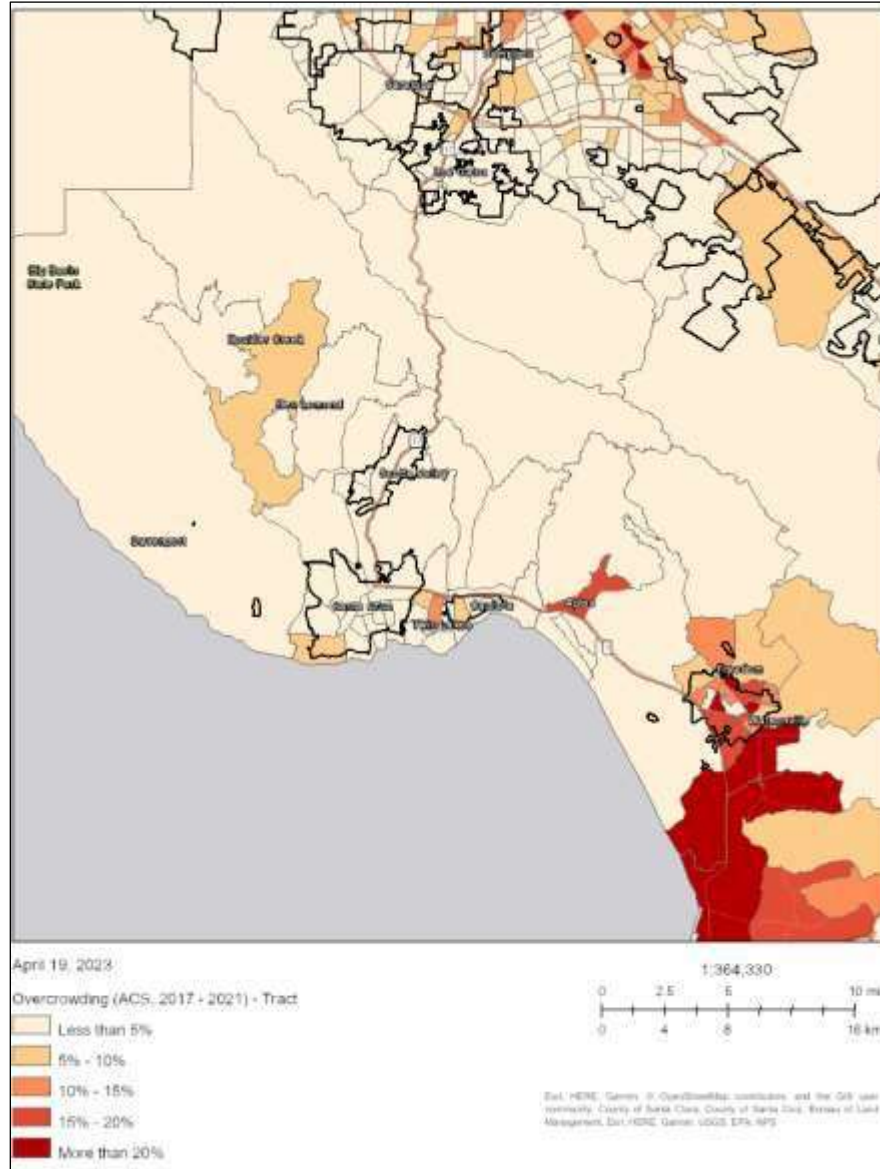
Table E-18: Overcrowded Households in Santa Cruz County

Persons per Room	Owner		Renter		Total Overcrowded	
	# of Households*	% of Total	# of Households*	% of Total	# of Households*	% of Total
1.0 or less	56,066	96.5%	33,618	88.0%	89,684	93.2%
Overcrowded (1.01 to 1.5)	1,631	2.8%	2,385	6.2%	4,016	4.2%
Severely Overcrowded (1.51 or more)	397	0.7%	2,178	5.7%	2,575	2.7%
Total	58,094	100%	38,181	100%	96,275	100%

Source: 2016-2020 American Community Survey 5-Year Estimates

*Based on the estimate of occupied housing units

Figure E-55: Percentage of Overcrowded Households in Santa Cruz County



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

Local Trends

Approximately 4% of housing units in Capitola are overcrowded. No units in the city are considered to be severely overcrowded. Renter households have a higher percentage of overcrowding (6%) than owner households (1%). Capitola’s overcrowding is less than the county overall.

Table E-19: Overcrowded Households in Capitola

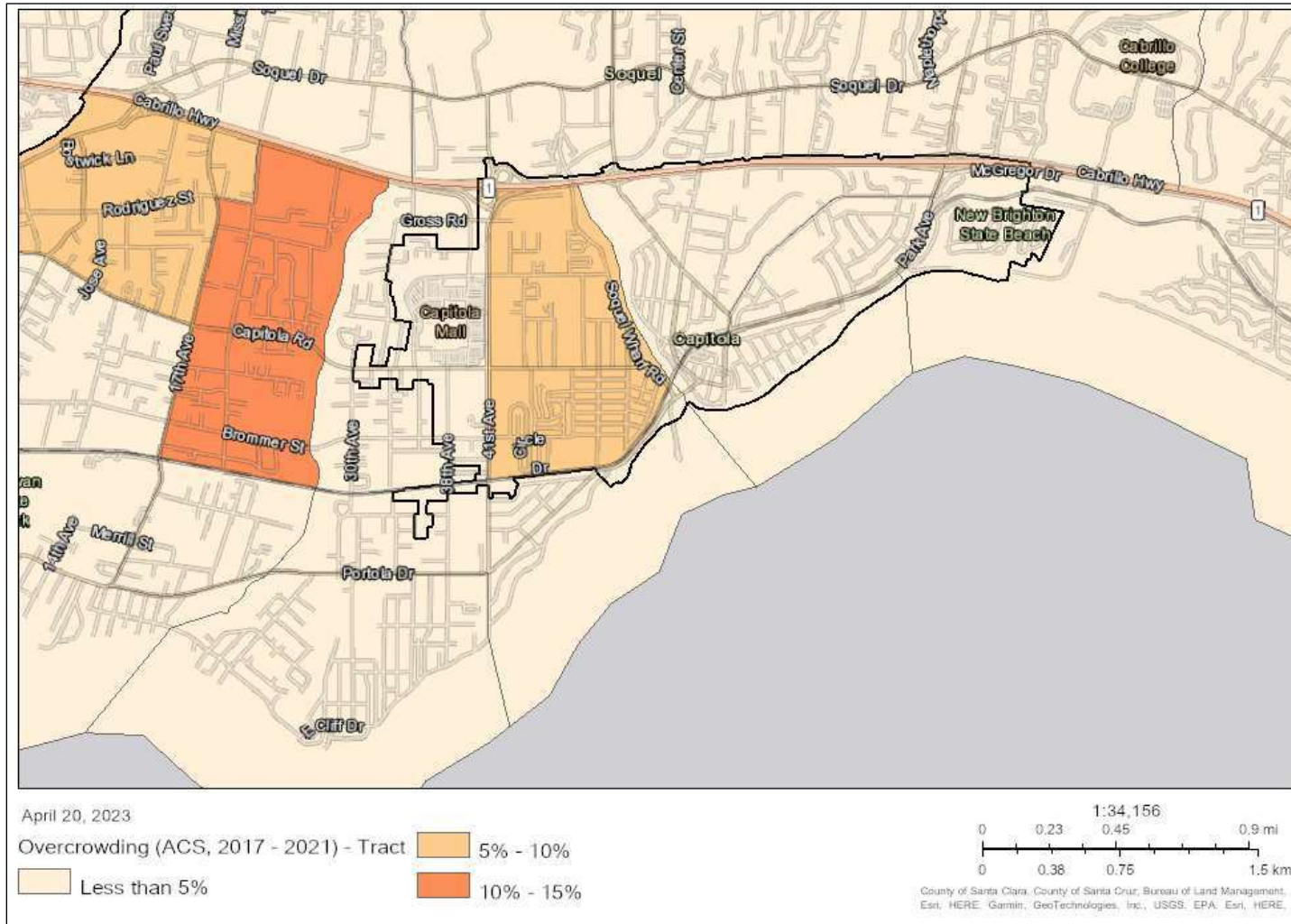
Persons per room	Owner		Renter		Total Overcrowded	
	# of Households*	% of Total	# of Households*	% of Total	# of Household ^s *	% of Total
1.0 or less	2,198	98.9%	2,289	94.0%	4,487	96.3%
Overcrowded (1.01 to 1.5)	24	1.1%	147	6.0%	171	3.7%
Severely Overcrowded (1.51 or more)	0	0.0%	0	0.0%	0	0.0%
Total	2,222	100%	2,436	100%	4,658	100%

Source: 2016-2020 American Community Survey 5-Year Estimates

*Based on the estimate of occupied housing units

Figure E-56 shows that one tract in the City has between 5% and 10% of overcrowded households. This tract (1217.01) is located between 41 Avenue and Wharf Road.

Figure E-56: Percentage of Overcrowded Households in Capitola



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

c. Substandard Housing Conditions

Incomplete plumbing or kitchen facilities can be used to measure substandard housing conditions. In general, residential structures over 30 years of age require minor repairs and modernization improvements, while units over 50 years of age are likely to require major rehabilitation such as roofing, plumbing, and electrical system repairs.

Regional Trends

According to 2016-2020 ACS estimates, shown in Table E-20, 1% of households in Santa Cruz County lack complete kitchen facilities and 0.4% of households lack complete plumbing facilities. Renter households are more likely to lack complete facilities compared to owner households.

Table E-20: Substandard Housing Conditions by Tenure in Santa Cruz County

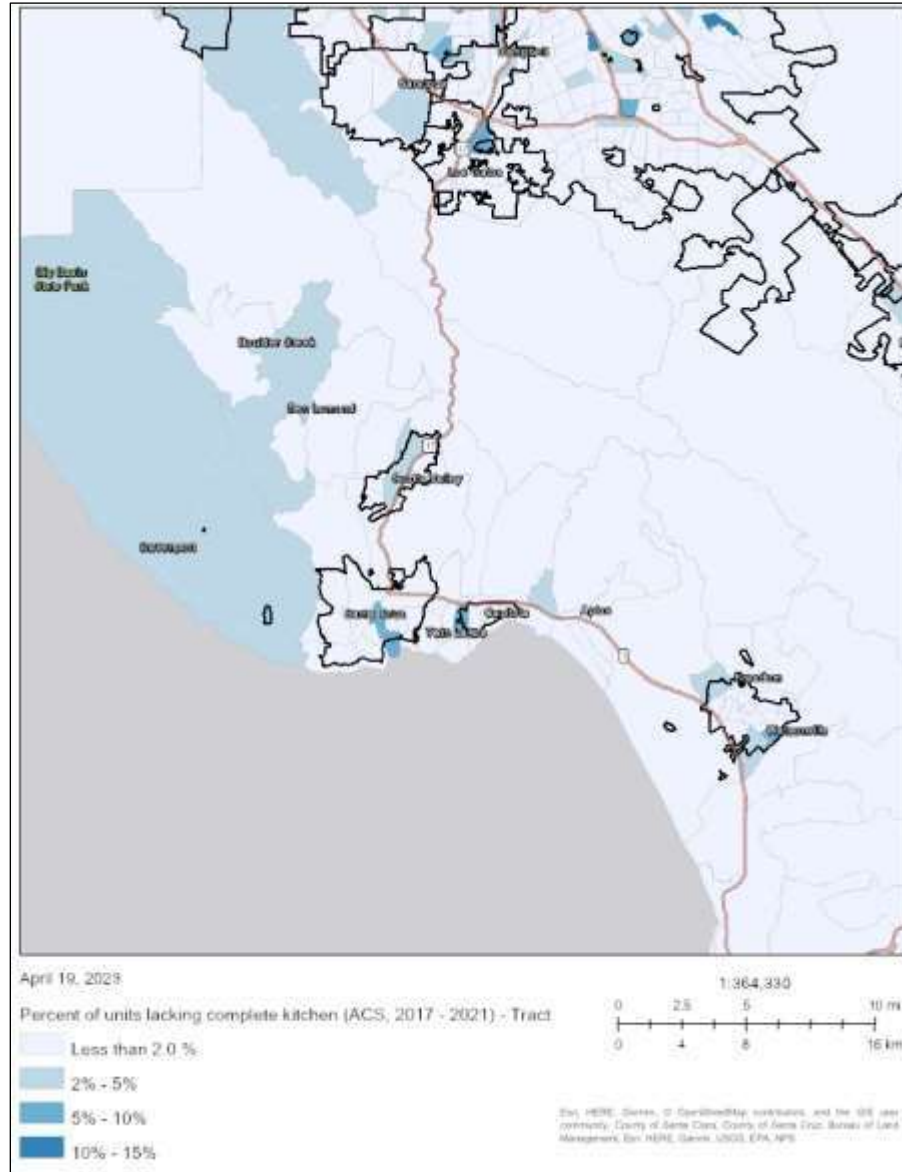
Facility Type	Owner Occupied	Renter Occupied	Total Households
Lacking Complete Kitchen Facilities	0.3%	2.2%	1.0%
Lacking Complete Plumbing Facilities	0.2%	0.6%	0.4%
Total Households	58,094	38,181	96,275

Source: 2016-2020 American Community Survey 5-Year Estimates

Figure E-57 shows the percentage of households lacking complete kitchen facilities in the County, while Figure E-58 shows households lacking complete plumbing facilities. The northwestern portion of the County (including Davenport), a tract just east of Capitola and two tracts in the southern part of Watsonville lack facilities at a greater percentage than the rest of the County. Ten to 20% of households in the northwest corner of the City of Santa Cruz lack complete plumbing facilities.

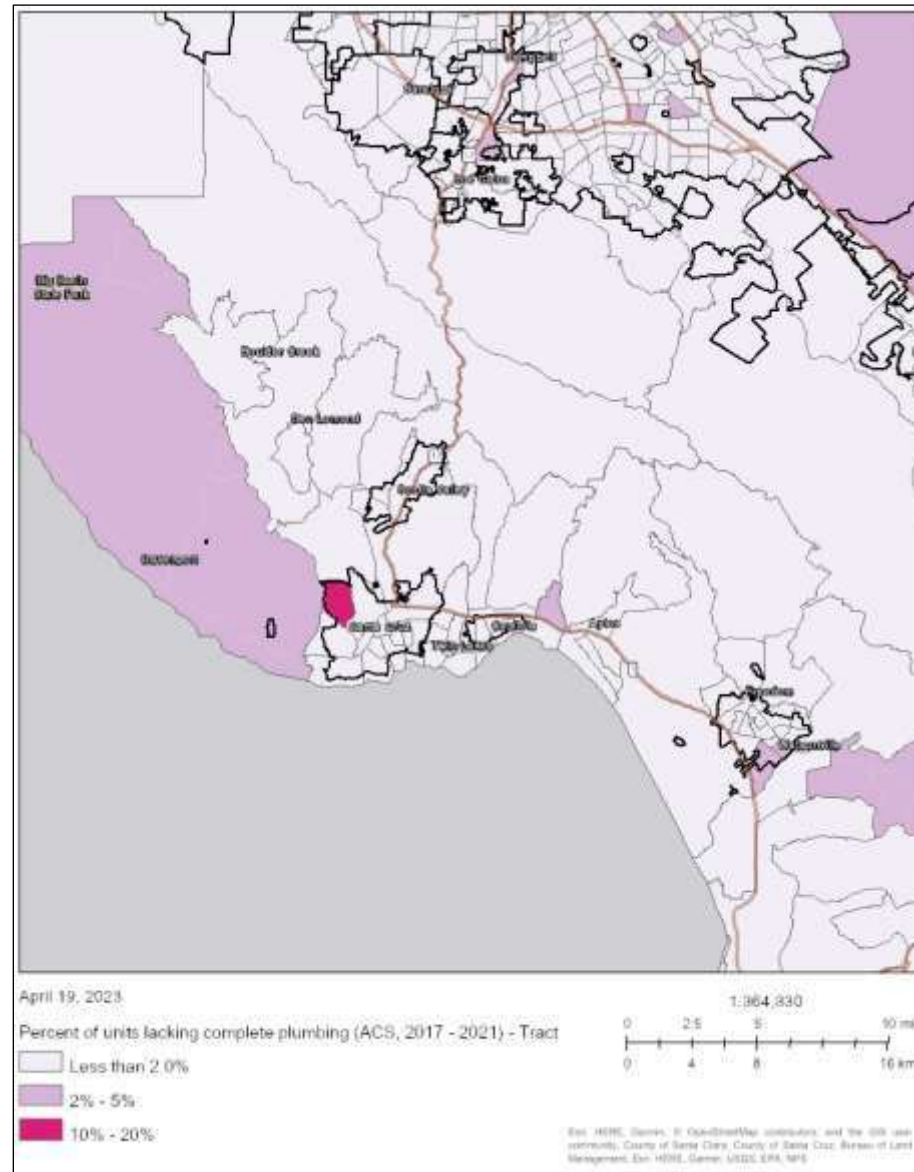
As stated above, structures over 30 years of age typically require minor repairs and modernization improvements, while units over 50 years of age are likely to require major rehabilitation. Figure E-59 shows that a majority of the housing stock in the County is at least 30 years old (built prior to 1990). A significant number of Census tracts in Santa Cruz County have 80% to 100% of units built prior to 1990. A tract along Highway 1 in the western part of Watsonville is the only area that has more than half of its housing units built since 1990.

Figure E-57: Percentage of Housing Units Lacking Complete Kitchen Facilities in Santa Cruz County



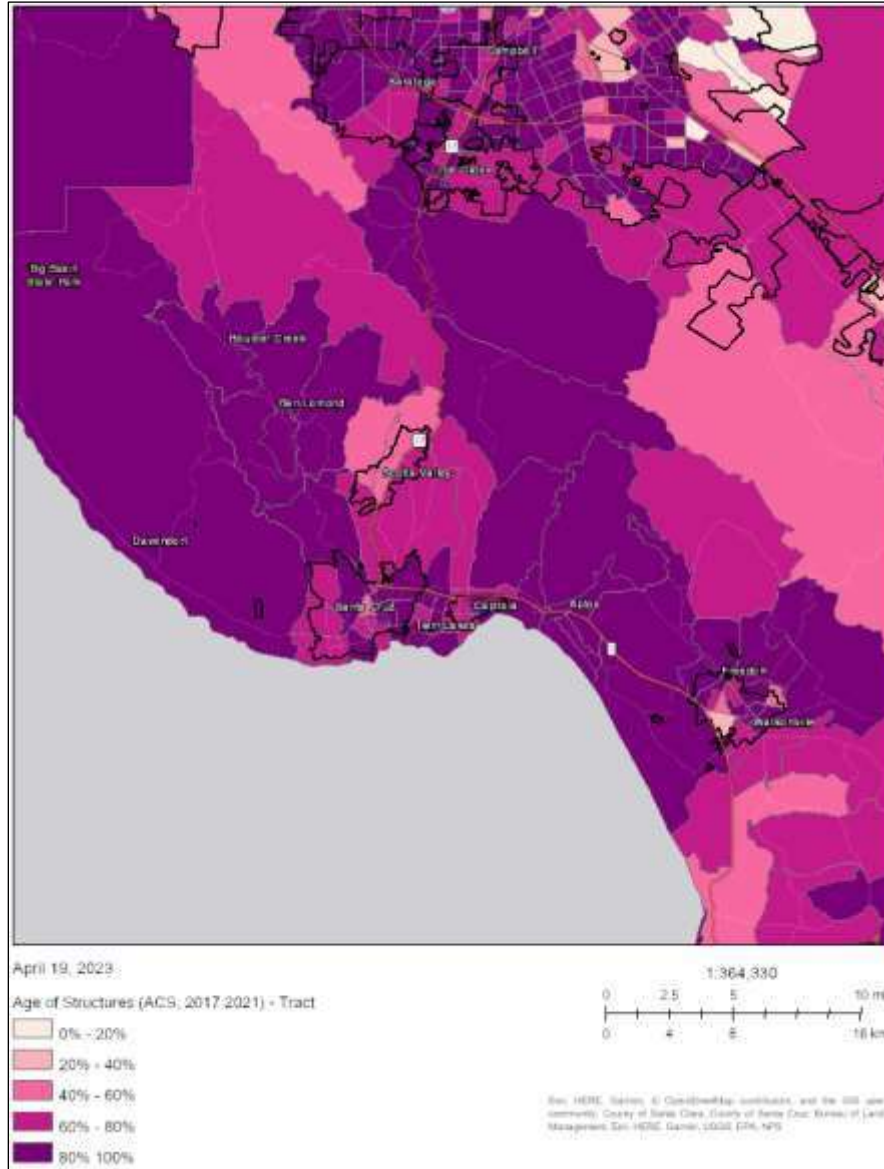
Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

Figure E-58: Percentage of Housing Units Lacking Complete Plumbing Facilities in Santa Cruz County



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

Figure E-59: Percentage of Housing Units Built Before 1990 in Santa Cruz County



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

Local Trends

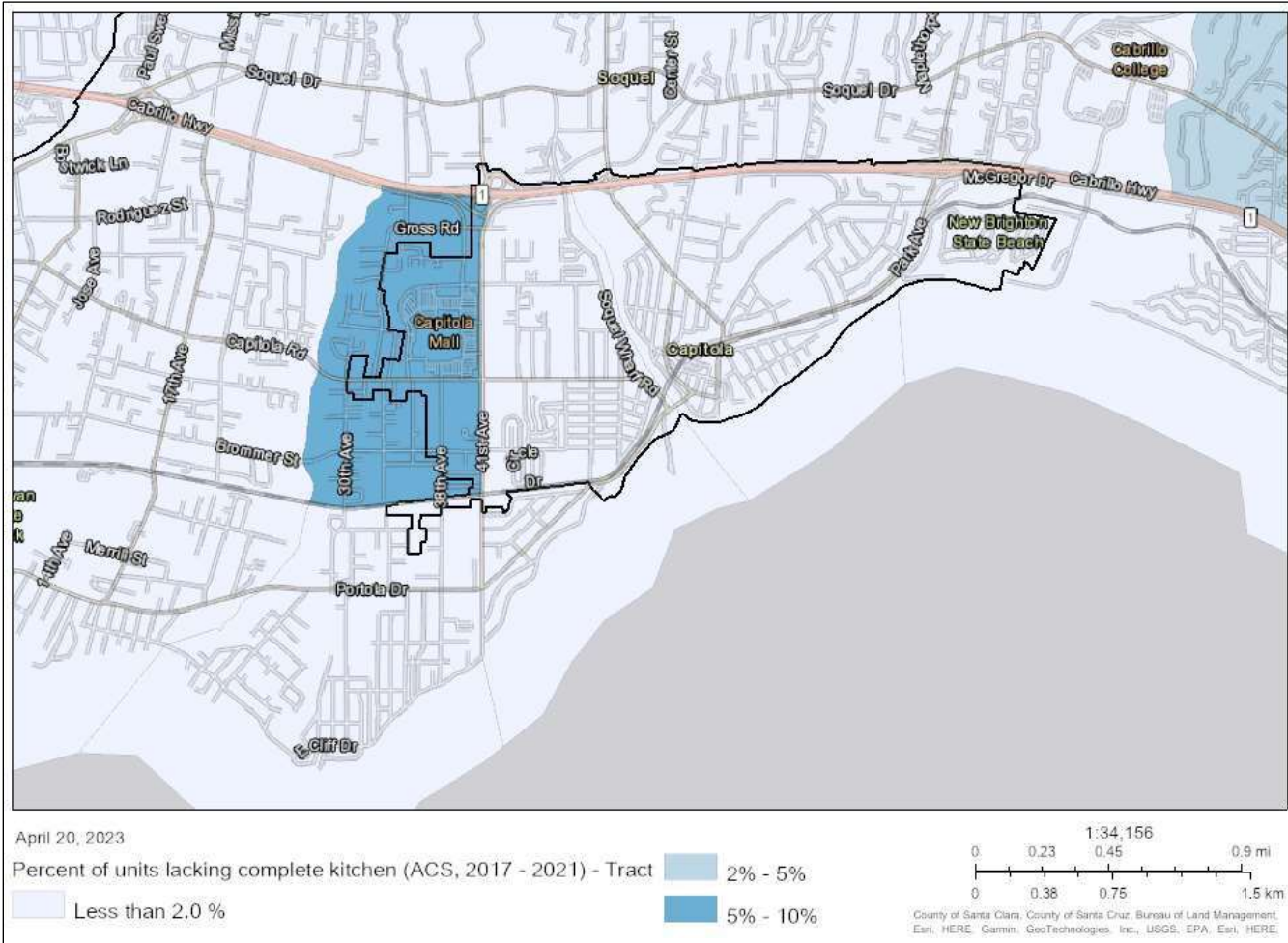
All housing units in Capitola have complete plumbing facilities. Approximately 1% of renter households lack complete kitchen facilities (Table E-21). These units are located in tract 1317.02, west of 41st Avenue.

Table E-21: Substandard Housing Conditions by Tenure in Capitola

Facility Type	Owner Occupied	Renter Occupied	Total Households
Lacking Complete Kitchen Facilities	0%	1.0%	0.5%
Lacking Complete Plumbing Facilities	0%	0%	0%
Total Households	2,222	2,436	4,658

Source: 2016-2020 American Community Survey 5-Year Estimates

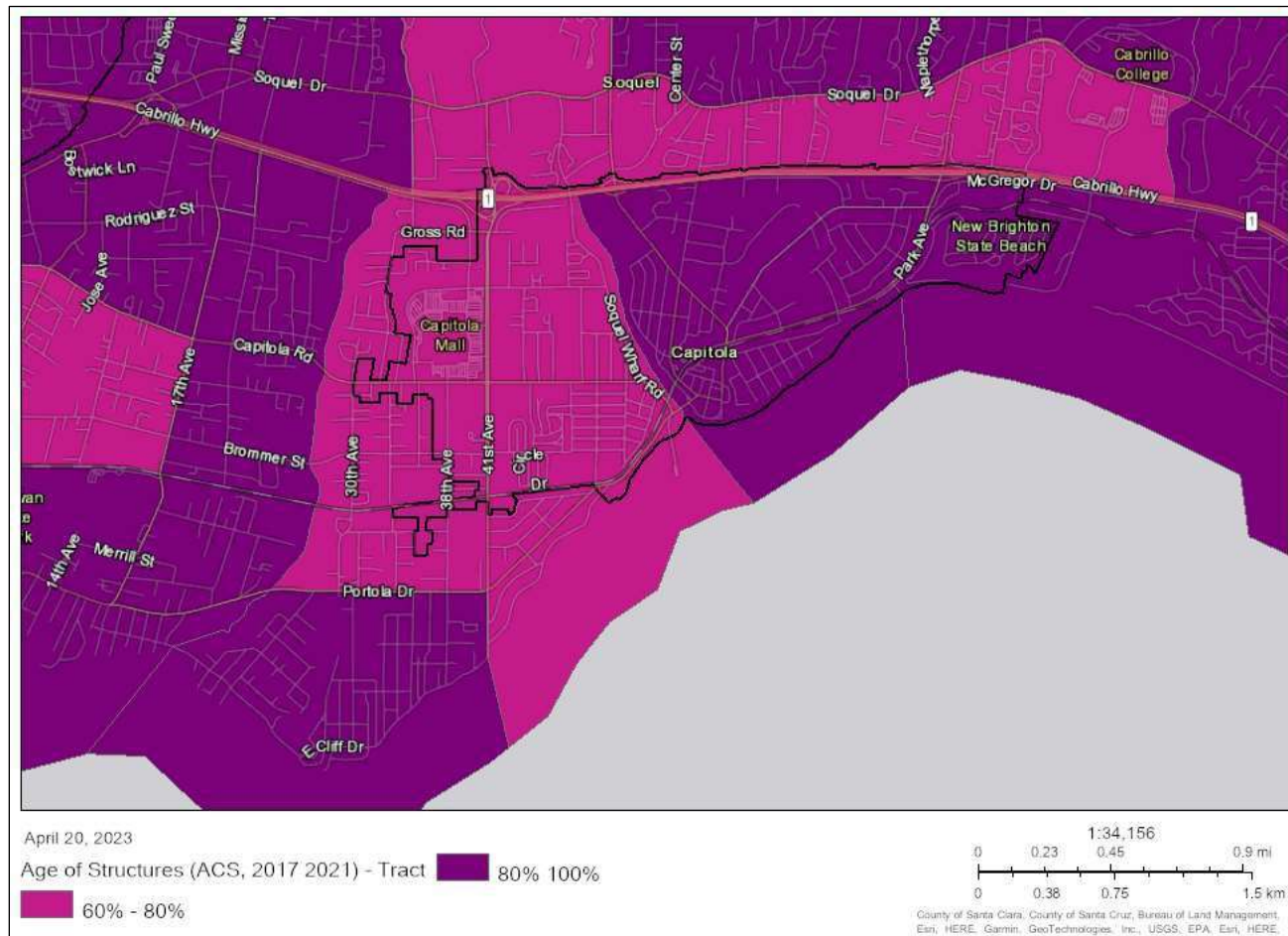
Figure E-60: Percentage of Housing Units Lacking Complete Kitchen Facilities in Capitola



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

According to the 2016-2020 American Community Survey approximately 78% of Capitola's housing stock is over 30 years old (built prior to 1990). Figure E-61 shows that 80% to 100% of housing units east of Wharf Road are at least 30 years old, while 60% to 80% of units west of Wharf Road are 30 years old or more.

Figure E-61: Percentage of Housing Units Built Before 1990 in Capitola



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

d. Displacement Risk

Displacement occurs when housing costs or neighboring conditions force current residents out and rents become so high that lower-income people are excluded from moving in. As in most areas of the State, rent prices continue to increase in Capitola. The U.S. Census provides information on median contract rents. Between 2010 and 2020, the contract rents increased by 43% (\$566) in Capitola and 47% (\$552) in Santa Cruz County. Displacement in Capitola has been an issue due to new residents with high paying jobs in Silicon Valley that have the ability to work remotely. Since the pandemic and the increased flexibility in remote work, many renters are displaced during rent increases due to increased competition from higher-paid individuals.

UC Berkeley's Urban Displacement Project's (UDP) Estimated Displacement Risk (EDR) model for California identifies varying levels of displacement risk for low-income renter households in all census tracts in the state from 2015 to 2019.¹⁰ The model uses machine learning to determine which variables are most strongly related to displacement at the household level and to predict tract-level displacement risk statewide while controlling for the region. The two income groups used for the model are households earning 0-50% AMI and 50-80% AMI. Tracts are assigned to one of the following categories, with darker red colors representing higher displacement risk and lighter orange colors representing less risk:

- **Low Data Quality:** the tract has less than 500 total households and/or the census margins of error were greater than 15% of the estimate (shaded gray).
- **Lower Displacement Risk:** the model estimates that the loss of low-income households is less than the gain in low-income households. However, some of these areas may have small pockets of displacement within their boundaries.
- **At Risk of Displacement:** the model estimates there is potential displacement or risk of displacement of the given population in these tracts.
- **Elevated Displacement:** the model estimates there is a small amount of displacement (e.g., 10%) of the given population.

¹⁰ California Urban Displacement Project 2022, PlaceWorks 2022, HCD 2022

- High Displacement: the model estimates there is a relatively high amount of displacement (e.g., 20%) of the given population.
- Extreme Displacement: the model estimates there is an extreme level of displacement (e.g., greater than 20%) of the given population.

Regional Trends

Using the UDP EDR model, areas in the County identified at risk of displacement are located in the cities of Santa Cruz and Watsonville (Figure E-62).

Local Trends

As shown on Figure E-62, the City of Capitola is considered at lower risk for displacement and there are no concentrations of displacement. However, increasing rents make displacement a continued risk for Capitola. As described in the Needs Assessment chapter of this Element, according to the ACS rents increased by 40 percent between 2010 and 2020. Online rental surveys conducted in 2023 found that rents in Capitola are out of reach for lower income households.

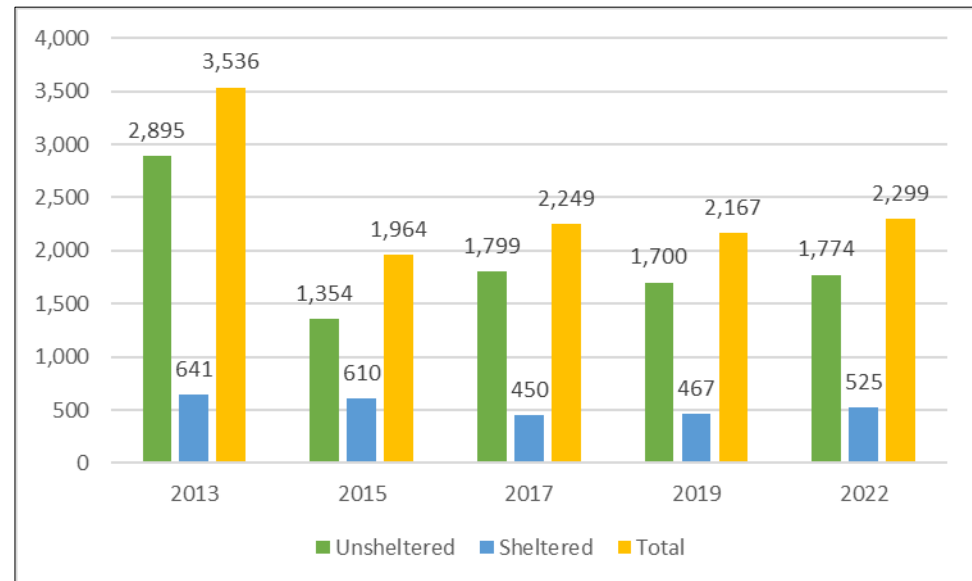
e. Persons Experiencing Homelessness

Homelessness has become an increasingly reported problem throughout the State. Factors contributing to the rise in homelessness included the general lack of housing affordable to low-, very low-, and extremely low-income persons, an increased number of persons whose incomes fall below the poverty level, reductions in public subsidies to the poor, and the de-institutionalization of people with mental illness without adequate support services necessary for independent living.

Regional Trends

The 2022 Santa Cruz County Homeless Point-in-Time (PIT) Count and Survey Report completed by Applied Survey Research on the morning of February 28, 2022, found that there were approximately 2,299 persons experiencing homelessness in Santa Cruz County. This was an increase of 6% from the 2,167 persons included in the 2019 PIT Count and Survey. Figure E-63 shows the Santa Cruz County PIT counts from 2013 until 2022. The year 2013 saw the highest number of persons experiencing homelessness (3,536) while 2015 saw the lowest number (1,964).

Figure E-63: Persons Experiencing Homelessness in Santa Cruz County (2013-2022)



Source: Applied Survey Research, Santa Cruz County Homeless Census

Table E-22 shows the demographics of people included in the 2017, 2019 and 2022 PIT Count. The number of unaccompanied minors has decreased from 165 to zero over the last 5 years. Transitional aged youth and families have also decreased. Veterans and people experiencing chronic homelessness have increased during the same time period.

Table E-22: Demographics of Individuals Experiencing Homelessness in Santa Cruz County

	2017	2019	2022
Total	2,249	2,167	2,299
Unaccompanied Minors (under 18)	165	51	0
Transitional Aged Youth (18-24)	423	569	222
Families	129	122	50
Veterans	236	151	332
People Experiencing Chronic Homelessness	600	403	921
Race/Ethnicity			
White	51%	67%	74%
Black	7%	8%	12%
Multiple Races	10%	14%	9%
American Indian/Alaskan Native	---	10%	3%
Hispanic/Latinx	29%	33%	39%
Gender			
Male	74%	67%	66%
Female	26%	33%	32%
Transgender	<1%	<1%	1%
Health and Disability			
Substance Use Disorder	38%	30%	67%
HIV/AIDS	2%	3%	12%
Psychiatric or Emotional Conditions	39%	32%	39%
Physical Disability	38%	26%	57%
Chronic Health Condition	31%	21%	49%
PTSD	32%	30%	35%
Traumatic Brain Injury	18%	12%	10%
Domestic/Intimate Partner Violence	6%	5%	4%

Source: Applied Survey Research, Santa Cruz County Homeless Census

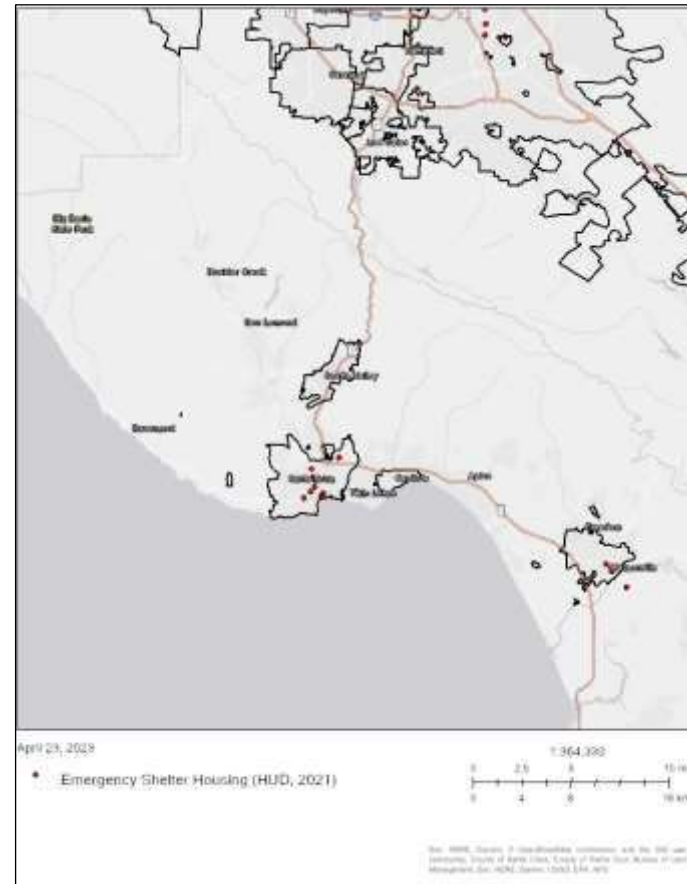
Of those individuals experiencing homelessness, Whites make up almost three-quarters of the population. This is an increase from 50% in 2017. The percentage of Black and Hispanic individuals has also increased. When comparing these percentages to the racial makeup of the County overall, Whites comprise 56% of the population, Hispanic and Latinos represent 34% and Black residents make up less than 1%. Black residents in particular face a disproportionate percentage of homelessness in Santa Cruz County. The percentage of males experiencing homelessness has dropped, with a coinciding increase of female homeless persons. The number of persons with psychiatric or emotional conditions was the same in 2022 as 2017, but persons with substance abuse issues, physical disabilities, HIV/AIDS, PTSD and chronic health conditions have all increased. Overall in the County, the percentage of residents with a disability increased from 9.3% in 2010 to 11.3% in 2021. Those persons experiencing domestic violence slightly decreased between 2017 and 2022.

While there are many causes that can lead to homelessness, fair housing issues can sometimes play a part. The 2022 PIT Count included asking the primary condition that led to homelessness: 37% of respondents said it was due to eviction

and six percent said it was due to landlords raising the rent. When asked about ways to prevent losing housing, 50% said rent or mortgage assistance, 45% said landlord mediation and 40% stated legal assistance.

Figure E-64 shows the location of emergency shelter housing in the County. The majority of facilities are located in the City of Santa Cruz with

other locations in Twin Lakes and the City of Watsonville. Figure E-64: Emergency Shelter Housing in Santa Cruz County



Source: HCD AFFH Data Viewer 2.0 (2017-2021 ACS), 2023.

Housing for a Healthy Santa Cruz

A 3-year strategic framework was adopted in 2021 to address homelessness in Santa Cruz County. The 2021 to 2024 Housing for a Healthy Santa Cruz Framework (Framework) was published by the County's Housing for Health

Division.^{11,12} The County’s new Housing for Health Partnership (H4HP) will serve as the Continuum of Care (CoC) for the County and County staff will provide leadership and the backbone administrative support to implement the Framework.

The Framework outlined the following causes of homelessness in the County:

- Housing Affordability Gap
- Health Issues Impacting Living Situations
- Lack of Supportive Connections
- Loss of Hope and Sense of Purpose

To address these causes, the Framework includes the following goals and strategies to meet the following: 1) Reduce the number of households experiencing unsheltered homelessness by 50% and 2) Reduce the number of households experiencing homelessness by 25%:

- Goal #1: Improve the effectiveness of all programs in helping people secure housing.
- Goal #2: Expand capacity within the homelessness response system
- Strategy #1: Build a Coalition – develop a strong and informed action-oriented partnership with leaders and stakeholders within the community.
- Strategy #2: Prevent Homelessness – use targeted prevention and early intervention housing problem solving to help people and families keep or return to housing as quickly as possible.
- Strategy #3: Increase Connections – Expand and improve “Front Door” programs and services including outreach, temporary housing, and supportive services.
- Strategy #4: Expand Permanent Housing – Increase permanent housing and income growth resources and opportunities to become housed.

One effort currently underway by the H4HP to implement the Framework is a redesign of the coordinated entry system for housing services. The changes are necessary since there is insufficient permanent housing to meet the needs of

11 The Housing for Health Division was created in November 2020 within the County of Santa Cruz Human Services Department to support implementation of the Framework and includes a coalition of resources and partners.

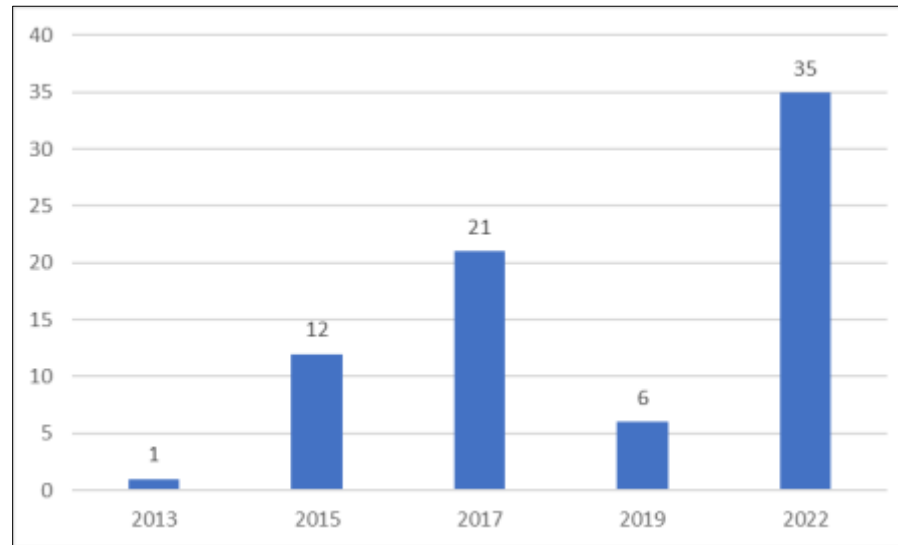
12 County of Santa Cruz, *Housing for a Healthy Santa Cruz: A Strategic Framework for Addressing Homelessness in Santa Cruz County*, January 2021 to January 2024.

people experiencing homelessness in the County. Only 133 referrals to housing were made in 2022 while over 1,774 persons counted in the 2022 PIT count were living without shelter.¹³

Local Trends

The number of persons experiencing homelessness in Capitola has increased from one person in 2017 to 35 people in 2022 (Figure E-65). All of these persons were unsheltered.

Figure E-65: Persons Experiencing Homelessness in Capitola (2013-2022)*



Source: Applied Survey Research, Santa Cruz County Homeless Census
*All unsheltered persons

Capitola Actions to Assist People Who are Homeless

Capitola recognizes the diversity of needs of homeless people. Therefore, the City participates in inter-jurisdictional efforts to comprehensively address the needs of people who are homeless. Capitola is a participating jurisdiction in and contributes a regional share of funding to the Santa Cruz County’s newly created H4HP described above.

13 <https://www.homelessactionpartnership.org/GetHelp/CoordinatedEntry.aspx>

The cities and county, along with other interested parties, are part of the H4HP to coordinate a regional system for helping people who are experiencing homelessness or at imminent risk of experiencing homelessness. Although there are no homeless shelters or transitional housing projects currently located in Capitola, the City does provide direct financial support to a number of agencies that provide social services to people and families who are homeless. The City provides community service grants on a 3-year cycle to a number of nonprofit organizations who provide services to homeless individuals. Grant amounts vary by organization and City general fund availability. The majority of grants provided are between \$7,500 to \$15,000. The City has three categories for prioritizing grants. Stable and affordable housing and shelter is the top priority when evaluating grant applications, followed by health and wellness, and the third category of healthy environment.

6. Other Relevant Factors and Local Knowledge

a. Home Loans

Home loan activity in Capitola during 2021 is available through the Consumer Financial Protection Bureau's (CFPB) Home Mortgage Disclosure Act (HMDA). Table E-23 shows the total number of applications by loan type as well as the approval and denial rates. Out of the 707 loan applications in 2021, 477 (67%) were for refinance loans, 182 (26%) were for conventional purchase loans, 45 (6%) were for home improvement loans and three (<1%) were for government-backed purchase loans. Overall approval rates in the City was 71%. The three government-backed purchase loans had a 100% approval rate, followed by refinance loans (72%), conventional purchase loans (70%) and home improvement loans (60%). Home improvement loans had the highest denial rate, at 22% while 19% of refinance loans were either withdrawn by the applicant or closed for incompleteness.

Table E-23: Disposition of Home Loan Applications in Capitola (2021)

Loan Type	Total Applications	Approved	Denied	Other
Conventional Purchase	182	69.8%	13.7%	16.5%
Government-Backed Purchase	3	100.0%	0.0%	0.0%
Refinance	477	71.9%	9.4%	18.7%
Home Improvement	45	60.0%	22.2%	17.8%
Total	707	70.7%	11.3%	18.0%

Source: 2021 Home Mortgage Disclosure Data: <https://ffiec.cfbp.gov>

Note: "Approved" loans include loans originated and applications approved but not accepted. "Other" includes loans withdrawn by the applicant or closed for incompleteness.

When looking at the 182 applications for conventional home loans by race and ethnicity, the vast majority (63%) are White, followed by race/ethnicity unknown (20%), Hispanic or Latinx (10%), Asian (3%) and Black or African American (<1%). Loan applicants that identified as more than one race had a 100% approval rate while Asian and Hispanic or Latinx applicants had the lowest (33% and 26%, respectively). While the table shows 100% approval rating for Black or African Americans, it should be noted that only one application was received. Asian applicants in Capitola had the highest denial rate at 50%, while Hispanic or Latinx applicants had the highest percentage of applications withdrawn or closed for incompleteness (32%).

Table E-24: Home Purchase Applications by Race and Ethnicity (2021)

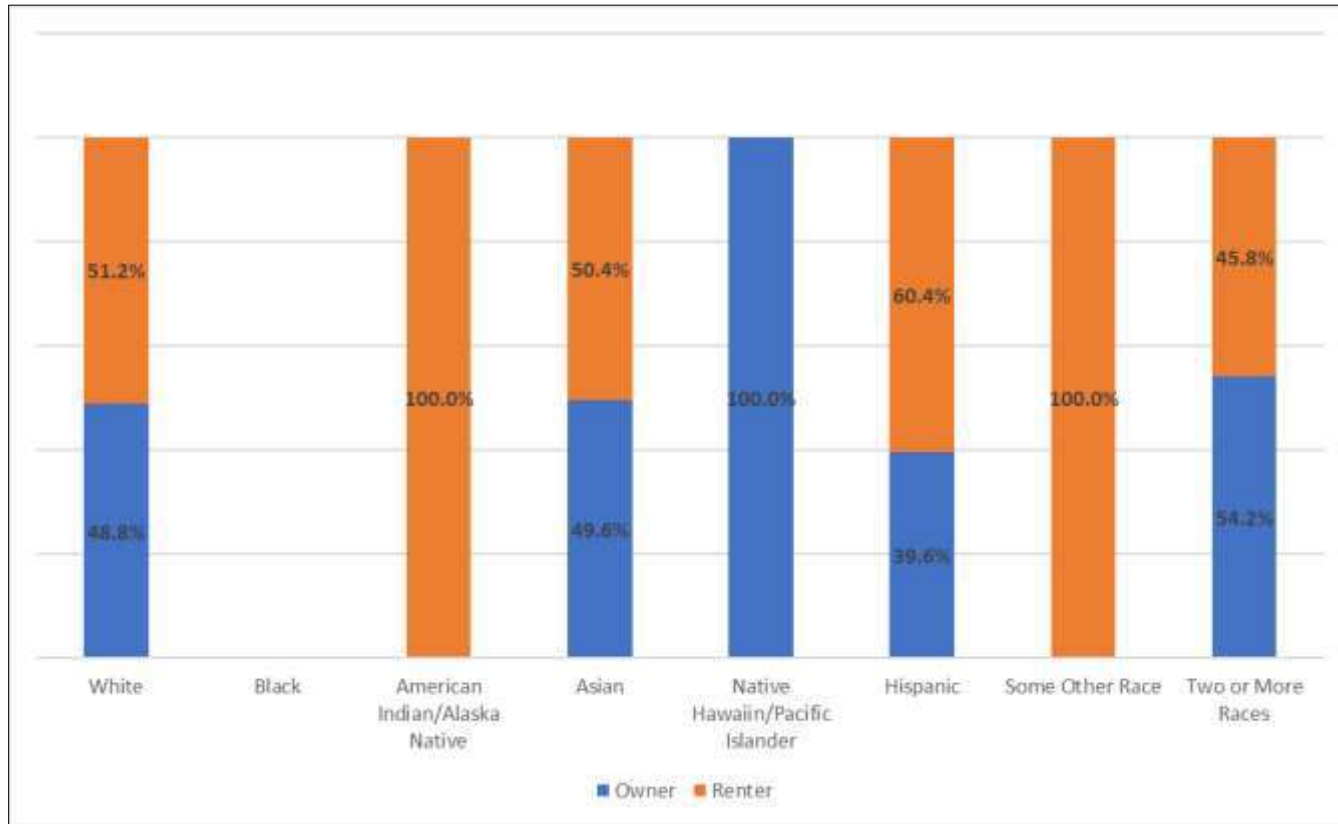
Race/Ethnicity	Total Applications	Approved	Denied	Other
Asian	6	33.3%	50.0%	16.7%
Black or African American	1	100.0%	0.0%	0.0%
Hispanic or Latinx	19	26.3%	42.1%	31.6%
White	114	75.5%	9.6%	14.9%
More than One Race (Joint)	5	100.0%	0.0%	0.0%
Unknown	37	75.7%	8.1%	16.2%
All applicants	182	69.8%	13.7%	16.5%

Source: 2021 Home Mortgage Disclosure Data: <https://ffiec.cfbp.gov>

Note: "Approved" loans include loans originated and applications approved but not accepted. "Other" includes loans withdrawn by the applicant or closed for incompleteness.

Figure E-66 shows housing tenure by race and ethnicity in Capitola. American Indian/Alaska Native and Some Other Race households are solely renters. Compared to other races and ethnicities, Hispanic households have the lowest percentage of ownership in the city. Given the high denial rate for mortgage applications shown above, Hispanic households may face challenges in ownership opportunities in Capitola.

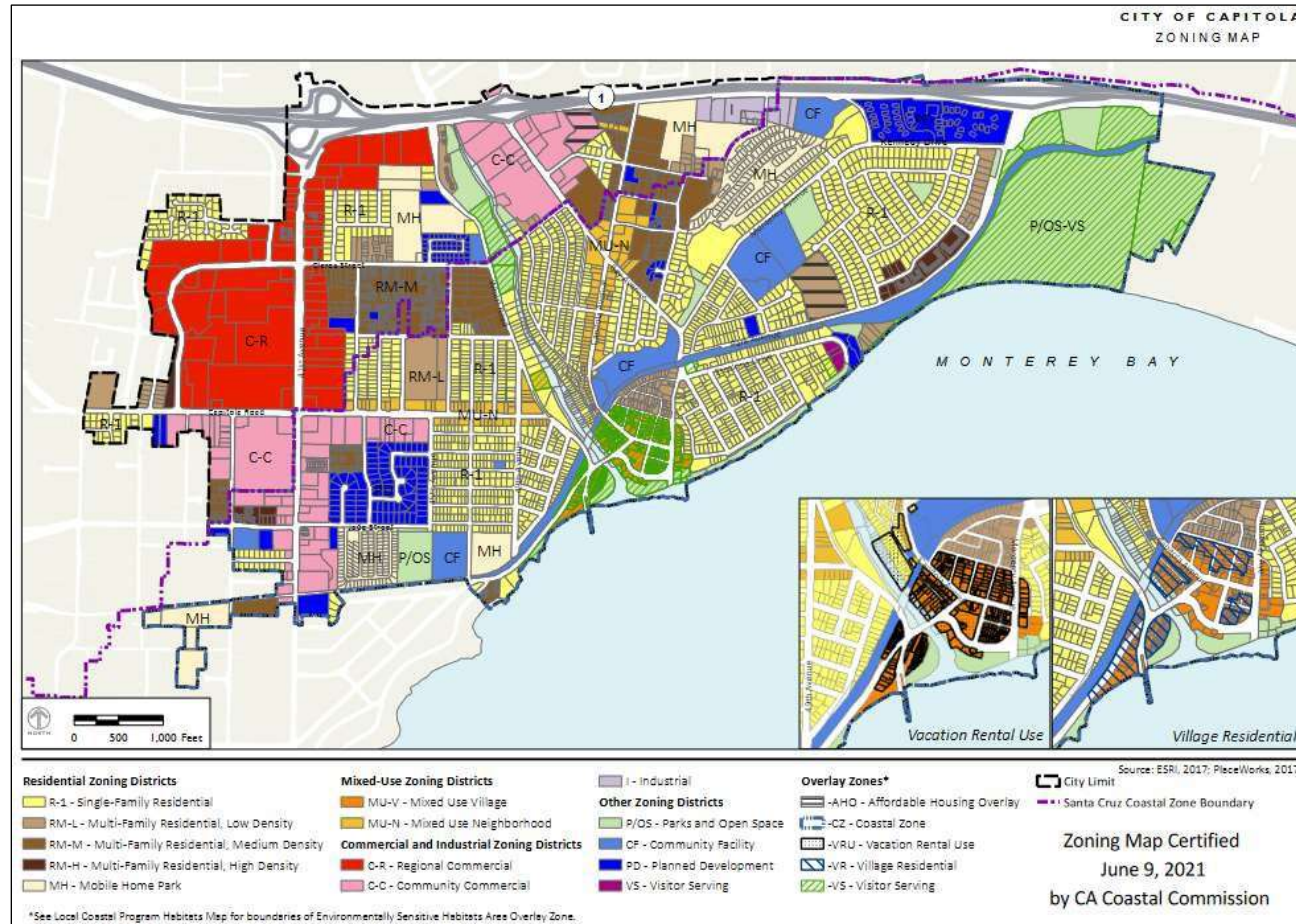
Figure E-66: Housing Tenure by Race and Ethnicity



b. Zoning Code

From 2014 to 2020, the City completed a comprehensive Zoning Code update and city-wide rezoning to permit residential and mixed-use development in the commercial and mixed-use zones with no density limits and removed previous barriers to housing. The update included 66 public meetings from August 2014 through July 2019 and an additional 9 hearings in 2019 and 2020 for certification by the California Coastal Commission. Subsequently, the City also amended the Accessory Dwelling Unit (ADU) ordinance and Inclusionary Housing ordinance and added an SB9 ordinance and Objective Standards for Multifamily Development ordinance. Figure E-67 shows the updated Zoning Map, which was approved by the California Coastal Commission. Capitola has a variety of special zones, including the Coastal Zone Overlay and Vacation Rental Overlay. Map, which was approved by the California Coastal Commission. Capitola has a variety of special zones, including the Coastal Zone Overlay and Vacation Rental Overlay.

Figure E-67: Capitola Zoning Map



Source: City of Capitola

Coastal Zone

The City of Capitola's Local Coastal Program has been certified by the California Coastal Commission, and coastal permits are issued by the City. Within the City of Capitola, the location of a project in the coastal zone generally does not result in a more complex or time consuming development review process. Because the City requires Development

and Design Review (design permit) for nearly all development, the fact that a coastal permit may also be required does not generally result in a substantively different application review process or timing.

Vacation Rental Overlay

The Vacation Rental Overlay (-VRU) zone permits transient rental use in the Mixed-Use Village (MU-V) District and a small portion of Riverview Avenue (within the R-1 zone), subject to a vacation rental permit. Short-term vacation rentals are prohibited outside the -VRU zone. Limiting vacation rentals to the -VRU zone preserves housing in other areas for permanent residents.

c. Land Development History and Patterns

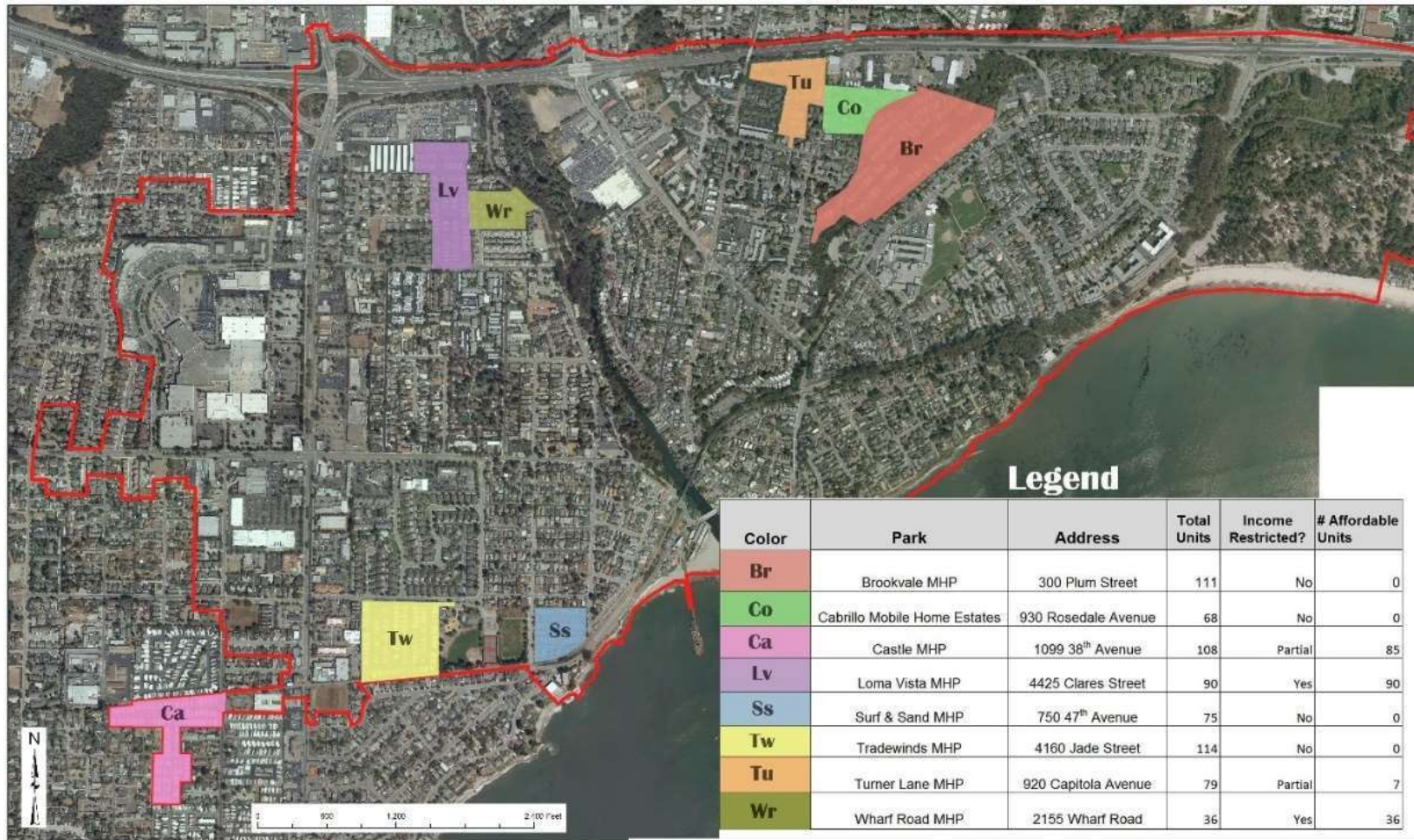
Capitola is a highly desired lifestyle community due to the proximity on the coast, access to good schools and public programs and quality of public infrastructure (parks, walkability, etc). Capitola incorporated in January 1949. As early as the 1850s, Capitola was seen as an escape from inland residents to escape the heat and enjoy the ocean. This identity as a tourist destination has continued and has been a key component for the City. The famous Capitola Mall opened in 1977.

Mobile Home Parks

The City of Capitola also contains a total of eight existing mobile home parks serving a total of 681 households (Figure E-68). While the development of new parks is not being pursued, the preservation of these existing parks is seen as an important part of maintaining existing homes that are modest in size and higher than average in density. Seven of the eight mobile parks have been subdivided and converted into resident cooperatives or have long-term affordability agreements with tenants. Brookvale Terrace and Tradewinds Mobilehome Park are cooperatives with no ongoing affordability agreements with the City. Loma Vista Estates and Wharf Road Manor have affordable housing income restriction that all new buyers must comply with. Turner Lane Mobile home Park also has an income restriction but it is only applicable to seven of the 79 spaces. Castle Mobile Home Estates is owned by a nonprofit and has long term affordability agreements and income restrictions in place. Cabrillo Mobile home Estates had a 12-year affordability agreement in place for rent which expires in June of 2023. As described in the Constraints chapter of this Housing Element, the residents and City staff are currently working together to identify ways to ensure residents are not displaced due to a hike in space rent. As the older manufactured homes and mobile homes in the City's existing parks

age, the City works to provide financial assistance to park residents who are interested in upgrading with new manufactured homes.

Figure E-68: Mobile Home Parks in Capitola



Affordable Housing

There are currently two federally assisted multifamily rental complexes in Capitola. One is the Capitola Supportive Housing Development (formerly Dakota Apartments), which has 24 units for very low-income households with one or more persons affected by mobility impairment/traumatic brain injury. The project used funding from the Capitola Redevelopment Agency's Housing Fund, HOME Program Income Re-Use Funds, and the HUD 811 program. The development is owned by the National Handicapped Housing Institute, a nonprofit agency, and restrictions ensure that the units will remain affordable in perpetuity. The second complex, Bay Area Senior Apartments, has 109 units and has a 55-year affordability requirement which will expire in 2065. Fifty of the units are restricted to extremely low-income senior households, 30 units have been restricted to very low-income senior households, 28 units have been restricted to low-income senior households and one, 2-bedroom unit serves as the manager's unit and is not restricted. Thirty-nine units in the development have been set aside to serve seniors who need assistance with certain activities of daily living and qualify under the State's definition of Chronically III. First Community Housing worked in participation with the County of Santa Cruz to provide assistance through the Mental Health Services Act (MHSA) program to set aside five units to serve extremely low-income seniors with mental illness who are homeless or at risk of homelessness.

Capital Improvements

The City has undertaken several recent capital improvement projects: the new Capitola Library was completed in 2023, the Complete Streets program has been a City focus and has included improvements to Clares Street in 2022/2023 and Kennedy Drive in 2023). The rebuild of the Capitola Jetty was completed in 2021.

Future capital improvement plans include renovating the Jade Street Community Center, updating the Jade Street Park with a fully accessible park, rebuilding the Capitola Wharf (2023/2024), Cliff Drive improvements for coastal resiliency and bike/pedestrian circulation, and Stockton Bridge repairs.

Economic Base

As mentioned earlier in this Element, Capitola is known as the first resort community on the California coast. The City still relies heavily on tourism and retail. As a result, Capitola's local employment base is comprised of relatively low-wage jobs in the service, retail, and tourism sectors. This combination of low-paying jobs and high cost housing makes it difficult for lower and moderate income households to find housing they can afford within Capitola.

7. Sites Inventory

AB 686 requires a jurisdiction’s site inventory “...be used to identify sites throughout the community, consistent with...” its duty to affirmatively further fair housing. The number of units, location, and assumed affordability of identified sites throughout the community (i.e., lower, moderate, and above moderate income RHNA) relative to all components of the assessment of fair housing is outlined in the following subsections.

RHNA Strategy for Capitola – Providing New Housing and Mobility Options for Residents

Given the scarcity of developable residential land in the City and the continuing demand for housing, recycling of underutilized land has been the prevalent trend of development in Capitola. Many of the City’s commercial-zoned corridors allow residential development with no maximum density. These include the Regional Commercial (CR), Community Commercial (C-C) and Mixed Use Neighborhood (MU-N) zones. Given that Capitola is an almost completely built-out community, with only two vacant lots, the vast majority of the sites inventory include sites within these three zoning areas. There is great potential for including residential units within the commercially zoned areas and roadway corridors given the recent statewide trend of mixed-use projects within commercial areas and declining commercial-only brick and mortar developments. The commercially zoned corridors that are projected to accommodate future housing include Capitola Road, Bay Avenue, and 41st Avenue, which includes the Capitola Mall site (see the Capitola Mall discussion later in this section). The Mixed Use Neighborhood sites are projected to include 173 units and are located along the main roadway corridors of Capitola Road and Capitola Avenue. The projected units for these three commercial and mixed-use zones are distributed across most of the City, and their proximity to main transportation corridors provides opportunities for public transit and potential future light rail travel along the rail corridor.

A developer can request density increase allowances on sites under these mixed-use zones subject to the required provision of 20% of the units set aside to lower income households or a lesser percentage of the units set aside for extremely low- and very low-income households. An option for payment of in-lieu fees may be provided if development of affordable units as part of an eligible project is not feasible. In-lieu fees collected by the City are anticipated to be used exclusively to facilitate the development of affordable housing throughout the community.

The City’s housing strategy as part of the RHNA inventory will increase housing options for all income levels in Capitola as well as new mobility opportunities. This is due to the recent trends of development in Capitola, combined

with the zoning provisions that allow for a variety of mixed-use housing near commercial cores and public transit opportunities, and allowable density increases that can increase the production of affordable housing.

a. Integration and Segregation

Race/Ethnicity

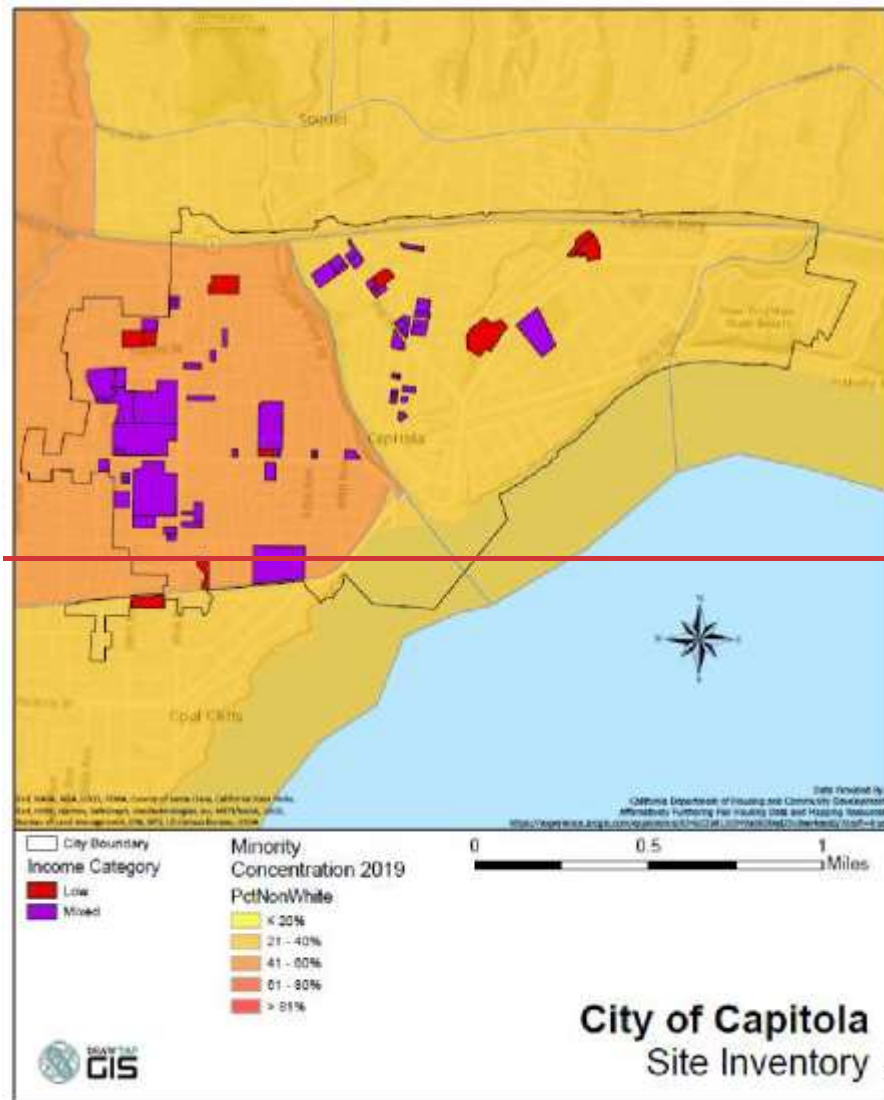
The distribution of RHNA sites by non-White populations in Capitola are presented in

Figure E-69 [E-69](#) and Table E-25. As discussed previously, the western side of the City tends to have larger racial/ethnic minority populations compared to the eastern side. Most RHNA units (**88.379.9%**) are located on the western side of the City in areas where the non-White population comprises 41% to 60% of the population. The remaining **11.720.1%** of RHNA units are in block groups where 21% to 40% of the population belongs to a racial or ethnic minority group.

While there are more RHNA units in block groups with non-White populations comprising between 41% and 60% of the population, sites are generally distributed throughout all areas of the City. Further, the City’s RHNA strategy does not disproportionately place lower income RHNA units in block groups with larger racial/ethnic minority populations. Approximately **77.79%** of units allocated towards the lower income RHNA are in block groups with non-White populations exceeding 41%, compared to **78.82%** of moderate income units and **8.84%** of above moderate income units.

Table E-25: Distribution of RHNA by Non-White Population

Non-White Population (Block Group)	Lower Income		Moderate Income		Above Moderate Income		Total	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
<20%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
21-40%	164174	22.91.0%	3936	21.717.9%	9188	5.619.5%	294298	11.720.1%
41-60%	552654	77.179.0%	141165	78.382.1%	1,524363	94.480.5%	2,2171,482	88.379.9%
61-80%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
>80%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	716828	100.0%	180201	100.0%	1,615451	100.0%	2,5111,480	100.0%



Note: Sites inventory maps throughout this section include the entire mall site but sites inventory calculations exclude the Kohl's site.

Persons with Disabilities

The central areas of Capitola tend to have larger populations of persons with disabilities compared to the far eastern and western tracts (

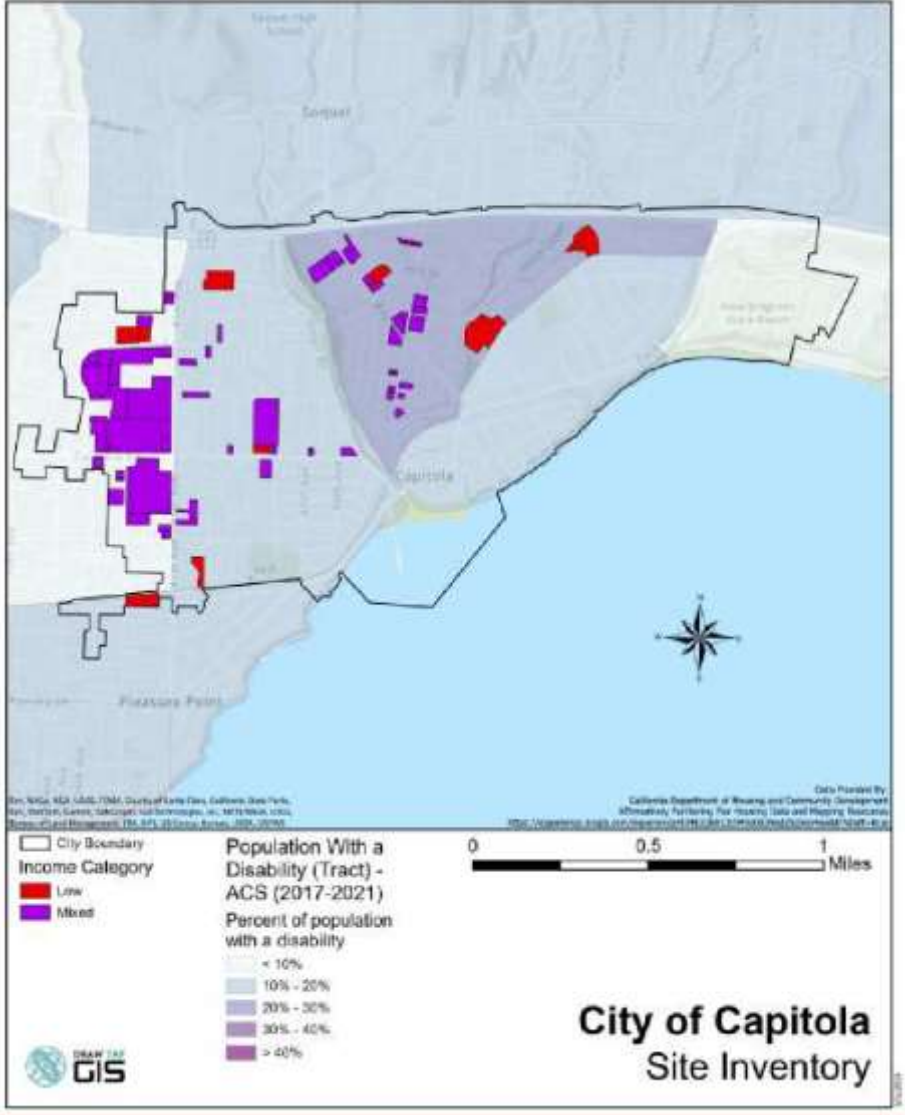
Figure E-70). As presented in Table E-26, 79.64% of RHNA units are in tracts where fewer than 10% of the population experiences a disability, including 54.59% of lower income units, 65.68% of moderate income units, and 70.64% of above moderate income units. However, a larger proportion of moderate and above moderate income units are in the tract where more than 20% of the population experiences a disability compared to lower income units.

The City’s RHNA strategy distributes sites throughout the City and does not disproportionately place RHNA units of any income level in tracts with larger populations of persons with disabilities.

Table E-26: Distribution of RHNA by Population of Persons with Disabilities

Disabled Population (Tract)	Lower Income		Moderate Income		Above Moderate Income		Total	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
<10%	388490	54.259.2%	117137	65.068.2%	1,481346	91.770.1%	1,986943	79.163.7%
10-20%	216	30.226.1%	2430	13.314.9%	4349	2.740.9%	283295	11.349.9%
20-30%	112422	15.644.7%	3934	21.746.9%	9186	5.649.1%	242	9.646.4%
30-40%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
>40%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	716828	100.0%	180201	100.0%	1,615451	100.0%	2,5114,480	100.0%

Figure E-70: Population of Persons with Disabilities by Tract and Sites Inventory



Familial Status

Capitola tracts have variable levels of populations of children residing in married couple households (

Figure E-71 and Table E-27). As discussed previously, there are very few children in tract 1218.01, where only 17.6% of children reside in married couple households and 61.8% reside in single-parent female-headed households. According to the 2017-2021 ACS, there are only 131 children under the age of 18 residing in tract 1218.01, representing only 7.5% of the tract-wide population. The population of children in female-headed households in this tract is the result of the small sample size and does not appear to reflect the local knowledge of the neighborhoods in the area, such as Cliffwood Heights and Depot Hill.

The largest proportion of RHNA units are in tracts where 60% to 80% of children reside in married couple households. An additional 9.246.4% of units are in tracts where 40% to 60% of children reside in married couple households and 16.49.6% are in tracts where more than 80% of children reside in married couple households.

As shown in Table E-28 and Figure E-72, 88.379.9% of RHNA units are in tracts where 21% to 40% of children reside in single-parent female-headed households. ~~TheA slightly larger populations percentage~~ of lower income units (231%) ~~that~~ are in tracts where less than 20% of children reside in female-headed households ~~is similar to compared to~~ moderate income units (21.747%). ~~and above moderate income units (19%).~~

Capitola is made up of tracts with diverse populations of children in married couple and female-headed households. RHNA units of all income levels are distributed throughout the City regardless of familial status to the greatest extent possible. The RHNA strategy does not disproportionately place lower income units in areas with more single-parent female-headed households. The spread of the sites selected ensures existing populations are served while promoting housing mobility and opportunities throughout Capitola.

Table E-27: Distribution of RHNA by Children in Married Couple Households

Children in Married Couple Households (Tract)	Lower Income		Moderate Income		Above Moderate Income		Total	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
<20%	0	0.0%	02	40.0%	02	0.04%	04	0.03%
20-40%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
40-60%	164	22.949.8%	2428	13.343.9%	4347	9.640.4%	231239	9.246.4%
60-80%	440542	61.565.5%	117437	65.068.2%	1,481346	70.24%	9952,038	81.267.2%
>80%	112422	15.644.7%	3934	21.746.9%	9186	20.249.4%	242	9.646.4%
Total	716828	100.0%	180204	100.0%	1,615454	100.0%	2,5114,480	100.0%

Table E-28: Distribution of RHNA by Children in Female-Headed Households

Children in Female-Headed Households (Tract)	Lower Income		Moderate Income		Above Moderate Income		Total	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
<20%	164174	22.924.0%	3934	21.746.9%	9186	5.649.4%	294	11.749.9%
20-40%	552654	77.179.0%	141165	78.382.4%	1,524363	94.480.5%	2,2174,182	88.379.9%
40-60%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
60-80%	0	0.0 %	02	04.0%	02	0.04%	04	0.03%
>80%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	716828	100.0%	180204	100.0%	1,615454	100.0%	2,5114,480	100.0%

Figure E-71: Children in Married Couple Households by Tract and Sites Inventory

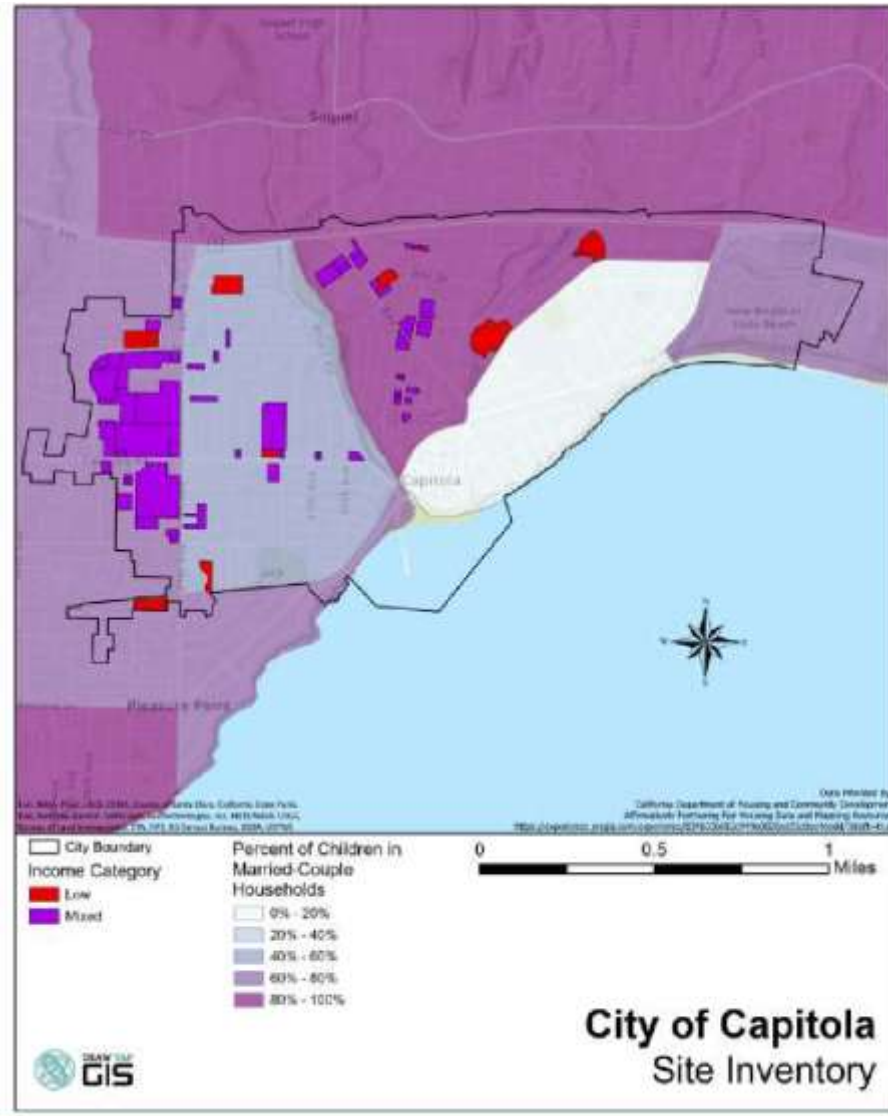
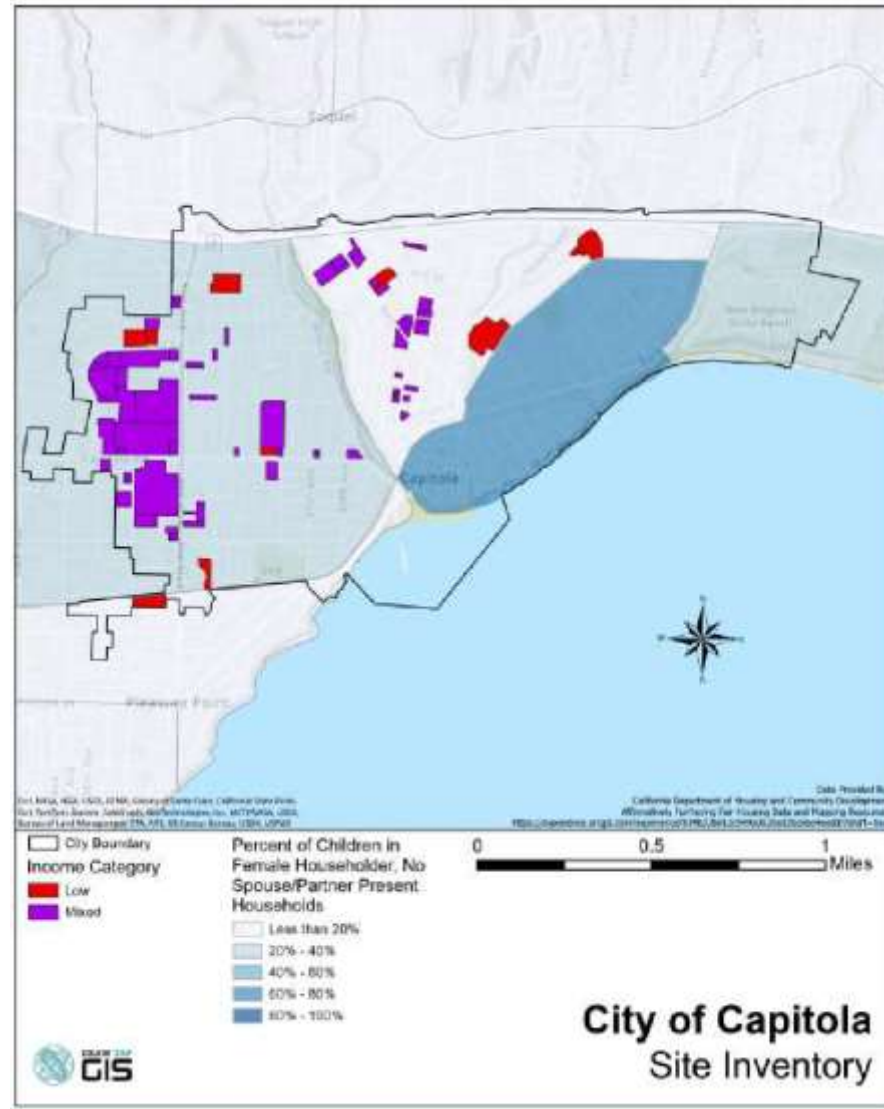
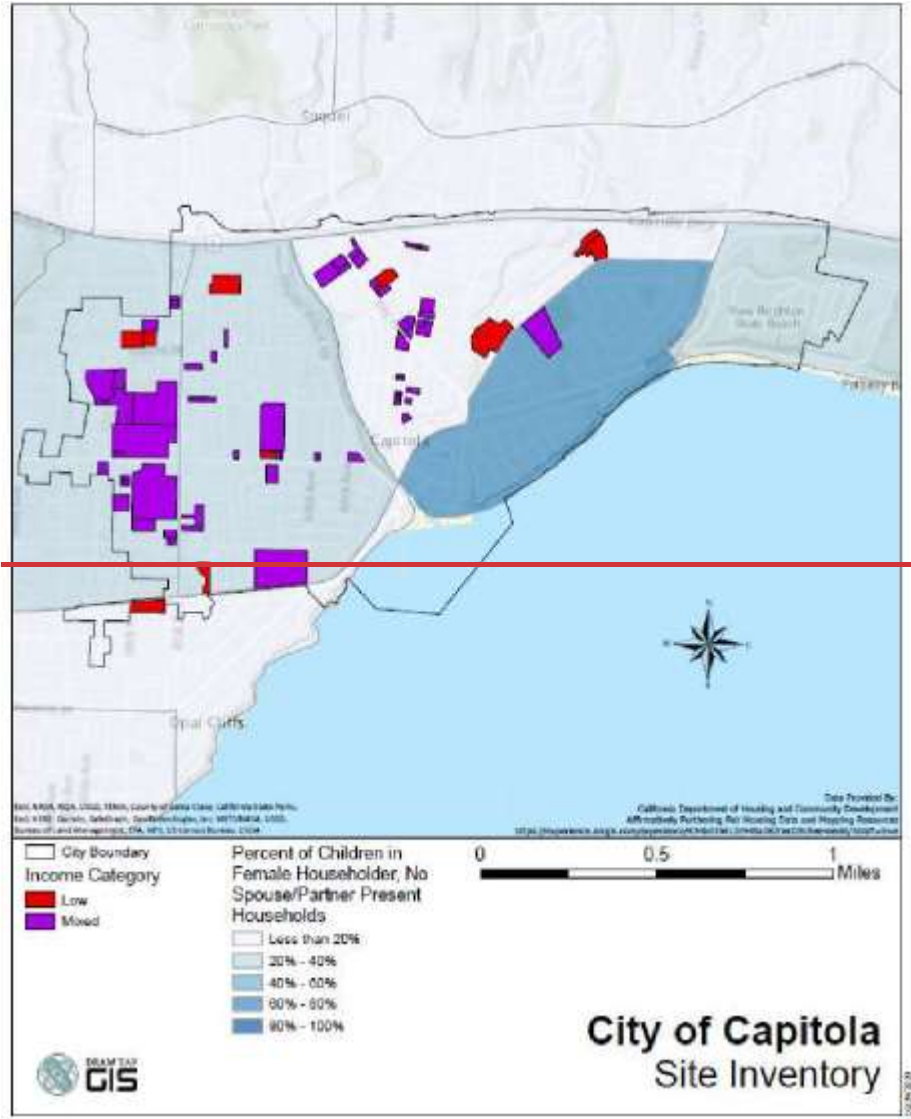


Figure E-72: Children in Female-Headed Households by Tract and Sites Inventory





Income Level

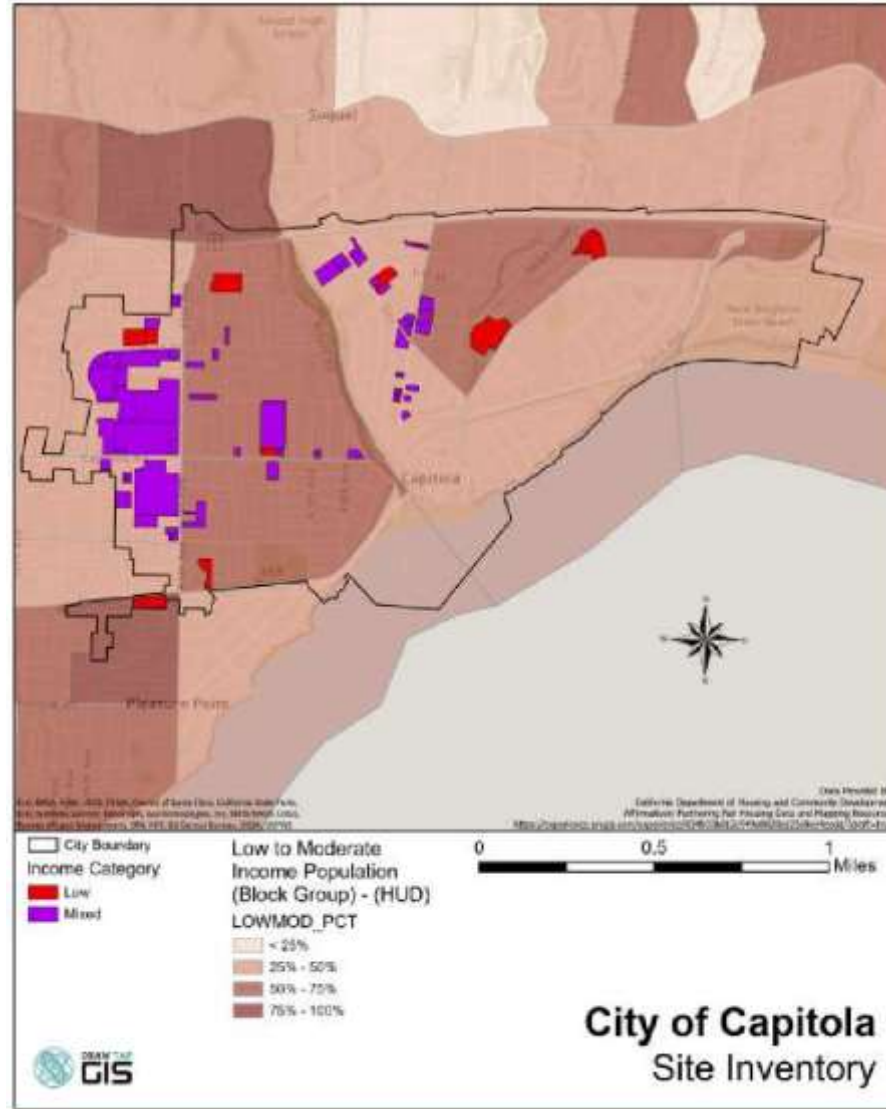
Figure E-73 and Table E-29 show the distribution of RHNA sites and units by Low to Median Income (LMI) household population at the block group level. As discussed previously, approximately half of the City is considered an LMI area where more than 50% of households earn low or moderate incomes. **Approximately Over 7687%** of RHNA units are in block groups that are not considered LMI areas, where only 25% to 50% of households are low or moderate income. A larger proportion of units allocated towards the lower income RHNA are in LMI areas (**3329.7%**) compared to moderate income units (**19.416.9%**) and above moderate income units (**4.014.2%**).

While more lower income RHNA units are allocated in LMI areas, sites accommodating the lower income RHNA are not concentrated in a single area of the City. Further, a majority of lower income units are not located in LMI areas. The City’s RHNA strategy aims to serve existing LMI households while providing additional housing opportunities citywide. Additionally, actions outlined in this Housing Element intend to increase opportunities and address disproportionate housing needs in areas with larger LMI household populations.

Table E-29: Distribution of RHNA by LMI Household Population

LMI Households (Block Group)	Lower Income		Moderate Income		Above Moderate Income		Total	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
<25%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
25-50%	480582	67.070.3%	145167	80.683.1%	1,550387	96.085.8%	2,1751,136	86.676.8%
50-75%	184194	25.723.4%	3534	19.416.9%	6564	4.014.2%	284292	11.319.7%
75-100%	52	7.36.3%	0	0.0%	0	0.0%	52	2.13.5%
Total	716828	100.0%	180201	100.0%	1,615451	100.0%	2,5111,480	100.0%

Figure E-73: LMI Households by Block Group and Sites Inventory



b. Racially and Ethnically Concentrated Areas and Access to Opportunities

TCAC Opportunity Area

All Capitola tracts are highest and high resource areas (Table E-30 and [Figure E-74](#))

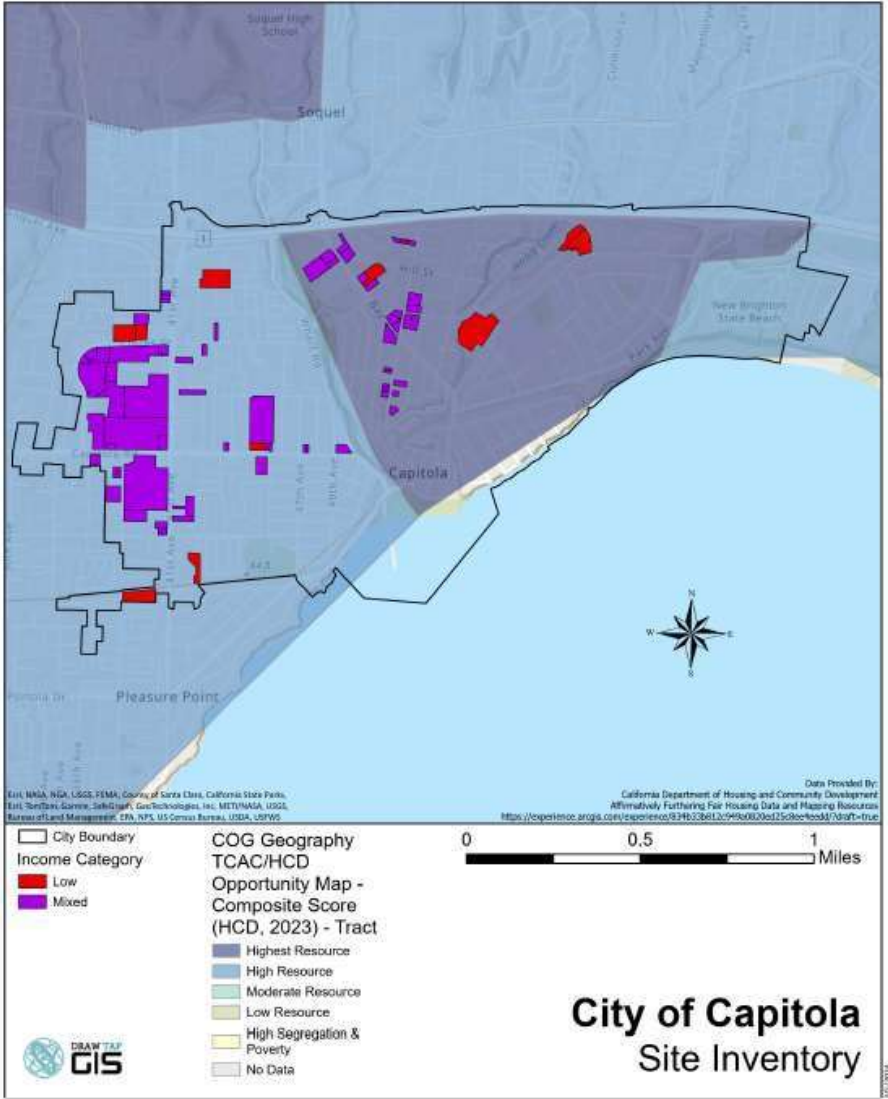
Figure E-74). The central tract, tract 1218, is a highest resource area, while the eastern and western tracts comprising a majority of the remainder of Capitola, tracts 1217 and 1221, are high resource areas. Consistent with the citywide trend, 90.83% of RHNA units are in high resource tracts and 10.17% are in highest resource tracts.

Sites accommodating the City’s RHNA will all be located in areas with highly accessible economic, educational, and environmental opportunities based on the HCD/TCAC opportunity scores.

Table E-30: Distribution of RHNA by TCAC Opportunity Area Score

TCAC Opportunity Area Category (Tract)	Lower Income		Moderate Income		Above Moderate Income		Total	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
Highest Resource	112,422	15.6147%	3,936	21.7179%	9,188	5.6195%	242,246	9.6166%
High Resource	604,706	84.4853%	141,165	78.3821%	1,524,363	94.4805%	2,269,123	90.4834%
Moderate Resource	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Low Resource	0	0.0%	0	0.0%	0	0.0%	0	0.0%
High Segregation and Poverty	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	716,828	100.0%	180,201	100.0%	1,615,451	100.0%	2,511,480	100.0%

Figure E-74: TCAC Opportunity Areas by Tract and Sites Inventory



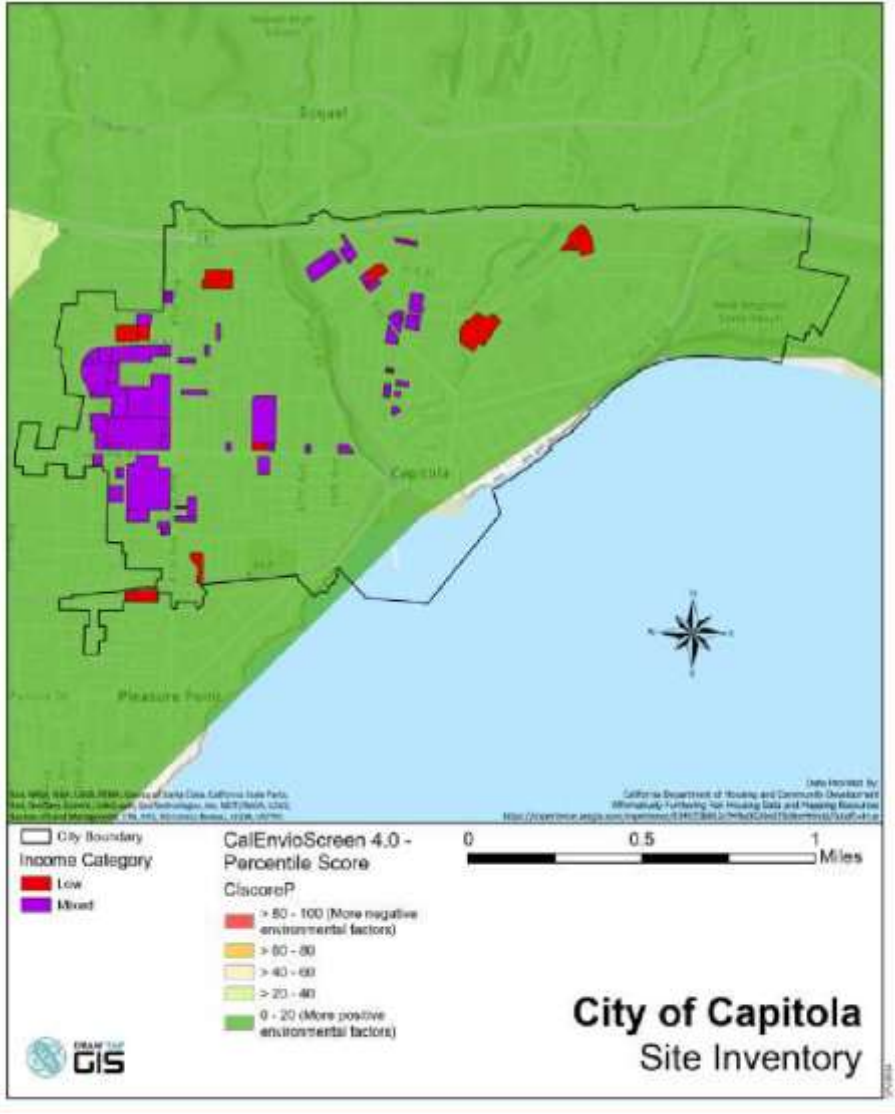
Environmental

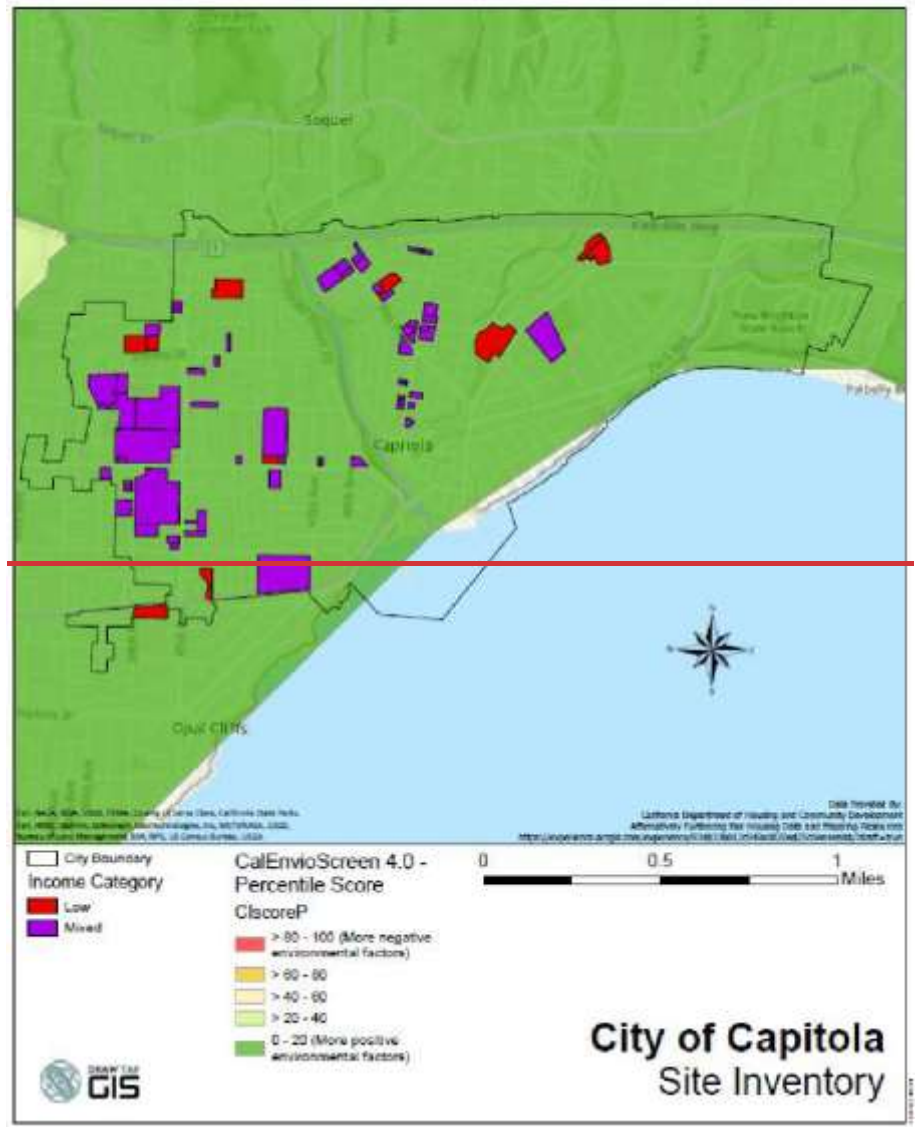
As discussed above and shown in ~~Figure E-75~~ **Figure E-75**, all Capitola tracts have low (positive) CalEnviroScreen 4.0 percentile rankings. All RHNA units are in tracts scoring within the 20th percentile. The City’s RHNA strategy distributes sites throughout the City to the greatest extent possible. New housing units will be located in areas with access to Capitola’s open space and recreational resources, including Capitola Beach and the New Brighton State Beach park.

Table E-31: Distribution of RHNA by CalEnviroScreen 4.0 Score

CalEnviroScreen 4.0 Percentile Score (Tract)	Lower Income		Moderate Income		Above Moderate Income		Total	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
1-10%	52	7.36.3 %	0	0.0%	0	0.0%	52	2.13.5 %
11-20%	664776	92.793.7%	180204	100.0%	1,615454	100.0%	2,4591,428	97.996.5 %
21-30%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
31-40%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
41-50%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
51-60%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
61-70%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
71-80%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
81-90%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
91-100%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	716828	100.0%	180204	100.0%	1,615454	100.0%	2,5114,480	100.0%

Figure E-75: CalEnviroScreen 4.0 Scores by Tract and Sites Inventory





c. Disproportionate Housing Needs

Cost Burden

Most areas of the City have populations of cost burdened owners between 40% and 60% (Figure E-76). There is one tract where more than 60% of owners are cost burdened. Two moderate-income units and two above moderate-income units are located in this tract. All other RHNA units are located in these tracts where 40% to 60% of owners experience cost burden.

As shown in Figure E-77, Capitola tracts have populations of cost burdened renters ranging from 20% to 60%. Table E-33 shows that 893% of units are in tracts where less than 40% of renters are cost burdened. A larger proportion of lower income units (30.226.1%) are in tracts where more than 40% of renters are cost burdened compared to moderate income units (13.313.9%) and above moderate income units (2.710.4%).

The western side of the City where more renters overpay for housing is consistent with the tract with a larger proportion of LMI households (see Figure E-73). While the RHNA strategy allocates a larger proportion of lower income units in tracts with 20 to 40 percent of cost burdened renter populations larger cost burdened renter populations, however, sites accommodating lower income units are not concentrated in a single area of the City. As mentioned above, the City’s RHNA strategy aims to serve existing LMI households while providing additional housing opportunities citywide.

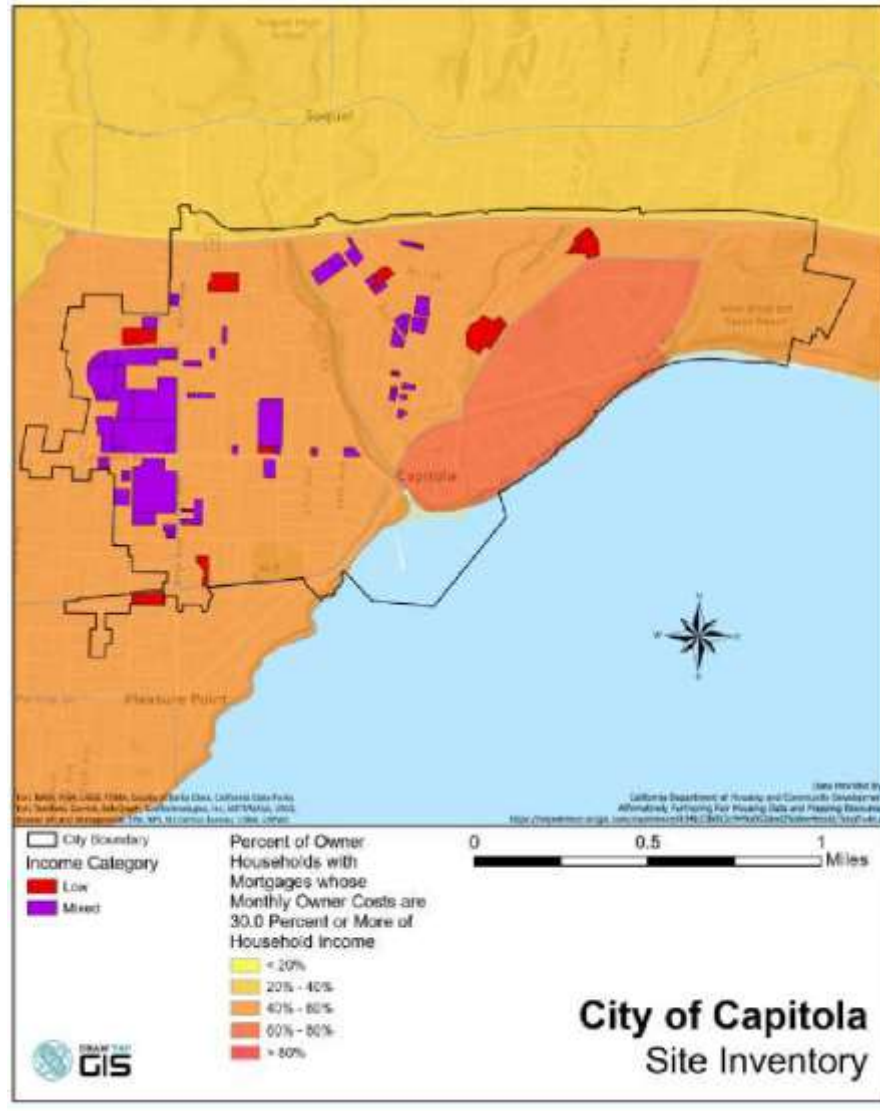
Table E-32: Distribution of RHNA by Cost Burdened Owners

Cost Burdened Owners (Tract)	Lower Income		Moderate Income		Above Moderate Income		Total	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
<20%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
20-40%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
40-60%	716828	100%	180499	100.099.0%	1,615449	100.099.6%	2,5111,476	100.099.7%
60-80%	0	0.5%	02	10.0%	02	0.00.4%	04	0.00.3%
>80%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	716828	100.0%	180204	100.0%	1,615454	100.0%	2,5111,480	100.0%

Table E-33: Distribution of RHNA by Cost Burdened Renters

Cost Burdened Renters (Tract)	Lower Income		Moderate Income		Above Moderate Income		Total	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
<20%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
20-40%	500612	69.873.9%	156173	86.786.1%	1,572404	97.389.6%	2,2281,189	88.780.3%
40-60%	216	30.226.1%	2428	13.313.9%	4347	2.710.4%	283294	11.319.7%
60-80%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
>80%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	716828	100.0%	180204	100.0%	1,615454	100.0%	2,511480	100.0%

Figure E-76: Cost Burdened Owner Households by Tract and Sites Inventory



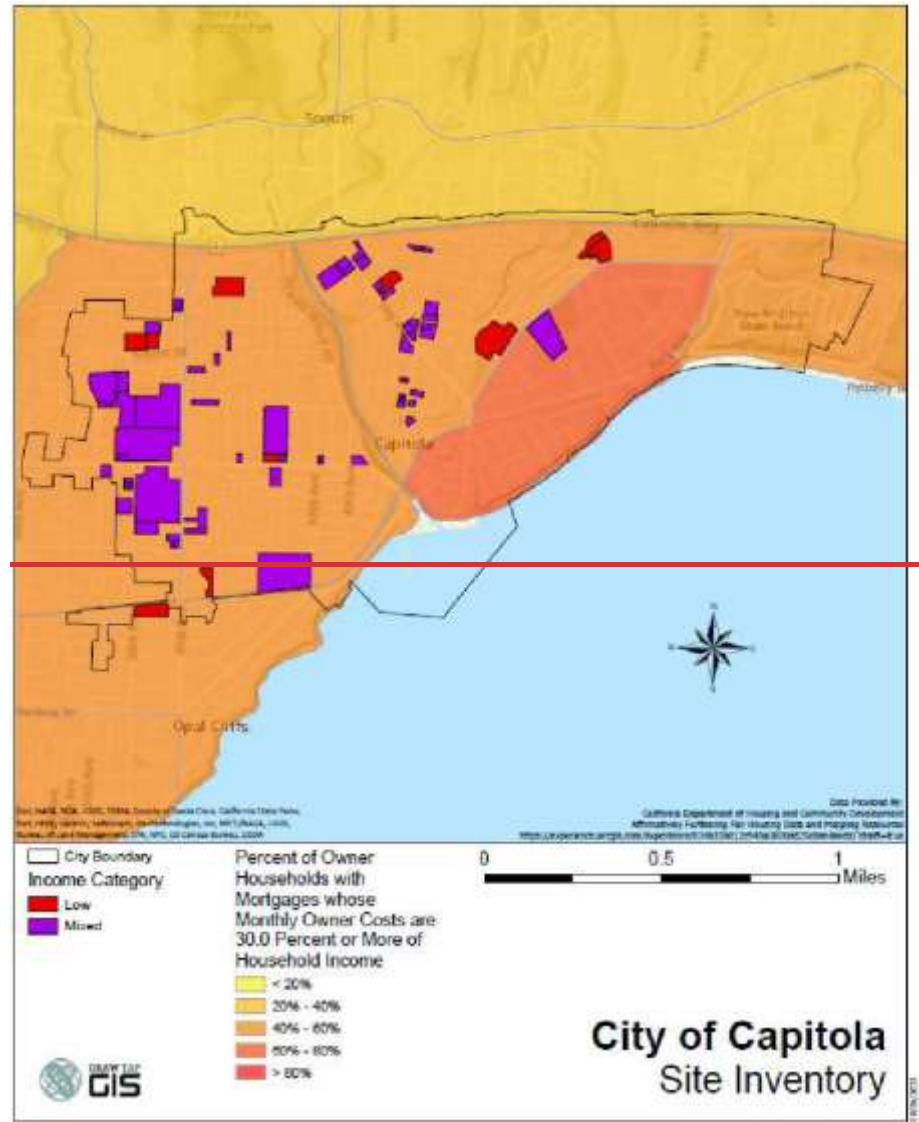
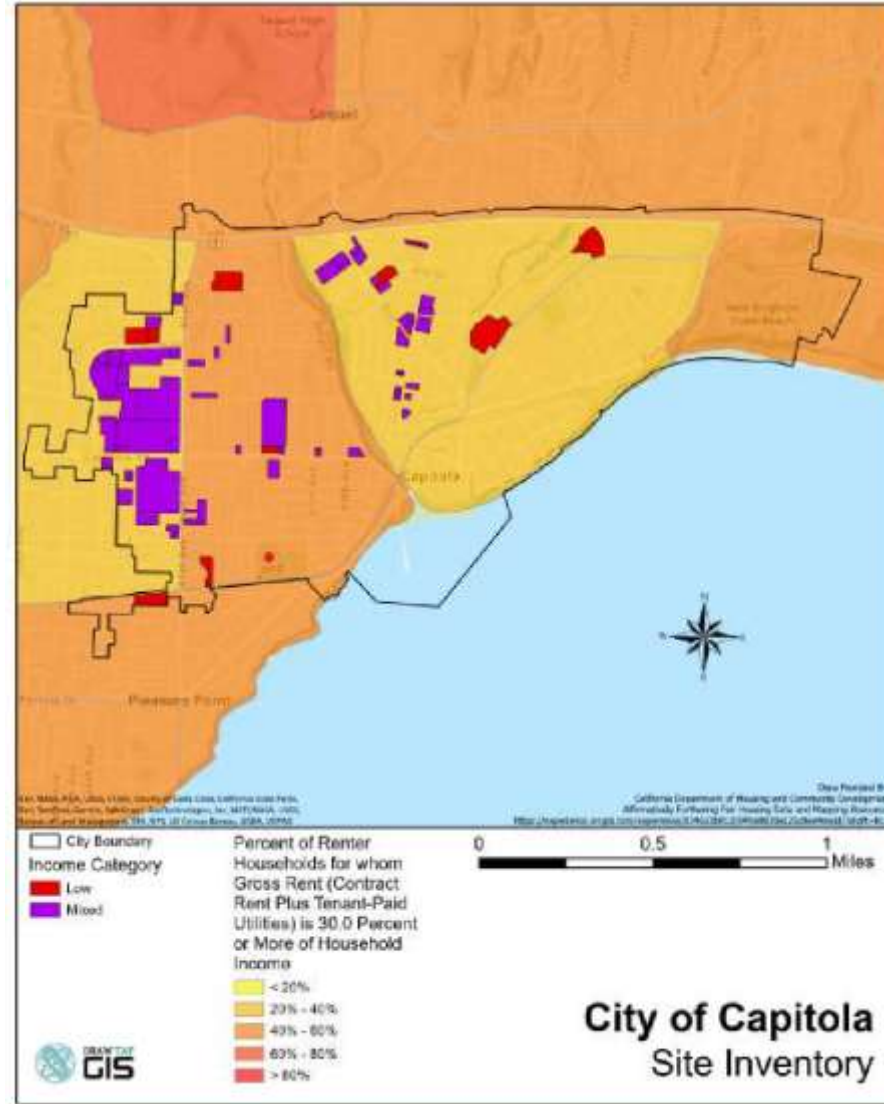
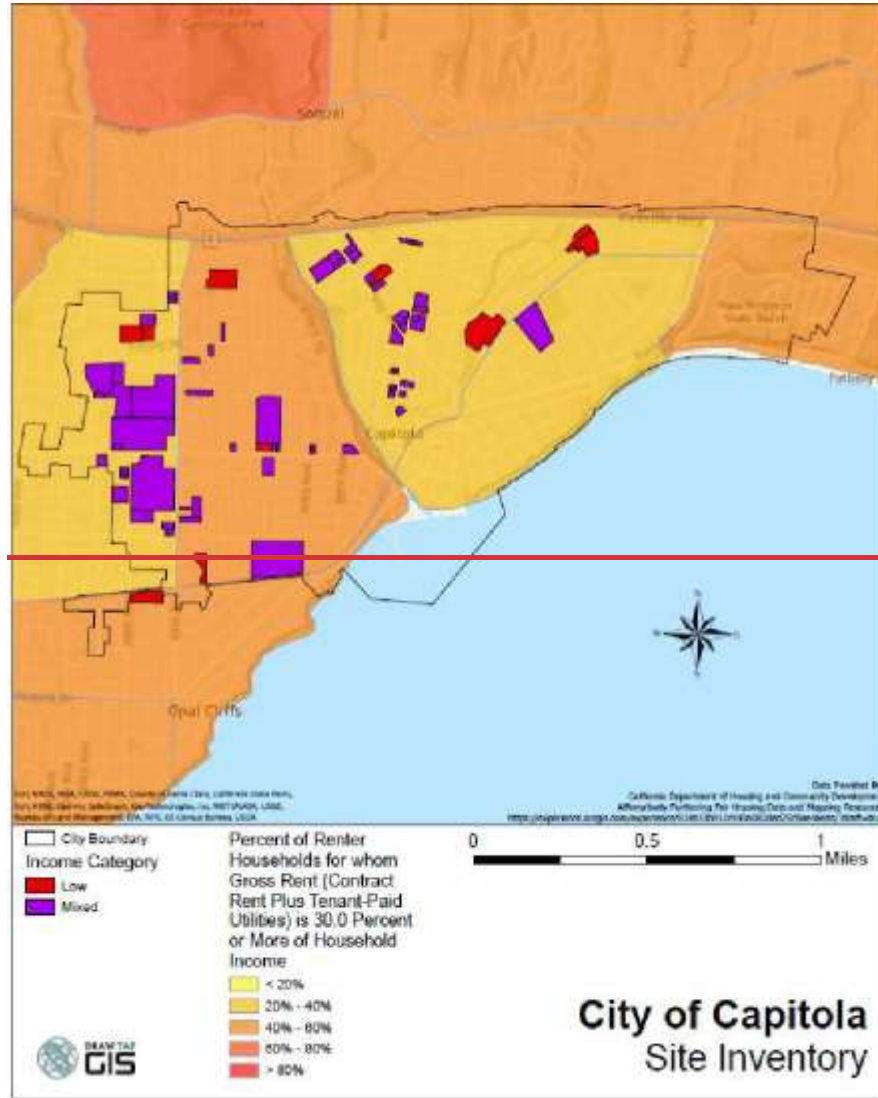


Figure E-77: Cost Burdened Renter Households by Tract and Sites Inventory





Overcrowding

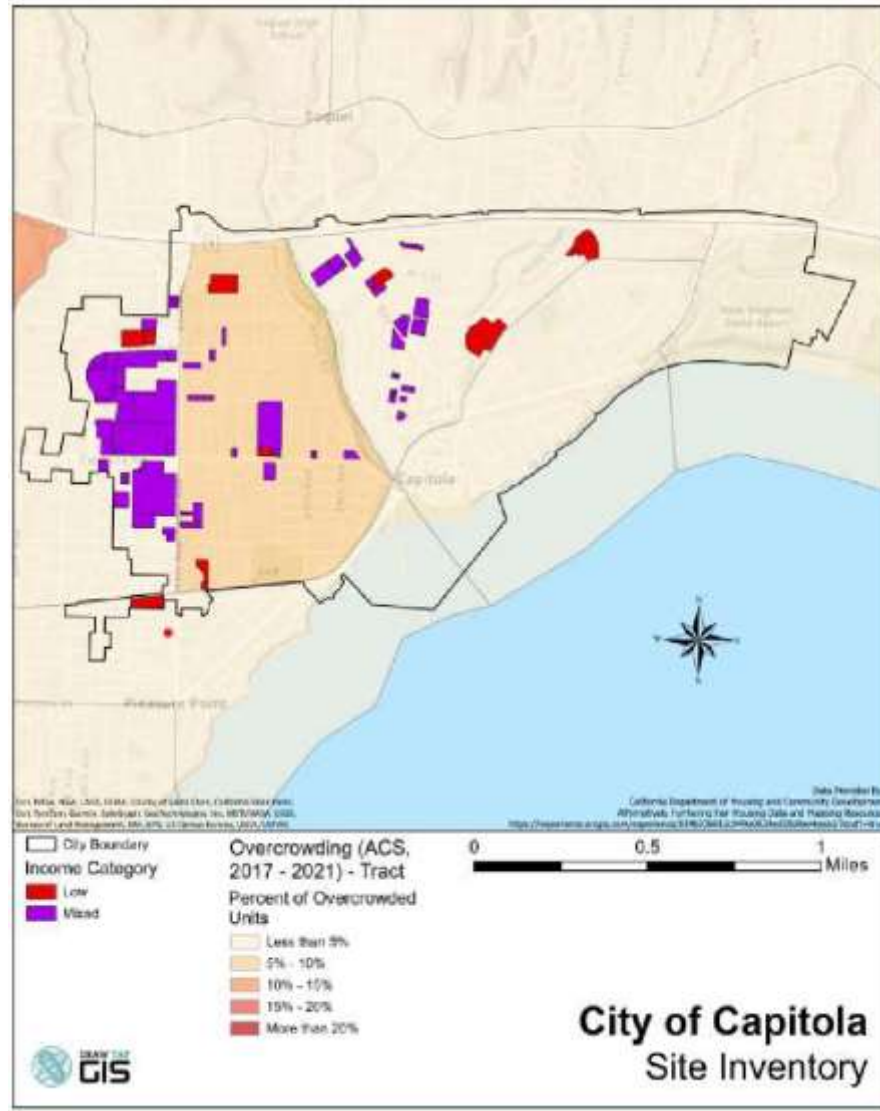
There is only one tract in Capitola where more than 5% of households are overcrowded ~~Figure E-78~~ ~~Figure E-78~~. This tract also has a larger LMI household population and population of cost burdened renters (see ~~Figure E-73~~ ~~Figure E-73~~ and Figure E-77). As shown in Table E-34, 9.246.4% of RHNA units are in this tract. The proportion of lower income units allocated in this tract is slightly higher (22.949.8%) compared to the proportion of moderate (13.313.9%) and above moderate (2.740.4%) income units.

While there are more lower income units in the tract where more than 5% of households are overcrowded, sites accommodating the lower income RHNA are not concentrated in a single area of the City. Out of the 828 units in the sites inventory, 116 units are part of the inventory buffer, as the City's RHNA allocation for lower income units is 712. Further, targeted actions outlined in this Housing Element aim to serve existing and future households and reduce housing needs in this area of the City.

Table E-34: Distribution of RHNA by Overcrowded Households

Cost Burdened Owners (Tract)	Lower Income		Moderate Income		Above Moderate Income		Total	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
<5%	<u>552664</u>	<u>77.180.2%</u>	<u>156173</u>	<u>86.786.4%</u>	<u>1,572404</u>	<u>97.389.6%</u>	<u>2,2801,244</u>	<u>90.883.9%</u>
5-10%	164	<u>22.949.8%</u>	<u>2428</u>	<u>13.313.9%</u>	<u>4347</u>	<u>2.740.4%</u>	<u>231239</u>	<u>9.246.4%</u>
10-15%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
15-20%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
>20%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	<u>716828</u>	<u>100.0%</u>	<u>180204</u>	<u>100.0%</u>	<u>1,615454</u>	<u>100.0%</u>	<u>2,5111,480</u>	<u>100.0%</u>

Figure E-78: Overcrowded Households by Tract and Sites Inventory



d. Summary

Table E-35 shows the sites inventory by tract and AFFH variable. The sites inventory is also included as Figure E-79. RHNA sites are distributed throughout the Capitola over six tracts. This analysis breaks up the tracts into eastern and western Capitola. Eastern Capitola is made up of tracts 1218.01, 1218.02, and 1221, while tracts 1216.02, 1217.01, and 1217.02 are considered Western Capitola. As described earlier, The City's housing strategy as part of the RHNA inventory will increase new housing options for all income levels in Capitola as well as options for mobility throughout the City. This is due to the recent trends of development in Capitola, combined with the zoning provisions that allow for a variety of mixed-use housing near commercial cores and public transit opportunities, and allowable density increases that can increase the production of affordable housing.

Eastern Capitola

Eastern Capitola is made up of the tracts east of Soquel Wharf Road. Eastern Capitola tends to have smaller non-White populations and cost burdened renter populations. Two of the three tracts are also considered highest resource areas. The third, tract 1221, is a high resource area. Most of Eastern Capitola is zoned for Single-Family Residential (R-1) uses. Additional residential zoning designations on this side of the City include Mobile Home Park (MH), Multi-Family Residential, Low Density (RM-L), Multi-Family Residential, Medium Density (RM-M), Multi-Family Residential, High Density (RM-H), and Mixed Use Neighborhood (MU-N). Approximately 15% of Eastern Capitola is designated open space for New Brighton State Park.

A total of 242246 RHNA units are allocated on this side of the City, including 112422 lower income units, 3936 moderate income units, and 9188 above moderate income units. Eastern Capitola has a non-White population of 27.8%, LMI household populations ranging from 29% to 68%, and populations of overcrowded households ranging from 3% to 4%. In general, the eastern side of the City has few fair housing issues and small to moderate non-White and LMI household populations. The City's RHNA strategy ensures that RHNA units of all income levels are allocated throughout the eastern side of the City. The City's RHNA strategy in Eastern Capitola does not exacerbate conditions related to fair housing.

Western Capitola

This analysis considers Western Capitola to be the area west of Soquel Wharf Road. The western side of the City is comprised of a mix of residential zoning designations including Mobile Home Park (MH), Single-Family Residential (R-1), Multi-Family Residential, Low Density (RM-L), Multi-Family Residential, Medium Density (RM-M), Multi-Family Residential, High Density (RM-H), and Mixed Use Neighborhood (MU-N). The western side of the City has larger areas zoned for Regional Commercial (C-R) and Community Commercial (C-C) uses compared to the eastern side. The west side also has larger lot sizes and can better accommodate large scale redevelopment projects.

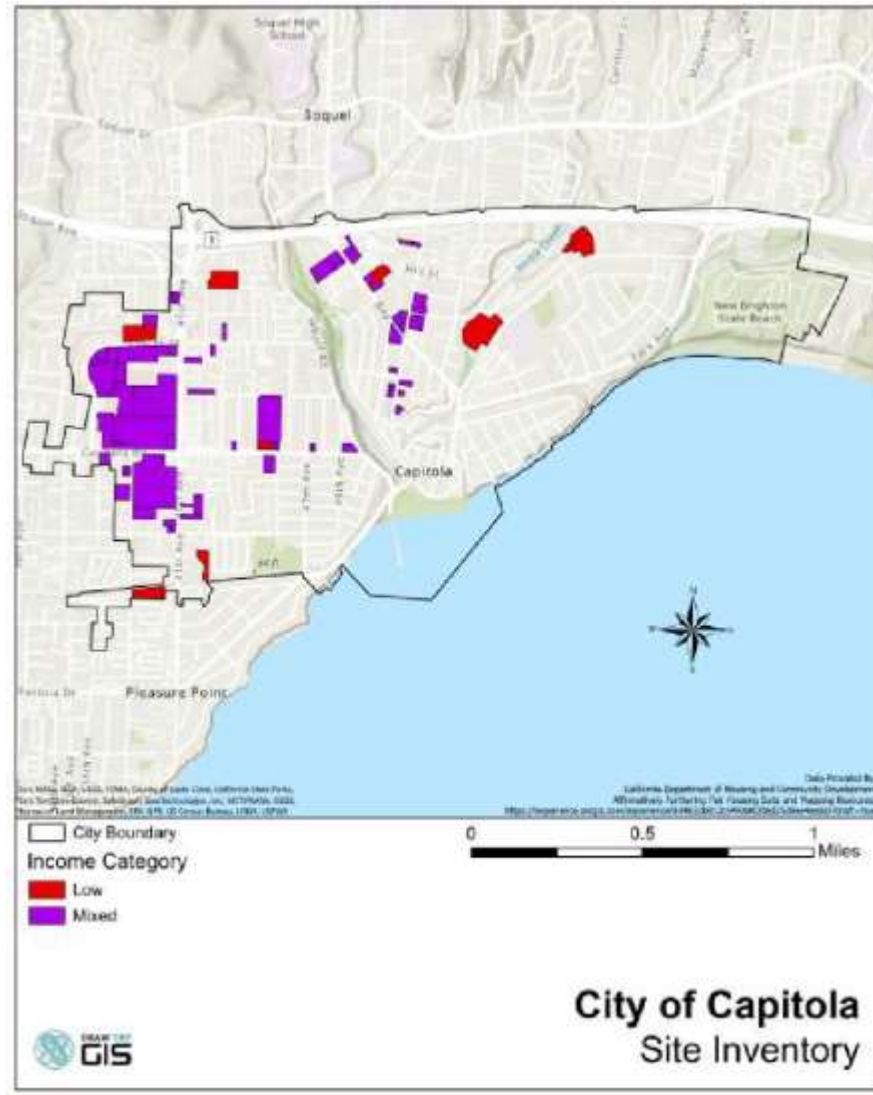
All three tracts on the western side of Capitola are high resource areas. There are more RHNA units allocated on this side of the City compared to the eastern side. The City's RHNA strategy allocated 2,2691,234 units in Western Capitola, including 604706 lower income units, 141165 moderate income units, and 1,524363 above moderate income units. As discussed in Chapter 4, Housing Need and Opportunities, of this Housing Element, the City's strategy is to locate higher density housing and mixed-use developments along transit corridors. All of the key housing opportunity sites identified are located directly on existing bus routes, and the majority of them are also in close proximity to the regional transit center and Capitola Mall. The Capitola Mall is located on the western side of the City in tract 1217.02. The non-White populations in Western Capitola block groups are generally higher than block groups on the eastern side. RHNA units are located in LMI block groups within tracts 1216.02 and 1217.01. However, a majority of units are in tract 1217.02 that is not considered an LMI area. Tract 1217.01 also has a larger proportion of cost burdened renters and overcrowded households. While housing problems are slightly more prevalent in this tract, RHNA units, specifically lower income units, are allocated throughout the City and are not concentrated in this section of Capitola alone. Also, it should be noted that the City's RHNA strategy includes a 16% buffer for lower income units (116 units).

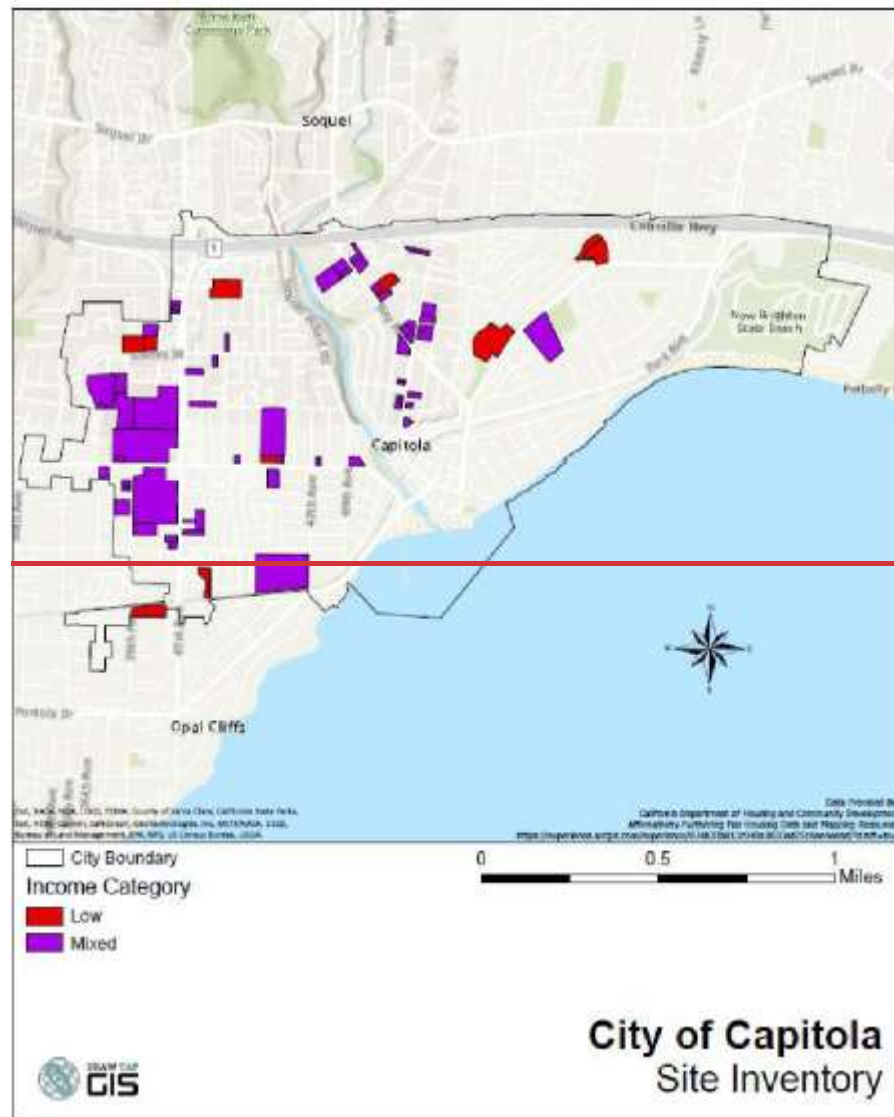
The City's RHNA strategy ensures sites are distributed throughout the City. There are no units of any income level that are concentrated in a single area of the Capitola. The City's RHNA strategy, in conjunction with the actions outlined in this Housing Element, promote housing mobility while serving the needs of existing populations. RHNA sites on the western side of the City are located directly on existing bus routes and most are in proximity of the regional transit center and Capitola Mall, ensuring transportation opportunities and resources are highly accessible. The RHNA strategy does not exacerbate fair housing conditions citywide.

Table E-35: Distribution of RHNA Units by Tract and AFFH Variables

Tract	# of Households in Tract	Total Capacity (Units)	Income Distribution			Non-White Population	LMI Households	TCAC Opp. Cat.	Overpay Renters	Over-crowded Households
			Lower	Moderate	Above Moderate					
1216.02	1,212	52	52	0	0	29.7%	91.0%	High	49.2%	2.5%
1217.01	1,795	231239	164	2428	4347	41.0%	56.0 – 62.0%	High	54.2%	5.6%
1217.02	1,284	1,986943	388490	117437	1,481316	41.0%	26.0 – 43.0%	High	27.1%	0.2%
1218.01	1,048	4	0	2	2	27.8%	29.0%	Highest	39.7%	3.4%
1218.02	1,136	242	112422	3934	9186	27.8%	48.0 – 68.0%	Highest	38.4%	3.8%

Figure E-79: Capitola Sites Inventory





C. Contributing Factors

1. Lack of Fair Housing Testing, Education, and Outreach (**High Priority**)

The City lacks information on fair housing law and discrimination complaint filing procedures on the City website. Current outreach practices may not provide sufficient information related to fair housing, including federal and state fair housing law, and affordable housing opportunities. Cost burdened renters throughout the City and cost burdened owners concentrated in tract 1218.01 may be unaware of affordable housing opportunities. Between 2013 and 2022, the FHEO recorded 11 inquiries from Capitola residents, 5 of which were related to disability status. The City may lack sufficient education and outreach related to reasonable accommodation and ADA laws based on the proportion of complaints related to disability status. The County is also not required to complete an Analysis of Impediments to Fair Housing Choice and does not contract with a specific fair housing provider. Additional action may be needed to ensure residents are aware of fair housing laws and protections. In the 2022 PIT Count, when asked about ways to prevent losing housing, 50% said rent or mortgage assistance, 45% said landlord mediation and 40% stated legal assistance.

Contributing Factors

- Lack of fair housing testing
- Lack of monitoring
- Lack of targeted outreach and accessible fair housing information

2. Substandard Housing Conditions (**Medium Priority**)

While the City does not have a large proportion of households lacking complete kitchen or plumbing facilities, approximately 78% of housing units are aged 30 years or older and may require minor or major rehabilitation. Aging housing units are most concentrated in the central and eastern areas of Capitola, east of Wharf Road. Additionally, 5.1% of units in tract 1217.02 on the western side of the City lack complete kitchen facilities. Less than 1% of units in all other Capitola tracts lack complete kitchen facilities.

Contributing Factors

- Age of housing stock
- Cost of repairs or rehabilitation

3. Affordable Housing Opportunities in High Resource Areas (Citywide) **(High Priority)**

All of Capitola has been identified as high or highest resource areas. Capitola is generally an affluent City with good quality schools, above average environmental conditions, and accessible economic opportunities. However, existing affordable housing options in Capitola are limited. There are only two assisted multifamily rental complexes in the City, Capitola Supportive Housing Development (Dakota Apartments) (24 affordable units) and Bay Area Senior Apartments (108 affordable units). Additional housing opportunities in Capitola, a high resource area, may be especially important due to the County's overall character. Southern and inland Santa Cruz County has significantly reduced access to opportunities compared to the Capitola/City of Santa Cruz area and northern County. The southern County is comprised of mainly TCAC low and moderate resource tracts, while tracts in and north of Capitola are predominantly high and highest resource areas. Additional housing in Capitola may promote mobility for low income households currently residing in the County.

As described earlier, the City's housing strategy as part of the RHNA inventory will increase new housing options for all income levels in Capitola as well as options for mobility throughout the City. This is due to the recent trends of development in Capitola, combined with the zoning provisions that allow for a variety of mixed-use housing near commercial cores and public transit opportunities, and allowable density increases that can increase the production of affordable housing.

Contributing Factors

- Lack of affordable housing options
- Location and type of affordable housing