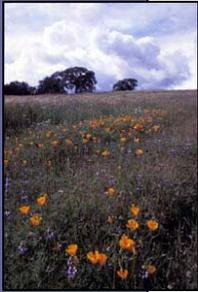


2005-2020 General Plan and Local Coastal Program

Background Report



City of Santa Cruz
Department of Planning and
Community Development

April 2004

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1. Introduction

Preparing the 2005-2020 General Plan/Local Coastal Program Background Report

The time horizon for the existing General Plan/Local Coastal Program (LCP) for the City of Santa Cruz is 2005. During the next three years the City will reformulate its objectives and develop a new General Plan/LCP covering the years 2005 to 2020. This 15 year time period is suggested since it is the same as the UCSC Long Range Development Plan (LRDP) that is currently being prepared by the University. The expectation is that the General Plan/LCP and LRDP preparation processes will inform each other.

In order to prepare the new General Plan, a context frame of reference must be provided to evaluate where the City has been and where it may be going. The purpose of this background report is to provide statistical information to aid in the General Plan development process and to identify major planning issues that need to be addressed.

The present background report is preliminary. That is, it will be updated as new information becomes available as the City becomes actively involved in developing a new General Plan. The intent of the report is to provide basic information about what has occurred in the community during the past decade. The report is essentially a fact sheet; it is not intended to answer all questions that may need to be addressed during discussion of General Plan alternatives. Undoubtedly, specific additional research will be required during the General Plan process. However, the information contained in this report will help create an awareness of the significant changes that have taken place in Santa Cruz over the last several years.

The following sections of the report include discussions of the major factors that have affected growth, the nature of development, and the quality of life in the City of Santa Cruz over the past decade. This information is supplemented with projections concerning the direction of growth in the future and major planning issues.

The six factors that are discussed in the report include demographics, employment and the economy, housing, education, transportation, and city infrastructure and services. Within each topic area, trends are described (statistical information indicating the direction of activity over the past years), and then projections are provided (estimates from a variety of sources which indicate where trends may be going in the future). Finally, planning issues that derive from these trends and projections are listed at the end of each section.

This report concludes with a discussion of environmental resources and hazards. This section discusses the establishment of the City's greenbelt, an important General Plan goal, and changes in environmental regulations since the adoption of the 1990-2005 General Plan/LCP. These environmental regulatory changes should be incorporated as appropriate in the update of the

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Environmental Quality Element, as well as in the Safety, Cultural Resources, and Land Use Elements.

Summary of Major Planning Issues

The following is an executive summary of the major planning issues from the six topic areas discussed in the report.

Demographics

- **The City is experiencing low to moderate population growth but will experience a further decline in growth as the City is relatively built-out.** Also, the average household size has declined to 2.44 persons per household, indicating that the number of families is shrinking. Although the population growth rate will continue to decline, the Land Use and Housing Elements of the General Plan will still need to address how to meet the housing requirements for our population with relatively little new developable area.
- **The City's population demographics have shifted which may have an impact on household size, housing needs, and social services.** From 1990 to 2000 the City experienced a two percent decline in the population age group 25 to 44 years of age. During the same period the City's population age 45 to 64 increased by 76 percent. This shift to an older population could require greater housing choices for seniors and increase social services for the elderly. In addition, the City's Housing Element will need to address how to provide affordable housing to young families and professionals to enable them to remain in the community.

Employment and the Economy

- **UCSC is a key component of the City's economic future** in terms of employment, spending by students/faculty/visitors, research and related stimuli to private business creation, and as a potential force in the revitalization of blighted areas of the community. Potential strategies include consensus building through permanent collaboration in major planning and decision-making, specific partnerships in business incubation and entrepreneurship assistance, and new development opportunities in the City that would accommodate UCSC growth needs while also channeling investment to create a sustainable urban form.
- **The tourism sector is suffering from the economic downturn.** Over the long term, this sector will remain key to the City's vitality and should be strengthened to the extent possible. Potential strategies include; development of a conference center with high quality

1. Introduction

rooms and services, linking the new conference facility to existing hotels, improved transportation linkages between existing and future visitor attractions, and development of a broader array of hotel products. Despite progress in this direction, there does not yet appear to be a fully realized strategy to maximize Santa Cruz's potential drawing power.

- **The retail sector is faring relatively well in the economic downturn, but could be augmented by strategic planning.** Based on further study, opportunities may exist for emerging forms of retail, such as lifestyle centers (with upscale furniture and accessories), artisan centers, and/or selected home improvement retailers with physical designs that fit sensitively into the local urban fabric.
- **Several longstanding challenges combine to create Santa Cruz's major competitive disadvantage.** Recent housing price increases have caused a critical lack of affordable for-sale housing, which in turn will create increased in-commuting unless this factor is addressed as part of the economic development process. Moreover, the perceived obstacles in permitting, general support by the City to the business community and physical constraints such as traffic congestion all combine to limit the City's economic potential. However, solutions to these challenges must be sensitively crafted to preserve the uniqueness and ambiance of Santa Cruz.
- **The Marine Research and Education Center at Terrace Point represents a major economic development opportunity for the City.** Terrace Point offers the City and the University a unique opportunity to work collaboratively on a joint economic development initiative to create high-quality, sustainable jobs and catalyze related research and development "spin-off" business ventures.
- **The preservation of lands designated for employment centers is key to the long-term health and vitality of the Santa Cruz economy.** In reaction to the local housing shortage and rising residential land values, there has been an erosion of the commercial land inventory across the city. Several vacant and underutilized parcels are left in the industrial land stock that should be considered for preservation to accommodate future employment centers. These potential employment centers could include light industrial uses, local high technology start-up companies, bio/nano technology companies, and associated support services. University research and development spin-offs will also need appropriately zoned land with adequate services and infrastructure. The City should consider zoning prohibitions on the areas of industrial zoned lands in order to eliminate the potential for housing development except as in conjunction with mixed-use developments.

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Housing

Although the Housing Element has recently been updated and adopted, the housing trends discussed in Section 4 of this report should be considered during the update of other General Plan Elements, particularly the Land Use Element and Circulation Element. Changes should be made to the Housing Element as necessary to maintain consistency with other elements. Below are several issues that may have implications for these or other elements.

- **The limited supply of remaining residentially zoned vacant land** requires the City to focus on infill development in the urban core and along major transportation corridors. Housing needs should be balanced with other land use goals, especially regarding economic development, circulation patterns, and open space preservation.
- **The City should consider options to maximize density in appropriate areas**, such as changing the method for calculating density along major corridors (Floor Area Ratio versus per unit density limitations) and providing incentives for developing upper floor residential above commercial uses.
- **Housing affordability affects the ability of families and the City's workforce to remain in Santa Cruz.** Without affordable, entry level housing options, these groups are looking to live outside of the City, which results in negative impacts to area school enrollments, employers ability to attract and retain a high quality workforce, and traffic and commute patterns. Affordable childcare is also an important consideration for the retention of working families.
- **Development should be linked with transportation policies** aimed at reducing dependency on the automobile and promoting other modes of transportation. A balance of housing types and affordability levels and development of higher densities in appropriate locations are necessary to minimize the need for the workforce to commute from surrounding communities and to maximize opportunities to use alternative modes of transportation for in-city trips.
- **U.C. Santa Cruz has identified a range for potential future growth** of the campus that will be further refined as the University's Long Range Development Plan is prepared. Regardless of the final projections for the University's population, some percentage of students will be living off-campus within the City of Santa Cruz. The General Plan should address the needs of this student population as well as junior faculty and staff members.

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Education

Planning issues that result from the continuing decrease in enrollment for the Santa Cruz City School District include the following:

- **The cost and availability of affordable housing is a prime cause of continuing decrease in school enrollment.** In the City's current Housing Element for 2002-2007 families with children are identified as a special needs group and therefore require consideration and assistance for housing. The update of the General Plan will need to provide strategies for both preserving existing family housing and encouraging new affordable housing for single-parent households and large family households.
- **If the current trend of declining enrollment continues** the General Plan update will need to include a school district representative to discuss possible future land uses for closed schools. If the district decides to continue classroom types of uses at closed school sites such as a charter school, adult education, or school administrative uses, the existing General Plan land use designation for these properties would continue to apply. If a closed school site were converted to a non-classroom use, careful land use planning will be required through collaboration between the City and School District.

Planning issues that result from the projected increase in enrollment at UC Santa Cruz include the following:

- **Pressure on the housing market** in the City of Santa Cruz continued to increase between 1990 and 1999, despite the fact that the University experienced modest growth. During this period it should be noted that UCSC did provide a significant amount of on-campus housing, although it failed to achieve its goal of housing 70% of undergraduate students on-campus. Vacancy rates for owner-occupied and rental housing were very low; in 2000 the rates were 0.7% and 1.4% respectively. The desirability of Santa Cruz as a place to live, increased employment opportunities, and the lack of significant numbers of new dwelling units have all conspired to make the availability of housing very critical and the cost of housing very high. During the next 15 years, Santa Cruz will continue to experience pressure on the housing market in addition to a significant increase in students, faculty, and staff affiliated with UCSC.
- **The need for adequate infrastructure** is another issue that will need to be dealt with as part of the probable growth of UCSC. Traffic and water are major infrastructure systems that will be impacted by UCSC growth. Traffic is an issue of overriding concern throughout the community but especially neighborhoods adjacent to the University. Traffic along Mission, Bay, High, Escalona, and King could be further intensified by UCSC growth.

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Water supply is another issue that will need to be considered for both University and City growth. UC Santa Cruz is the City's largest water customer. In normal and wet years when rainfall and runoff are abundant, the water supply system is capable of meeting the community's current annual water requirements. The system, however, is highly vulnerable to shortage in drought years. As stated in the infrastructure section of this report, the water supply system serving today's population is essentially the same as in 1960. The population in the water service area is 43 percent greater since 1960. This trend is expected to continue. According to AMBAG's 1997 Forecast, the service area population is expected to reach 102,500 by 2020.

- **The location of UCSC facilities off campus** within the City is an issue that will need to be addressed in the update of the General Plan. University decisions to locate facilities off campus create fiscal impacts to the City by exempting properties from tax obligations that are necessary to support City services at a level that the community expects. Another issue is University use of industrial and commercial land, which could hamper economic development opportunities and other land use goals for the City.

Transportation

The recently completed Master Transportation Study (MTS) defines strategies to balance the transportation needs of the community with the community's ability to support those needs. It recommends strategies that are intended to give people more choices in transportation including improved automobile travel. The study recognizes that no single travel mode will resolve the transportation issues facing the City.

The most significant planning challenge confronting the City is how to address the fact that the rate of growth of automobiles trips continues to increase faster than population growth. The MTS indicated that without change, vehicle miles of travel in the City will increase by 19% by the year 2020. Travel delays and congestion in the City will nearly double. This trend will exacerbate traffic congestion, result in more collisions, reduce neighborhood livability, and constrain the economic vitality of the City. The City's General Plan will need to consider policies and strategies to address the following key traffic concerns as outlined by the MTS:

- **Increase capacity.** Per current projections, over the next 20 years, the City will experience a greater number of employees commuting from outside Santa Cruz to work. In addition, an estimated six million visitors come to Santa Cruz every year. The current transportation system does not adequately meet current seasonal traffic counts or future in-commuting projections. This will be a crucial issue as trips from outside the City will play a larger role in transportation demand as well as in economic development.

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- **Reduce demand for transportation and increase transportation options.** Reducing congestion on City streets is considered the single biggest transportation problem facing the City of Santa Cruz. Twenty five percent of City residents polled indicated the problem was “too many cars” and twelve percent feel public transportation is inadequate. Creating a greater number of transportation options will be an important component to reducing the number of cars on City streets. Linking transportation and land use decisions could also reduce congestion by locating housing within walking distance of job centers or locating housing near transit.
- **Maximize the efficiency of the existing transportation system.** The most efficient way to improve congestion within the City is to improve upon the existing transportation system. The City’s General Plan will need to address how to maintain the existing transportation system while expanding upon it for future needs.

City Infrastructure and Services

Water Supply

- **Land use: siting the desalination facility.** There are three alternative locations under consideration where a desalination plant, if approved, could be located. The desalination plant is estimated to require approximately three acres, depending on the layout of the components within the facility. The areas are all located on the lower west side of the city and were selected based on proximity to intake and brine disposal facilities, distribution system infrastructure, and power supply; adequate space requirements; and consistency with surrounding land uses. The desalination plant footprint would be sized to fit the selected parcel. The alternative areas for desalination plant development are in the industrial park area along Delaware Street and at the University’s Marine Science Campus at Terrace Point. Consideration should be given to designating these sites in the upcoming General Plan for public facilities.
- **Uncertainty over adoption of plan.** Experience over the last twenty plus years (not just in Santa Cruz but elsewhere along coastal California) demonstrates that specific proposals to expand water supply capacity are often quickly mired in controversy and delayed in a process that gets little accomplished. Do we assume, for this General Plan update, that the Integrated Water Plan will be realized as proposed, even though the plan has yet to be approved, designed, or financed, and will take a minimum of five years to get online? Or do we plan instead around the reality of water supplies currently available, that the City is actually able to deliver, to meet future water service needs? If so, how much more demand is the existing system capable of sustaining?

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City Budget

- As a result of the continuing decline in general fund revenue the level of existing city services may have to be further reduced. Limited general fund revenues could influence future General Plan objectives for Parks and Recreation and Community Facilities and Services Elements. The City is finding it difficult to maintain existing parks and recreational facilities and programs at the level that is expected by the public. Revenue resources for maintenance, protection and enhancement of the City's 2000-acre open space greenbelt system are currently not adequate. Planning decisions, particularly those related to land use and transportation, have an impact on economic development, and therefore on the City budget and services.

2. DEMOGRAPHICS

This section of the General Plan Background Report discusses the demographic profile of the City of Santa Cruz in comparison to the County of Santa Cruz, the Bay Area Consolidated Metropolitan Statistical Area (CMSA) and the State of California. This profile of the community informs the discussions in other sections of the Background Report.

Trends

Population and Demographics

Population Growth

Santa Cruz is the oldest and largest city in Santa Cruz County. Spurred in part by the establishment of a campus of the University of California, the City's population increased 29% during the 1970s. Population growth has slowed in recent decades due to the scarcity of vacant land, the influence of regional and traffic planning issues, and demographic change.

Between 1990 and 2000, the population of the City of Santa Cruz has increased from 48,992 to 54,593 and is estimated at 55,917 for 2002. This increase translates into an annual average growth rate of 1.1 percent (compounded). Both the County of Santa Cruz and the Bay Area Consolidated Metropolitan Statistical Area (CMSA), which includes Santa Cruz County, have grown at a similar rate during the period.

The City of Santa Cruz's growth rate is slightly slower than the State. California grew at a 1.7 percent rate, adding 591,000 people during 2002, for a total population of 35,591,000 on January 1, 2003. This is a slight reduction from 2001 when the State added 633,000 people and grew 1.8 percent. For the third year, net migration accounts for roughly half (51 percent) of the State's growth. However, this is a smaller share than in the prior year (53 percent). The table below illustrates the population and annual average growth rate for the City, County, and State of California up to the year 2000.

2. DEMOGRAPHICS

**Table 2-1
City, County, and State Population Growth**

Year	City		County		State	
	Population	Average Annual Growth Rate	Population	Average Annual Growth Rate	Population	Average Annual Growth Rate
1960	26,600		84,200		15,720,860	
1970	32,100	1.90%	123,800	3.93%	19,957,304	2.41%
1980	41,500	2.60%	188,100	4.27%	23,668,145	1.72%
1990	49,711	1.82%	229,700	2.02%	29,473,000	2.22%
2000	54,593	.94%	255,602	1.07%	33,871,648	1.40%

Source: U.S. Census 2000

Age Characteristics

In keeping with the large university presence, age patterns in the City of Santa Cruz vary from the County and the region. In 2000, the City's median age was 31.7 years, compared to 35 for the County, and 35.6 for the region. In its July 2003 study, Bay Area Economics estimated that by 2007, this gap will widen further, with the City estimated median age remaining flat at 32 years, while the County will climb to 35.8 years and the region to 36.5 years.

The distribution of ages also varies substantially among the geographies. While only 4.9 percent of the City's population was under the age of five in 2000, the County and the region had 6.1 percent or higher in this category. Even when aggregating all children age 0 to 19, the City had a lower proportion (23.7 percent of total population) than the County (27.5 percent) or the region (26.1 percent). In contrast, for those ages 20 to 24, the City of Santa Cruz has a high proportion, with

**Table 2-2
City of Santa Cruz Population by Age**

Population	Number	Percent
Under 5 years	2,664	4.9
5 to 9 years	2,563	4.7
10 to 14 years	2,619	4.8
15 to 19 years	5,054	9.3
20 to 24 years	7,751	14.2
25 to 34 years	9,343	17.1
35 to 44 years	8,458	15.5
45 to 54 years	8,028	14.7
55 to 59 years	2,067	3.8
60 to 64 years	1,383	2.5
65 to 74 years	2,196	4.0
75 to 84 years	1,764	3.2
85 years and over	703	1.3
Median age (years)	31.7	

Source: U.S. Census 2000

14.2 percent of the total population (compared to 8.2 percent in the County and 6.4 percent in the region).

2. DEMOGRAPHICS

At the other end of the age spectrum, age 65 and over, Santa Cruz had a smaller proportion. Seniors in Santa Cruz accounted for only 8.5% of the total population in 2000, compared to 9.9% in the County and 11.1% in the region.¹

Race and Ethnicity

In Santa Cruz County, population growth during the 1990s was accompanied by change. Countywide, the percentage of White residents declined from 75% to 66% while Hispanics significantly increased to 27% of the County's population. All other race and ethnic groups comprised 7%. South County was home to the vast majority of Hispanics, while the majority of Whites lived in North County.

Table 2-3
City of Santa Cruz Ethnic Distribution

Ethnicity	1990		2000		Percent Change
	Number	Percent	Number	Percent	
White	38,775	79%	39,304	72%	1%
Hispanic	6,662	14%	9,491	17%	42%
Asian/Pacific Islander	2,133	4%	2,667	5%	25%
African American	1,021	2%	871	2%	15%
All Others	469	1%	2,260	4%	n/a
Total	49,040	100%	54,593	100%	11%

Source: U.S. Census 1990, 2000

Santa Cruz experienced less demographic change than in the County. As of 2000, Whites still comprised the largest race/ethnic group in the City (72%), but declined over the 1990s. This trend was due to a significant increase in Hispanics and the recording of some Whites under a new multi-ethnic/racial category in the Census. Nonetheless, the race and ethnic composition of residents generally remained the same today as in 1990.

The City's 2000-2005 Analysis of Impediments to Fair Housing further analyzed race and ethnic change. Based upon a survey of communities in California with a population of more than 25,000, Santa Cruz is a highly integrated city, meaning that various ethnic groups are dispersed throughout the City as opposed to being concentrated in one neighborhood. However, as illustrated in Table 2-3, Santa Cruz lacks an ethnically diverse population. The cost of housing may prevent the City from becoming more culturally diverse. Within the city, the only high concentration of minorities was found

¹ This difference could be attributed to more affordable housing options for seniors in other parts of the region.

2. DEMOGRAPHICS

within the Beach/South of Laurel area, an area also containing a high concentration of lower income residents.

Immigration and Language

One aspect of Santa Cruz that contributes to its ethnic diversity is the rate of immigration from foreign countries. In 2000, the City of Santa Cruz was home to 8,225 residents who were foreign-born, 15.1 percent of the total population. The largest proportion of this group was born in Mexico (3,180 residents), followed by El Salvador (592 residents), the United Kingdom (400 residents), and Germany (363 residents).

According to the U.S. Census, there are approximately 776 households classified as “linguistically isolated”² living in Santa Cruz, or almost four percent of all households. The predominant language spoken among these households is Spanish. It is important to note, however, that the proportion of linguistically isolated households in Santa Cruz is far lower than the 9.7 percent of such households found in California overall.

Educational Attainment

In contrast to the somewhat lower household incomes present in Santa Cruz, the resident population age 25 or older is very highly educated relative to the County and the region. More than 44 percent of Santa Cruz adults have a college degree or higher educational attainment, compared to only 35 percent of County and 37 percent of the region’s residents. At the other end of the spectrum, just 10.9 percent of Santa Cruz’s residents did not graduate high school, compared with 16.8 percent of the County and 16.1 percent of the region. This highly educated labor force residing in Santa Cruz is one of its outstanding strengths from an economic development perspective.

Table 2-4
Education Levels for Population 25+ Years of Age

Education	City		State	
	Number	Percent	Number	Percent
Less than 9th grade	1,868	5.5%	2,446,324	11.5%
9th to 12th, No Diploma	1,825	5.4%	2,496,419	11.7%
High School Graduate	4,913	14.5%	4,288,452	20.1%
Some College, No Degree	7,791	23.0%	4,879,336	22.9%
Associate Degree	2,453	7.2%	1,518,403	7.1%
Bachelor’s Degree	9,116	26.9%	3,640,157	17.1%
Graduate or Prof. Degree	5,930	17.5%	2,029,809	9.5%
Total	33,896	100.0%	21,298,900	100.0%

² Linguistic isolation is defined as a household where all members over the age of 14 have difficulty speaking English.

2. DEMOGRAPHICS

Source: U.S. Census 2000

Households and Income

Household incomes for the City of Santa Cruz reflect the younger population living in smaller average households. In 1989 (according to the 1990 Census), the City's median household income was just over \$31,800, compared to just over \$37,100 for the County and just under \$41,500 for the region. By 2002, estimated household incomes (provided by Claritas, based on actual 2000 Census data) indicate that the City has fallen behind the County, with City estimated median income at \$56,300 compared to County at \$69,100. For the larger region, median household income for 2002 was estimated at \$75,300.

The distribution of household incomes also varies between the City of Santa Cruz and the larger geographies (note: for this analysis, the County was assessed excluding City households, to clarify the picture of the City compared to the balance of the County). The City of Santa Cruz has a greater proportion of households with very low incomes of less than \$25,000 (20.6 percent), compared to the County (13.8 percent) or the region (13.4 percent). Similarly, another 23.7 percent of Santa Cruz's households fall in the \$25,000 to \$50,000 category, compared to only 10.0 percent in the County and 17.8 percent in the region. At the other end of the spectrum, only 23.7 percent of Santa Cruz's households earn more than \$100,000, compared to 32.7 percent in the County and 34.6 percent in the region.

It is highly likely that this income distribution is distorted by the presence of numerous college students, who may not have substantial reportable household incomes, but nevertheless spend significantly on goods and services in the local economy.

Projections

The Association of Monterey Bay Area Governments has recently completed an employment and population projections study for the Counties of Santa Cruz, Monterey, and San Benito including projections for individual jurisdictions. Table 2-5 outlines the projected population for the City of Santa Cruz through the year 2030. It should be noted that the AMBAG Forecast was prepared prior to the completion of the University's Long Range Development Plan, which is now under preparation. It is expected that the population figures will be updated with more accurate information in about three years.

Table 2-5
Population Projections for
City of Santa Cruz

Year	Population
2000	54,593
2005	56,953
2010	57,768
2020	59,924
2030	63,987

Source: AMBAG, 2004

2. DEMOGRAPHICS

Planning Issues

As the City of Santa Cruz experiences change in its population's age, income, household size, and immigration trends, policies will need to be designed to meet the new needs of the community. The 2005-2020 General Plan/LCP will need to address the following issues:

- **The City is experiencing low to moderate population growth but will experience a further decline in growth as the City is relatively built-out.** Also, the average household size has declined to 2.44 persons per household, indicating that the number of families is shrinking. Although the population growth rate will continue to decline, the Land Use and Housing Elements of the General Plan will still need to address how to meet the housing requirements for our population with relatively little new developable area.
- **The City's population demographics have shifted which may have an impact on household size, housing needs, and social services.** From 1990 to 2000 the City experienced a two percent decline in the population age group 25 to 44 years of age. During the same period the City's population age 45 to 64 increased by 76 percent. This trend reflects the impact of high housing costs on the City's population, as older residents with a higher earning power are more likely to afford a home in Santa Cruz. This shift to an older population could require greater housing choices for seniors and increase social services for the elderly. In addition, the City's Housing Element will need to address how to provide affordable housing to young families and professionals to enable them to remain in the community.
- **As the University grows, housing needs will change.** The University's student population has grown at a faster rate than the City's non-student population over the last 10 years. As this trend continues, the University's Long Range Development Plan and the City's General Plan will need to address housing options for the student population not housed on-campus.
- **The presence of the University and the local high standard of living contribute to a highly educated workforce.** The population of the City of Santa Cruz has a relatively high level of educational attainment with over 44 percent of the adults having a college degree. The Economic Element of the General Plan will need to address promoting jobs and employment within the City that will meet the needs of the workforce.

3. EMPLOYMENT AND THE ECONOMY

This section of the General Plan Background Report discusses trends in employment and the economy for the City of Santa Cruz, current critical issues, and potential opportunities for the future. In July 2003, the City contracted Bay Area Economics (BAE) to prepare an Economic Background Report. A synopsis of the critical information compiled and analyzed for that report is presented below. In addition, the City is currently organizing an Economic Advisory Task Force to craft an Economic Strategy in the spring of 2004.

In general, the greatest changes in the City's economic health and employment base are: a weakening tourism industry, a dramatic drop in manufacturing production, and a loss of information technology jobs. Although the City has experienced a general slowing of its economy, it has weathered the recent recession better than many other similar cities, the County of Santa Cruz, and in some cases the State. The data collected demonstrates that Santa Cruz has unique economic strengths that given the right encouragement could be used to reinforce the City's economy.

Trends

Summary of Demographic Findings Related to Economics

The report prepared by Bay Area Economics summarized several demographic trends that are crucial to understanding Santa Cruz's current economy and future opportunities. These are as follows:

- The City of Santa Cruz has experienced consistent and moderate population growth.
- Santa Cruz's population can be characterized as relatively young, and living in relatively high proportions of rental households.
- Household incomes are somewhat lower than the Bay Area region but are relatively affluent compared to the State.
- Approximately 15 percent of Santa Cruz's resident population is foreign born. In addition, nine percent of Santa Cruz's resident population speaks a language other than English less than very well.
- Santa Cruz's labor force is characterized by exceptionally high educational attainment, with more than 44 percent having a college degree or higher.
- Santa Cruz's largest local private employers include a diverse array of manufacturing, business services, retail, hotel and food services, and biotechnology companies.

Overall Employment Growth

The overall employment growth for the City of Santa Cruz is relatively positive. From 1991 to 1999, the City experienced a 54.2% increase in jobs compared to a 14.1% increase for the State. This trend has generally continued from 1999 through 2002 (first two quarters of 2002) with a decline in number of jobs only occurring in the year 2001. This decline in 2001 is representative of the closure of several major manufacturing plants within the City. In 2002, a 5.6% increase in City jobs brought the total number back to the pre-2001 loss, while the State continued to experience job losses with a drop of 6.3%. In total, the City experienced a 57.8% increase in jobs from 1991 through the second quarter of 2002.

**Table 3-1
Total Employment, 1991-2002**

	City of Santa Cruz		State of California	
	Number of Employed	% Change	Number of Employed	% Change
1991	23,368	-	13,999,800	-
1999	36,021	54.1%	15,969,900	14.1%
2000	36,779	2.1%	16,252,900	1.8%
2001	34,930	-5.0%	16,260,100	0.0%
2002	36,884	5.6%	15,241,800	-6.3%

Sources: EDD, 2003; BAE, 2003.

Unemployment

It is also important to note that in the year 2000, the City of Santa Cruz reported 36,940 jobs compared to 29,644 working residents, indicating a job surplus when comparing the ratio of jobs to employed residents. This surplus of jobs may have been a contributing factor in maintaining a lower unemployment rate for the City than the County of Santa Cruz. Per the table below the City of Santa Cruz unemployment rate dropped from 8.5% in 1992 to 7.0% in 2002. The County of Santa Cruz unemployment rate also dropped, but remained at a higher rate in 2002 with 8 percent of the workforce unemployed. Both the City and County had higher annual unemployment rates than the State for 2002.

Table 3-2
Employment and Labor Force, 1992- 2002

% Change			
City of Santa Cruz	1992	2002	92 to 02
Employed Residents	28,310	29,700	4.9%
Total Labor Force	30,930	31,940	3.3%
Total Unemployment	2,620	2,240	-14.5%
Unemployment Rate	8.5%	7.0%	
% Change			
County of Santa Cruz	1992	2002	92 to 02
Employed Residents	126,000	132,200	4.9%
Total Labor Force	139,400	143,700	3.1%
Total Unemployment	13,400	11,500	-14.2%
Unemployment Rate	9.6%	8.0%	
% Change			
California	1992	2002	92 to 02
Employed Residents	13,973,300	16,241,800	16.2%
Total Labor Force	15,404,300	17,404,600	13.0%
Total Unemployment	1,431,000	1,162,800	-18.7%
Unemployment Rate	9.3%	6.7%	

Source: California Employment Development Dept., 2003; BAE, 2003.

Recent Significant Job Losses

Although overall employment trends appear to be more robust than perceived, the City of Santa Cruz has experienced several significant plant closures and layoffs that have reinforced the broad perception that the local economy is in decline. The situation in Santa Cruz, as in many Northern California cities and across the U.S., is often more complex than it might appear from just the straight reporting of losses. Changes in business operations, and spikes in technological innovation followed by mergers with out-of-area companies (followed by consolidations of duplicative functions), can be felt at the local level as job losses. From 2000 until the present, the City of Santa Cruz has seen the closure or consolidation of 12 major companies, resulting in 1,216 lost jobs. These companies range from technology firms to food production, and include: Texas Instruments, Lipton's Teas, Caldera, Salz Tannery, and Giro Design.

Local Economic Trends for Key Industry Sectors

The following discussion is based on data obtained by the City of Santa Cruz from confidential company-specific data reported to the California Employment Development Department (EDD) and interviews of key industry leaders conducted by Bay Area Economics.

Education

Education

Educational Services is the largest industry sector of the economy in Santa Cruz, and has seen steady growth over the entire period, rising from 4,779 jobs in 1991 to 6,574 jobs in 2002. Even from 2000 to 2nd quarter 2002, this sector increased its job count by over 27 percent. This sector includes the University of California at Santa Cruz (UCSC), as well as hundreds of jobs at the Santa Cruz City School District and other public and private educational institutions across the city.

University Employment

UCSC is the largest employer in the City of Santa Cruz, with over 4,200 jobs including 1,335 faculty, lecturers and other academic professionals, and nearly 3,000 additional non-academic staff. Another 450 graduate students provide teaching assistance and approximately 1,500 students are employed by work study programs subsidized by the University and placed throughout the community. In addition, the student population is also the primary workforce for the local service industry, retail outlets and high-tech firms.

University Spending in the Local Economy

According to the University, it generated \$443 million in direct expenditures in 2001-2002. Information regarding how much of this total was spent within the City of Santa Cruz is not available.

Of the \$443 million in direct spending the dollars are spread as follows:

- Faculty and staff spending: \$186 million
- Student spending (after university fees): \$149 million
- Summer session/campus visitors: \$29 million
- University purchases: \$46 million
- Employee benefits: \$33 million

In addition, the University contracts for substantial construction spending on the campus and throughout the City. For example, between 1997 and 2002, UCSC contracted for \$257.8 million in 754 construction contracts. During this period, estimates available from the University indicate that approximately \$154 million or more of the construction contracts were paid to local contractors.

University Research Program and Spin-Off Benefits

In 2001-2002, the last year for which data is available, sponsored research projects reached \$68 million, almost doubling the \$35 million in research funding obtained by UCSC in 1996. Approximately 75 percent of the research funding is obtained from federal sources³. The \$68 million of research funding includes work in Marine Sciences, the Lick Observatory, Molecular, Cell, and Developmental Biology, Chemistry, Earth Sciences, Computer Sciences, the Santa Cruz Institute for Particle Physics (SCIPP), and Education.

Due to the upcoming updating of both the City's General Plan and UCSC's Long Range Development Plan, there are potential opportunities to create linkages between the University and local economic development and fiscal vitality.

Manufacturing and Technology*Manufacturing*

Manufacturing⁴ shows an increase from 2,655 jobs in 1991, when this sector represented over 11 percent of the economic base in Santa Cruz, to 3,266 jobs in 2000, then a steady decline to 2,473 jobs in 2002, when it represented just 6.7 percent of the economic base. It should be noted that the decline in manufacturing jobs is a statewide and national phenomena, especially in knowledge-based regional economies such as Northern California. Nevertheless, the recent dramatic drop from 2000 to end of June 2002 in this industry sector (- 24.3 percent) is a critical component of the perceived decline in the local economy.

Information Industries

Information industries showed a steady decline throughout the decade, contrary to perceived trends. In 1991, this sector had 1,447 jobs in Santa Cruz, representing 6.2 percent of the economy. The number of Information industry jobs declined to 930 in 2000, and again to 833 in 2001 leveling off at 866 at end of 2nd quarter 2002. At that point, Information industry jobs represented only 2.3 percent of the expanded Santa Cruz economy, and suffered a limited 10 percent drop since 2000.

³ Data is from UCSC Office of Sponsored Projects' Annual Report for the academic year 2001-2002.

⁴ These data are shown according to the North American Industrial Classification system (NAICs), which no longer aggregates computer industries into manufacturing as the old SIC system did. BAE reclassified all 1991 companies to new NAICs categories so that the data matches recently released EDD data for 2000 and beyond in the NAICs system.

Professional/Scientific/Technical Industry

One of the most dramatic shifts in the local economy has occurred in the Professional/Scientific/Technical industry sector. In 1991, this sector employed 852 people in Santa Cruz, representing 3.6 percent of the job base. By 2000, this sector had grown to over 2,400 jobs, and then declined slightly by the end of 2nd quarter 2002, to 2,309 jobs, representing 6.2 percent of the economy. This sector today encompasses companies such as Lightsurf Technologies, Reality Fusion, and Wily Technologies, and ranges in firm size from one worker to over 50 workers.

Merging/Relocation Trends

One of the most surprising trends identified during the course of the interviews is the frequency of acquisitions and mergers. This process, experienced across the U.S. economy in many sectors, appears to have heavily influenced subsequent decisions to remain in the City or relocate. Each firm has made a unique decision in this process, weighing labor costs, specific locational advantages, etc. In two cases, Santa Cruz Biotechnology and Continental Sales, the firms chose to expand their operations outside of the city in the Central Coast (Paso Robles and Watsonville, respectively) while retaining most of its core operations within Santa Cruz.

Another factor mentioned by most of the interviewees is the lack of affordable housing for their employees. This is perceived as a key barrier in attracting and retaining employees. Several manufacturers suggested a strong City focus on this issue would be of real benefit to the operation of their businesses.

Several manufacturers also suggested that the City had not expressed much interest in retaining them locally, despite the ongoing efforts of the Redevelopment Agency to retain and assist local businesses. This perceived disconnect, coupled with dissatisfaction in the cost of doing business with the City (for permitting and utility costs) led several interviewees to suggest a special advisory group to work with the City as it focuses on economic development.

Retail/Arts/Tourism/Entertainment*Retail*

The City of Santa Cruz has experienced relatively strong taxable sales since 1991, rising by 2001 at an annual average (compounded) rate of 3.1 percent. Sales at just retail outlets (excluding “other outlets” which encompass equipment and other sales occurring in non-retail environments) rose an even more rapid 3.4 percent per year, compared to a more sluggish 2.6 percent statewide and just 2.3 percent for the balance of the County. The peak

year for taxable retail sales in the City of Santa Cruz was 2000, but the decline in 2001 was slight, leaving levels for 2001 higher than for 1999. At the end of the reported period, in 2nd quarter 2002, the retail sector represented 13.4 percent of the economy.

Arts and Entertainment

The Arts/Entertainment/Recreation industry sector continues to be a major employment sector in the City. The 1991 data available from the State EDD for this sector likely reflects a significant undercount as only 136 workers appear in the data for that year. In 2002, the EDD shows that this sector employs 1,752 workers, or 4.5 percent of the local economy.

Tourism

Tourism is one of the most important sectors in the local economy. People are attracted to Santa Cruz to visit its beaches, parks, the Boardwalk, the Santa Cruz Wharf and Yacht Harbor, the University, cultural events, museums, and the historic downtown shopping district. In fact, Sunset Magazine ranked Santa Cruz “Best Beach Town” in Northern California, when comparing it to the best of Southern California beach towns.

Although visitation data is not available for Santa Cruz as a whole, the strong attraction of the Boardwalk serves as an indicator of the number of visitors to the area. According to surveys conducted by the Seaside Company, owner and manager of the Boardwalk, the beach adjacent to the amusement park attracts approximately three million visitors per year, with approximately 1.8 million visitors paying to enter the Boardwalk amusement facility annually. This visitation level makes the Santa Cruz Beach Boardwalk the 7th most visited amusement/theme park in California, and 12th among most visited destinations in the state.

Accommodations

Accommodation and Food Services has also grown relatively substantially since 1991, although its share of the overall economy has declined slightly. In 1991, this sector employed 2,959 workers, and represented 12.7 percent of total jobs. By 2000, this sector had grown to 3,909 workers, and to 4,339 by the end of 2nd quarter 2002, representing 11.7 percent of the local economy. As with the construction sector, the employment data for 2nd quarter 2002 may reflect seasonal fluctuations in employment demand.

Lodging Trends

The following data indicate that Santa Cruz’s current hotel occupancy is relatively anemic, and should be targeted for improvement by an economic development strategy.

**Table 3-3
Average Occupancy and Room Rate Trends 1998- 2002**

	1998		1999		2000		2001		2002	
	Occ.	Rate								
Santa Cruz City	59.5%	\$112	60.6%	\$112	68.5%	\$122	57.3%	\$119	55.0%	\$118
Santa Cruz Co.	63.0%	NA	62.9%	NA	67.2%	\$126	58.4%	\$118	56.2%	\$112
California State	67.1%	\$98	67.7%	\$100	71.2%	\$104	65.1%	\$101	63.5%	\$95

Source: Smith Travel Research, 2003

However, it should also be noted that due to the pattern of rising per-room rates shown above, the total transient occupancy taxes (TOT) accruing to the City of Santa Cruz have not dropped as precipitously, when viewed over the longer term. The table below shows TOT adjusted for inflation to 2002 dollars. As shown, total TOT for Santa Cruz in FY 2001/2002 (encompassing the 9/11 disaster) still registered above the levels reached from 1995 to 1998 (when the economy began its dramatic expansion in Northern California).

**Table 3-4
Transient Occupancy Tax (TOT) for City of Santa Cruz**

Fiscal Year	Revenues	Percentage Change
1995-1996	2,956,231	NA
1996-1997	3,036,313	2.70%
1997-1998	2,988,037	-1.60%
1998-1999	3,428,670	14.70%
1999-2000	3,683,052	7.40%
2000-2001	3,978,923	8.00%
2001-2002	3,131,378	-21.30%

Source: City of Santa Cruz Finance Department, 2003

One of the most notable aspects of the Santa Cruz lodging marketplace is the lack of diversity in its product offerings, particularly for hotels providing conference/meeting space, all-suite accommodations, and more upscale boutique brands. All of these products have been developed and enjoy success along the Monterey Bay in other nearby communities such as Aptos, Pajaro Dunes, Monterey, and Carmel. In Santa Cruz, the primary meeting/banquet space remaining after the closure of the Holiday Inn (converted to a UCSC facility) is found in the Coast Santa Cruz, which offers 6,000 square feet of banquet facilities accommodating up to 150 people.

It should be noted that from the City's standpoint, the University's ten-year lease of the Holiday Inn has had the negative impact of removing tax-revenue generating hotel rooms from the inventory available to general tourists.

Small and Home Based Businesses

The City of Santa Cruz's economy is noteworthy for the number of small and home-based businesses relative to other communities. The City's strong quality of life, highly educated workforce and entrepreneurial environment all contribute to a vital and growing small business sector. 5.7 percent of working residents in Santa Cruz work at home, compared to only 3.8 percent statewide.

Additional analysis of Santa Cruz business license data was conducted for this report to research those workers and small business not accounted for by the State EDD data profiled previously. Over half of the license holders reported zero employees, suggesting that just the license holder is working for the business. Nearly another quarter of the licenses are held by businesses reporting one to four employees. Clearly, Santa Cruz supports a strong home and small-business sector. This core group of entrepreneurs, which includes artists, software developers, web service providers, and a host of professional workers and consultants, represents an important focus of expansion strategies for economic development.

Medical and Social Care

Health Care/Social Assistance is also a major component of the local Santa Cruz economy, and has shown steady growth throughout the period. This industry includes holistic practitioners, therapists, medical doctors, social services organizations and other medium-sized and large employers providing like services. In 1991 this sector employed 2,486 workers, rising to 5,501 by 2002. Since 2000, this sector has grown by more than 4 percent. At the end of 2nd quarter 2002, this sector represented almost 15 percent of the local economic base.

Projections

The Association of Monterey Bay Area Governments has recently completed an employment and population projections study for the Counties of Santa Cruz, Monterey, and San Benito including projections for individual jurisdictions. The following table outlines projected employment for the City of Santa Cruz through the year 2030.

Table 3-5
AMBAG Employment Projections for City of Santa Cruz

Year	Projected Employment
2000	46,213
2005	47,598
2010	53,344
2020	59,783
2030	66,872

Source: Association of Monterey Bay Area Governments, 2004.

Planning Issues

A strong, diverse and expanding economy is essential to create a sustainable community. Economic development is also key to sustaining high quality public services. Planning decisions, especially those related to land uses and transportation, have a direct impact on the City's economic vitality. According to Bay Area Economics' study, although the City is weathering the economic downturn well, loss of jobs in key business and manufacturing sectors have presented the City with a serious economic development challenge. The City is currently undertaking an Economic Advisory Task Force that will produce a recommended Economic Development Strategic Plan to the City Council. This plan will need to address the following issues:

- **One of the City's key competitive strengths is its highly educated labor force**, which in turn is attracted to the community's ambiance and university/cultural life. It is not clear, however, that companies seeking to locate in Northern California are aware of this competitive advantage to the fullest extent. This suggests potential strategies to promote Santa Cruz's lifestyle to employers needing an educated workforce, access to lifelong learning opportunities, and other amenities offered by locating in Santa Cruz.
- **UCSC is a key component of the City's economic future** in terms of employment, spending by students/faculty/visitors, research and related stimuli to private business creation, and as a potential force in the revitalization of blighted areas of the community. Potential strategies include consensus building through permanent collaboration in major planning and decision-making, specific partnerships in business incubation and entrepreneurship assistance, and new development opportunities in the City that would accommodate UCSC growth needs while also channeling investment to create a sustainable urban form.

- **The tourism sector is suffering from the economic downturn.** Over the long term, this sector will remain key to the City’s vitality and should be strengthened to the extent possible. Potential strategies include; development of a conference center with high quality rooms and services, linking the new conference facility to existing hotels, improved transportation linkages between existing and future visitor attractions, and development of a broader array of hotel products. Despite progress in this direction, there does not yet appear to be a fully realized strategy to maximize Santa Cruz’s potential drawing power.
- **The retail sector is faring relatively well in the economic downturn, but could be augmented by strategic planning.** Based on further study, opportunities may exist for emerging forms of retail, such as lifestyle centers (with upscale furniture and accessories), artisan centers, and/or selected home improvement retailers with physical designs that fit sensitively into the local urban fabric.
- **Several longstanding challenges combine to create Santa Cruz’s major competitive disadvantage.** Recent housing price increases have caused a critical lack of affordable for-sale housing, which in turn will create increased in-commuting unless this factor is addressed as part of the economic development process. Provision of affordable housing and childcare and reduction of traffic congestion by linking transit and land uses are important for the retention and attraction of quality employees. Moreover, the perceived obstacles in permitting, general support by the City to the business community and physical constraints such as traffic congestion all combine to limit the City’s economic potential. However, solutions to these challenges must be sensitively crafted to preserve the uniqueness and ambiance of Santa Cruz.
- **The Marine Research and Education Center at Terrace Point represents a major economic development opportunity for the City.** Terrace Point offers the City and the University a unique opportunity to work collaboratively on a joint economic development initiative to create high-quality, sustainable jobs and catalyze related research and development “spin-off” business ventures.
- **The preservation of lands designated for employment centers is key to the long-term health and vitality of the Santa Cruz economy.** In reaction to the local housing shortage and rising residential land values, there has been an erosion of the commercial land inventory across the city. Several vacant and underutilized parcels are left in the industrial land stock that should be considered for preservation to accommodate future employment centers with potential for higher paying jobs. These potential employment centers could include light industrial uses, local high technology

start-up companies, bio/nano technology companies, and associated support services. University research and development spin-offs will also need appropriately zoned land with adequate services and infrastructure. The City should consider zoning prohibitions on the areas of industrial zoned lands in order to eliminate the potential for housing development except as in conjunction with mixed-use developments.

4. HOUSING

This section focuses on housing needs and trends in the City and highlights the critical issues in the coming years. The City recently updated the General Plan Housing Element, which contains a vast amount of information about the City's housing needs and characteristics. This section is intended to identify the key trends as they relate to other planning issues that should be addressed through the comprehensive General Plan update.

Perhaps the most important influence on housing is the finite supply of land in Santa Cruz. The City has very little vacant land remaining, and therefore, the future availability of housing is linked with decisions about land use and infill development. Such decisions also have ramifications on traffic and circulation patterns in the City and the region. Another significant issue is the impact of housing availability on the diversity of the City's population. In order to ensure that people of different backgrounds and economic levels are able to live in the City, the supply of housing needs to keep pace with the City's demographics.

Trends

Household Characteristics

The past decade has seen subtle shifts in the community's demographics and therefore in the characteristics of households in the City. The most dramatic shifts occurred in the 45 to 64 age group. This population increased by 76% while residents between the ages of 25 and 44 declined by 2%. Young adults between the ages of 18 and 24 years of age increased by 7% and seniors decreased by 6%.

Although homeownership stayed stable at 47%, homeowners between 45 and 64 years of age increased significantly. Homeownership in older and younger age cohorts declined. This corresponds with recent trends in household incomes. Households earning \$75,000 and above increased dramatically while other income categories significantly declined. These trends indicate that older households with higher earning powers were pricing younger, moderate-income households out of the market. Escalating housing prices combined with the competition of older, wealthier buyers caused a greater number of younger households to remain in the rental market or to look outside of Santa Cruz to purchase an entry level home.

Table 4-1
Housing Occupancy Trends

Occupancy	1990	2000
Tenure		
- Renters	53%	53%
- Owners	47%	47%
Vacancy		
- Renters	4.0%	1.4%
- Owners	1.9%	0.7%

Source: U.S. Census, 1990, 2000

Table 4-2
Age Distribution, City of Santa Cruz

Age Cohorts	1990		2000		% Change
	Population	Percent	Population	Percent	
Under 18	8,969	18%	9,463	17%	6%
18 to 24	10,438	21%	11,188	20.00%	7%
25 to 44	18,162	37%	17,801	33.00%	-2%
45 to 64	6,531	13%	11,478	21.00%	76%
65 +	4,940	10%	4,663	9.00%	-6%
Total	49,040	100%	54,593	100.00%	11%

Source: U.S. Census 1990, 2000

Table 4-3
Households by Income Level

Income Category	1990		2000		Percent Change
	Hhlds	Percent	Hhlds	Percent	
< \$15,000	4,122	23%	2,960	15%	-28%
\$15,000- \$24,999	3,010	17%	2,148	11%	-29%
\$25,000- \$34,999	2,640	15%	2,053	10%	-22%
\$35,000- \$49,999	3,214	18%	2,903	14%	-10%
\$50,000- \$74,999	3,163	17%	3,855	19%	+22%
\$75,000- \$99,999	1,158	6%	2,492	12%	+115%
\$100,000- \$149,999	627	3%	2,406	12%	+284%
\$150,000 +	264	1%	1,551	8%	+488%
Total	18,198	100%	20,368	100%	+12%

Source: U.S. Census, 1990, 2000

Single person households increased by 22% over the last decade, outpacing the growth of families and other households. As a result, the City's average household size declined slightly, from 2.50 persons per household in 1990 to 2.44 persons per household in 2000. In comparison, the County average is 2.71 persons per household and the State average is 2.87. This trend reflects the high number of students and young professionals residing in Santa Cruz, and demonstrates the need to plan for housing that is appropriately sized and affordable to this demographic.

Table 4-4
Median Household Size

Year	Persons per Household
1985	2.36
1990	2.50
1995	2.50
2000	2.44

Source: U.S. Census 2000

Table 4-5
Household Characteristics and Trends

Household Type	1990		2000		Percent Change
	No. of Hhlds	% of Total	No. of Hhlds	% of Total	
Population	49,040	--	54,593	--	11%
In Group Quarters	3,750	7.6%	4,634	8.50%	+24%
Households	18,121	100%	20,442	100%	+13%
Married With Children	3,366	19%	3,460	17%	+3%
Married No Children	3,876	21%	4,102	20%	+6%
All Other Families	2,542	14%	2,839	14%	+12%
Single Person Households	4,923	27%	5,986	29%	+22%
All Others	3,414	19%	4,055	20%	+19%
Average Household Size	2.50		2.44		-2%

Source: U.S. Census, 1990, 2000

Housing Affordability

Housing affordability and availability are critical issues in the City of Santa Cruz. In recent years, the National Association of Home Builders identified the City as one of the least affordable housing markets in the nation. Housing prices have increased faster than household incomes, meaning more households are overpaying for housing or cannot afford to purchase a home. Since 1996, rents in the City have risen by 60%. Single-family home prices rose 46% between 1996 and 1999 and 40% after 1999 alone. In 2002, the median sales price of a single-family residence was \$510,000, or \$335,000 for a condominium, resulting in only seven percent of residents being able to afford a median priced home. While housing costs continue to fluctuate, the overall trend leads in the upward direction.

Table 4-6
Average Monthly Rents

Rental Type	Listings	Rent Range	Average
Room in Household	113	\$300-750	\$543
Studio	38	\$520-1,000	\$767
1 BR House	9	\$700-1,350	\$1,172
1 BR Apt/ Condo	22	\$700-1,295	\$971
2 BR House	19	\$1,300-2,195	\$1,633
2 BR Apt/ Condo	17	\$1,050-1,695	\$1,351
3 BR House	24	\$1,600-2,500	\$1,991
3 BR Apt/ Condo	7	\$1,095-2,350	\$1,884
4 BR House/ Condo	6	\$2,350-3,550	\$2,762
5 & 6 BR House	4	\$2,500-3,500	\$3,050

Source: UCSC Community Rentals Office, Winter 2003

**Table 4-7
Home Prices in Santa Cruz, 2002**

Price Distribution	Single-Family	Condo-miniums	Mobile Homes
Number of Sales	499	134	55
First Quartile (25% sold below)	\$435,000	\$278,000	\$109,750
Median (50% of homes sold below)	\$515,000	\$335,000	\$159,000
Third Quartile (75% sold below)	\$625,000	\$400,000	\$194,500

Source: Dataquick, 2002; Realtor.com, 2003

The U.S. Department of Housing and Urban Development considers households paying more than 30% of their income for housing-related costs such mortgage or rent and utilities to be overpaying for housing. According to the 2000 U.S. Census, 35% of households in Santa Cruz fall in this category. Very low- and low-income households are the hardest hit, with 68% and 54% of households respectively overpaying for housing. The following table illustrates the maximum sales price or rental cost that households at each income level can afford without exceeding the threshold of spending more than 30% of their income on housing.

**Table 4-8
Housing Affordable by Income Category**

Affordable Levels	Maximum Affordable Sales Price	Maximum Affordable Rental Price
Very Low	< \$59,000	\$529-\$757
Low	< \$151,000	\$884-\$1,305
Moderate	< \$277,000	\$1,374 -\$2,061
Above-Moderate	Above	Above

Source: U.S. Department of Housing and Urban Development; Cotton/Bridges/Associates, 2003

Based on the cost of various housing types and the maximum amount each income level can afford without overpaying, single-family homes and townhomes are only affordable to above-moderate income households. Moderate income households can afford to rent apartments, including larger two and three bedroom units, and lower income households can afford smaller rental units, including Accessory Dwelling Units and Single-Room Occupancy units or can rent subsidized or inclusionary units.

Historically, lower income residents could only afford subsidized housing and stayed put once such a unit was found. Wealthier households continue to migrate into the City and purchase a larger proportion of homes in the City. As a result, moderate-income households are challenged to find homes within their price range, but are not eligible for subsidized units and therefore many are moving or will move out of Santa Cruz to more affordable areas. This affects families and the City's workforce including teachers, nurses, and public safety officers.

The housing challenges faced by moderate-income families and workers have ramifications for the City as a whole. As families look outside of the City to purchase a home, enrollments at City schools are shrinking causing the school district to face decisions about closing some campuses. Employers may have a harder time attracting or retaining quality workers concerned about the high cost of housing in the area, and employers cite high housing costs as a factor in decisions to locate or remain in Santa Cruz. Employees moving to surrounding communities and continuing to work in the City compound traffic congestion in the region. A balance of housing types and affordability levels is necessary to maintain the diversity of the City and to combat these trends.

Housing Production

According to the U.S. Census, the City of Santa Cruz had 21,460 housing units in 2000, an 11% increase since 1990. The overall breakdown of the type of units remained steady with only subtle changes including a slight decrease in the percentage of single-family detached homes (see Table 4-9). Since 2000, 670 housing units have been built, and additional units are approved and/or under construction. In the past few years, the City has seen a surge in the construction of multiple-family units primarily due to the approval of two large apartment projects at 1280 Shaffer Road and 1010 Pacific Avenue. Together these projects will add over 300 apartments to the City's housing stock, with 40% of the units restricted for very-low, low or moderate-income households.

In addition, the City has seen an increase in the number of Single Room Occupancy (SRO) projects. Six projects with a total of 180 SRO units were built or approved between 2000 and 2003. The City amended the Zoning Ordinance in 2002 to update the development standards for these projects, including clarifying the appropriate location for an SRO project. SRO developments have become an attractive development option because such projects are not bound by the density limitations placed on standard multi-family developments. This trend reflects the need to reevaluate the methodology for calculating density in areas where greater flexibility may be appropriate – such as along the City's major transportation corridors – in order to ensure that the development of other unit types and sizes remains a viable option for developers.

Table 4-9
Housing Stock Characteristics 1990-2000

Type of Unit	1990		2000	
	No. of Units	% of Total	No. of Units	% of Total
Single-Family Detached	11,151	58%	12,086	56%
Single-Family Attached	1,567	8%	1,893	9%
Multi-Family 2 to 4 Units	2,315	12%	2,563	12%
Multi-Family 5+ Units	3,509	18%	4,479	21%
Mobile Homes	406	2%	406	2%
Other Units	416	2%	33*	<1%
Total Housing Units	19,364	100%	21,460	100%

Source: U.S. Census, 1990 and 2000

* The decline in this category is due to a change in definition of housing units, including how group quarters are counted.

Projections

The Association of Monterey Bay Area Governments (AMBAG) develops population and employment forecasts for Monterey, Santa Cruz, and San Benito Counties. The most recent forecast was adopted by the AMBAG Board of Directors in February 2004. The forecast is intended to provide a framework for regional planning and decision-making regarding air quality planning, transportation, and water quality.

Table 4-10
Housing Unit Projections

Year	Housing Units
2000	21,982
2005	22,826
2010	23,321
2020	24,510
2030	26,082

Source: Association of Monterey Bay Area Governments, 2004

The 2004 forecast projects that the City's housing stock will grow by 1,684 units during the General Plan timeframe (2005-2020). This averages out to 112 units per year. The City's housing construction rate has historically averaged about 100 units per year, although the average for recent years is higher due to the construction of several large apartment complexes including the Pacific Shores (206 apartments) and the South Pacific SROs (71 units).

As part of the Housing Element update cycle, the Statewide housing need is distributed to each jurisdiction in California through the individual Council of Government (which for our region is AMBAG). Each jurisdiction must demonstrate it can accommodate its fair share of the regional housing needs. AMBAG's 2002 Regional Housing Needs Plan allocated 2,850 units to the City of Santa Cruz for the 2000-2007 planning period. In 2007, the Housing Element update cycle will begin again and additional housing units will be assigned to the City. The Housing Element adopted in October 2003 demonstrates the

City's ability to accommodate our Regional Housing Needs Allocation utilizing vacant residentially zoned land, underutilized and/or vacant sites along the major transportation corridors, and infill development in the downtown core. However, as the City's population continues to grow and the remaining vacant pieces of land in the City are developed, it will become more challenging to demonstrate our ability to plan for our fair share of the regional housing needs.

Planning Issues

Although the Housing Element has recently been updated and adopted, the housing trends discussed above should be considered during the update of other General Plan Elements, particularly the Land Use Element and Circulation Element. Changes should be made to the Housing Element as necessary to maintain consistency with other elements. Below are several issues that may have implications for these or other elements.

- **The limited supply of remaining residentially zoned vacant land** requires the City to focus on infill development in the urban core and along major transportation corridors. Housing needs should be balanced with other land use goals, especially regarding economic development, circulation patterns, and open space preservation.
- **The City should consider options to maximize density in appropriate areas**, such as changing the method for calculating density along major corridors (Floor Area Ratio versus per unit density limitations) and providing incentives for developing upper floor residential above commercial uses.
- **Alternative housing types** such as live/work units, mixed use development, housing cooperatives, co-housing and others will be important in fulfilling the City's housing needs given the constraints it faces in terms of land availability. The City should continue to identify ways to promote such housing types. In addition, the City should consider establishing a zoning district that specifically addresses mobile home parks in the City.
- **Housing affordability affects the ability of families and the City's workforce to remain in Santa Cruz.** Without affordable, entry level housing options, these groups are looking to live outside of the City, which results in negative impacts to area school enrollments, employers ability to attract and retain a high quality workforce, and traffic and commute patterns. Affordable childcare is also an important consideration for the retention of working families.

- **Development should be linked with transportation policies** aimed at reducing dependency on the automobile and promoting other modes of transportation. A balance of housing types and affordability levels and development of higher densities in appropriate locations are necessary to minimize the need for the workforce to commute from surrounding communities and to maximize opportunities to use alternative modes of transportation for in-city trips.

- **U.C. Santa Cruz has identified a range for potential future growth** of the campus that will be further refined as the University's Long Range Development Plan is prepared. Regardless of the final projections for the University's population, some percentage of students will be living off-campus within the City of Santa Cruz. The General Plan should address the needs of this student population as well as junior faculty and staff members. The University should strive to meet its goals for housing students on-campus.

5. EDUCATION

The Santa Cruz City School District and UC Santa Cruz are primarily based in the City and provide public education for local K-12 children as well as higher educational opportunities for residents statewide. This section discusses enrollment trends during the past 10 years as well as enrollment projections for the 2005-2020 General Plan period. The projected amount of growth at UCSC is critical to determine the scope of planning issues that will have to be addressed in the General Plan update. At this time UCSC enrollment projections are preliminary only. A range of possible enrollment numbers are known since the University is in the process of preparing its Long Range Development Plan to the year 2020.

Trends

Santa Cruz City School District

Elementary through High School education is provided by the Santa Cruz City School District, a number of private and charter schools, and Alternative School programs offered through the District.

The Santa Cruz City School District has eight schools providing K-8 education including: Bay View, Branciforte, DeLaveaga, Gault, Natural Bridges, Westlake, Branciforte Middle School, and Mission Hills Middle School. The District also has five high schools and continuation schools providing 9-12 education including Harbor High, Santa Cruz High, Soquel High, The Ark, and Loma Prieta.

In addition to the Santa Cruz City School District, a number of private schools in Santa Cruz serve the K-12 student population offering alternatives to traditional education, and allowing residents greater choice in educating their children.

In 1990 it was projected that total Santa Cruz City School District enrollment would increase from a population of 8,431 to 8,800 in 1995 and 9,270 in the year 2000. Most of this enrollment gain was projected to occur in the high school grades. Elementary and junior high school facilities were expected to be at their peak capacity by 2005. Based on this projection by the District, the 1990-2005 General Plan/LCP anticipated the need for new K-8 school sites beyond 2005. To meet this projected need, approximately 10 acres of the Arana Gulch property were designated for the development of an elementary school.

Table 5-1 summarizes annual Santa Cruz City Schools enrollment data for the years 1995 to 2004. It should be noted that the decline in elementary school enrollment for 2003-04 was due to moving the 6th grades to the Middle Schools.

**Table 5-1
Santa Cruz City Schools Enrollment: 1995-2004**

	1995-1996	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	Percent Change 1995-04
Elementary (K-6) (K-5)	3,395	3,335	3,192	3,094	3,020	2,939	2,818	2,699	2,283	-33%
Middle School (7-8) (6-8)	1,065	1,077	1,074	1,005	940	913	829	863	1,256	18%
High School (9-12)	4,396	4,569	4,602	4,762	4,657	4,483	4,261	4,148	4,091	-7%
Total	8,856	8,981	8,868	8,861	8,617	8,335	7,908	7,710	7,630	-14%

Source: Santa Cruz City School District, November 2003.

As the table shows there has been a decline in enrollment since 1997. For the years 1995 to 2004 total enrollment has declined by 14%.

The increased cost of housing and demographic changes that occurred between 1990 and 2000 contributed to the decline in enrollment. The 2000 Census indicates that non-university household types with children increased by 15% since 1990 while household types without children increased by 47% since 1990. Household size decreased by 2% during the same period. Another contributing factor for the decline is the opening of Scotts Valley High School.

University of California, Santa Cruz

UCSC is an important resource and vital part of the community. Presently only the developed half of the campus is within the City limits. It occupies some 15% of City land, making it a large factor in how the City looks.

UCSC has a current enrollment of about 15,000 students. Undergraduates pursue course work in 60 majors, and graduate students work toward master's degrees, Ph.D. degrees, and graduate certificates in 30 academic fields.

It is clear that Santa Cruz would not be as diverse, urbane, and economically strong a community without UCSC. At the same time, the University, by virtue of its size and growth brings major impacts to the community in terms of housing, traffic, and services.

The University's existence and growth are particularly difficult for the community because, as a State agency, UCSC claims exemption from local planning laws. Therefore there is no direct way in which the City can influence university growth.

In May of 1989, the Regents of the University of California adopted a Long Range Development Plan (LRDP) for the UCSC campus. It covers a period to 2005 and lays the groundwork for a student enrollment increase from 7,500 to 15,000. The Plan speaks primarily to on-campus physical development needs. Table 5-2 shows the annual enrollment growth during the past decade.

**Table 5-2
UCSC Fall Enrollment**

Year	Enrollment (Fall)
1990	10,052
1991	10,136
1992	10,255
1993	10,173
1994	10,117
1995	9,923
1996	10,215
1997	10,638
1998	10,981
1999	11,302
2000	12,144
2001	13,170
2002	14,139
2003	14,982

Source: Fall enrollment for 1990, 1991 and 2003; Office of Institutional Research and Policy Studies Data Warehouse. Enrollment For all remaining years from UCOP Statistical Summary of Students and Staff

The enrollment data shows that there was modest growth through the 1990s (12%) and significant growth from 2000 to the present (23%). The jump in enrollment since 2000 was a result of the completion of Colleges 9 and 10 and other campus facilities. From 1990 to 2002 the enrollment at the UCSC grew by 41%.

In comparison the total growth of the City from 1990 to 2002 was about 11% (university population and non-university population living within the city). Information to determine the precise number of the university population living within the city is not available at this time.

As part of the 1988 LRDP process, the University set forth a goal for providing on-campus housing for 70% of undergraduates, 25% of faculty, 50% graduate students in degree programs and 50% of staff hired from outside Santa Cruz County, subject to financial feasibility. As the following table indicates, UCSC is meeting a significant percentage of these goals, including its faculty housing goals, but the 70% standard for undergrads has not been attainable to date.

**Table 5-3
UCSC Population by Housing Status**

Population	UCSC Population	Housed On-Campus	Percent Housed
Undergrads	9,880	4,720	52%
Graduates	1,005	173	18%
Faculty	439	142	32%
Staff	193	36	19%
Total	11,517	5,071	44%

Source: 2002 EIR Mitigation Monitoring Report.
Difference in enrollment is due to sampling timeframes.

Another trend that has occurred is off campus University development and leasing of building space within the City. The 1990-2005 General Plan/LCP envisioned all university development to occur on-campus. UCSC currently leases the upper floors of University Town Center on Pacific Avenue for UC extension activities and the former Holiday Inn on Ocean Street for dormitory use. In addition UCSC has purchased the 60-acre Terrace Point Property on the far west side for the expansion of the Long Marine Lab and for other state and federal marine research facilities. A separate Coastal LRDP is being prepared for this property. In 2004 UCSC purchased the former Texas Instruments facility on Delaware Avenue for the expansion of its engineering program.

Projections

Santa Cruz City School District

Projections by the Santa Cruz City School District indicate that enrollment decline will continue in the near future. The 2005-06 projected enrollment is 7,386 or approximately 3% less than in 2003-04. At this time longer-term projections are not available from the District. Due to budget constraints and the decline in enrollment the District has decided to close Natural Bridges and Branciforte elementary schools. There has been discussion by the District for the need to close a middle and high school in the future if enrollment continues to decline.

University of California at Santa Cruz

At this time UCSC is preparing its Long Range Development Plan (LRDP) for the years 2005 to 2020. LRDPs are drafted to support the academic goals of individual campuses; they also take into account projected statewide enrollment demand. Upon their completion, the long-range plans define a building program and a land-use map that serve as a

comprehensive planning framework for capital construction, infrastructure, and land-use programs.

To support the LRDP planning activity, a Strategic Futures Committee has been appointed to review the existing campus academic plans and reports, consult widely across campus, and recommend a trajectory for UC Santa Cruz for the next fifteen years.

The Strategic Futures Committee is considering four enrollment scenarios for the 15-year planning period: 15,000; 17,000; 21,000; and 25,000. It has also been suggested by UCSC that the on-campus housing goal for the 2005-2020 LRDP will be reduced from 70% to 50% for undergraduates.

Once the Strategic Futures Committee has selected an enrollment it will be used to inform the LRDP process to define a building program. As more information on the LRDP becomes available staff will provide updates to the Planning Commission and City Council.

Planning Issues

Planning issues that result from the continuing decrease in enrollment for the Santa Cruz City School District include the following:

- **The cost and availability of affordable housing is a prime cause of continuing decrease in school enrollment.** In the City’s current Housing Element for 2002-2007 families with children are identified as a special needs group and therefore require consideration and assistance for housing. The update of the General Plan will need to provide strategies for both preserving existing family housing and encouraging new affordable housing for single-parent households and large family households.
- **If the current trend of declining enrollment continues** the General Plan update will need to include a school district representative to discuss possible future land uses for closed schools. If the district decides to continue classroom types of uses at closed school sites such as a charter school, adult education, or school administrative uses, the existing General Plan land use designation for these properties would continue to apply. If a closed school site were converted to a non-classroom use, careful land use planning will be required through collaboration between the City and School District.

Planning issues that result from the projected increase in enrollment at UC Santa Cruz include the following:

- **Pressure on the housing market** in the City of Santa Cruz continued to increase between 1990 and 1999, despite the fact that the University experienced modest growth. During this period it should be noted that UCSC did provide a significant amount of on-campus housing, although it failed to achieve its goal of housing 70% of undergraduate students on-campus. Vacancy rates for owner-occupied and rental housing were very low; in 2000 the rates were 0.7% and 1.4% respectively. The desirability of Santa Cruz as a place to live, increased employment opportunities, and the lack of significant numbers of new dwelling units have all conspired to make the availability of housing very critical and the cost of housing very high. During the next 15 years, Santa Cruz will continue to experience pressure on the housing market in addition to a significant increase in students, faculty, and staff affiliated with UCSC.
- **The need for adequate infrastructure** is another issue that will need to be dealt with as part of the probable growth of UCSC. Traffic and water are major infrastructure systems that will be impacted by UCSC growth. Traffic is an issue of overriding concern throughout the community but especially neighborhoods adjacent to the University. Traffic along Mission, Bay, High, Escalona, and King could be further intensified by UCSC growth. Water supply is another issue that will need to be considered for both University and City growth. UC Santa Cruz is the City's largest water customer. In normal and wet years when rainfall and runoff are abundant, the water supply system is capable of meeting the community's current annual water requirements. The system, however, is highly vulnerable to shortage in drought years. As stated in the infrastructure section of this report, the water supply system serving today's population is essentially the same as in 1960. The population in the water service area is 43 percent greater since 1960. This trend is expected to continue. According to AMBAG's 1997 Forecast, the service area population is expected to reach 102,500 by 2020.
- **During the past planning period neighborhoods in the west-side of the City have experienced continued impacts** from large numbers of students renting single-family dwellings and displacing families, and/or off and on-street parking. These impacts will continue to be pressing problems within the community. They will only be aggravated by the projected enrollment increases.

- **The location of UCSC facilities off campus** within the City is an issue that will need to be addressed in the update of the General Plan. University decisions to locate facilities off campus create fiscal impacts to the City by exempting properties from tax obligations that are necessary to support City services at a level that the community expects. Another issue is University use of industrial and commercial land, which could hamper economic development opportunities and other land use goals for the City.

6. TRANSPORTATION

The City’s circulation system has implications for land use patterns and development decisions, and its constituent modes have impacts on economic activity, air quality, noise, energy use, safety, visual appearance, and social interaction within the community. The City recently completed a Master Transportation Study (prepared jointly with the University) to plan for the future of the City’s circulation system. The MTS integrates pedestrian, bicycle, transit, and street transportation plans and programs as a foundation for updating the Circulation Element of the General Plan and other City planning and transportation policies. Additional analysis of transportation issues should augment the MTS, including examination of issues for specific areas of the City.

Trends

The approximately 55,000 residents of the City of Santa Cruz make 155,000 trips every day. Those of traveling age (ages 15 – 75) make an average of 3.5 trips per day. They travel to work, they travel to school, they shop, and they play. About 75% of those trips are made in cars and about 67% happen in single occupant vehicles. Of those 155,000 daily trips approximately 110,000 of them never leave the City of Santa Cruz. Very little has changed in the last ten years in terms of these travel patterns. The Census in 1990 and 2000 provides a picture of how City residents make trips for commuting to work.

Table 6-1
Census 1990 & 2000 Commute to Work – Modes

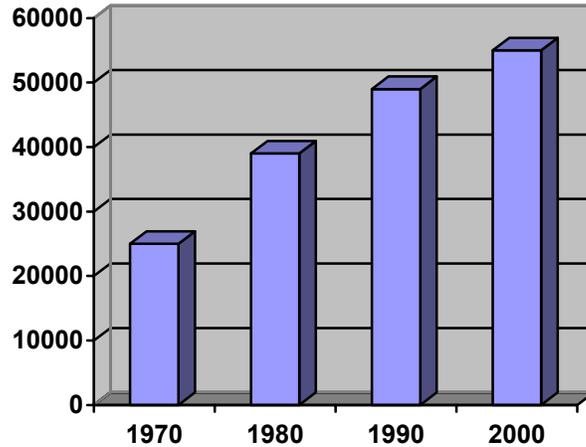
Census	Drove Alone	Carpooled	Public Transportation	Other Means	Walked or Worked at Home
1990	61.5%	11.7%	7.8%	7.0%	12.0%
2000	60.9%	12.6%	7.3%	5.4%	13.8%

Source: U.S. Census, 1990, 2000

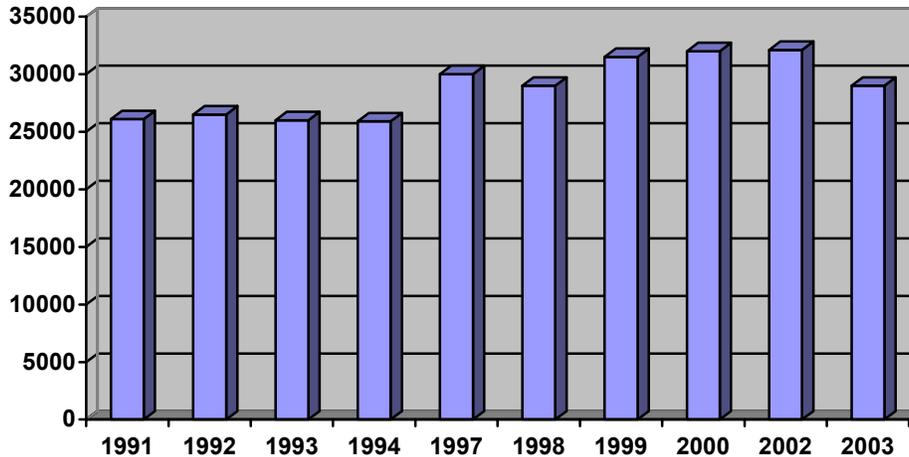
Although travel mode use has remained the same, vehicle ownership has increased. The result has been that more people have a greater number of vehicles to drive and are driving them more frequently. Although traffic volumes dropped significantly after the Loma Prieta earthquake, pre-disaster volumes returned by the mid 1990’s and were exceeded as the economy flourished and more people were working. The Census again confirms this increase in travel and congestion. In 1990, the mean travel time to work was 21 minutes; by 2000 it had increased to 23.3 minutes. The recent downturn in the economy has resulted in a slight decrease in traffic volumes. Taking Mission Street as an

example, volumes on this street have grown fairly steadily for the last 30 years. Traffic counts on Soquel Avenue near the City limits more readily reflect the economic downturns the City has experienced.

**Figure 6-2
Mission Street Traffic Volumes**



**Figure 6-3
Soquel Traffic Volumes**

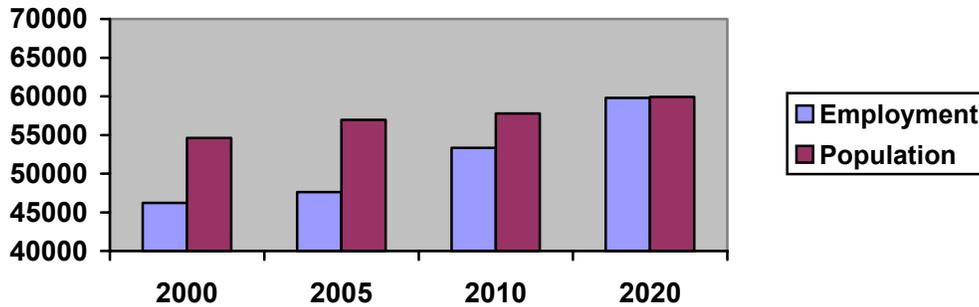


Projections

Trip generation in Santa Cruz is aligned with employment in the City as much or more than population growth. Forecasts for population and employment growth show employment growing at a faster rate than population. This indicates that a greater number of employees in the City will commute from outside of Santa Cruz to work, adding to the 155,000 trips within the City-by-City residents. Trips from outside the City will therefore play a larger role in transportation demand as well as in economic

development. The following figure from the Association of Monterey Bay Area Governments is a forecast of population and employment for the City of Santa Cruz to the year 2020. By 2020, the City's employment is projected to nearly equal its population, and in future years could exceed it.

**Figure 6-4
Population and Employment Projections**



Source: AMBAG Regional Population and Employment Forecast, 2004

All of these factors combine to tax the existing transportation system. All of the major transportation corridors in the City experience considerable congestion. Travelers on Soquel Avenue and Murray Street on the City's Eastside experience long delays on their trips to Live Oak, Capitola, and Aptos. Many of these trips are diverted from Route 1 because of congestion on the freeway. Ocean Street experiences peak commuter traffic as well as considerable visitor related traffic. Mission Street experiences congestion at the intersection of Chestnut Street where the access alternatives to the City's Westside merge. Traffic volumes on some of the City's collector streets exceed livability standards for residential streets. Streets like High Street and Isbel Drive experience traffic volumes that include traffic diverted from congested arterials.

During the peak evening travel hours, half of the traffic on City streets is coming or going to places outside of the City of Santa Cruz. The City has less opportunity to affect this traffic because it is affected by regional growth in housing as well as the City's growth in employment. Access to the City must be maintained if the City is to remain an employment center in the region.

Planning Issues

All members in the community are affected by transportation in some form or fashion. Much like a natural resource, the City's transportation system is limited. The community is

fiscally and environmentally constrained in its ability to expand that system. A majority of the community considers the transportation infrastructure inadequate. Yet is it difficult to improve that infrastructure in part because improvements to one segment or another are nearly always controversial. The City struggles to balance the need for improved safety and reduced congestion with available resources and without negatively affecting the environment. This balance is critical to providing an effective transportation system.

The recently completed Master Transportation Study (MTS) defines strategies to balance the transportation needs of the community with the community's ability to support those needs. It recommends strategies that are intended to give people more choices in transportation including improved automobile travel. The study recognizes that no single travel mode will resolve the transportation issues facing the City.

The most significant planning challenge confronting the City is how to address the fact that the rate of growth of automobiles trips continues to increase faster than population growth. The MTS indicated that without change, vehicle miles of travel in the City will increase 19% by the year 2020. Travel delays and congestion in the City will nearly double. This trend will exacerbate traffic congestion, result in more collisions, reduce neighborhood livability, and constrain the economic vitality of the City.

The City's General Plan will need to consider policies and strategies to address the following key traffic concerns as outlined in the MTS:

- **Increase capacity.** Per current projections, over the next 20 years, the City will experience a greater number of employees commuting from outside Santa Cruz to work. In addition, an estimated six million visitors come to Santa Cruz every year. The existing transportation system does not adequately meet current seasonal traffic counts or future in-commuting projections. This will be a crucial issue as trips from outside the City will play a larger role in transportation demand as well as in economic development.

- **Reduce demand for transportation and increase transportation options.** Reducing congestion on City streets is considered the single biggest transportation problem facing the City of Santa Cruz. Twenty five percent of City residents polled indicated the problem was "too many cars" and 12% feel public transportation is inadequate. Creating a greater number of effective transportation options will be an important component to reducing the number of cars on City streets. Linking transportation and land use decisions could also reduce congestion by locating housing within walking distance of job centers or locating housing near transit.

- **Sidewalk and bike facilities.** Safe sidewalks and clear bike lanes are essential improvements for the encouragement of pedestrian travel. The City's current sidewalk system is either non-existent or in a poor state of repair. In addition, there are numerous gaps in the City's plan for bikeway facilities.

- **Maximize the efficiency of the existing transportation system and increase safety.** The most efficient way to improve congestion within the City is to improve the existing transportation system. The City's General Plan will need to address how to maintain the existing transportation system while expanding and/or improving it to meet future needs. Increasing traffic safety is also a critical issue for the City which has an average of nearly 1,000 collisions annually. Infrastructure improvement and expansion will require significant public investment that is lacking given the City's current fiscal situation.

The challenge facing the City will be to balance the above issues and to provide the most sustainable future transportation system. If there is reluctance to increase capacity for automobiles significantly, then other elements of the circulation system must be developed or demand must be reduced. Realistically, some combination of the above will provide the best strategy to enhance community livability and support a sustainable transportation future.

7. CITY INFRASTRUCTURE AND SERVICES

This section includes a discussion of the trends, projections and planning issues for water supply, resource recovery (solid waste disposal and recycling), wastewater treatment, and the City budget. Only major infrastructure systems and services provided by the City are discussed in this section to assess their present and future ability to serve the population. Transportation has a separate section and the City's greenbelt open space system is discussed in the Environmental Resources and Hazards section.

WATER SUPPLY

This section of the General Plan Background Report provides information about the City water supply system, describes recent trends influencing customer demand for water, and discusses the planning process the City is pursuing to reduce drought year shortages and to provide a reliable supply that meets the community's long-term water service needs.

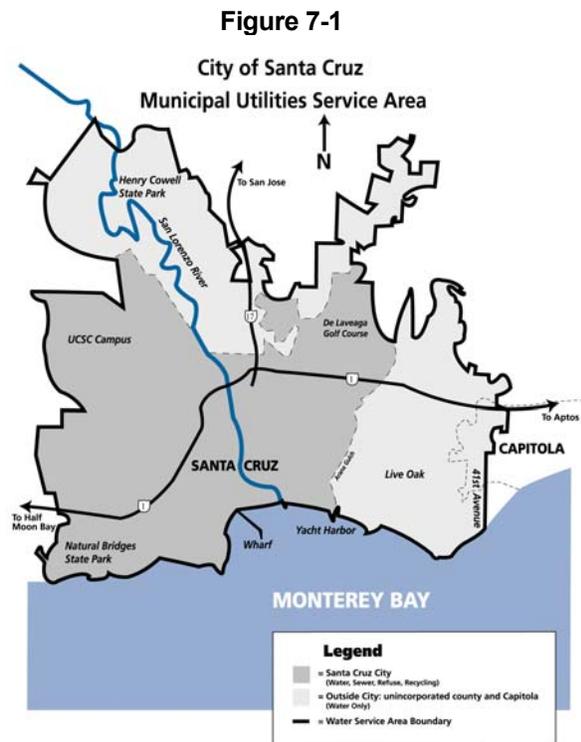
A more complete description of the management and operation of the Santa Cruz water system is contained in the City's **2000 Urban Water Management Plan**. Also recommended for further information is the City's **Draft Integrated Water Plan**, which identifies the preferred strategy for addressing both the City's existing water supply deficiency and projected needs through the year 2030.

Trends

Service Area Characteristics

The Santa Cruz Water Department serves a geographic area that includes the entire City of Santa Cruz, Live Oak and adjoining unincorporated areas of Santa Cruz County, portions of irrigated agricultural land on the north coast, as well as a small part of the City of Capitola. The service area and system boundary are shown in the figure to the right.

The current population within the City's water service area is estimated to be about



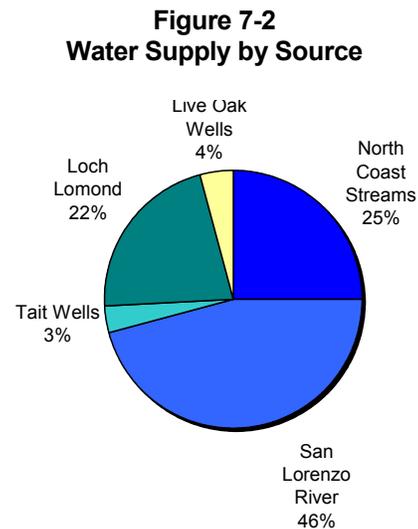
90,000. Of this total, approximately 55,000 people, or 62 percent, live inside the Santa Cruz City limits. The other 37 percent live in the unincorporated area, and one percent lives in the City of Capitola. The water system supports a total of approximately 35,000 existing housing units, and an employment base of about 45,000 jobs. With student enrollment now numbering about 14,500, UC Santa Cruz is the City's largest water customer.

Total annual water demand varies between 4.0 and 4.5 billion gallons with just under two-thirds of treated water deliveries going for residential purposes, and the remaining one-third divided among various commercial, industrial, institutional, and irrigation uses. Average daily water demand ranges from about 8.5 million gallons per day (mgd) during the winter season to 14.5 mgd in summer months, with peak days reaching up to 16 mgd.

Overview of the City Water System

The Santa Cruz water system is comprised of four main sources of supply: North Coast sources (including Laguna, Majors, and Reggiardo Creeks, and Liddell Spring), San Lorenzo River (including Tait Street Diversion, Tait Wells, and Felton Diversion), Loch Lomond Reservoir, and Live Oak Wells. The system relies entirely on rainfall, runoff, and groundwater infiltration occurring within watersheds located in Santa Cruz County. It is completely isolated in that there are no facilities in place to transfer water to the City system from adjacent water districts, nor is any water purchased or imported to the region from outside the Santa Cruz area.

On average, nearly 75 percent of the City's annual water supply needs are met by surface diversions from the coastal streams and the San Lorenzo River. The yield of these flowing sources in any given year is directly related to the amount of rainfall received and runoff generated during the previous winter season. Water stored in Loch Lomond Reservoir is used mainly in the summer and fall months when the flows in the coast and river sources drop off and additional supply is needed to meet higher daily demands in the peak season. It accounts for only about 22 percent of the City's annual supply, with the remaining 4 percent produced from the Live Oak Wells. The percent of total water supply by source is shown in the figure above.



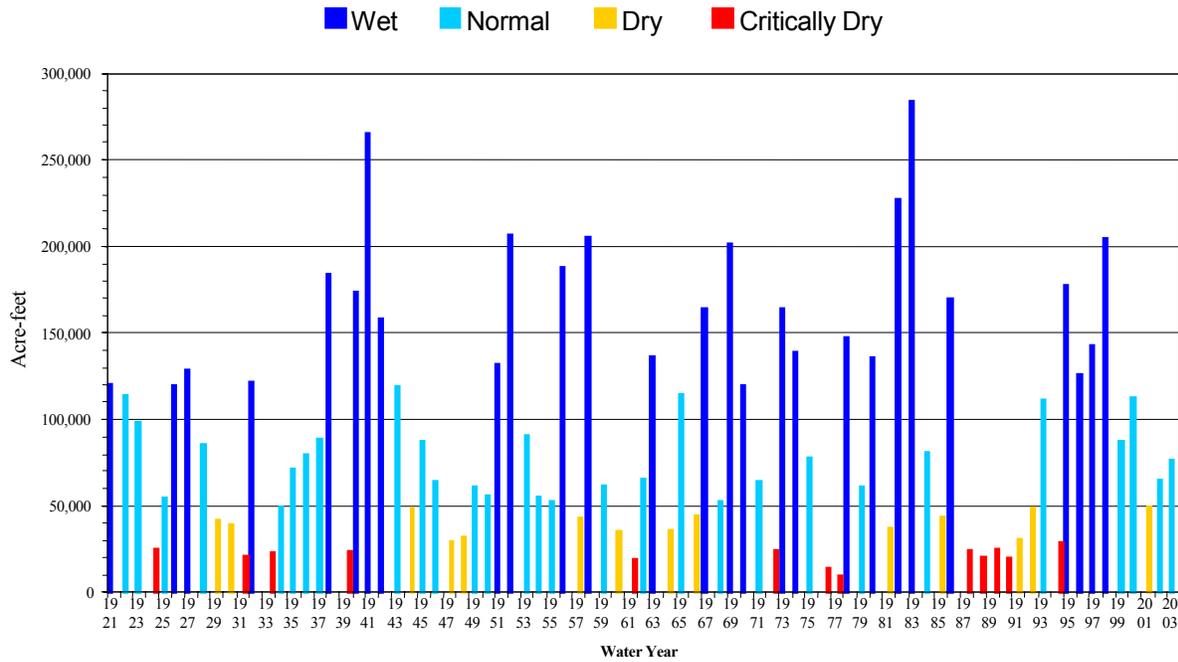
All raw water, except that produced from the Live Oak wells, is pumped to the Graham Hill Water Treatment Plant for purification. Upon leaving the plant, finished water is conveyed by gravity to the Bay Street Reservoir for storage, introduced directly into the distribution system for use, or pumped to various elevated pressure zones within the system. Groundwater from the Live Oak wells is treated at a separate water treatment plant near 38th Avenue.

Water Supply Reliability

One of the primary challenges the City faces as it begins to consider setting goals and policies for land use and community development during the General Plan update is the lack of adequate water supply during periods of drought. The City experienced serious water supply deficiencies in both the 1976-77 and 1987-92 droughts. The 1976-77 event has since been established as the most severe drought of record, and is used by the City as a benchmark for assessing system reliability. Since 1993, water conditions have been mostly normal to wet, with only two years out of the last ten classified as either dry or critically dry.

The problem of supply reliability stems primarily from two factors: the wide range in the yield of surface water sources from year to year and limited storage capacity. Figure 7-3 illustrates the tremendous variation in total annual runoff in the San Lorenzo River, the City’s most important source, over the past 82 years.

**Figure 7-3
Total Annual Runoff in the San Lorenzo River (ac-ft)**



In normal and wet years when rainfall and runoff are abundant, base flows in the coast and river sources are restored by winter rains and storage in Loch Lomond is typically replenished to full capacity with runoff from the Newell Creek watershed. Under these weather conditions, the water supply system is capable of meeting the community’s current annual water requirements.

The system is highly vulnerable to shortage in drought years, however, when the San Lorenzo River and coast sources run low. In dry years, the system relies more heavily on water stored in Loch Lomond to satisfy demand, which draws down the reservoir level lower than usual and quickly depletes available storage. In critically dry or multi-year drought conditions, the combination of very low surface flows in the coast and river sources and depleted storage in Loch Lomond reservoir reduces available supply to a level which cannot support normal dry season demands.

With the exception of the Felton booster station (1975), the water supply system serving today’s population is essentially the same as in 1960, when Loch Lomond reservoir was completed. The population of the city at that time was 25,600 and the service area population is estimated to number around 31,000. The change in population and community makeup over this period, however, has been dramatic. At the time of the critical drought of 1976-77, the population of the service area was approximately 63,000. The population now

is 43 percent greater. Just in the period covered by the last City General Plan/LCP alone (1990-present), the service area population has increased by about another 10,000. With current supplies and facilities, if the City were to experience a drought now similar to the one that occurred in 1976-77, the system would be able to serve barely more than half of the normal dry season demand.

This trend is expected to continue. By 2020, the service area population, according to AMBAG, is expected to reach 102,500. By then, demand for water is anticipated to rise above 5 billion gallons per year.

The City has been in the process of considering possible new water supplies since the 1970's. In the early 1980's, the water and land use agencies in the northern portion of Santa Cruz County prepared a report on regional opportunities to augment water supply. Following that report, the City explored the possibility of developing local groundwater resources, but this idea was found to be infeasible due to limited availability of groundwater in proximity to the service area. In the late 1980's, a water master plan study was completed, which made no specific recommendation but referred several alternatives for further study. From the late 1980's through the mid 1990's, the City undertook another study of water supply alternatives, in which brackish groundwater on the north coast emerged as the preferred option. This project was abandoned later by City Council due to resistance from area residents.

While there has been no improvement in the water system over this time to match population growth, each of the three jurisdictions served by the system continues to press for more housing. All three have recently updated their General Plan Housing Elements to address their required regional fair share housing needs established by AMBAG. The City alone has enough vacant and underutilized land to accommodate an additional 2,850 units, a fair amount of which already has been approved or is under construction. The County can accommodate a total of 3,411 units countywide through 2007, of which perhaps 1,400 units potentially would be located within the City water service area. Capitola is projecting 337 units by 2007 in its Housing Element, but only a small number of these are expected to fall into the City's water service area. Assuming that future development has equal numbers of single and multi-family housing units, the above housing plans represent a potential increase in residential water demand alone on the order of about 200 million gallons per year.

UC Santa Cruz is also preparing a new Long Range Development Plan (LRDP) for development on campus covering the same time period as the City's new General Plan/LCP. Since the last LRDP was completed in 1988, the University has added more than 5,000 students, two new colleges, several academic buildings, and hundreds of new bedrooms on

campus. The target enrollment for 2020 and on-campus housing plans are yet to be determined, but options under consideration for enrollment range between 15,000 and 25,000 students. At the same time, the University is preparing a long range plan for expanding teaching and research capabilities on its coastal marine laboratory site. The additional water UCSC will need to meet these long range plans is unknown at this time; however, it will be important to ascertain the impact of additional University growth on local water resources and how the University will contribute to infrastructure improvements.

Integrated Water Plan

In 1997, the City initiated a new planning effort to investigate alternative approaches to bring water supply and demand into balance. The three approaches to achieve this balance include: 1) reducing average daily water demands through water conservation programs, 2) accepting some level of use curtailment during drought conditions, and 3) the development of new water supply facilities. Four independent studies were undertaken to support this effort:

1. The Water Demand Investigation (Maddaus Water Management, 1998)
2. The Water Conservation Plan (Gary Fiske & Associates, 2000)
3. The Water Curtailment Study (Gary Fiske & Associates, 2001)
4. Alternative Water Supply Project (Carollo Engineers, 2002)

The Integrated Water Plan (IWP) was then developed over a two year period that ended in early 2003. It used the results of these four studies to develop and evaluate a set of water resource strategies that address the City's drought problem and provide a flexible, phased approach to serving the growth that is expected over a planning horizon that extends through the year 2030. The draft plan was accepted by City Council in April 2003, and is currently undergoing environmental review. The recommended plan includes the following components:

Water Conservation. The City is implementing a broad set of water conservation programs which result in ongoing, dependable, long-term reductions in per capita water use. These programs, which include water efficient plumbing fixture and appliance rebate programs, retrofit and landscape regulations, and water audits for high use customers, address all the predominant end uses of water including toilets, clothes washers, shower, faucets, and landscaping in the residential sector, and the principal indoor and outdoor uses of water in the nonresidential sector.

Use Curtailment. This component involves temporary limitations on water use when a shortage occurs. Under the plan, the largest anticipated cutback would amount to 15 percent of system demand during the peak summer season. Such cutbacks will inevitably involve some level of customer hardship. The amount of new supply capacity the City needs to develop, however, is less than it would otherwise be, the tradeoff being lower costs and fewer potential environmental impacts with a smaller facility.

New Water Supply. The IWP identifies seawater desalination as the only feasible alternative for a backup supply of drinking water in times of drought. Two variations are being considered: a City-only project and a project that would involve partnering with the Soquel Creek Water District. The District, which serves the area from about 41st Avenue in Capitola east to La Selva Beach, is also looking to secure a supplemental source of water to reduce its reliance on well water and avert the threat of seawater intrusion in local groundwater aquifers. The arrangement calls for the District to use some or all of the future plant's capacity when the City doesn't need it in times of a drought. In return, the District would share in the cost of building, operating, and maintaining the plant. The City-only project would operate intermittently, only when water supplies are insufficient to meet demand.

Either project, City-only or partnering with Soquel Creek, would involve the construction of a common seawater intake system, a 2.5 million gallon per day desalination plant, and associated underground pipelines and pumping stations. The only difference between the two projects is the extra piping needed to convey treated water from the City system to the District's should that option be selected. The plant would be designed to be expandable, if needed, in future years.

Elected officials and staff from both the City and the District are working together to explore the benefits of using the proposed desalination plant to serve both communities. The City must also consider the economic questions associated with the plant and the effect on existing and future rate payers.

A program level EIR on the Integrated Water Plan is under preparation to evaluate potential environmental impacts of the Plan. It is scheduled for completion in the summer of 2005, at which time the City Council will consider formal adoption of the plan. In adopting the Plan, the Council will choose whether or not to proceed with the desalination plant, and if so, whether to do so as a joint project with the Soquel Creek Water District or as an independent City project.

Planning Issues

It is clear that population growth and employment in the service area are continuing to increase and it is logical to assume that water demand will follow. Will the City's infrastructure be able to handle the increased water demand? Who should pay for increased demand on water resources? In the area of water supply, there are four key planning issues, which are described below:

- **Land use: siting the desalination facility.** There are three alternative locations under consideration where a desalination plant, if approved, could be located. The desalination plant is estimated to require approximately three acres, depending on the layout of the components within the facility. The areas are all located on the lower west side of the city and were selected based on proximity to intake and brine disposal facilities, distribution system infrastructure, and power supply; adequate space requirements; and consistency with surrounding land uses. The desalination plant footprint would be sized to fit the selected parcel. The alternative areas for desalination plant development are in the industrial park area along Delaware Street and at the University's Marine Science Campus at Terrace Point. Consideration should be given to designating these sites in the upcoming General Plan for public facilities.
- **Uncertainty over adoption of plan.** Experience over the last twenty plus years (not just in Santa Cruz but elsewhere along coastal California) demonstrates that specific proposals to expand water supply capacity are often quickly mired in controversy and delayed in a process that gets little accomplished. Do we assume, for this General Plan update, that the Integrated Water Plan will be realized as proposed, even though the plan has yet to be approved, designed, or financed, and will take a minimum of five years to get online? Or do we plan instead around the reality of water supplies currently available, that the City is actually able to deliver, to meet future water service needs? If so, how much more demand is the existing system capable of sustaining?
- **Condition of infrastructure.** Key components of the water system are aging and in dire need of renovation, replacement and upgrading. One consequence of past indecision over supply planning is that system rehabilitation has been effectively suspended or delayed out of concern that major capital investments might be wasted if a new supply required modifications to these same facilities. These include the following:
 - North Coast diversions and transmission pipeline,

- Graham Hill water treatment plant,
- Live Oak wells and treatment plant,
- Bay Street Reservoir and roof, and
- Expanding the transmission line from the Graham Hill plant to Bay Street reservoir.

It will take a huge investment over the next several years just to maintain the City’s existing collection, treatment, and distribution facilities, which in turn will drive significant increases in water rates for current customers in the near future. Any loss of production capacity from existing sources due to further system deterioration has the potential to reduce the amount of water supply currently available.

- **Quality of life.** Whether this community chooses to increase its supply or not, inevitably there will be periods ahead in which water shortages occur. Under such circumstances, both State water law and prudent management dictate that outdoor irrigation be afforded a low priority, meaning that landscapes will tend to suffer first and most. Landscapes, both public and private, are a significant asset and contribute to the overall economic well-being of the Santa Cruz community. One of the recognized tradeoffs of a less than adequate supply is that the general appearance of landscapes, as well as the health the of local green industry itself, periodically will suffer when outdoor watering is restricted due to low water conditions. Moreover, if current supplies are not augmented, it will be more than aesthetics that will be harmed in some future drought. The hardships will be much more considerable and encroach on the public health and safety needs of the community.

RESOURCE RECOVERY

The City owns and operates a Class III Sanitary Landfill located approximately three miles west of the City off Highway 1. The Landfill operation is required to comply with the regulations, plans, and permits required by the California Integrated Waste Management Board and California Regional Water Quality Control Board. Since 1990 the Public Works Refuse Division has focused on maximizing the capacity of the City Resource Recovery Facility (RRF), waste diversion, and environmental improvements to minimize the impacts of the facility to public health and the surrounding environment.

Trends

Landfill Capacity Increase

In the mid-1990s the permitted disposal area of the RRF’s landfill increased from 40 to 67 acres. The additional acreage was designed with a liner system that meets EPA requirements for new municipal solid waste landfills. The new area replaced the former leachate evaporation ponds, which were clean-closed in 1997. The expansion increased the life of the landfill by approximately 30 years.

Waste Diversion

In 1989 California Assembly Bill 939 mandated that communities divert 25% of their 1990 waste-streams from landfill disposal by 1995, and 50% by 2000. The City of Santa Cruz met these goals through community education regarding the three “R”s (i.e. reduce, reuse and recycle) and the implementation of expanded curbside recycling programs. The programs included the collection of most forms of clean paper (e.g. office, junk mail, newspaper, magazines, paper board, and card board), containers (e.g. glass, metal, aluminum, and plastic nos. 1-7), and Greenycle® materials. The programs also included the diversion and reuse of construction and demolition debris (e.g. concrete rubble, asphalt, and wood) and wastewater treatment plant sludge. In year 2000, the City established a Zero-Waste goal with the ultimate intention of eliminating the City’s need for a landfill.

Environmental Improvements

Since 1990 more than \$12 million of capital improvement projects have been implemented at the RRF to minimize its impact to the environment, including:

- Construction of two triple lined leachate collection impoundments.
- Construction of a three-mile leachate pipeline from the landfill to the City’s sanitary sewer system.
- Construction of a groundwater cutoff wall downgradient of the landfill’s lowest elevation.
- Construction of a freshwater bypass tunnel system to reroute two streams around the landfill.
- Clean-closure of the expansion area, including the proper disposal of chromium waste and hazardous burn ash.
- Construction of two of the four lined cells planned for the 27-acre expansion area.
- Improvement of the landfill gas collection and power generation system.

- Improvement of practices to cover the garbage each day with “daily cover soil”.
- Improvement of leachate containment and erosion control methods.
- Expansion of environmental monitoring network, including groundwater, soil pore gas, surface water and air quality.

Projections

Assuming growth trends similar to the past 10-15 years in the City of Santa Cruz, the RRF has more than adequate capacity to accommodate all municipal solid waste generated by City residents, visitors and businesses. The estimated landfill closure date is 2037. This date could be pushed further into the future as the Zero-Waste goal and operational efficiencies are aggressively pursued.

Waste Diversion Programs

Several waste diversion programs are planned for the upcoming years. A co-mingled (i.e. “single-stream”) curbside recycling program is planned for 2005. This program will allow residents to mix recyclable papers and containers in their recycling carts. Studies have shown that co-mingled programs capture more of the recycled commodities that are currently discarded in garbage cans. Some other planned programs include:

- Expansion of the construction and demolition debris collection and reuse program.
- Implementation of a food waste collection and reuse program.
- Expansion of community education programs that promote the three-“R”s.

Operational Improvements

Continued pursuit of operational efficiencies at the RRF can also increase the life of the landfill, including:

- Improved compaction of the garbage while it is being buried.
- Regular implementation of alternative daily covers to minimize the use of soil as a daily cover and, thus, maximize the landfill’s airspace for garbage.*

Capital Improvement Projects

* The site currently has a daily cover dirt deficit of approximately 40% over the life of the site. A ratio of 20% cover dirt to 80% garbage is considered an efficient burial practice in the solid waste industry. If the landfill operators implement cover soil at this ratio, then the landfill will be depleted of cover soil in year 2025.

Several capital improvement projects are planned to promote waste diversion, improve the environment, and maintain the landfill's capacity.

Recycled Materials Processing Facility Expansion

The recycled materials processing facility at the RRF will be expanded in 2005. The expansion will be designed to accommodate a 20-year lifecycle that assumes growth trends will be similar to the trends in the 1990s. The recycled materials collection fleet will also be expanded accordingly.

Landfill Gas Power Generation

The landfill gas collection and power generation facility will likely need to be expanded before 2020 to accommodate the growth of the landfill and placement of garbage in the newly lined cell areas. The landfill gas power generation facility is currently operating near its peak capacity. It generates enough electricity to supply power for 600-700 homes.

The most promising technology for incremental expansions of the power facility is micro-turbines. Since the micro-turbine and landfill gas industries may be close to solving the siloxane corrosion problem on turbine blades, this alternative may be feasible when the City is ready to expand the system.

Lined Landfill Cells

Two more lined cells are planned for the expansion area of the landfill. Lined cell number three is planned for construction in F.Y. 2007/08 and cell number four approximately 5-10 years after that. To keep the cost of each cell project lower, the remaining expansion area could be divided into three cells instead of the planned two.

Regulatory Compliance

The solid waste and recycling industries are highly regulated on federal, state and local levels. The City will continue to invest resources in maintaining all permits and adhering to all regulations through the landfill's closure date and during its post-closure maintenance period.

Habitat Conservation Plan

State and federal agencies have requested that the City prepare a Habitat Conservation Plan (HCP) for all City activities or projects with the potential to "take" species listed under the Federal Endangered Species Act (ESA) in order to obtain federal permits for continued Citywide operations and maintenance needs. The Resource Recovery Facility will be included in the HCP due to its proximity to sensitive habitat areas on the North Coast of

Santa Cruz County. The Red-Legged Frog, listed under the ESA as a “threatened” species, makes its habitat in the RRF’s riparian areas. Engineered drainage structures are constructed in the riparian areas and occasionally need maintenance or improvements. All work done in these areas require state and federal permits. The HCP will assist in streamlining the permit process.

Planning Issues

- **Landfill Post-Closure.** State law requires that facilities begin planning for future waste disposal/reuse facilities at least 15 years in advance of existing landfill closure dates. Accordingly, the City must begin planning for a new facility no later than the year 2022. The County of Santa Cruz Buena Vista Landfill is expected to close around the time the City begins planning for a new facility. Partnering with the County for a future waste disposal/reuse facility may be an option for the City after the City landfill closes. Accordingly, City officials and residents are currently participating in the County’s solid waste facility planning process.

State and federal regulations require that landfill owners maintain and monitor a landfill for 30 years after its closure date. Given a closure date of 2037, the City is responsible for maintaining the landfill site until the year 2067. The regulations also require that the City make annual contributions to a closure fund and a post-closure maintenance fund. The closure fund is a requirement to set aside funds that would finance closing the landfill by the state should the City default on its obligation to properly manage and operate it in accordance with state and federal regulations. The post-closure maintenance fund is established to fund the 30-years of post-closure maintenance and monitoring.

Future land use has not been determined for the RRF after closure. Given the surrounding land uses, open-space recreation may be the most appropriate.

Wastewater Treatment Facility

Trends

The City’s wastewater treatment facility has the capacity to treat to secondary standards (as set by the Environmental Protection Agency and California Regional Water Quality Control Board) up to 17 million gallons of wastewater per day (mgd). The City currently treats approximately 9.5 mgd. It is difficult to accurately determine the existing capacity of the facility (currently rated at 17 mgd) or what the increase of wastewater generation will be with time. Capacity is based on the strength of the wastewater entering

the facility and the effectiveness the treatment system. The 17 mgd capacity is conservative. It is also difficult to estimate the increase in wastewater generation. It is very dependent on the type of growth that occurs. With the recent closure of businesses including, Lipton, Wrigley, Salz Tannery, and Texas Instruments over the last 10 years the amount of wastewater treated at the facility has actually decreased over that time period. At this time it is estimated that the 17 mgd capacity will be reached in approximately 30 years.

When the flow to the treatment facility reaches 13 mgd (estimated to occur in 2020) the City will conduct a capacity study at the facility to better determine the capacity of the facility. If the study determines that the capacity is 17 mgd the City will start the process of design modification and possible additions to the facility in order to increase its capacity.

The wastewater collection system consists of approximately 160 miles of sewer collection pipelines and 17 pump stations. Although the pump stations are in excellent condition the collection pipes are aging. The City should continue to spend at least \$1 million annually to maintain the current condition of the pipeline system. The system is large enough to handle the wastewater generated but during rain events excess infiltration and inflow can overwhelm the system. Therefore the City will continue to focus on reducing infiltration and inflow.

Planning Issues

Given the capacity of the Wastewater Treatment Plan, future population growth should be accommodated by the facility.

City Budget

Trends

Trends in general City revenues reflect a continued sluggish economic picture for the FY 2005 fiscal year. Sales tax is projected to remain essentially flat. The voter-approved ¼ cent increase will help to offset expected budget increases in FY 2005 but will not, in and of itself, completely bridge a projected deficit of at least \$3 million. Hotel/Motel (Transient Occupancy) Tax is expected to increase only slightly by less than 2%. Utility Tax is expected to show positive gains but not to exceed 5%. The property tax, which in recent years has performed well and averaged 5% to 6% growth over the last few years, is once again proposed by the Governor to be diverted to help the State fund their obligations to schools. The State first began to divert local property taxes in the early 1990s, which have increased each year. Since 1992/93 the State has confiscated over \$14 million of local

property tax revenue from the City of Santa Cruz. The Governor’s budget proposed to increase the annual take-a-way by an additional 25%, or almost one-half million dollars.

Projections

Future trends in sales tax growth are modest based on the fact that Santa Cruz is almost built out and opportunity for new retail growth is limited. The growth in Hotel/Motel (Transient Occupancy) Tax is expected to be very modest in the next few years at best. Contributing to this sluggish growth is the decline in both occupancy and room rates. The potential for the development of a conference facility holds promise, however, there would likely be a two year construction period during which time the yield in tax revenue would fall from the current level. Although trend in property taxes is expected to be positive, it will not be sufficient to offset the losses of other major revenues that have been experienced since 2000. In addition, the potential for future take-a-ways by the State Legislature is real in that State budget deficits are projected for a number of years to continue.

Like other general law cities, and charter cities with only minor differences, in California, the City of Santa Cruz has limited ability to set tax rates. The State Constitution establishes a maximum rate for property tax and limits the growth of assessed value. The property tax collected is allocated among the jurisdictions in the City's tax rate areas based on criteria established by the state legislature. The rates and tax base of the City's two other major general taxes, sales tax and vehicle in lieu fees (VLF), are also controlled by the legislature. Part of the City's vehicle in lieu tax consists of a payment from the State of California's General Fund to reimburse local governments for the difference between the revenue produced by the tax before; the state legislature approved a major tax decrease and the amount collected after the decrease (VLF backfill). In Fiscal Year 2004 the Legislature opted to discontinue this funded for a portion of the year after the Governor permanently rescinded 2/3rds of the tax being collected which reduced City revenues by almost \$1 million. Over the last ten years, the legislature has made material changes in the allocation of property tax, has reduced the VLF tax, and has debated major changes to VLF backfill and sales tax allocations to local governments.

Changes to existing local taxes and any new taxes require voter approval. Taxes used for general purposes are subject to approval by a simple majority of voters while taxes levied for specific purposes require a two-thirds majority of voters. Assessments must be approved by a two-thirds vote with voting rights apportioned based on the amount of the assessment. In addition, fees for facilities and services are subject to requirements that they not be set at levels that exceed the reasonable costs of providing services.

Planning Issues

As a result of the continuing decline in general fund revenue the level of existing city services may have to be further reduced. Limited general fund revenues could influence future General Plan objectives for Parks and Recreation and Community Facilities and Services Elements. The City is finding it difficult to maintain existing parks and recreational facilities and programs at the level that is expected by the public. Revenue resources for maintenance, protection and enhancement of the City's 2000-acre open space greenbelt system are currently not adequate. Planning decisions, particularly those related to land use and transportation, have an impact on economic development, and therefore on the City budget and services.

8. ENVIRONMENTAL RESOURCES AND HAZARDS

This section reviews the changes in environmental regulations since the adoption of the 1990-2005 General Plan/LCP. In addition, the City has undertaken numerous efforts to implement the policies of the General Plan, particularly relating to the establishment of the greenbelt. These advancements and regulatory changes should be incorporated as appropriate in the update of the Environmental Quality Element, as well as in the Safety, Cultural Resources, and Land Use Elements.

The City is also subject to the requirements of the California Coastal Act. The City's Local Coastal Program (LCP) is integrated with the General Plan, ensuring consistent planning and land-use policies within the coastal zone. Appropriate LCP policies should be updated or developed as the General Plan is updated.

Trends

Greenbelt Acquisition

The desire to maintain open space lands around the City is an enduring concept. These lands help to define and protect the City's sense of place and environmental quality, and provide wild life habitat and recreational opportunities. The Monterey Bay National Marine Sanctuary endows the City with vast open spaces to the south and identifies the City as a coastal town. DeLaveaga Park, Henry Cowell State Park, Pogonip, and UCSC provide an open space buffer to the north, while the Yacht Harbor, Arana Gulch, and various topographic changes create a perceptible break in the urban fabric along the eastern edge of the City. On the west side, Moore Creek Preserve and Younger lagoon mark a transition to lands in agricultural and grazing use. This combination of agricultural and grazing lands, parks and natural areas form a perimeter of open space around the City serving to inhibit sprawl and concentrate urban development within existing City lands.

Permanent protection of these open space lands was a major goal of the 1990-2005 General Plan/LCP Land Use and Environmental Quality Elements. This vision originated in 1979 with the passage of Measure O, which called for preservation of greenbelt lands through 1990. As this Measure was set to expire during the preparation of the 1990-2005 General Plan/LCP, leaving the open space lands vulnerable, securing the greenbelt became a primary focus.

A Greenbelt Master Plan Feasibility Study was adopted in 1994 in response to General Plan policies calling for the establishment of a publicly owned greenbelt around the City. At the time, the City already owned several key properties in the greenbelt: DeLaveaga Park,

Pogonip, and the Arana Gulch (acquired earlier in 1994). Three additional properties were privately owned: Bombay, Wavecrest, and the Westside Kinzli properties. Over the next five years, the City made a dedicated effort to acquire these properties. By the end of 1998, the City had purchased all of the Greenbelt properties with the exception of the 50-acre Westside Kinzli property. A private individual purchased this property at a price above the assessed value, which the City could not afford to do.

The Bombay (Moore Creek Preserve) and WaveCrest properties remain designated for agricultural and very-low density residential uses on the General Plan land use map and should be redesignated as Natural Areas during the General Plan update.

Greenbelt Properties and Open Space Management Plans

Long term Park Master Plans or Interim Management Plans have been prepared for each City Greenbelt property and open space area. The Parks and Recreation Commission is the lead advisory body overseeing these plans, and the Parks and Recreation Department is the lead implementing department. The Public Works Department is also involved with Neary Lagoon and Jessie Street Marsh. The City is also responsible for the management of the State owned Lighthouse Field State Beach, in cooperation with the County of Santa Cruz.

The City's Westside contains three additional open space areas managed by other agencies: Younger Lagoon Reserve (managed by UC Santa Cruz), Natural Bridges State Beach (managed by the State of California), and Antonelli Pond (managed by the Land Trust of Santa Cruz County). The first two areas have management plans in place. The City would like to encourage and assist the Land Trust in developing a management plan for Antonelli Pond.

The implementation of the City's management plans and general management of the Greenbelt properties and open space areas is an issue of great importance in the near future given the City's current fiscal constraints. Limited funding could impede the development of planned visitor amenities such as the Pogonip Clubhouse, pathway improvements, interpretive displays, etc. In addition, staffing reductions result in limited enforcement of regulations and implementation of habitat enhancement and preservation strategies, both of which are degrading habitat areas over time. Uncontrolled growth of non-native species due to a lack of management and enforcement has resulted in a loss of habitat on both public and private lands. Members of the public have expressed interest in enhancing habitat values on private properties and could benefit from City assistance in the form of standards and guidelines.

Table 8-1 contains an overview of the City’s Greenbelt properties and open space lands and each associated management or master plan.

**Table 8-1
City Greenbelt Properties and Open Space Lands**

Property	Acres	Year Acquired/ Funding Source	Plan Status and Allowable Uses
Pogonip	614	1989; CALPAW State Bond Act	Park Master Plan adopted 1998. Uses include trails for hikers, protection of natural resources, and a multi-use trail. Future uses include the clubhouse rehabilitation, an outdoor education area, and a site for the Homeless Garden Project.
WaveCrest	25	1997; City funds	Incorporated as part of Pogonip.
Moore Creek Preserve (previously the Bombay Property)	246	1998; City funds, 1998 bond measure, & State Grants	Interim Management Plan adopted 2002. Uses include hiking and cattle grazing for habitat enhancement and fire hazard management. The State of Calif. holds conservation easements on the property. A long-range plan will be prepared in the future.
Arana Gulch	63	1994; City funds	Interim Management Plan adopted 1997. Long-term Park Master Plan under preparation; proposed uses include resource enhancement and restoration, bicycle/pedestrian path and bridges, hiking trails, and interpretive displays.
DeLaveaga Park	500	1900; Private donation	Master Plan adopted 1960. Existing uses include hiking/biking trails, golf course, ballfields, playground, disc golf course, archery range, gun range, and picnic areas.
Nearby Lagoon	44	1967; City funds	Management Plan adopted 1992. Uses include habitat preservation and enhancement, boardwalk pedestrian trails and interpretive displays, and playground.
Jessie Street Marsh	--	--	Management Plan adopted in 1998. Uses include natural resource management, pedestrian boardwalk and pathway, and interpretive displays.
Lighthouse Field State Beach	36	Purchased by State of Calif. in 1978	General Plan update prepared in 2003. Existing uses include pedestrian/bicycle trails, picnic areas, beach access, and surfing museum. Part of the State Parks system.
Arroyo Seco Canyon	N/A	--	No management plan in place. Currently managed as a utility corridor. A fire management plan is under preparation.

Regulatory Trends: Resources

Various regulatory changes have occurred at the local, state, and federal levels since the adoption of the 1990-2005 General Plan/LCP that should be taken into consideration during the update process. In addition, many actions have been taken to implement policies in the General Plan. Key changes in areas of resource protection are discussed below.

New Listed Species

The 1990-2005 General Plan/LCP has a strong focus on protection of sensitive species and habitat areas. Several species have been designated under the state or federal endangered species acts in the last decade including:

- Robust Spineflower (*Chorizanthe robusta* var. *robusta*) – federally endangered, 1994
- Coho Salmon (*Oncorhynchus kisutch*) – state endangered, 1995; federally threatened, 1996
- California Red-legged Frog (*Rana aurora draytonii*) – federally threatened, 1996
- Steelhead (*Oncorhynchus mykiss irideus*) – federally threatened, 1997
- Santa Cruz Tarplant (*Holocarpa macradenia*) – state endangered, 1979; federally threatened, 2000
- Ohlone Tiger Beetle (*Cicindela ohlone*) – federally endangered, 2001

The General Plan already calls for the protection of several of these species, such as the Santa Cruz Tarplant and Ohlone Tiger Beetle. Other species are protected under general policies that cover impacts to all listed and most sensitive species. Existing policies should be reevaluated to ensure appropriate protections are in place, and General Plan Map EQ-9 should be updated with new information. Map EQ-9 also identifies potential monarch butterfly habitat areas, although they are not listed at the state or federal levels. These delineations should be updated with information from recent studies.

In summary, most threatened or endangered species located within the City are found on publicly owned land and are protected through City policies. There are some larger private lands with sensitive species that have potential for development, however any proposals on these lands would be subject to environmental review under the California Environmental Quality Act, and existing General Plan policies requiring protection and enhancement of associated habitats.

Habitat Conservation Plan

The City has embarked on a multi-year process to obtain a Section 10 Permit to comply with provisions of the Endangered Species Act. Through the development of a Habitat Conservation Plan (HCP), the City will preserve endangered species while allowing permitted activities conducted by local agencies to continue. The City's goal is to ensure that crews working for the Water, Public Works, and Parks and Recreation Departments avoid or minimize impacts to endangered species as they undertake routine operations and maintenance activities on City properties and facilities.

The U.S. Fish and Wildlife Service and the National Oceanic and Atmospheric Administration are responsible for reviewing and approving the City's application for a Section 10 Permit. Several State agencies, including the Department of Fish and Game and the Coastal Commission, will be involved in the preparation of the HCP. Approval of the permit will authorize the City to conduct the activities as specified in the permit and implementation agreement in compliance with the Endangered Species Act.

The City is currently working to identify City activities that could potentially impact listed species or their habitats, and to assess the location and habitat conditions of listed species. The next step will be to identify and develop best management practices to be applied by City crews when working in sensitive habitat areas.

Creeks and Wetlands Management Plan

The City has been working on a *City-wide Creeks and Wetlands Management Plan* to revise the current 100-foot setback requirement for development from all watercourses, which is one of the General Plan's resource protection policies. As required by the General Plan, the draft *Management Plan* addresses each watercourse in the City as a system, rather than considering each parcel in isolation. The draft *Management Plan* was released for public review in April 2002 and several public workshops and hearings were held to provide information on the draft recommendations and to obtain input from the community. In response to staff recommendations and public concerns, the Planning Commission and City Council asked staff to revise the draft plan primarily to re-evaluate the proposed setbacks and to conduct neighborhood community workshops.

Planning staff has completed the setback re-evaluation and is preparing to hold public workshops in the spring of 2004 to discuss the proposed recommendations with the public. After holding the workshops, staff will complete the Management Plan and move forward to the Planning Commission and City Council for adoption and necessary ordinance revisions. Planning staff anticipates the hearings will be held in late spring/early summer.

Recommendations in the *Management Plan* include:

- A designated *riparian corridor*, which varies in width based upon the existing and potential values of the particular watercourse reach. The corridor is measured from the centerline of the watercourse. Development is restricted in this area.
- A *development setback area*, which extends out a certain width from the edge of the riparian corridor, with the width based upon the existing and potential values of the particular watercourse reach. Limited types of development are allowed in this area, mainly landscaping and limited pervious paving.

- A *management area*, which extends out 25 feet from the edge of the development setback area. Proposed development in this area would require a Watercourse Development permit, which would include conditions of approval to minimize impacts and in many cases, provide enhancement of the identified resource values of each watercourse.

San Lorenzo Urban River Plan

Previous plans for the San Lorenzo River were updated in 2003 to acknowledge the listing of the steelhead trout and coho salmon as federally threatened species as well as federal designation of the San Lorenzo River as critical habitat for these species. The update also recognized the completion of significant improvements to the river levee to provide 100-year flood protection. The San Lorenzo Urban River Plan articulates a community vision for the corridor encompassing the lower San Lorenzo River, Branciforte Creek and Jessie Street Marsh as a wildlife area, as well as a community recreation, transportation and public open space amenity. It contains recommendations for habitat enhancement, public access and trail improvements, public art, and community programs. It seeks to guide the City of Santa Cruz in re-establishing and improving its management of and relationship to this major, recently expanded landscape feature over the next 20 years. The Urban River Plan encourages river-oriented development to promote the River as an amenity to downtown Santa Cruz and encourages appropriate uses, scale and orientation in adjacent areas. The primary goals of the Urban River Plan are as follows:

- Goal 1: Enhance and restore biotic values of the River, creek and marsh as habitat for fish and wildlife.
- Goal 2: Maintain flood control capacity of the San Lorenzo River and Branciforte Creek.
- Goal 3: Improve the scenic and recreational value of the Riverfront.
- Goal 4: Improve public access and pedestrian/bicycle movement to and along the River.
- Goal 5: Improve the urban and neighborhood interface with the San Lorenzo River, Branciforte Creek and Jessie Street Marsh.
- Goal 6: Incorporate the San Lorenzo River, Branciforte Creek, and Jessie Street Marsh into the surrounding urban fabric and downtown and neighborhoods.

Monterey Bay National Marine Sanctuary

In 1992, the federal government designated the marine area offshore of California's central coast as the Monterey Bay National Marine Sanctuary (MBNMS). The Sanctuary stretches from Marin to Cambria and encompasses 276 miles of shoreline and extends an average of 30 miles from shore - over 5,000 square miles of ocean. The MBNMS was established for the purpose of resource protection, research, education, and public use and is administered by the National Oceanic and Atmospheric Administration. The Sanctuary has one of the most diverse marine ecosystems in the world, including the nation's largest kelp forest, one of North America's largest underwater canyons, and the closest-to-shore deep ocean environment in the continental U.S.

Establishment of the MBNMS brings to the City exciting opportunities for eco-tourism, research collaboration, education, and interpretation. Monterey Bay has become recognized as a world-class center for marine research, and Santa Cruz's role in this area continues to grow given the number of facilities and institutions located in the City, namely at the UC Santa Cruz Marine Science Campus. Last year a committee selected the 'Fun Spot' near the Santa Cruz Boardwalk as the future location for a MBNMS Visitor's Center, which is expected to have positive economic ramifications for the City. In addition, a coast trail is being established around the Sanctuary bringing regional recreational opportunities.

The Management Plan for the Sanctuary is currently being updated, and is scheduled for completion in 2004. The process includes a review of programs for resource protection, education, and research programs, the Sanctuary's resource and staffing needs, and regulatory goals and sanctuary boundaries.

Historic Preservation

In 1995, the City of Santa Cruz was designated as a Certified Local Government (CLG) for historic preservation. The CLG Program is a national program designed to encourage the direct participation of a local government in the preservation and identification of historic resources within its jurisdiction. Santa Cruz was eligible for this designation because the City's historic preservation program fulfills federal and State requirements by having an historic preservation ordinance that meets certain standards, an Historic Preservation Commission with qualified commissioners, and a survey of historic resources in the City. This designation enables the City to apply for federal grants administered through the State Office of Historic Preservation and provides opportunities for training and other resources.

Some of the more notable accomplishments regarding historic preservation during the past 10 years include:

- A 1995 review and update of the list of protected historic buildings in the City which deleted numerous buildings demolished after the 1989 earthquake, and the adoption of an alphabetical address list of protected buildings;
- The listing of the La Bahia apartment complex and Garfield Park Library as City Landmarks;
- The listing of the Del Mar Theater and Rio Theater buildings on the City Survey;
- The listing of the Pogonip Clubhouse as a California State Landmark;
- The rehabilitation and reuse of the Del Mar Theater building as a three-screen theater operated by Nickelodeon Theaters, which received awards from the State Governor, the California Preservation Foundation, and the Art Deco Society of California;
- The 2003 revision of the historic preservation regulations in the Zoning Ordinance in order to clarify and streamline the review process for alterations to historic structures and to encourage the protection of historic resources; and
- Preparation of Volume III of the Historic Building Survey is pending until additional funding can be secured.

Archaeological and Paleontological Resources

The General Plan contains policies to protect archaeological and paleontological resources from the impacts of development. The City's Planning Department continues to implement those policies and associated Zoning Ordinance requirements. Applicants proposing development located within mapped known or sensitive archaeological and paleontological areas are required to submit a reconnaissance survey of the site to disclose any potential impacts to such resources. As part of the General Plan update, Map CR-2 should be refined to reflect new information collected on the location of sensitive archaeological areas, including the Villa Branciforte area. Relevant policies and permit procedures should be reviewed to ensure adequate protection of resources, and to address changes in CEQA requirements.

Water Quality

Since the current General Plan was prepared, State water quality regulations have become more stringent, leading the City to adopt new regulations in response. In 2003, the City developed a comprehensive Storm Water Management Program (SWMP) in order to fulfill the requirements for the Phase II National Pollutant Discharge Elimination System (NPDES) General Permit. The program is intended to reduce non-point source pollutant discharges to the City's storm drain system and receiving waters such as Monterey Bay. It is based on the requirements and guidelines of the NPDES General Permit and focuses on how to prevent or minimize pollution at the source whenever possible, rather than installing treatment systems to treat pollutants once they have been generated. One of the main

objectives of the City's SWMP is to educate the public on urban runoff issues and on how residents can take steps to prevent pollution during everyday home activities. Funding for the SWMP is obtained from the City Storm Water Utility Fee established in May 1994 and charged to each property within city limits.

The SWMP includes six required control programs and two recommended control programs for industrial facilities and commercial facilities. These eight programs will work together to comprise a well-rounded and multi-faceted approach to reduce urban runoff pollution within the City. The programs include urban runoff control policies, outreach and education efforts, site visits, and the implementation of Best Management Practices (BMPs).

The City's Storm Water Ordinance, effective May 1998, established the legal authority to prohibit illicit connections and pollutant discharges to the City's storm drain system. The ordinance also provides the City with the legal authority to conduct inspections and sampling. In addition, the ordinance contains a provision requiring the implementation of BMPs, as published by the Public Works Department, by certain types of facilities. The City also has the authority to terminate illicit connections and discharges, and to initiate enforcement actions for violations of the code. The ordinance also enables the City to initiate enforcement procedures, such as written notices, citations, termination of discharge, and monetary penalties, for violations of the code. The Storm Water Ordinance was revised in July 2003 to include the new Phase II NPDES General Permit requirements.

Green Building Working Group

In 2002, the City established a Green Building Working Group of local builders, architects, and interested residents charged with drafting green building policies, standards, processes, and an implementation plan for the City of Santa Cruz. The group has been reviewing current trends and practices in the industry, as well as various municipal implementation programs, with a hope that the City can become a responsible regulator in controlling the use of its resources in the construction and deconstruction of buildings.

The committee is exploring the use of green building products with the intent to apply them to local and regional construction projects and to address sustainable design practices. The program is currently envisioned as a progressive program spread over not more than a five-year plan, beginning with introductory applications and volunteer compliance followed by introduction of mandatory applications in conjunction with other state and local programs.

Integrated Pest Management

The City Council passed a policy in 1998 requiring all City Departments and contractors to "eliminate or reduce pesticide applications on City property to the maximum extent feasible"

and to educate the public about the dangers of toxic chemicals. In response to the policy, City Departments began seeking alternative pest management methods. In 2000, an Integrated Pest Management (IPM) Team comprised of City staff responsible for pest control and IPM consultants began implementing a comprehensive IPM pilot program within the City's Parks and Recreation, Public Works, and Water Departments and at the DeLaveaga Golf Course.

A Technical Advisory Committee comprised of citizens, technical specialists, and City staff oversaw the development of an Integrated Pest Management Guidance Manual, which the City Council adopted in 2003. The manual describes the policies and procedures that constitute the adopted IPM approach. It also summarizes the roles and responsibilities of City staff and contractors in operating and supporting the IPM program, and outlines its programmatic IPM elements.

Noise

Technical assistance will be required to update the noise policies in the General Plan. The current General Plan noise regulations and standards have proven to be unclear and difficult to apply and should be clarified during the update. A study should be conducted to evaluate areas where noise conditions may have changed due to different traffic patterns or land uses. There are possible issues of compatibility between industrial uses and other land uses (residential, day care, schools, etc) locating in industrial areas; these potential issues should be considered in such a study. In addition, the current regulations do not have policies for transitions or buffers between different land uses, which should be considered given the trend toward mixed-use development.

Air Quality

Santa Cruz is part of the North Central Coast Air Basin, which is currently designated as a moderate, transitional non-attainment area for State Ambient Air Quality Standards for ozone or inhalable particulate matter.⁵ Between 1991 and 2000, Santa Cruz exceeded State ozone standards on three separate days for a total of five hours, and did not exceed the federal ozone standards.

Air Quality regulations continue to change over time making the incompatibility between certain land uses more pronounced. The current regulations should be reviewed and updated as appropriate in consultation with the Monterey Bay Unified Air Pollution Control

⁵ 2000 Air Quality Management Plan for the Monterey Bay Region (Monterey Bay Unified Air Pollution Control District, May 2001)

District to acknowledge new regulations for ‘criteria pollutants’ controlled by the federal and state Clean Air Acts. Changes in CEQA requirements should also be incorporated.

Regulatory Trends: Hazards

Fire Hazards

Certain areas of the City are at greater risk of wildland fires due to the type and amount of vegetation and the topographic conditions. Rapid growth of non-native species, particularly eucalyptus trees, has increased the fire hazard in these areas. The City of Santa Cruz Fire Department is working to develop prescriptions and vegetation management plans for these areas. The objective is to create defensible spaces to help slow and control wildfires. Appropriate thinning of eucalyptus trees would reduce fire hazards while reestablishing a healthy understory and enhancing habitat values. In developing such policies, extra care should be given to dealing with sensitive resources and fire hazards collectively. General Plan Map S-11 should be updated with any new information regarding fire hazard areas.

In terms of fire services, the City is currently studying the benefits of merging the Scotts Valley Fire Protection District and the Santa Cruz City Fire Department to provide more efficient fire protection for both communities. If this merger were approved, it would occur within the timeframe of the 2005-2020 General Plan/LCP and should therefore be addressed in the update. In addition, the current response times identified in the General Plan Safety Element should be reevaluated.

Floodplain Regulations

The City of Santa Cruz, in conjunction with the Army Corps of Engineers, has worked to improve the flood capacity of the San Lorenzo River levees. Major construction activities have been completed on the levees and bridges along the river. As a result, the Federal Emergency Management Agency (FEMA) has recognized the increased flood protection the new levees and improved bridges provide by granting the A-99 flood zone designation for most of the floodplain in the City. Flood insurance premiums for the A-99 flood zone are up to 50% lower than under the previous designation. In addition, new buildings and improvements to structures in the A-99 zone are no longer mandated to meet FEMA flood elevation construction requirements unless the property owner desires to do so.

Minor construction efforts remain before the Corps of Engineers will deem the project complete and FEMA will lift the floodplain designation from the downtown area. Once that occurs, properties in the downtown will no longer be required to have flood insurance. Certain areas of the City, such as properties along Carbonera Creek, will still be subject to

flooding and will remain in a FEMA floodplain district and will continue to be subject to floodplain construction requirements.

Planning Issues

This section reviewed changes in environmental regulations since the adoption of the 1990-2005 General Plan/LCP. These regulatory changes should be incorporated as appropriate in the update of the Environmental Quality Element, as well as in the Safety, Cultural Resources, and Land Use Elements, and the Local Coastal Program.

In addition, the State Office of Planning and Research has released new General Plan Guidelines with a requirement to address the issues of environmental justice and sustainable development. These topics and other changes in the guidelines should be addressed in appropriate sections of the General Plan/LCP.