

Chapter 2: Housing Needs and Production

2.01 Introduction

Santa Clara County covers approximately 1,300 square miles that include significantly varied urban, rural, and academic communities. This chapter contains an assessment of the various factors that influence and affect the unincorporated county’s housing needs. Understanding the housing needs of the communities in unincorporated areas of the County is the first step in the development of housing policies and programs that further the County’s housing goals. Utilizing data collected from the U.S. Census Bureau, California Department of Finance, ABAG, and others, the County housing needs assessment takes stock of factors that illustrate existing housing needs as well as those that help the County identify and plan for future trends.

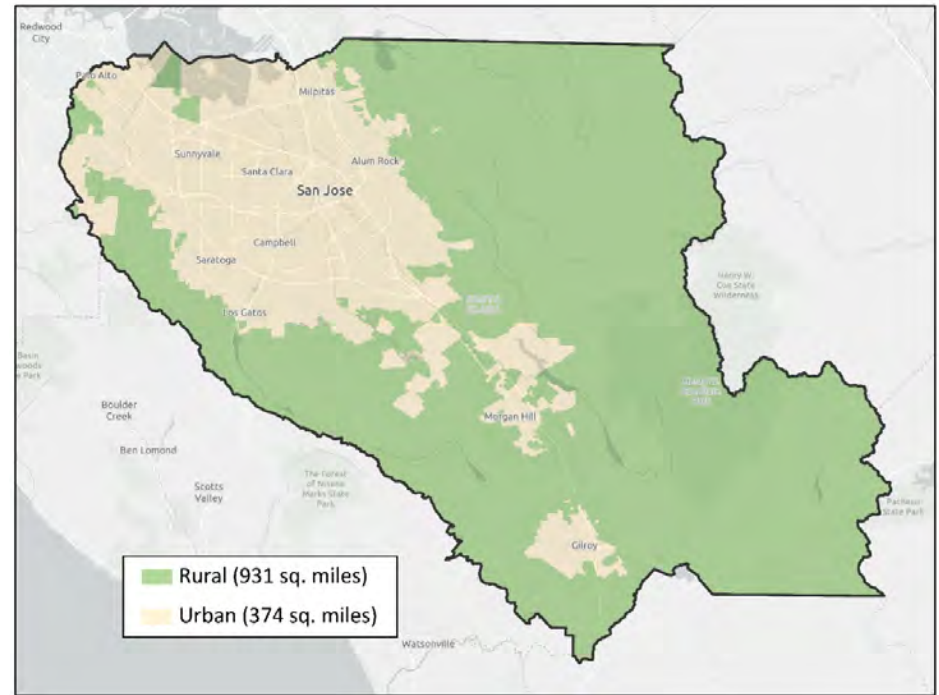


Figure 2.1 Santa Clara County Urban and Rural Areas⁶

Household income categories used in this Chapter are based on those established by U.S. Department of Housing and Urban Development (HUD) for use in its Section 8 Housing Choice Voucher Program. These categories are:

Extremely Low-Income (ELI): A household with income less than 30% of AMI.

Very Low-Income (VLI): A household with income less than 50% of AMI.

⁶ “Urban” areas consist of the cities and the urban-base zoning districts within unincorporated areas.

“Rural” areas consist of the rural based zoning districts in the unincorporated areas.

Low-Income: A household with income less than 80% of AMI.

Moderate-Income: A household with income less than 120% of AMI

Above Moderate-Income: A household with income over 120% of AMI.

Income category determinations are made with respect to both AMI and household size. The income category annual income maximums by household size for Santa Clara County are shown in Table 2.1:

2.02 Unincorporated County Housing Needs

A variety of statistical and demographic data provide the foundation for documenting and analyzing housing needs. State law requires local jurisdictions to analyze their communities' housing needs, in part through an examination of such data. ABAG has compiled the required demographic, economic, and housing stock data on behalf of the County, and all other member jurisdictions, in the form of a Housing Needs Data Report. The Housing Needs Data Report for unincorporated Santa Clara County prepared on April 2, 2021, and can be found in Appendix C.

One area of data collection and analysis, overall population characteristics, merits additional context here.

The Bay Area is the fifth-largest metropolitan area in the nation and has seen a steady increase in population since 1990, as has Santa Clara County as a whole. As seen in Table 2.2, however, the

unincorporated areas of the County have seen an inverse trend in population over the same period.

From 1990 to 2000, the population in the unincorporated county decreased by 6.0%, then decreased by an additional 9.9% during the first decade of the 2000s. Between 2010 and 2020, the population decreased by 3.3%. In 2020, the estimated population of the unincorporated county was 86,989, which made up roughly 4.4% of the population of Santa Clara County as a whole.⁷

The overall decrease in population is due in large part to previously existing urban unincorporated areas of the County being annexed one-by-one into adjacent cities, over time. This dynamic, although not unique to Santa Clara County, is particularly pronounced here and factors significantly into where and how the County plans for future housing development on unincorporated lands.

⁷ To compare the rate of growth across various geographic scales, Figure 1 shows population for the jurisdiction, county, and region indexed to the population in the year 1990. This means that the data points represent the

population growth (i.e. percent change) in each of these geographies relative to their populations in 1990.

Table 2.1: 2022 Household Income Category Thresholds by Household Size

Income Category	Household Size							
	1	2	3	4	5	6	7	8
ELI	\$22,300	\$25,500	\$28,650	\$37,850	\$34,400	\$36,950	\$39,500	\$42,050
VLI	\$37,150	\$42,450	\$47,750	\$53,050	\$57,300	\$61,550	\$65,800	\$70,050
Low	\$59,400	\$67,900	\$76,400	\$84,900	\$91,650	\$98,450	\$105,250	\$112,050
Moderate	\$88,600	\$101,300	\$113,950	\$126,600	\$136,750	\$146,850	\$157,000	\$167,100

Note: the "Above Moderate-Income" category is, by definition, inclusive of any income level above the "Moderate-Income" thresholds, as determined by household size.

Source: California Department of Housing and Community Development, State Income Limits for 2022.

Table 2.2: Population Growth Trends

Geographic Area	1990	1995	2000	2005	2010	2015	2020
Unincorporated Santa Clara County	106,173	107,705	99,813	97,844	89,960	88,323	86,989
Santa Clara County as a whole	1,497,577	1,594,818	1,682,585	1,752,696	1,781,642	1,912,180	1,961,969
Bay Area	6,020,147	6,381,961	6,784,348	7,073,912	7,150,739	7,595,694	7,790,537

Source: California Department of Finance, E-5 series

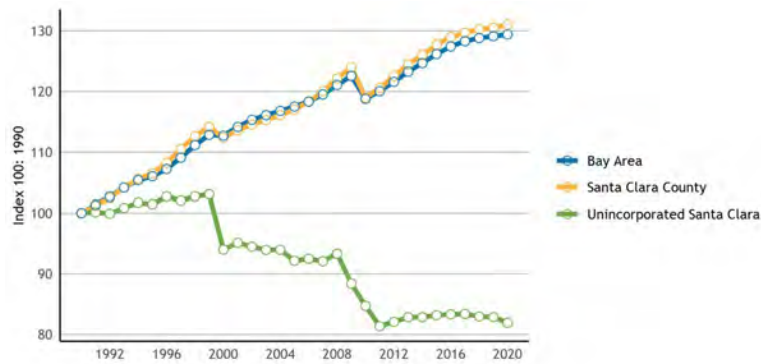


Figure 2.2 Population Growth Trends

Source: California Department of Finance, E-5 series Note: The data shown on the graph represents population for the jurisdiction, county, and region indexed to the population in the first year shown. The data points represent the relative population growth in each of these geographies relative to their populations in that year.

For some jurisdictions, a break may appear at the end of each decade (1999, 2009) as estimates are compared to census counts.

DOF uses the decennial census to benchmark subsequent population estimates.

2.02a HCD’s Projection of Regional Housing Needs

California State Government Code Section 65584(a) directs HCD, in conjunction with the State Department of Finance, to “determine the regional share of the statewide housing need” for each region of the state, or Regional Housing Needs Allocation (RHNA). These housing needs determinations are then forwarded to the councils of government in each region of the state.

HCD’s regional RHNA numbers are developed using considerations including household size and growth, rate of household formation, and both existing and optimal vacancy rates.⁸ In the Bay Area, ABAG is responsible for allocating the regional target number to cities and

counties throughout the Bay Area. The resulting RHNA goals for cities and counties are based on HCD’s regional growth forecasts and are derived from the most current assessment of future housing needs by jurisdiction. ABAG’s primary assessment is through Plan Bay Area 2050, the regional long-range strategic plan that covers the four interrelated planning elements of housing, the economy, transportation, and the environment. Plan Bay Area 2050 was adopted in October 2021 and covers the period from the present through 2050.

2.02b ABAG’s Projection for Jurisdictional Housing Needs

ABAG’s final RHNA methodology, adopted in December 2021, forecasts the 2023-2031 regional housing needs for each jurisdiction in the Bay Area. Development of ABAG’s RHNA methodology was guided by the statutory requirements that the RHNA meet five objectives and be consistent with the forecasted development pattern from Plan Bay Area 2050. The five statutory objectives of RHNA can be summarized as:

Objective 1: Increase housing supply and mix of housing types, tenure and affordability in all cities and counties in an equitable manner.

Objective 2: Promote infill development and socioeconomic equity, protect environmental and agricultural resources, encourage efficient development patterns, and achieve greenhouse gas emissions reduction targets.

Objective 3: Promote improved intraregional jobs-housing relationship, including balance between low-wage jobs and affordable housing.

⁸ Govt Code Section 65584.01 (c) (1) (A)

Objective 4: Balance disproportionate household income distributions (more high-income RHNA to lower-income areas and vice-versa).

Objective 5: Affirmatively further fair housing.

In addition to meeting the objectives above, State law governing Housing Element updates requires ABAG to consider a specific set of factors in the development of the RHNA methodology. The law also requires ABAG to survey its member jurisdictions to gather information on the factors that must be considered for inclusion in the methodology.⁹ Based on the State Housing Element laws, the jurisdiction surveys, and the forecasted development pattern from Plan Bay Area 2050, ABAG developed a methodology for RHNA allocation that includes three primary components¹⁰:

1. Baseline allocation based off the Plan Bay Area 2050 Final Blueprint;
2. Factors and weights for allocating units by income categories; and,
3. An equity adjustment based on an approach developed by ABAG’s Housing Methodology Committee.

Based on the final RHNA methodology, ABAG allocated 3,125 units to the unincorporated areas of the County. The allocation is a 1,028 percent increase from the County’s prior RHNA assignment of 277 units. The County will meet its RHNA assignment through a combination of housing development in urban unincorporated pockets within the USA of San José; graduate student, faculty, and staff housing at Stanford University; and single-family homes with accessory dwelling units built in other unincorporated areas. The County is also considering projections for units that will be built

⁹ State of California Government Code Section 65584.04(b)(1)

under the County’s ordinance update streamlining ADU development. For detailed explanation of the County’s capacity to meet its RHNA targets, see section [2.05](#).

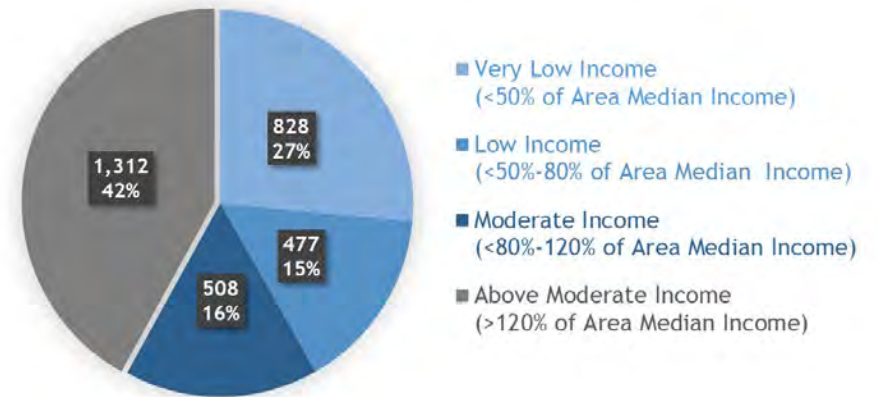


Figure 2.3 Unincorporated Santa Clara County Housing Need, by Income Category

2.03 Affirmatively Furthering Fair Housing

The requirement to Affirmatively Further Fair Housing (AFFH) is derived from the Fair Housing Act of 1968, which prohibited discrimination concerning the sale, rental, and financing of housing based on race, color, religion, national origin, or sex—and was later amended to include familial status and disability. The 2015 HUD Rule to Affirmatively Further Fair Housing and California Assembly Bill 686 (2018) mandate that each jurisdiction takes meaningful action to

¹⁰ Final Regional Housing Needs Allocation (RHNA) Plan: San Francisco Bay Area, 2023-2031

address significant disparities in housing needs and access to opportunity.

State law now requires that the County affirmatively further fair housing through its Housing Element in several ways, including by analyzing integration and segregation patterns and trends, racially or ethnically concentrated areas of poverty and affluence, disparities in access to opportunity and in housing needs, and displacement risk. The County is also required to assess the historical origins of these realities and identify the factors that contributed to them. After selecting those contributing factors that are particularly impactful in denying or limiting fair housing choice and access to opportunities, or negatively impact fair housing or civil rights compliance, the County must design priorities, strategies, and actions to address those priority contributing factors.

In pursuit of fair housing, the County has undertaken manifold approaches to analyze and address housing inequities. In November 2016, Santa Clara County voters approved “Measure A” – a \$950 million affordable housing bond. Measure A provides the County with an unprecedented opportunity to partner with cities, residents, and the affordable and supportive housing community to significantly address the housing needs of the community’s poorest and most vulnerable residents. It provides affordable housing for vulnerable populations including veterans, seniors, the disabled, low and moderate-income individuals or families, foster youth, victims of abuse, the homeless, and individuals suffering from mental health or substance abuse illnesses. The bond proceeds are contributing to the creation and/or preservation of approximately 4,800 affordable housing units and the development of numerous programs aimed at furthering fair housing.

The Housing Bond will enhance the County’s ability to achieve its fair housing priorities, which include:

- Increasing the scope and breadth of supportive housing for special needs populations, including homeless and chronically homeless persons;
- Increasing the supply of housing that is affordable to extremely low income (ELI) households; and,
- Improving coordination and collaboration among the County, the cities, other governmental agencies, and the affordable housing community.

Implementation of Measure A reflects the County’s approach to fair housing more broadly – rather than focus on disparate pockets of unincorporated lands, the County takes a wholistic approach to affirmatively furthering fair housing, across the entire area of Santa Clara County. On policy and on projects, the County partners with the 15 cities of the county to develop and support fair housing where it is most appropriate and effective, irrespective of jurisdictional lines. The County has demonstrated an abiding focus on fair housing in recent years and has conducted several important and foundational studies, although few make special consideration for the unincorporated areas of the county. Such studies form the basis for the County’s approach to fair housing and the programs of this Housing Element, including:

Race and Homelessness in Santa Clara County (January 2020) (Appendix D)

Written in 2020, this report examines the relationship between racial equity and homelessness, which is disproportionately experienced by people of color in the county. The goal of the report is to improve and expand services and to make sure that supportive housing services do not exacerbate or perpetuate the racial and social disparities in the county. The report explores three themes:

4. Disproportionately high rates of homelessness among specific racial/ethnic groups.
5. Racial/ethnic variation in experiences of homelessness.
6. Structural barriers, including lack of affordable housing and economic opportunity.

Three underlying values emerge from the assessment:

1. Integrate people of color with lived experience of homelessness in all program, policy, and funding decisions.
2. Align racial equity work in the homelessness sector with other racial equity initiatives in Santa Clara County.
3. Use a racial equity lens and data-driven decision making in the homelessness system and across other systems.

These values have led the County to three strategies to address racial equity, which are reflected in programs contained in this Housing Element:

1. Center and raise the voice of people of color who have experienced homelessness in the policy and program decisions of the supportive housing system.
2. Partner with the safety net system to better understand and address the systemic causes of poverty and inequity.
3. Adopt new housing and land use policies that help reverse longstanding housing disparities that have negatively impacted people of color.

The full analysis of this report is included in this Housing Element as Appendix D.

**Urban County Consolidated Plan and Annual Action Plan (2020)
(Appendix E)**

This planning document presents a housing needs assessment, market analysis, and strategic plan for the "Urban County," consisting of unincorporated areas and seven smaller jurisdictions, which together receive and disperse HUD funds. Seven goals are identified in the plan and relate directly to AFFH and the programs in this Housing Element:

1. Increase affordable and supportive housing;
2. Promote fair housing Countywide;
3. Maintain and expand activities designed to prevent and reduce homelessness;
4. Preserve existing affordable housing;
5. Provide essential services for special needs populations;
6. Maintain, improve, and expand community facilities and spaces; and
7. Strengthen employment and workforce opportunities.

The plan identifies and describes numerous barriers or impediments to fair housing:

- Displacement of residents due to economic pressures;
- Loss of affordable housing;
- Land use and zoning laws;
- Income discrimination;
- Community opposition;
- Availability, location, size, and type of affordable units;
- Lack of affordable, accessible housing in a range of unit sizes;
- Lack of access to opportunity due to high housing costs;

- Lack of affordable housing for individuals who need supportive services;
- Lack of assistance for housing accessibility modifications;
- Lack of resources for fair housing agencies; and
- Private discrimination.

Using these goals and barriers, the document presents a strategic plan that informs two critical undertakings: the expenditure of affordable housing funds by the County and its partner cities, and the development of this Housing Element and its programs.

The full housing needs assessment, market analysis, and strategic plan are included in this Housing Element and can be found as Appendix E.

Community Plan to End Homelessness (2015; updated 2020) (Appendix F)

In 2014, the County of Santa Clara Office of Supportive Housing and Destination: Home, a public-private partnership dedicated to collective impact strategies to end homelessness, convened a series of community summits to develop a coordinated strategy to address homelessness across the county.

Representatives of local cities, non-profit advocacy groups, service providers, philanthropic organizations, elected officials, universities, and people with lived experience of homelessness participated in the planning process. The resulting *Community Plan to End Homelessness* document was formally endorsed by the County's Board of Supervisors, Santa Clara County Housing Authority, Santa Clara Valley Water District, and the majority of the county's 15 cities, in addition to participating stakeholder organizations. The Community Plan was developed to enhance the community's work towards ending and preventing homelessness among all homeless persons

and families and was intended to build upon and supersede previous plans including the County's 2005 *Ten-Year Plan to End Chronic Homelessness, Keys to Housing*, and the city of San José's 2003 *Homeless Strategy*.

In 2020, the Community Plan was updated for 2020-2025, serving as the County's ongoing roadmap for ending homelessness in Santa Clara County and organized around three main strategies: (1) Address the root causes of homelessness through system and policy change; (2) Expand homelessness prevention and housing programs to meet the need; and (3) Improve quality of life for unsheltered individuals and create healthy neighborhoods for all. These strategies are grounded in evidence-based practices, lessons learned over the prior five years, and robust conversation and input from more than 8,000 members of the community; including people with lived experience of homelessness, subject matter experts, key stakeholders, and community members.

The Community Plan and its 2020 revision continue to be utilized and inform the County's programs and policies, including those of this Housing Element and are included in this Housing Element and can be found as Appendix F.

Ending Homelessness: The State of the Supportive Housing System in Santa Clara County (2018-2022) (Appendix G)

In 2018, the County released the first of ten annual reports to provide the community with information and updates related to the County's Supportive Housing System, 2016 "Measure A" Affordable Housing Bond activities, progress towards the goals of the Community Plan to End Homelessness, and efforts to improve client outcomes in Santa Clara County. These annual reports are referred to as [Ending Homelessness: The State of the Supportive Housing System in Santa Clara County](#) and are included in this Housing Element as Appendix G.

No Place Like Home Program: Technical Background Report (2018) (Appendix H)

In 2018 the County also prepared a technical background report to support the County’s No Place Like Home program. This technical background report summarizes the available County and community resources addressing homelessness, including the County’s efforts to prevent criminalization of homelessness and the Coordinated Entry System. This report is included in this Housing Element as Appendix H.

2.03a Segregation Analysis

What follows draws from research and analysis conducted by ABAG on behalf of the County in the form of an AFFH Segregation Report. The AFFH Segregation Report for unincorporated Santa Clara County was prepared on March 6, 2021, and can be found in Appendix I.

Santa Clara County is part of the U.S. Census Bureau’s San José-Sunnyvale-Santa Clara, CA Metropolitan Statistical Area (Region), which consists of Santa Clara and San Benito Counties. The Region has a population of over two million people and is highly diverse, with no majority racial/ethnic group. Although less diverse than the Region, the unincorporated population also has no majority racial/ethnic group, as illustrated in Table 2.3. Trends vary significantly across different areas. High levels of jobs-housing imbalance (the disconnect between where job growth is occurring and where housing is being produced) plays a major role in these patterns, with Latino and Vietnamese residents having limited access to jobs-rich areas in comparison to White, Chinese, and Indian residents.¹¹

Table 2.3 Population by Race in the Unincorporated County, 2000-2019

Year	American Indian or Alaska Native, Non-Hispanic	Asian / API, Non-Hispanic	Black or African American, Non-Hispanic	White, Non-Hispanic	Other Race or Multiple Races, Non-Hispanic	Hispanic or Latino
2000	445	11,099	2,021	55,274	225	28,444
2010	348	12,475	1,586	42,417	3,049	30,085
2019	142	13,232	1,583	38,599	4,089	26,054

Notes: Data for 2019 represents 2015-2019 ACS estimates. The Census Bureau defines Hispanic/Latino ethnicity separate from racial categories. For the purposes of this graph, the “Hispanic or Latino” racial/ethnic group represents those who identify as having Hispanic/Latino ethnicity and may also be members of any racial group. All other racial categories on this graph represent those who identify with that racial category and do not identify with Hispanic/Latino ethnicity. Source: U.S. Census Bureau, Census 2000, Table P004; U.S. Census Bureau, American Community Survey 5-Year Data (20152019), Table B03002

¹¹ ABAG Segregation Report (March 6, 2021), Appendix I

Countywide, there is a significant immigrant population, with top national origins of Mexico (7%), India (6%), China (6%), Vietnam (5%), and the Philippines (3%). These population shares are closely mirrored at the regional level. However, which cities these immigrant groups choose to settle in varies. Across nearly every entitlement jurisdiction, Black and Latino residents face the highest rate of challenges finding affordable housing. Additionally, throughout the county, there are clear disparities in access to opportunity in categories that include environmental health, labor market, and school proficiency. Access to opportunity for these categories is higher for residents in Urban County cities like Los Altos and Saratoga and lower in San José.

In the unincorporated county, while the overall population declined between 2000 and 2019, there has been an increase in diversity of the resident population (see Table 8). The mapping in Figures 47 and 48 show that most of the unincorporated areas with significant populations (Alum Rock, East Foothills, Cambrian Village, etc.) are relatively racially diverse and do not consist of Racially/Ethnically Concentrated Areas of Poverty (R/ECAPs) (Figure 49). The only R/ECAP that contains any unincorporated county land is in East San José and consists of incorporated San José neighborhoods and the County Fairgrounds facility. Rural communities in the county are also relatively racially diverse, and do not consist of R/ECAPs. There is one R/ECAP in the southern portion of the county but it is entirely within the incorporated area of Gilroy

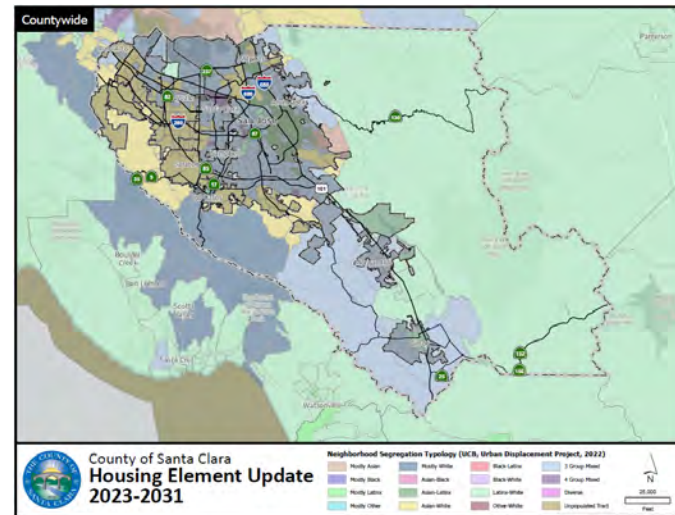


Figure 2.4: Diversity of Population in Santa Clara County

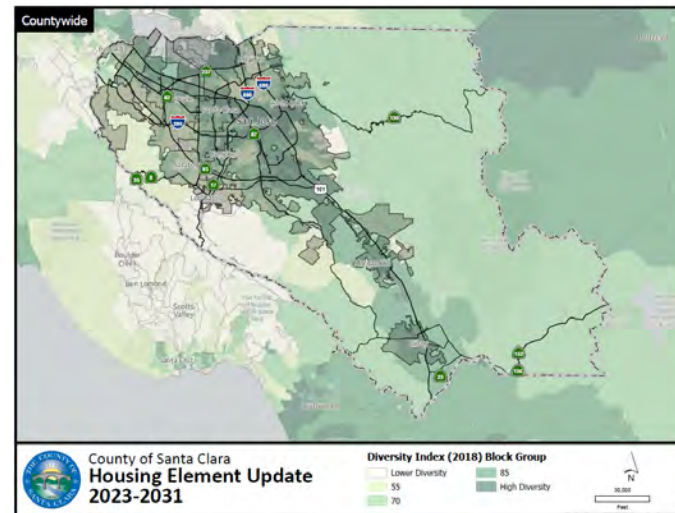


Figure 2.5: Diversity of Population in Santa Clara County

Source: California Department of Housing and Community Development. <https://affh-data-resources-cahcd.hub.arcgis.com/>

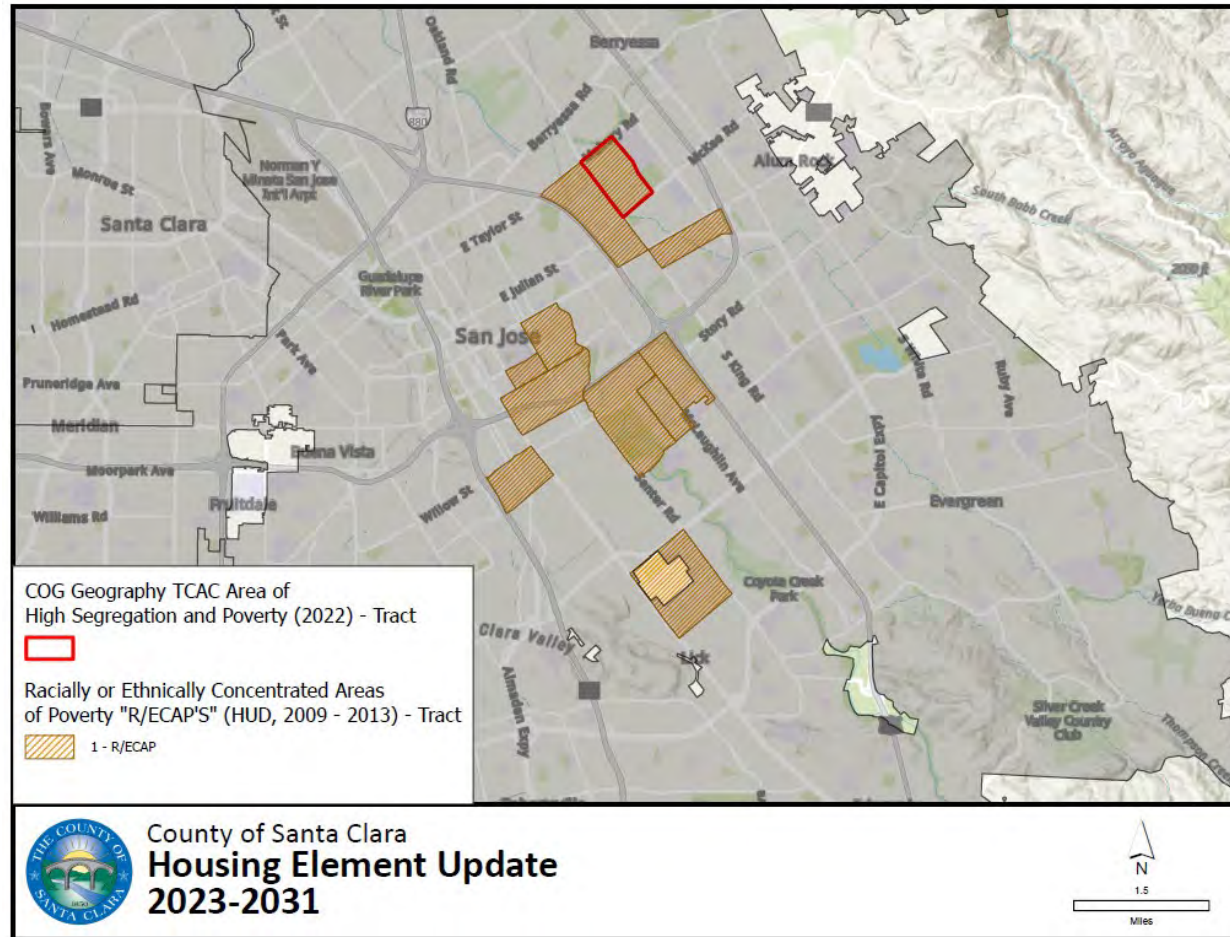


Figure 2.6: Racially/Ethnically Concentrated Areas of Poverty (R/ECAPs) in Santa Clara County

Source: California Department of Housing and Community Development. <https://affh-data-resources-cahcd.hub.arcgis.com/>

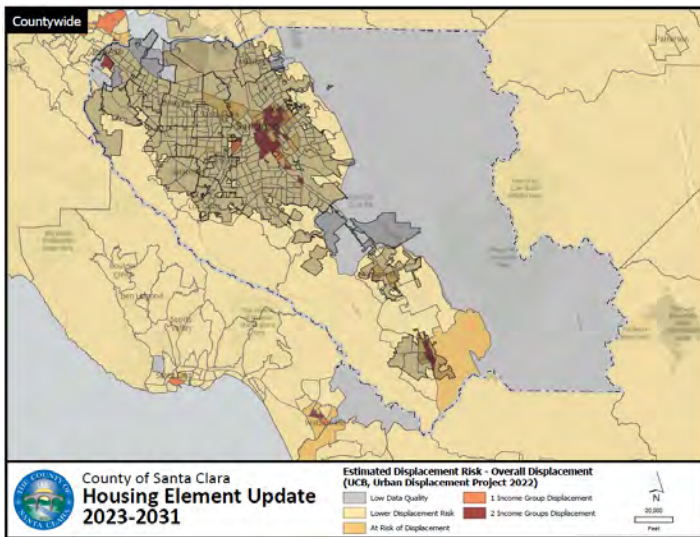


Figure 2.8: Affordability Index & Displacement Risk

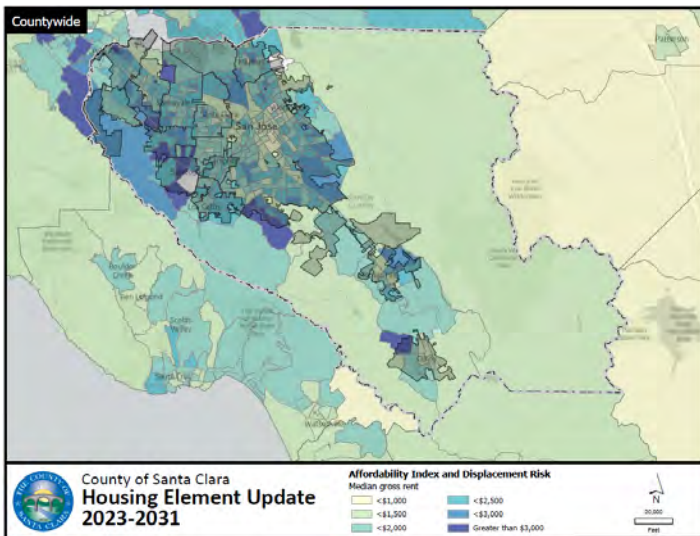


Figure 2.7: Affordability Index & Displacement Risk

Source: California Department of Housing and Community Development. <https://affh-data-resources-cahcd.hub.arcgis.com/>

2.03b Access to Affordable Housing

At this time, Santa Clara County Housing Authority (SCCHA) operates very few units of public housing, defined as affordable rental housing for eligible low-income families, the elderly, and persons with disabilities that is owned and operated publicly. This is because SCCHA has disposed of or transitioned most of its public housing into non-public, project-based affordable housing. Now, affordable housing is primarily available through rental subsidy programs and the Low-Income Housing Tax Credit (LIHTC) program, which is an indirect federal subsidy used to finance the construction and rehabilitation of low-income affordable rental housing. Jurisdictions within the county use local programs, like inclusionary zoning, that encourage developers to set aside a certain percentage of housing units in new or rehabilitated projects to supplement their affordable housing stocks. The County of Santa Clara has an ordinance code provision, the Countywide Inclusionary Housing Ordinance, which requires, in the unincorporated county, that 16 percent of units within any new residential development of three or more units be dedicated as affordable housing units or that an in-lieu fee is paid into a fund managed by the County.

2.03c Fair Housing Issues and Services

Fair housing issues are conditions that restrict fair housing choice or access to opportunity. As indicated in the section above, such issues are relatively rare in unincorporated county, and the focus for a countywide effort will address segregation and lack of integration, significant disparities in access to opportunity, and disproportionate housing needs. The Urban County and entitlement cities contract with private fair housing organizations to provide fair housing and housing rights outreach and education, landlord-tenant dispute resolution services, and fair housing investigation, representation, and enforcement services to residents.

2.04 Unincorporated County Housing Development Capacity

2.04a Overview

Section 2.05 first describes how the County has the capacity to meet the RHNA target assigned to it by ABAG for the 2023-2031 cycle, followed by an analysis of the probable development that may occur through the end of the planning period in 2031.

Prior to the adoption of the County's first General Plan, foundational Santa Clara County land use policies placed a high value on curtailment of sprawl by focusing growth within incorporated areas and urban unincorporated areas, especially those within USAs. To facilitate greater cohesive development patterns between incorporated and unincorporated USAs, the County's General Plan ([Book B](#)) reflects that land use planning for the urbanized parts of unincorporated county should be conducted by the cities. It has been the longstanding policy of the County, the cities, and LAFCO that these urban unincorporated areas will be ultimately annexed into the respective cities. To that effect, the County's Zoning Ordinance does

not allow any significant development projects within these areas unless the project conforms with the affiliated city's General Plan, and that city has the option to annex the project area. In addition, the County works with cities to ensure all utilities and services to these unincorporated USAs are provided for by their respective cities. These policies have been in place since the 1970s and are actively utilized by cities to plan for the unincorporated areas within their respective USAs.

However, with the 3,125 housing units allocated to the County for the 2023-2031 planning period, the County is required to amend its General Plan to allow for the County to plan for housing in urban unincorporated areas. Table 11 below provides an overview of the sites in the County's 2023-2031 site inventory batched by neighborhood, along with the capacity of each group of sites by income category. A table version of the full site inventory is in Appendix A, and detailed analysis of each site is below in section 2.05b.

Table 2.4 Summary Capacity to Meet RHNA Assignment

Location	Affordable Units				Above Moderate Income (>120% of Area Median Income)	Total
	Affordable Units Share	Very Low Income (<50% of Area Median Income)	Low Income (<50%-80% of Area Median Income)	Moderate Income (<80%-120% of Area Median Income)		
San José	42%	645	405	856	2,620	4,526
Fruitdale/Santa Clara Valley Medical Center	100%	186	69	45	-	300
Hostetter Station	58%	325	187	200	514	1,226.0
Parkmoor/Burbank Neighborhood	18%	-	10	4	62	76.0
Alum Rock/East Foothills	17%	-	6	4	48	58.0
Pleasant Hills	30%	128	128	598	1,996	2,850.0
Cambrian Park	100%	6	5	5	-	16
Stanford	50%	336	252	252	840	1,680
Quarry Sites	50%	196	147	147	490	980
Escondido Village	50%	140	105	105	350	700
ADUs	25%	-	-	92	276	368
Total		981	657	1,200	3,736	6,574
<i>RHNA</i>		<i>828</i>	<i>477</i>	<i>508</i>	<i>1,312</i>	<i>3,125</i>
<i>Surplus Capacity</i>		<i>153</i>	<i>180</i>	<i>692</i>	<i>2,442</i>	<i>3,449</i>
<i>% RHNA target</i>		<i>118%</i>	<i>138%</i>	<i>236%</i>	<i>285%</i>	<i>210%</i>

The County prepared a detailed mapping analysis to identify areas within the urban unincorporated county that are suitable for housing development, which included mapping access to amenities such as

transit, schools, parks, and grocery stores, as well as mapping of hazardous areas such as very high fire zones, flood zones, and fault zones. Based upon this mapping, the County selected sites for its

2023-2031 site inventory that were identified as having high access to amenities and low or no impacts from hazards.

Pursuant to California Government Code Section 65583.2(b)(6), all of the above sites identified as available for housing for above moderate-income households are in USAs and therefore served by public sewer systems. Nearly all of the rural unincorporated areas of the county, where above moderate-income single-family residences are often constructed, are not served by public sewer systems.

None of the sites identified as available for above-moderate households are in areas NOT served by public sewer.

Table 2.5 presents all the criteria utilized to map areas suitable for housing. Only sites scoring above a minimum threshold were considered for the inclusion in the County’s site inventory.

Table 2.5 Amenities and Hazard utilized to map housing suitability areas

AMENITIES (SCORED BASED ON DISTANCES AND URBAN/RURAL LOCATION)	HAZARDS & PRESERVATION ISSUES (WITHIN OR NEARBY THE AREA)
1. Near high-capacity transit	1. High or Very High Fire Hazard Severity zone
2. Near transit stops (2 or more lines)	2. 36-inch or 77-inch sea level rise scenario inundation area
3. Near transit stop (1 line)	3. Floodplain
4. Near a public park or a community center	4. Earthquake/Seismic hazard zone
5. Near a book-lending library	5. Liquefaction susceptibility zone
6. Near grocery store / supermarket / neighborhood market/farmer’s market	6. Landslide hazard zone
7. Near elementary/middle/high schools	7. California Protected Area
8. Near medical clinic or hospital	8. Riparian area
9. Near pharmacy	9. Wildlife habitat
10. Has access to high-speed internet	10. Williamson Act lands
11. Within HCD-identified High Opportunity Area	

In section 2.05b, the discussion of development capacity and site inventory is organized by the following subareas:

- Stanford University Lands;
- Urban Unincorporated Areas; and
- Accessory Dwelling Units.

Collectively, the sites selected on Stanford academic lands and in urban unincorporated areas, in combination with anticipated ADUs, have an estimated capacity of at least **6,574 units**, which is **110% more than the RHNA target** for unincorporated areas. This extra capacity is necessary to ensure that if one or more large sites identified at Stanford or within the City of San José USA do not result in housing development projects during the 2023-2031 planning period, the County will still have enough capacity to accommodate its RHNA goals. The County expects that by selecting sites sufficient to meet twice its RHNA allocation, it will ensure development opportunities remain available throughout the planning period, especially for lower- and moderate-income households, pursuant to Government Code Section 65863 (the No Net Loss Law).

2.04b Development Capacity Analysis

Stanford University Lands

Stanford University is a private university located in the northwest corner of Santa Clara County, adjacent to San Mateo County. It contains over 4,000 acres of land within Santa Clara County, the majority of which is under the land use jurisdiction and regulatory authority of the County. Stanford academic lands on which residential development may occur have full access to urban services and infrastructure. Stanford University has a high capacity for the development of housing units available to a range of income levels. Stanford University development is governed by a Community Plan

(Stanford Community Plan – SCP), the County Zoning Ordinance, and a General use Permit, consisting of policies that link academic development with housing development.

The Stanford Campus has been identified as a *High Opportunity Area* by the State, and therefore is an ideal location to add a variety of housing types and households. The County worked with the University to identify three sites on the campus for development of housing for faculty, staff, and students. One of the three sites (Escondido Village) is currently developed with student housing and associated parking lots, the second (Quarry Arboretum) consists of an existing parking lot, and the third (Quarry El Camino) is currently undeveloped open space. By providing these units on campus, the County and University expect to see a significant reduction in VMTs and corresponding GHGs in addition to the provision of a significant number of affordable housing units in an area with one of the highest median home prices in the region. While this housing is directly accessible only to Stanford students, faculty, staff, and their families, it benefits the wider community by allowing more of the local housing supply to be available for non-Stanford affiliated community members.

Two of the three Stanford sites (*Quarry Arboretum* and *Quarry El Camino*) were previously identified in the fourth and fifth cycles, each time with a total capacity of 350 units at a density of 25 units per acre. These sites were not developed during the fourth or fifth cycles, as Stanford University focused on building housing in other parts of the campus. The third site (*Escondido Village*) is located in the residential district of the campus. During the fifth RHNA cycle, the

University added 2,597 moderate-income units on Stanford lands and anticipates adding more units in the future.

The update to the SCP calls for increasing the supply and affordability of housing on the Stanford campus to meet the needs of faculty, staff, students, postgraduate fellows, hospital residents, and other workers. It requires Stanford to provide a sufficient level of affordable housing on campus to meet the affordable housing needs generated by new academic development. To facilitate the housing needs for the Campus, the SCP is anticipating an increase to the base density for residential development for the underlying zoning (A1) on the campus. Under the revised SCP, the base density would increase from 15 dwelling units per acre to 30 units per acre. The revised SCP also identifies the three sites included in the County’s Housing Element site inventory as sites where the densities are being further increased to accommodate 1,680 to 2,150 new units. This can be achieved by building the two Quarry sites at densities ranging between 70 to 90 units per acre. This density works well in the location as it is next to the Caltrain Station and the Stanford Shopping Center. The Escondido Village site has already seen an intensification of housing in the 2015-2023 cycle, and the University plans to further intensify the housing in the area to accommodate an additional 700 to 900 units.

Table 2.6 provides a summary of the potential capacity for the three identified sites.

Table 2.6: Housing Capacity on Stanford Sites

SITE	SIZE (ACRES)	POTENTIAL UNIT COUNT		UNITS BY INCOME CATEGORY			
		LOW	HIGH	VERY LOW	LOW	MODERATE	ABOVE MODERATE
QUARRY EL CAMINO	6	420	540	84 – 108	63 – 81	63 – 81	210 – 270
QUARRY ARBORETUM	8	560	720	112 – 144	84 – 108	84 – 108	280 – 360
ESCONDIDO VILLAGE	40	700	900	140 – 180	105 – 135	105 – 135	350 – 450
TOTAL	54	1,680	2,160	336 – 432	252 – 324	252 – 324	840 – 1,080

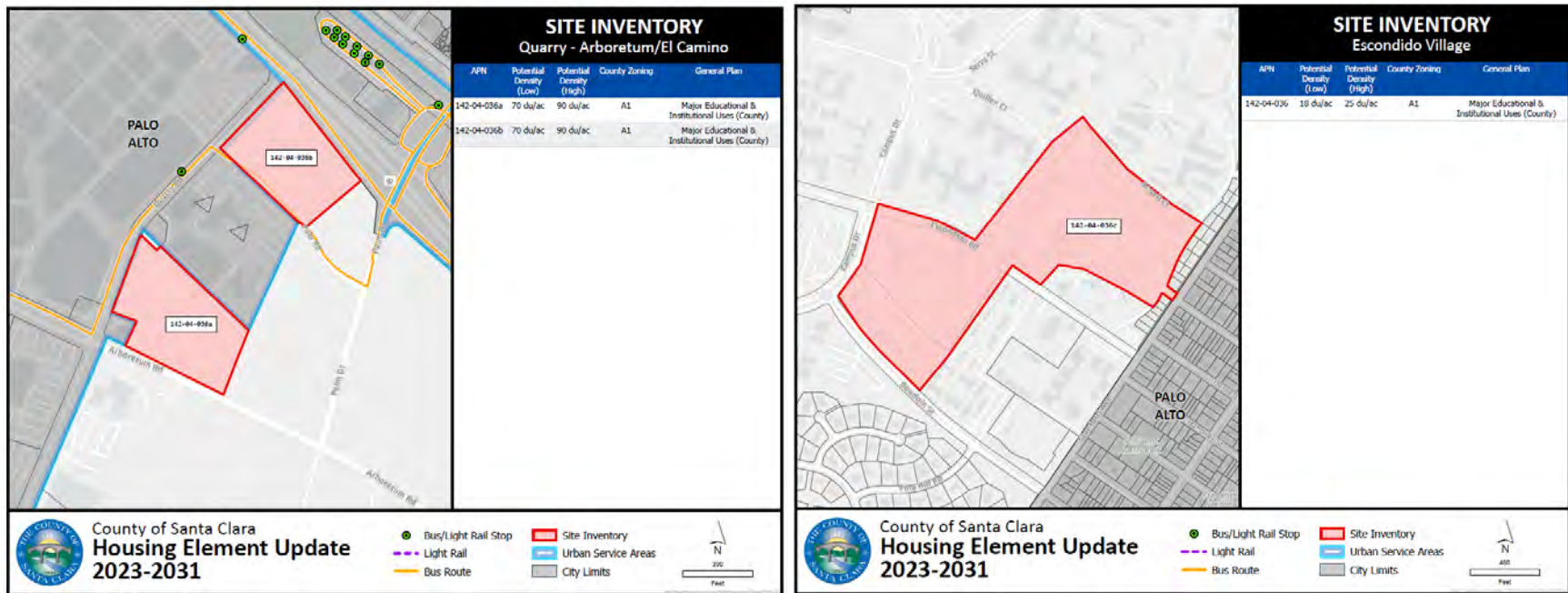


Figure 2.9: Housing Sites on Stanford Campus

All three sites will include faculty, staff, and/or graduate student housing. The Arboretum and El Camino Quarry sites are within walking distance of the Caltrain Palo Alto Station, the Town and Country Shopping Center, and the Stanford Shopping Center. The Escondido Village area is serviced by Stanford Marguerite Shuttle, which is synchronized with the Caltrain schedule. While housing sites at Stanford are intended to house Stanford students, staff, faculty, other workers and their families, the housing benefits all members of the community. Family members housed at Stanford include children who attend local schools and spouses who work outside of Stanford. By making this housing available, Stanford is reducing the demand for housing in nearby communities, thus making more housing available to all members of the community.

Through the SCP public outreach process, the issue of housing affordability was brought forth by staff and students. Based on the income levels of the Stanford population of faculty, staff, graduate students, and other workers, and the high income and high rental costs in the area, the County projects that the new housing provided by the University at these sites will primarily be affordable units. All 2,597 units built during the 2015-2022 cycle were reported as affordable to moderate-income households. As discussed further in section 3.02b, rents for 85% of graduate student housing spaces at Stanford have been found to be generally within a range affordable to low- or moderate-income households. The County therefore anticipates that no less than 50 percent of new units built at Stanford during the 2023-2031 planning period will be deemed affordable.

2.04c Urban Unincorporated Areas

As discussed above, to meet ABAG's RHNA target for unincorporated areas, the County is required to amend its General Plan policies, re-establishing the County's authority for planning in urban unincorporated pockets for the purposes of meeting housing demand.

Although there are urban unincorporated pockets that are intended for annexation into several different cities, most of them are associated with the City of San José. Approximately 78 percent of the population in all the urban unincorporated pockets in the county (not including Stanford) is attributable to areas within the USA of San José. The County has identified 21 sites, spanning roughly 142 acres within the City of San José's USA. These sites range from .09 to 114 acres and are spread across multiple unincorporated urban islands within San José. In total, these sites have a capacity range between 4,517 and 6,282 units. This capacity estimate is based generally on the land use designations for these sites under the City of San José' General Plan. The one exception is the Pleasant Hills site, which is a decommissioned golf course that does not have a land use designation for housing under the City General Plan. However, a developer application has been submitted to change the General Plan designation for this property and the San José City Council has recently taken action to remove a policy barrier for housing and mixed-use development on the site.¹²

The County has worked closely with the City to review all sites selected within the unincorporated pockets of San José and to verify with City staff that they are compatible for residential development at the densities proposed.

¹² On December 6, 2022, the City of San José City Council amended its Policy 5-1, "Transportation Analysis Policy." [More information is available at this link.](#)

Table 2.7 Housing Capacity on Sites within Unincorporated USAs of the City of San José

City Location	High Opportunity Area	Transit*	Sites	Acres	Unit Capacity		Affordable Units	
					Low	High	Low	High
Fruitdale / VMC	N	Y	2	5	300	500	300	500
Parkmoor/Burbank	N	Y	9	1.7	75	143	14	26
Hostetter Station	Y	Y	2	15.32	1,226	1,532	712	766
Alum Rock/ East Foothills	N	N	5	5.51	58	101	10	16
Cambrian Park	Y	Y	1	0.78	8	16	8	16
Pleasant Hills	N	N	2	114	2,850	3,990	855	1,197
Total	2	4	21	142	4,517	6,282	1,899	2,521

**Within one-half mile from a High-Capacity Transit stop/station*

The intention of the County is to ensure that these sites are ultimately annexed into the City and that they develop in alignment with the City’s long-term goals, in keeping with the longstanding goals of the County, its cities, and LAFCO.

The following tables and figures provide an overview of the urban unincorporated sites in the County’s site inventory by neighborhood.

Fruitdale/Santa Clara Valley Medical Center

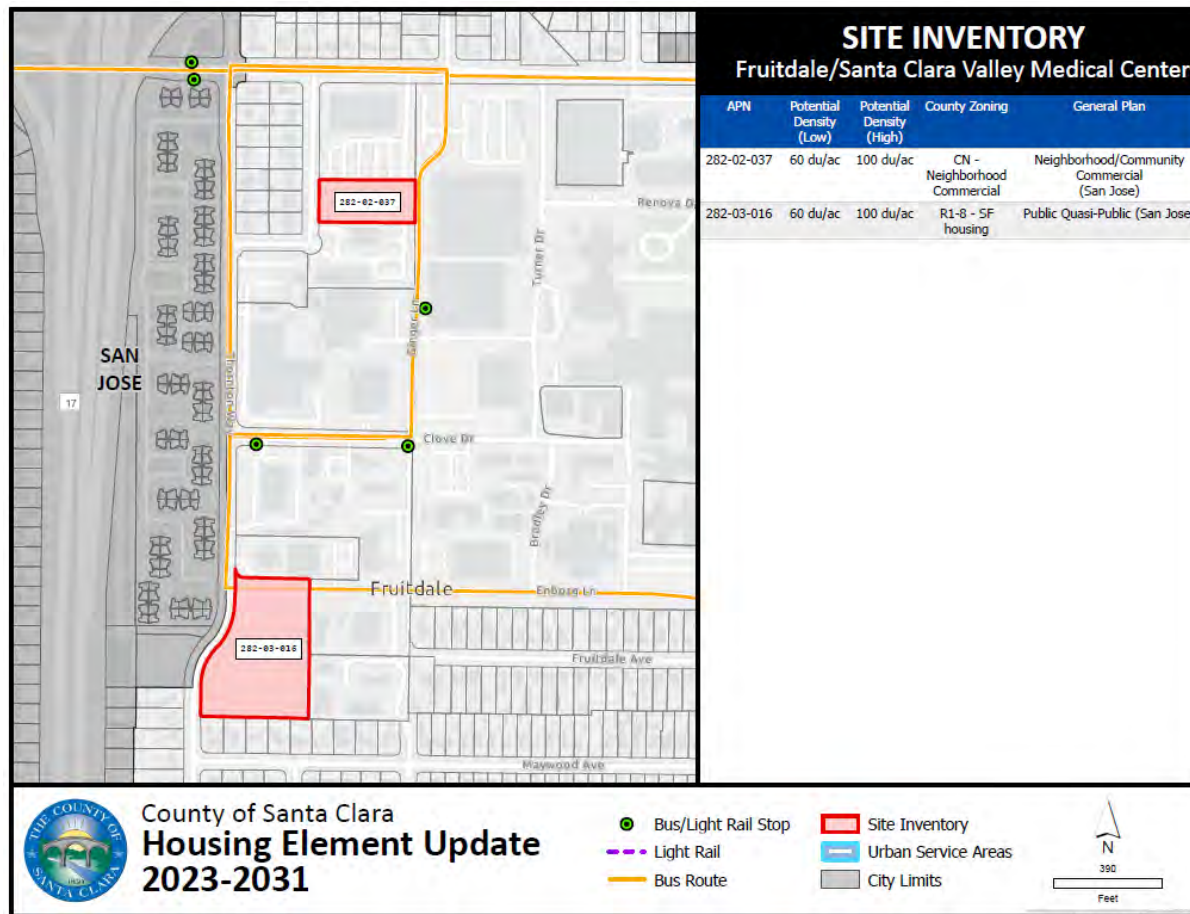
The Santa Clara Valley Medical Center (VMC) is a County-owned facility that covers over 70 acres in the Fruitdale neighborhood. The County has identified two sites adjacent to the VMC campus. First, in the southwest part of the facility, there is a 3.5-acre surface parking lot that abuts a residential neighborhood along Thornton Way.

Under the City’s General Plan, supportive housing is allowed under the current land use designation of *Public-Quasi-Public*. The second site near VMC, along Empey Way, is 1.5 acres in size and is also a surface parking lot. This site is classified under the City’s General Plan as *Neighborhood/Community Commercial*, which also allows for residential development. These sites are adjacent to the City’s *Bascom Urban Village Plan Area*, which plans for a high-density, mixed-use neighborhood.

With the proximity to the various medical facilities and high-capacity transit along Bascom Avenue, both sites are well-suited for the development of supportive housing projects. As these properties are owned by the County, the County will plan for developing projects on these sites to be entirely affordable.

Table 2.8: Fruitdale/ Santa Clara Valley Medical Center Sites

APN	SIZE (ACRES)	POTENTIAL DENSITY		POTENTIAL UNITS		EXISTING ZONING (COUNTY)	GENERAL PLAN (SAN JOSÉ)
		LOW	HIGH	LOW	HIGH		
282-03-016	3.5	60	100	210	350	R1-8 – SFR housing	Public Quasi-Public
282-02-037	1.5	60	100	90	150	CN – Neighborhood Commercial	Neighborhood/Community Commercial



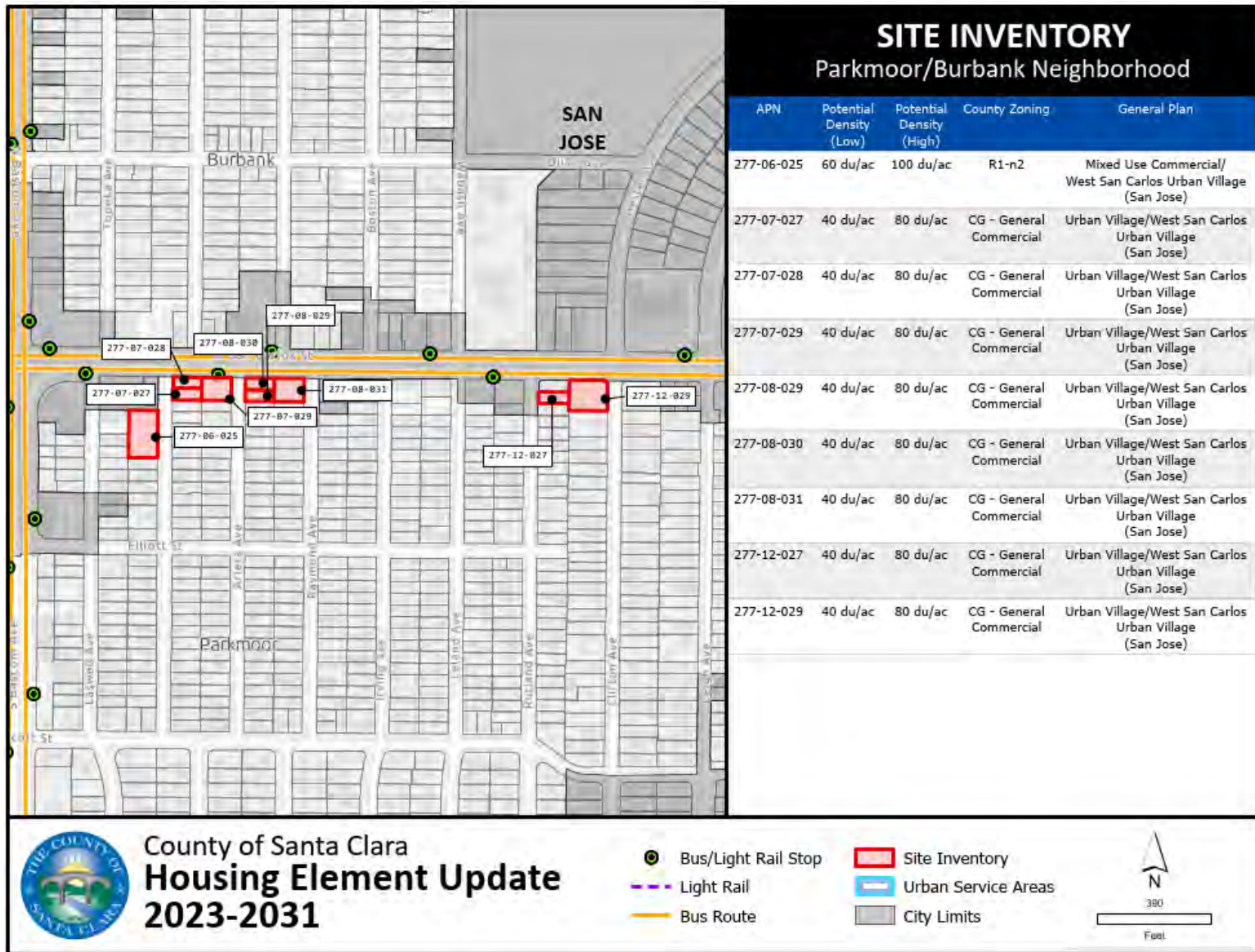


Figure 2.10: Housing Sites in Parkmoor, Burbank, and Fruitdale/VMC Neighborhoods

Parkmoor/Burbank Neighborhood

There are nine sites identified along West San Carlos Street that are within the City’s *West San Carlos Urban Village Plan Area*. These sites are relatively small (between 0.09 and 0.36 acres) and would likely be aggregated to create a larger project. However, they can also develop independently as small-scale multi-family projects and, using that approach, the County anticipates projects that would range from 4 to 36 units on the individual parcels. These parcels are currently developed with commercial uses (used car sales facility and

retail stores) as well as a parking lot (APN: 277-06-025), church (APN: 277-08-031), and one single family residence (APN: 277-08-029). The County Inclusionary Housing Ordinance will apply to these sites, requiring a minimum of 16 percent of the units to be affordable. In certain cases where 16 percent yields less than one unit of affordable housing, the projection has been rounded up to one unit. West San Carlos Street is a high-capacity transit corridor, therefore housing in this location will have a high level of connectivity to amenities and resources.

Table 2.9: Parkmoor/Burbank Neighborhood

APN	SIZE (ACRES)	POTENTIAL DENSITY		POTENTIAL UNITS		EXISTING ZONING (COUNTY)	GENERAL PLAN (SAN JOSÉ)
		LOW	HIGH	LOW	HIGH		
277-06-025	0.36	60	100	22	36	R1-n2	Mixed Use Commercial/ West San Carlos Urban Village
277-12-029	0.31	40	80	12	25	CG – General Commercial	Urban Village/ West San Carlos Urban Village
277-12-027	0.31	40	80	12	25	CG – General Commercial	Urban Village/ West San Carlos Urban Village
277-07-028	0.09	40	80	4	7	CG – General Commercial	Urban Village/ West San Carlos Urban Village
277-07-027	0.09	40	80	4	7	CG – General Commercial	Urban Village/ West San Carlos Urban Village
277-07-029	0.18	40	80	7	14	CG – General Commercial	Urban Village/ West San Carlos Urban Village
277-08-029	0.09	40	80	4	7	CG – General Commercial	Urban Village/ West San Carlos Urban Village
277-08-030	0.09	40	80	4	7	CG – General Commercial	Urban Village/ West San Carlos Urban Village
277-08-031	0.18	40	80	7	14	CG – General Commercial	Urban Village/ West San Carlos Urban Village

Hostetter Station

There are two sites adjacent to the Hostetter Light Rail Station in North San José. The larger 13-acre site is largely vacant with an existing single-family residence. The smaller 2.3-acre site is a VTA Park & Ride facility. These sites are ideal for housing development because they are within an HCD *High Opportunity Area* and adjacent to the light rail station. The County has connected with VTA and representatives of the property owners and both are amenable to the development of housing on these sites. VTA representatives were supportive of up to 100 percent affordable housing.

Under the San José General Plan, the sites are designated *Neighborhood/Community Commercial* and are also identified as an *Unplanned Urban Village* area. The allowable density under the City’s

General Plan can go up to 150 dwelling units per acre within an Urban Village area, with additional density bonuses provided to 100% affordable projects. These two sites were included in the City’s fourth cycle RHNA site inventory and had a projected density at that time of 45 dwelling units per acre, with a total capacity of 630 units.

The County is anticipating that a housing project on these sites would be developed at a minimum of 80 units per acre, given its location near a transit station and the prevailing densities for more recent housing projects in San José that are near transit stations. The County will work with VTA, the City, and the project proponent to support affordable housing on this site to the maximum extent feasible.

Table 2.10: Hostetter Station

APN	SIZE (ACRES)	POTENTIAL DENSITY		POTENTIAL UNITS		EXISTING ZONING (COUNTY)	GENERAL PLAN (SAN JOSÉ)
		LOW	HIGH	LOW	HIGH		
245-01-003	13	80	100	1040	1300	A- Agriculture	Neighborhood/Community Commercial. Unplanned Urban Village
245-01-004	2.3	80	100	186	232	A- Agriculture	Neighborhood/Community Commercial. Unplanned Urban Village

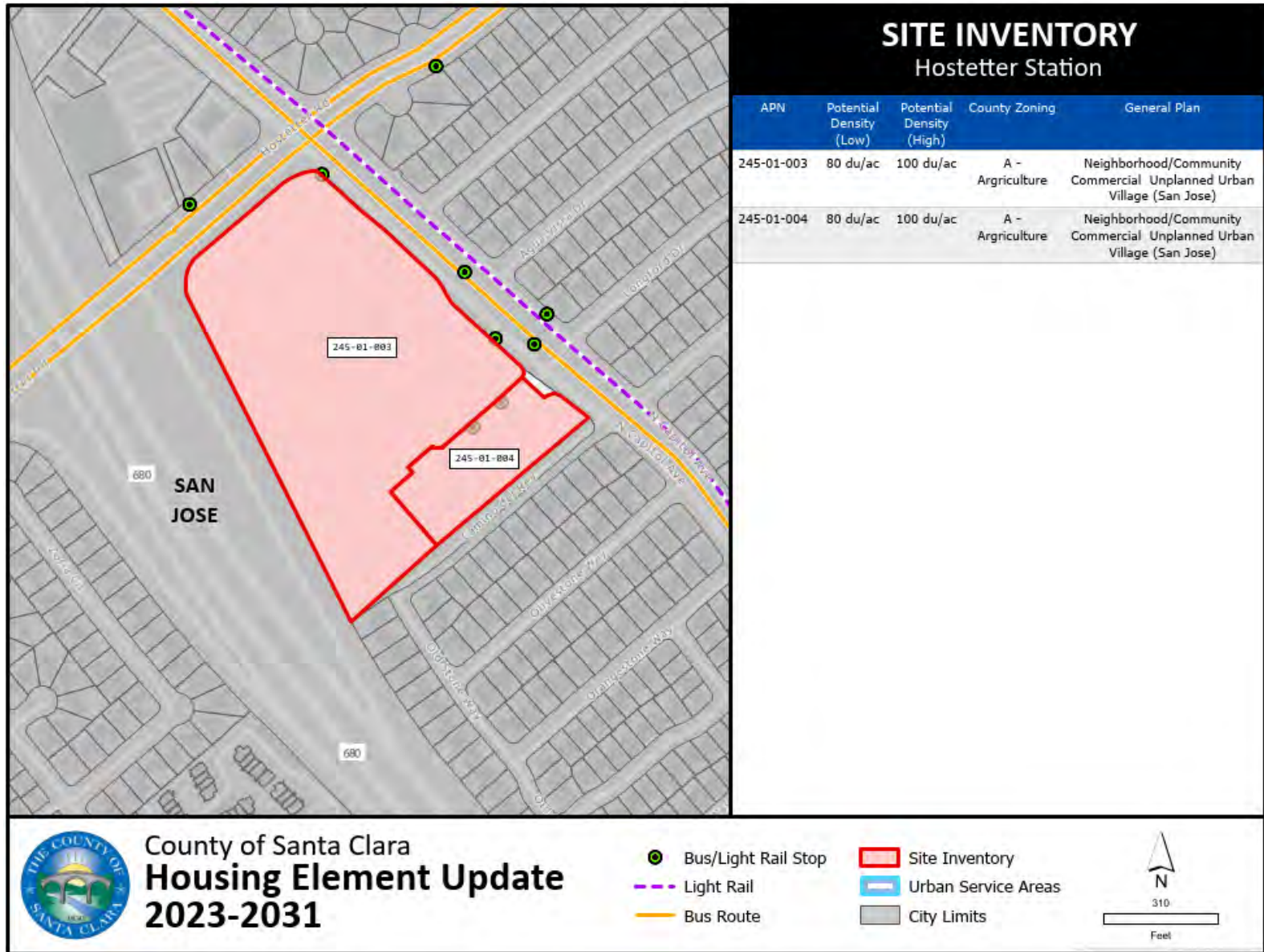


Figure 2.11: Housing Sites at Hostetter Station

Alum Rock / East Foothills Neighborhoods

The Alum Rock and East Foothills neighborhoods are established neighborhoods with few vacant parcels. They are currently developed with single family residences (APNs 599-39-047 & 601-07-066), shops and a restaurant (APN 599-01-064), an undeveloped lot (APN 612-21-004) and a church parking lot (APN 601-25-119). Three of the

five parcels identified are within commercially zoned areas in an Unplanned Urban Village under San José’s General Plan. These sites will be rezoned to accommodate multi-family housing with a density range between 40 to 80 units. The other two sites are within existing neighborhoods and their capacity reflects the density allowed under the current San José General Plan *Residential Neighborhood* designation

Table 2.11: Alum Rock / East Foothills Neighborhoods

APN	SIZE (ACRES)	POTENTIAL DENSITY		POTENTIAL UNITS		EXISTING ZONING (COUNTY)	GENERAL PLAN (SAN JOSÉ)
		LOW	HIGH	LOW	HIGH		
612-21-004	0.82	5	8	4	7	R1-6	Residential Neighborhood
599-39-047	0.56	40	80	22	45	CN – Neighborhood Commercial	Neighborhood/Community Commercial. Unplanned Urban Village
599-01-064	0.74	20	30	15	22	CN – Neighborhood Commercial	Neighborhood/Community Commercial. Unplanned Urban Village
601-25-119	1.9	5	8	10	15	R1-6	Residential Neighborhood
601-07-066	1.49	5	8	7	12	R1 – SF Housing	Residential Neighborhood

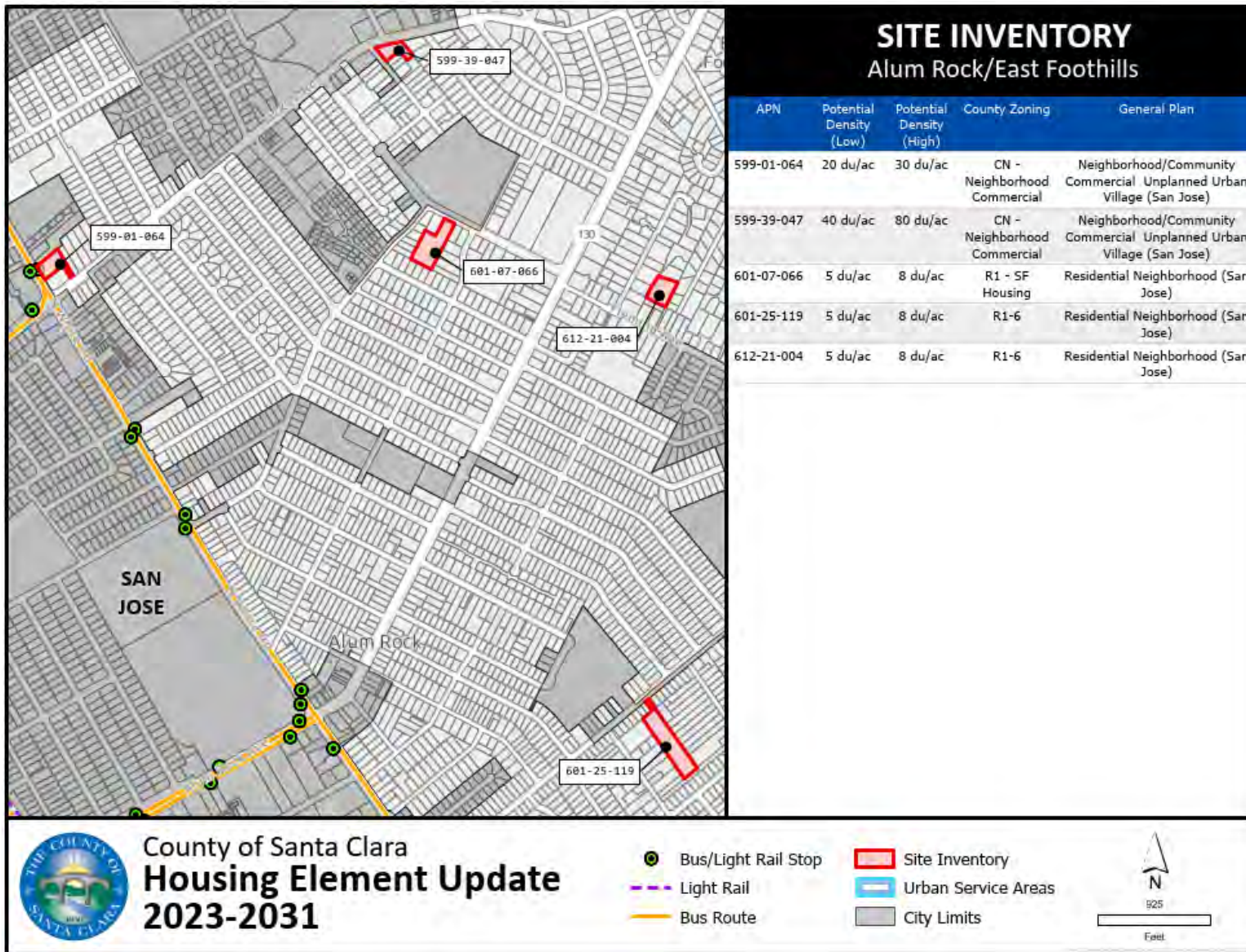


Figure 2.12 Housing Sites at Alum Rock/East Foothills

Cambrian Park Neighborhood

The single site within the Cambrian Park neighborhood is within a *High Opportunity Area*, therefore the County will seek to have a project on the site that is a hundred percent affordable. It is currently developed with a liquor store and cell phone repair shop.

Table 2.12: Cambrian Park Neighborhood

APN	Size (acres)	Potential Density		Potential Units		Existing Zoning (County)	General Plan (San José)
		Low	High	Low	High		
419-12-044	0.78	10	20	8	16	R1 – SF Housing	Neighborhood/Community Commercial. Unplanned Urban Village



Figure 2.12: Housing Site in Cambrian Park Neighborhood

Pleasant Hills Site

The 114-acre site of the decommissioned Pleasant Hills golf course promises to be one of the most significant sites for residential development within the unincorporated county during the 2023-2031 planning period. This site does not have a land use designation for housing under the City General Plan; however, a developer application has been submitted to change the General Plan designation for this property and on December 6, 2022, the San José City Council removed a policy barrier for housing and mixed-use development on the site.¹³ The County anticipates that the City will process the application to change the General Plan designation, pre-zone the property for high-density residential and mixed-use development, and then annex the property to process the development application under the City’s jurisdiction.

The site is not within a High Opportunity Area; however, it is adjacent to San José’s largest area of “Highest Resources” according to [HCD’s](#)

[Opportunity Map](#). The site is less than one mile from a major transit stop, placing it just outside of but very close to a Transit Priority Area. Moreover, development of the site, and the nearby Reid-Hillview Airport (proposed to be closed in 2031 and with the potential for high-density residential redevelopment), is likely to result in major changes to transit service in the immediate vicinity.

The current development proposal seeks a City General Plan amendment that would allow up to 3,970 housing units (approximately 35 units per acre) on the parcel, in addition to 785,000 square feet of retail and hotel space. The County believes that a lower density of 25 units per acre is more likely based on discussions with City staff. The developer’s proposal identifies the inclusion of affordable housing but does not specify any level or amount. Due to the significant and singular potential of this site, the County will work with the applicant and the City to support 30 percent of the new housing units being affordable.

Table 2.13: Pleasant Hills Site

APN	SIZE (ACRES)	POTENTIAL DENSITY		POTENTIAL UNITS		EXISTING ZONING (COUNTY)	GENERAL PLAN (SAN JOSÉ)
		LOW	HIGH	LOW	HIGH		
649-23-001	70.5	25	35	1,763	2,468	A- Agriculture	Private Recreation and Open Space
649-24-013	43.5	25	35	1,088	1,523	A- Agriculture	Private Recreation and Open Space

¹³ On December 6, 2022, the City of San José City Council amended its Policy 5-1, “Transportation Analysis Policy.” [More information is available at this link.](#)

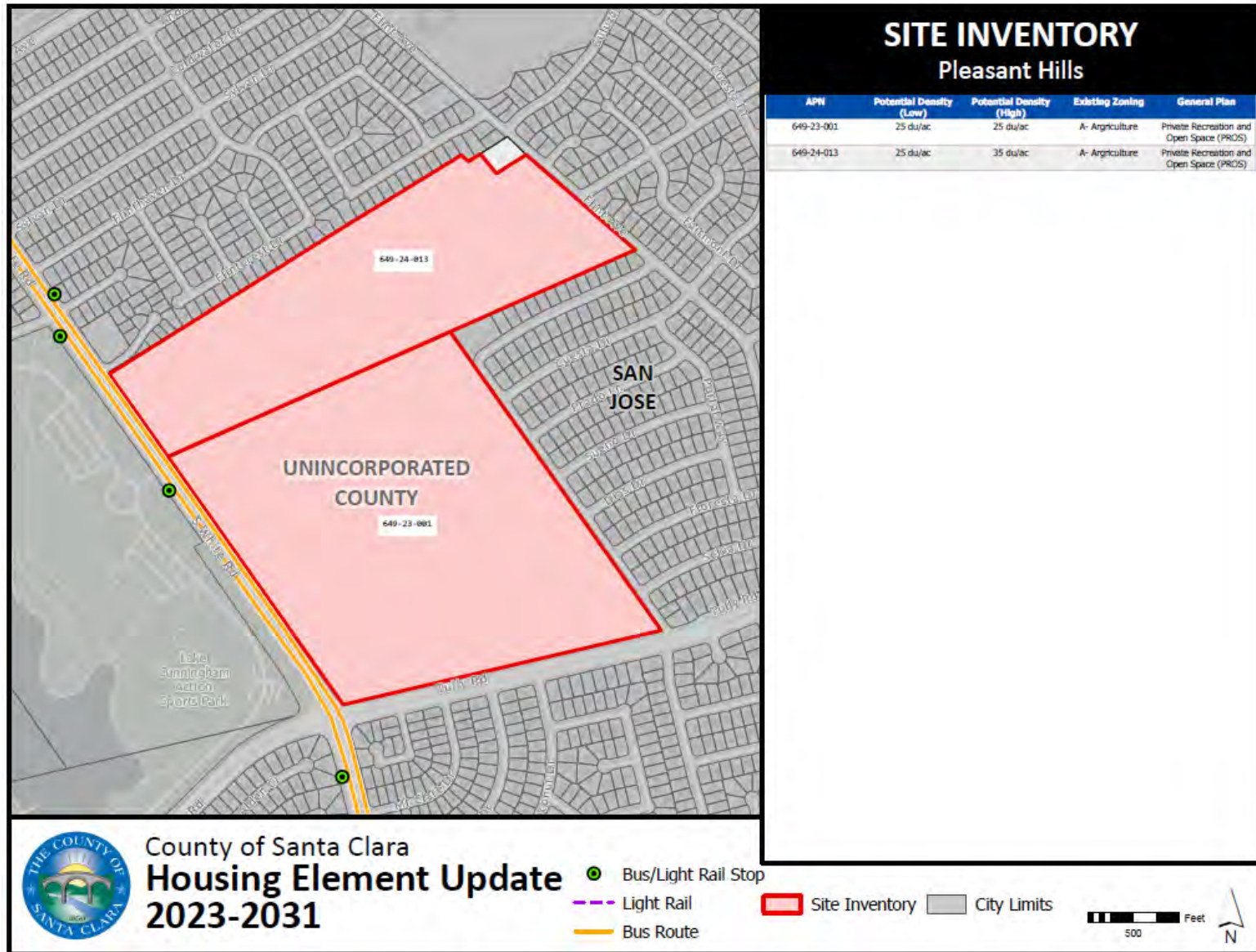


Figure 2.14: Pleasant Hills Site Inventory

During past RHNA and Housing Element update cycles, the County has not included unincorporated parcels within USAs because the County's General Plan has historically conferred to the cities long-range planning authority for these areas. As previously discussed, the County will be making amendments to its General Plan to re-establish the County's authority to plan for housing in the unincorporated urban pockets. The County has identified this as a policy update in Chapter 3 (Strategy 1, Policy HG1-7). However, the County remains committed to the existing General Plan goals that these areas be annexed by their respective cities and that high-density urban residential development applications be processed by the cities, rather than the County, for alignment and compatibility with the immediately surrounding areas. The County will also work closely with the City of San José to support annexation of these parcels when housing development projects occur.

Projected ADU Development

As explained in section 3.02c, after recent Zoning Ordinance changes the County has seen an increase in ADU permit applications and issuance. Therefore, the County is conservatively anticipating 46 ADU permits per year over the 2023-2031 period, which is reflective of the average annual rate from 2018 through 2022. This rate would yield a total of 368 dwelling units over the eight-year planning period.

The County does not plan to require any deed-restricted affordable housing requirements for ADUs; however, it does anticipate that approximately a quarter of these units would likely be moderate-income units based upon prevailing rents across different parts of the County.

Probable Housing Development

The purpose of this section is to identify the probable development expected to occur over the planning period of the 2023 Update,

which ends in 2031. The analysis here is distinct from the previous capacity analysis, which indicates the feasible potential for housing development without focusing on what is most likely to occur.

There are many reasons to believe that the sites identified in this Housing Element—particularly the largest sites—will successfully be developed during the planning period. First, the County has been working with Stanford University on its near-term plans to provide on-campus housing for students, faculty, staff, and other workers. The University has confirmed its desire to build on the three sites identified in this Housing Element and anticipates realizing the density and number of units identified in the above capacity analysis.

Second, the County has spoken with owner representatives for the sites near Hostetter Station, who confirmed the desire to develop high-density housing on the site and that it would likely be available for such development within the next eight years.

And third, the owners of the Pleasant Hills site are seeking to sell the property to a developer. As described under the capacity analysis above, a development proposal has been submitted and the City of San José has affirmatively taken steps toward making the site developable for housing. Due to these recent developments, County and City staff believe that the development of Pleasant Hills is highly likely within the next eight years.

While the other smaller parcels identified within the City of San José USA may also develop, they are not included in the probability analysis as the County has not received any direct feedback or confirmation from the owners of these parcels.

In addition to the sites identified in the Site Inventory (Appendix A), the probable housing development analysis relies upon historical development trends to determine development potential, rather than merely counting vacant parcels. This is especially important for the

rural unincorporated areas, where there are significant environmental constraints to developing on certain parcels. Based on trends in recent development activity, the County anticipates approving roughly 46 ADUs per year and 40 single-family homes per year, on average, during the sixth cycle. Table 24 provides the probable number of units that are likely to be issued a building permit between 2023 and 2031, with the following assumptions:

- The Fruitdale sites are located on County-owned property utilized for the Santa Clara Valley Medical Center. Preliminary internal discussions have indicated that two areas of the campus are likely candidates for development during the sixth cycle, at 100% affordable.
- Stanford Campus housing, when constructed, provides housing that is generally affordable across income levels.
- Pleasant Hills Golf Course has area to supply affordable housing, with access to services and amenities, above and beyond the

City's 15% inclusionary requirements and the County's 16% inclusionary requirements. Double the inclusionary requirements for affordability is manageable and appropriate. The County could work with the City and a developer to exceed 30% of the units being affordable for moderate- and below moderate-income households.

- Hostetter Station sites include a VTA-owned parcel and a privately owned parcel. The VTA has confirmed its support of 100% affordable housing on its parcel, and the County has conservatively applied a reasonable affordable number of units on the privately owned parcel.

2.04d Summary of Quantified Objectives

Table 25 estimates the number of units that are projected to be constructed or rehabilitated during the 2023-2031 planning period, as well as the conservation of existing affordable housing stock.

Table 2.14: Total Probable Units in Unincorporated County 2023-2031

UNIT TYPE	VERY LOW	LOW	MODERATE	ABOVE MODERATE	TOTAL UNITS
Single Family Dwellings (40 units/year)	-	-	-	360	360
ADUs (46 units/year)	-	-	92	276	368
Fruitdale / Santa Clara Valley Medical Center	186	69	45	0	300
Stanford Campus	336	252	252	840	1,680
Pleasant Hills	128	128	599	1,995	2,850
Hostetter Station Site	325	188	200	514	1,227
Total Probable 2023-2031	975	637	1,186	3,939	6,737

Table 2.15: Quantified Objectives Per Income Group

HOUSING PROGRAM	QUANTIFIED OBJECTIVES PER INCOME GROUP					TOTALS
	EXTREMELY LOW	VERY LOW	LOW	MODERATE	ABOVE MODERATE	
New Construction	975		568	1,143	3,985	6,485
Rehabilitation	50					50
Conservation & Preservation	0					0

2.04e Zoning for a Variety of Housing Types

Table 2.16 sets forth how the County’s zoning districts accommodate a variety of housing types described in State law.

Table 2.16: Zoning for a Variety of Housing Types

HOUSING TYPE	USE CLASSIFICATION	ZONING DISTRICTS	PERMIT REQUIREMENTS
Multi-family rental housing	Residences – Multi-family	R1S, R3, R3S, CN, CG, OA, A1	UP, ASA, UP/ASA for mixed use projects
Agricultural employee (temporary, small-scale permanent, large-scale permanent, seasonal)	Ag-Employee Housing	A, AR, HS, RR	SP, with time limits, 4.10.040 Suppl. Use Regs. C for temporary, small-scale permanent in A & RR
Group quarters up to 36 beds	Ag-Employee Housing – Long Term (Large-Scale permanent)	A, AR, HS, RR, A1 in rural areas	SP A1 with UP
Single-family/HH units up to 12 units	Ag-Employee Housing – Long Term (Large-Scale permanent)	A, AR, HS, RR, A1 in rural areas	SP A1 with UP
Emergency shelters	Emergency Shelters Small-Scale Large-Scale	Small-Scale (RR-R3-CN-CG-OA-ML-MH-A1-Rs) Large-Scale (RR-R3-CN-CG-OA-ML-MH- A1)	Small-Scale By right, or ASA in applicable urban zoning districts Large-Scale with UP
Transitional and supportive housing in structures designed for families and households of six or fewer people	Residential: Single Family, Two Family, Multi-Family	All Urban zones and All Rural zones-CN-CG-OA-A1-RS (single-family dwellings) -R1S-R3S-R2, R3- CN-CG-OA-A1 (duplexes) -R1S-R3S-R3- CN-CG-OA -A1(apartments)	By Right for structures designed as single-family dwellings, otherwise with ASA Single family in R3S with ASA CN-CG-OA- with UP Single family in RS with UP

Transitional and supportive housing in structures designed with communal dining and living facilities	Residential Communal Institutional	All Urban zones except R1S & R3S, All Rural zones, A1.	UP
Single-room occupancy	Rooming Houses, Fraternities & Sororities	R1, R1E, R2, R3, A1, R1S, R3S	UP, except ASA in R3
Mobile homes / Factory-built housing	Residences –Single Family	All zones	By right
Movable Tiny Homes	Accessory Dwelling Unit	All Urban zones All Rural zones CN-CG-OA A1-RS	C
Accessory Dwelling Units (including Junior Accessory Dwelling Units)	Accessory Dwelling Units	All Urban zones All Rural zones CN-CG-OA A1-RS	By right
Urban Primary Unit	Single-Family Residential	All zones	By right

Note: Permit Type abbreviations are C = Planning Clearance, SP = Special Permit, UP = Use Permit, ASA = Architecture and Site Approval.

The following sections elaborate on each of the housing types specified in the first column of Table 2.16.

2.04f Multi-Family Rental Housing

Multi-family rental housing is not differentiated from any other type of multi-family uses or occupancies under the Zoning Ordinance. Multi-family residences are allowed in R1S, R3S, and R3 zones with an Architecture and Site Approval permit.

2.04g Agricultural Employee Housing

Agricultural employee housing use classifications of the Zoning Ordinance define three subcategories of use – *small-scale permanent*, *large-scale permanent*, and *seasonal*. Seasonal housing can be in the form of movable tiny homes, which are on the property temporarily. Small-scale and large-scale permanent housing may be either in the form of a site-built single-family dwelling, duplex, multi-family dwelling, group quarters, mobile and/or manufactured homes.

The Zoning Ordinance also allows for *Temporary Agricultural Residences* in the rural base zoning districts, which can be a recreational vehicle or movable tiny home that provides temporary housing to a person engaged in an on-site agricultural operation. The County’s special zoning classifications and procedures for agricultural employee housing are in addition to applicable state statutes.

The California Employee Housing Act (Health and Safety [H&S] Code 1700 et seq.) generally requires employee housing for occupancy by six or fewer employees to be permitted by-right, without a conditional use permit, in single-family zones. Section 17021.5 requires such employee housing to be permitted by right. This requirement is satisfied by section 2.10.030 of the County’s Zoning Ordinance, which specifically states that the definition of residence (which are permitted by right) includes “Employee housing that

provides exclusive accommodation for six (6) or fewer employees, pursuant to California Health and Safety Code Section 17021.5.”

2.04h Emergency Shelters

An emergency shelter is a place for homeless people to live temporarily. Most emergency shelters provide shelter for a specific time-period e.g., 90 days after which the individual or family is expected to vacate it. Short-term shelter is needed to meet the needs of homeless persons lacking shelter due to a variety of reasons, including family violence, crime, fire, condemnation, or eviction.

The County’s response to homelessness is led by OSH, which manages programs ranging from preventative measures, such as rental assistance and assistance to first-time home buyers, emergency, transitional, and supportive housing, and connection to training and services. OSH leverages funds from HUD as well as local funds (namely the 2016 “Measure A” Affordable Housing Bond). The County uses the Santa Clara County Community Plan to End Homelessness 2020-2025 (an extension of the Community Plan to End Homelessness in Santa Clara County 2015-2020) as its guide which amongst other things calls for the doubling of the number of shelter beds across the County.

2.04i Transitional Housing

Transitional housing is temporary, supportive housing for people. Transitional housing is generally provided for a limited period –from 2 weeks to 24 months.

2.04j Supportive Housing

Supportive Housing is an effective strategy that combines affordable housing with intensive coordination services to help previously unhoused individuals find and retain housing. The Santa Clara County Supportive Housing System includes two primary housing

interventions that fall within the umbrella of Supportive Housing: permanent supportive housing and rapid rehousing.

Permanent Supportive Housing program provides permanent housing and supportive services to chronically homeless individuals and families. The target population for permanent supportive housing program are chronically homeless individuals with a disability. The program focuses on the population that has high acuity and high costs. The program provides rental subsidy, intensive case management and health care (including behavioral health) to the program participants. There is usually no time limit for the program. PSH has been seen to have a high impact on housing stability. Nationally 84% of program participants have been observed to retain housing for at least a year. Locally our housing retention system goal is 95%.

Rapid rehousing is an intervention that has been seen to be a successful model in addressing the issue of homelessness in different parts of the country. There are three core-components of rapid rehousing: 1) Housing identification; 2) move-in and rent assistance; and 3) rapid rehousing case management and services. The clients are provided shallow or declining rent subsidy, other temporary financial assistance and time-limited case management. It has been observed that rapid rehousing helps individuals and families to quickly exit homelessness, return to housing in the community, and not become homeless again in the near future.

2.04k Single-Room Occupancy

Single-room occupancy (SRO) housing is expressly defined in the Zoning Ordinance as a subset of the Rooming Houses, Fraternities, & Sororities use classification, where SROs are characterized by facilities that feature individually secured rooms and are individually rented to a one or two-person household. SROs do not typically involve on-site services. Single-room occupancies are allowed with a Use Permit in

A1, R1, R1E, and R2 zones, and with architecture and site approval in R3 zones.

2.04I Mobile homes and Factory-Built Housing

Mobile homes and factory-built housing are recognized as a building form that is allowable for any manner of housing for single-family homes, ADUs, SB 9 urban primary unit, and agricultural employee housing, and they are permitted forms of housing wherever dwelling units are permitted.

2.04m Accessory Dwelling Units

Accessory Dwelling Units are defined under the use classification “Accessory Dwelling Units” in the County’s Zoning Ordinance. The use classification is based on the applicable provisions of state law and differentiates them from primary dwellings, agricultural employee housing, caretaker’s residences, and all other forms of residential use. They are allowed by right in all zones where primary residential dwellings are allowed.

2.05 Opportunities for Energy Conservation

This section describes opportunities for energy conservation in the areas of Planning and Land Use, Energy Conservation Incentives, and Green Building and Energy Efficiency Standards.

2.05a Planning and Land Use

The joint urban development policies of the cities, County, and [LAFCO](#) recognize the benefits of energy conservation in promoting sound urban growth management policies. The cities are responsible for planning for and accommodating urban growth and development. The County’s role has been and continues to be that of supporting the cities in such efforts by not acting as a promoter of

urban sprawl and by restricting land use and development outside urban areas and Urban Service Areas (USAs) to rural, open space, and agricultural uses. These policies have been in effect since the early 1970s and they continue to serve the County and larger region well by using energy efficiently and minimizing carbon emissions. To integrate sustainability as a core function within County operations and to coordinate and support cross-departmental efforts, the Board of Supervisors adopted the [Sustainability Master Plan](#) in January of 2021.

County policies strongly support increasing the proximity of housing to jobs by promoting infill development or “compact” urban development as urban areas redevelop. Accordingly, there has been relatively little need for urban expansion into unincorporated areas of the County to accommodate population and housing growth. These County policies both advance energy conservation and are consistent with the goals of SB 375, which are to coordinate land use, transportation, and housing policy and planning in pursuit of development patterns that emit fewer greenhouse gases than has been the pattern in the past.

County General Plan policies also promote making more efficient use of existing urban areas. As with many metropolitan areas that experienced significant growth after 1950, Santa Clara County contains underutilized lands, parking lots, and other properties within the core of existing urban areas. These areas, particularly those that can support and utilize transit, should be redeveloped for residential or mixed-use to the most appropriate and efficient densities possible.

Among the variety of programs or specific land use policies that contribute to energy conservation, the County supports and encourages the surrounding cities in the following ways:

- Transit-oriented land use and densities (e.g., San José has transit corridor and urban core minimum density policies, as opposed to maximum density limits). The Valley Transportation Authority (VTA) is currently working to utilize [Senate Bill 791](#) by developing surplus agency-owned land into housing.
- Streetscape and similar policies of the County, cities, and the VTA, illustrate how major arteries and thoroughfares can be retrofitted, redesigned, and planned to promote shared access for bus ways, bicycling, multi-level mixed uses, and pedestrian improvements. A successful instance of multi-jurisdictional collaboration in this regard has been the [Grand Boulevard Initiative](#), an effort to revitalize the El Camino Real corridor.

2.05b Conservation Incentives for the Building Industry and Residents

Through the General Plan and other publications, the County promotes broader public understanding of the importance of conservation on a variety of subjects, such as natural resources, trees, land, energy, and open space. Energy saving incentives are primarily the domain of the utility companies, such as PG&E, which provides a significant rebate program for energy efficient appliances, insulation, and related activities.

The County offers incentives for energy efficiency through the [Bay Area Regional Energy Network](#) (BayREN) program to provide local energy efficiency and electrification resources for homeowners, renters, multifamily property owners, businesses, and jurisdictions in the county. Since its inception in 2013, the program has accelerated the County's transition to carbon neutrality, upgraded over 3,000 single and multifamily homes, and paid over \$2.7 million in rebates to residents and property owners.

Energy conservation in the building industry has widened its focus from simply retrofitting to green construction. The County promotes

energy efficiency improvements in older housing stock through the housing rehabilitation and financial assistance programs it provides to support lower income housing— but the area where the County is making greatest strides is in mandatory green building standards because it can directly affect building standards through its own codes and ordinances.

2.05c Promoting Green Building and Greater Efficiency Standards

The County began efforts to promote green building over fifteen years ago, culminating with the adoption of significant new requirements for green building in single-family residential construction in 2008. Those new standards became mandatory for new single-family residences and major renovations (“rebuids”) in 2009. Since September of 2015, the County now follows the green building requirements for multi-family residential and non-residential buildings, as set forth in the California Green Building Standards Code (CalGreen) standards.

In addition to its Building Ordinance requirements, the County promotes green building information through handouts, displays, and its websites. The County's green building requirements include:

- Standards for use of passive solar heating, extended overhangs where consistent with building codes and zoning setbacks, and similar practices;
 - Use of tree planting and conservation through landscaping plans to assist in energy conservation;
 - Use of solar photovoltaic;
 - Efficient building framing design to reduce waste and incorporate framing concepts with other efficiency standards and methods;
 - Recycling of construction waste;

- Water use reduction;
- Use of renewable materials;
- Efficient appliances, heating/ventilation/AC, and lighting standards;
- Materials such as paints, adhesives, and finishes that improve indoor air quality, reduce hydrocarbon emissions, and improve the health of occupants.

In 2021, the County adopted all electric Reach Codes, requiring new buildings in unincorporated areas to use electricity (not natural gas) for water heating, space heating, cooking, clothes drying, indoor and outdoor fireplaces, and decorative appliances. The Reach Codes also require infrastructure for charging electric vehicles. These regulations go further than State requirements related to climate change. Within unincorporated areas, 43% of total GHG emissions are attributed to commercial and residential natural gas use and these requirements will ensure that no new emissions from natural gas use in new buildings are added to the atmosphere. This ordinance will also improve indoor air quality and safety, reduce new building construction costs, and help transition the County's building stock to the State's planned phase-out of natural gas infrastructure.

Enhanced energy conservation standards are not limited to green building. To increase native plant landscapes and prioritize water efficiency, the County of Santa Clara has implemented the state Model Water-Efficient Landscape Ordinance (MWELo) standards through a locally adopted [ordinance](#). This policy prioritizes a holistic approach to the design, construction, and maintenance of landscaping to integrate with the local ecology and protect the watersheds. MWELo emphasizes the natural functions of the landscape to promote resiliency. The County's MWELo applies to residential development, which includes any landscaping over 500 square feet in area or earthwork subject to a Grading Permit.

Additional information regarding green building requirements is provided in section 2.06k, describing governmental factors and constraints to housing. Green building requirements add an increment of cost in terms of design, consulting services, material choices, and equipment. The long-term advantages significantly outweigh costs over the life of a building and help to reduce the County's carbon footprint.

2.06 Governmental Factors Influencing Housing

2.06a Introduction and Overview

State law requires that the Housing Element contain an analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. This analysis is also required to discuss local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Government Code Section 65585. For the purposes of this discussion, 'land use control' is a term used to refer to any policy, regulation, or similar exercise of local land use authority.

The primary purpose of including a discussion of potential or actual governmental constraints in the Housing Element is to provide a means for identifying regulations and procedures that may unduly restrict housing potential within the jurisdiction. Such analysis helps to assess ways the jurisdiction may facilitate housing development and improve supply. The purpose is not to place housing needs above all other matters of public policy concerns but rather to

balance those with other concerns including public health and safety issues, conservation, and open space.

2.06b Land Use Controls

Land use controls include the General Plan and its control over residential densities, the Zoning Ordinance, the County's Subdivision Ordinance, County regulation of building sites, and specific development standards, such as parking requirements and height limits, any growth control measures employed, policies and regulations regarding accessory dwelling units, junior accessory dwelling units, SB 9 (2021) 'urban primary units,' and density bonuses. Discussion of specific standards is found in Section 2.06f, after an overview of the principal land use control mechanisms adopted by the County regarding residential development.

2.06c Santa Clara County General Plan: Charting a Course for Santa Clara County's Future, 1995-2010

The General Plan governs unincorporated residential land use and development potential in a variety of ways. The fundamental policies that most affect residential land use are:

- The countywide growth management policies shared by the County, cities, and LAFCO, also referred to as the "joint urban development policies," and
- The Land Use Plan and policies also referred to as the "Land Use Element."

The joint urban development policies stipulate that urban types and densities of development for all land use categories should be located within cities or their USAs. Outside of the USAs of the 15 cities within the county, these policies stipulate that the County will allow only non-urban land uses and densities of development, such as agriculture, low-density residential, and open space uses. The goal is to direct new urban development in existing urban areas, preserve

rural character, maintain and enhance agriculture, conserve open space and natural resources, minimize exposure to extreme natural hazards, and limit demand for new public services and infrastructure. These policies have been mutually agreed upon and implemented by the cities, County, and LAFCO since the early 1970s and are the fundamental growth management strategies guiding long-term land use for the urban areas and the rural unincorporated areas outside the USAs.

These policies are also consistent with SB 375, passed in 2008, and its Bay Area implementation, the *Sustainable Communities Strategy*, adopted by the MTC and ABAG in June 2013. These are also broadly consistent with *Plan Bay Area 2050*, the long-range Strategic Plan for the region.

For urban unincorporated areas, inside cities' USAs, the County's General Plan policies promote eventual annexation of such unincorporated urban pockets. The General Plan also requires new unincorporated development in USAs to conform to the General Plan of each respective city, conferring to the city authority for allowable uses and densities of development to determine the appropriate level of residential use within USAs. For example, where a city's General Plan land use element allows high-density, multi-family housing on an unincorporated urban parcel, the parcel may be annexed and redeveloped to meet the city's General Plan intention, through the necessary city approval processes.

The following are case studies that demonstrate implementation of agreements and policies between the County and the Cities that facilitate annexation and appropriate development of urban unincorporated areas.

Case 1: Communications Hill

Planning for the urban island of Communications Hill, the City Council of the City of San José adopted the Communications Hill Specific Plan in April 1992. The Specific Plan permits up to 4,000 dwelling units, primarily at a minimum density of 24 units per acre. The City of San José’s Housing Element for 2007-2014 credits the site as having a total capacity of 5,421 housing units, of which over 2,500 have already been constructed. About one-third of the site’s original 500+ acres have already been annexed and developed. The majority of the remaining 335 acres of the site is vacant and unincorporated. The City of San José’s 2040 General Plan made no changes to the Communications Hill Specific Plan.

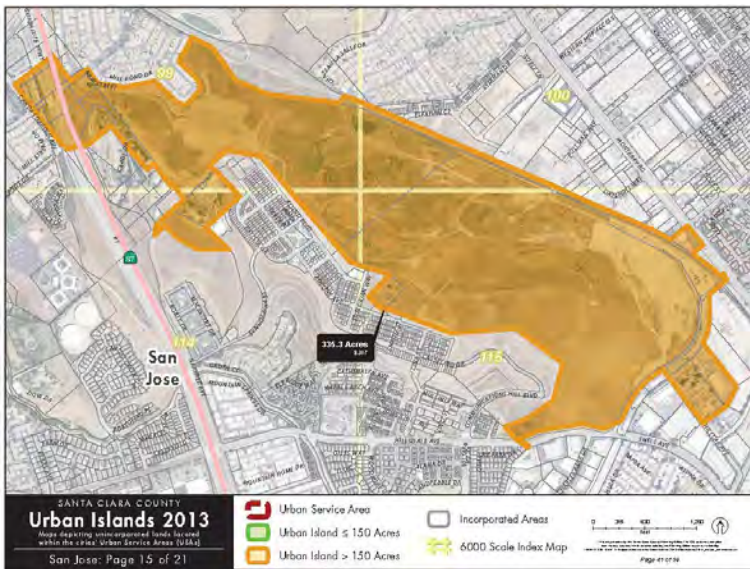


Figure 2.13: Urban Islands – Communications Hill

Case 2: Cambrian Park

The Cambrian Park Plaza project is within the unincorporated urban island of Cambrian Park in south San José. The project area covers just over 18 acres and is a mixed-use project planned for over 500 residential units that include senior and assisted living. It also has over 4 acres of open space and over 50,000 square feet of retail planned. The City of San José has filed for annexation of the project area, which was approved by the City Council in September 2022.



Figure 2.14: Urban Islands – Cambrian Park

As illustrated by the above two case studies, the County’s policies and procedures help facilitate annexation and appropriate development of urban unincorporated areas. This is accomplished by requiring new development to conform to city general plans, mandating referrals to the city to enable annexation prior to any

significant development. In the case of whole urban island annexations, subsidizing mapping and state filing fees are other incentives. In these ways, the County makes it possible for such sites to be developed to their greatest potential, involving only one jurisdiction, and in ways that consider and complement the development patterns and land uses of the surrounding area already located within city limits.

The lands outside the cities' USAs include the mountainous areas of the Diablo and Santa Cruz Mountain ranges, the agricultural lands of the south valley surrounding Morgan Hill and Gilroy, and the rural residential community of San Martin, located between Morgan Hill and Gilroy in the South County. To maintain rural densities of residential development and effectuate the goals and policies of other General Plan elements, the "Hillside," "Ranchlands," "Agriculture," and "Open Space Reserve" land use designations require a minimum lot size of at least 20 acres per dwelling unit for purposes of subdivision and lot line adjustments. "Rural Residential" allows densities of between 5-20 acres per dwelling, depending on average slope. These minimum lot sizes govern the creation of new parcels by means of subdivision and the adjustment of parcels by means of lot line adjustments.

The Stanford Community Plan (SCP) is an area plan adopted as part of the County General Plan. The SCP and the Stanford 2000 General Use Permit (2000 GUP) guide future use and development of Stanford lands in a manner that incorporates key County General Plan principles. Through the SCP and 2000 GUP, housing development is linked with academic land use (refer to Section 2.06u). The SCP is being updated to address the changing needs of the residents and workers on campus and the residential capacity on campus is being updated to include the following:

- Minimum residential density on Academic Campus (High-density housing for faculty, staff, and students) has been increased from 15 dwelling units per acre to 30 dwelling units per acres.
- At least 50% of the housing planned on the identified sites is anticipated to be affordable housing.

Constraints Analysis

The fundamental policies of the General Plan governing rural land use and densities do not unduly constrain residential development in rural unincorporated areas. Most new residential development in rural areas occurs on existing lots of record, not on lots created by subdivision under the current County Land Use Element.

Furthermore, the County's policies and its Zoning Ordinance do not preclude residential development of substandard lots (those less than the minimum allowed lot sizes under current zoning) solely based on being substandard. The low densities of development prescribed for rural areas are based on the prevalence of numerous physical development constraints throughout the rural areas, such as high fire hazard, seismic and geologic factors, significant slopes, and accessibility limitations. These areas are also important for purposes of habitat preservation, water supply reservoir protection, water quality, scenic resources, significant flood zones, and agricultural land uses. The densities prescribed by the General Plan are intended to accomplish a variety of related conservation goals and objectives.

The County's fundamental growth management policies rely on the Cities to develop a plan for annexation of the unincorporated urban islands and plan for residential development within those islands on sites suitable for housing. This policy has been effective in the past, as described in the above case studies. However, the County's reliance on the Cities to annex and plan for housing in the unincorporated urban islands leaves the County constrained in its

ability to plan for housing when a city does not have a plan for annexation in place.

Implementation Measure

The County will be amending its General Plan policies and strategies (County General Plan Book B, Part 4 Urban Unincorporated Area Issues & Policies. Strategy No. 2: *Ensure Conformity of Development with Cities' General Plans*) to allow the County to plan for housing in the unincorporated urban islands during each RHNA cycle (See policy HG1-8 in Chapter 3 and Program 2.02 in Chapter 4).

2.06d Santa Clara County Zoning Ordinance

The Zoning Ordinance was updated through a comprehensive reorganization and evaluation of its regulations in 2003. No substantive changes were involved with the Zoning Ordinance Revision project that affected residential minimum lot sizes, development standards, or process and permit requirements.

The Zoning Ordinance controls residential development potential primarily through the individual zoning districts, minimum lot size standards, and use regulations defining types of residential development allowed. One set of zoning districts is applied to lands inside USAs, including the Urban Residential Base Districts, and another set of districts is applied to lands outside USAs, including the Rural Base Districts.

Urban Residential Base Districts

Within USAs, the primary residential zoning districts are the R1, R1E, R2, and R3 districts. R1 and R1E are single-family districts. R2 is the Two-Family Residence district, which allows duplexes and single-family homes. R3 is Multi-Family Residential, allowing apartments and other forms of multi-family dwellings, as well as single-family and duplex units. RHS is the Urban Hillside Residential zone that is applied to some hillside lands within USAs; it is also a single-family

district. There are two zones specifically for residential use on Stanford University lands, the R1S and R3S zones, which are low-density campus residential and medium-density campus residential zones, respectively.

Most urban areas zoned for residential use have base zoning districts of R1 and R1E. The County assigns a lot size “combining district” to an area’s base zoning district to reflect the general pattern of existing lot sizes found when those lots generally exceed 5,000 square feet in size. The lot size combining districts most commonly applied to single family zones (R1 and R1E) are the “-6” (6,000 square feet minimum lot size), “-8” (8,000 square feet lot size), “-10” (10,000 square feet lot size), and “-20” (20,000 square feet lot size) combining districts. R2 allows standard duplex or two-family residences with a 5,000 square feet minimum lot size, and R3 zoning permits multi-family residences of three units or more depending on the density permitted by the applicable city’s general plan. New residential uses in commercial and industrial zoning districts are generally not allowed.

Most residential areas within USAs are already subdivided and built out to maximum allowed densities. However, urban infill subdivisions do occur as opportunities arise, governed by city general plan densities. The County typically approves two to three such urban infill subdivisions per year.

In unincorporated urban zoning districts, the base zoning districts permit one primary dwelling per lot “by right.” ADUs and Junior ADUs are permitted by right in all urban and single-family residential zones (refer to section 2.06h for additional discussion). Urban Primary Units, additional units allowed by SB 9, are permitted by right in areas delineated under State law. Residential accessory structures are also permitted by right in residential zoning districts, but occupancy or habitation is prohibited within accessory structures.

Rural Base Districts

Like urban districts, in unincorporated rural zoning districts, the base zoning districts permit one primary dwelling per lot by right. ADUs and Junior ADUs are permitted by right in all rural and single-family residential zones (refer to section 2.06h for additional discussion). Urban Primary Units, additional units allowed by SB 9, are permitted by right in areas delineated under State law. Residential accessory structures are also permitted by right in residential zoning districts, but occupancy or habitation is prohibited within accessory structures.

Rural area base zoning districts include Hillside (HS), Exclusive Agriculture (A), Agricultural Ranchlands (AR), and Rural Residential (RR). The Agricultural Ranchlands (AR) zoning district permits up to two primary residences per legal lot by right, but only on lots of 10 acres or more, provided one such dwelling is related to the agricultural use of the property. While single-family residences are allowed in these zones, only Rural Residential (RR) zoning district has the primary purpose to provide housing. The other rural area base zoning districts are intended to preserve natural resources such as sensitive habitats and agricultural lands, and reduce development in areas susceptible to fire, geologic, and flooding hazards. Density of development in these zones is consistent with the densities defined by the General Plan and Zoning Ordinance as described in the previous section describing the General Plan. In other words, the rural area zoning districts further implement the density controls provided by the General Plan for lands outside USAs.

In addition to the residential densities above, all four rural zoning districts allow for agricultural employee housing and temporary agricultural residences by way of a non-discretionary Planning Clearance or with a Special Permit, depending on the scale and base zoning. Please refer to section 2.06s for a more detailed discussion on these forms of housing in the county.

Constraints Analysis

The allowable uses and minimum lot sizes for each zone are delineated in the Zoning Ordinance, which implements policies established in the General Plan. Single-family residences are permitted by right in all urban residential zones and all rural base zones. The use regulations and minimum lot sizes of the County Zoning Ordinance do not unduly constrain housing development.

Implementation Measure

No changes are recommended or necessary to the County's Zoning Ordinance to accommodate projected housing demand. However, with ongoing improvements, clarifications, and updates to the Zoning Ordinance on an annual or bi-annual basis, the County reviews applicable provisions for opportunities to address potential constraints to housing. For example, when recent provisions for ADUs were under review, the County evaluated possible ordinance revisions and standards to ensure that they were practical, necessary, and appropriate. During such Zoning Ordinance amendments, the County considers revisions that could reduce regulatory requirements and facilitate establishment of ADUs and other new forms of housing.

2.06e Regulation of Building Site Approval

Building Site Approval (BSA) is generally required as a prerequisite to the issuance of a building permit for new primary residential development on vacant lots and for additions of over 500 square feet to existing residences on parcels that are not approved building sites. BSA is applicable to vacant, rural sites, specifically properties located within the A, AR, HS, RR, R1E, and RHS zoning districts. BSA is the land development application process used by the County to determine whether, and under what specific conditions, a parcel of land may be improved for residential use. BSA has been required by the County since 1965 for lots not created by subdivision processes

that conferred site approval through the subdivision approval and subsequent recording of a parcel or tract map. At issue are parcels created by deed transaction or other means of land division for which site approval and accompanying improvement requirements have not been imposed. Numbered lots in a numbered subdivision tract map are approved building sites. Whole parcels shown on parcels maps for subdivision purposes are also recognized as approved building sites, if there is no formal pronouncement on the map negating the status of a lot as an approved building site. Some lots created by subdivision were exempted from site approval requirements through the land development process in place up to the late 1970s and early 1980s. Since that time, all lots approved by subdivision maps are required to demonstrate site suitability and conformance to development standards that enable them to function as approved building sites.

Constraints Analysis

BSAs ensure that a parcel proposed for residential development has safe and adequate access for emergency vehicles, an adequate water supply for potable water and for fire suppression, capacity for sanitary waste disposal, and other matters related directly to public health and safety standards. Drainage, road right-of-way (ROW) dedication and improvement requirements, and geologic hazard issues are also addressed through the site approval process. Although such requirements and exactions (a ROW dedication, for example) may impose costs to the residential development proposed, no residential development for unapproved sites would be feasible without such improvements. In summary, the site approval process functions as a means of ensuring that a subsequent building permit can be issued in conformance with all applicable standards and codes to facilitate housing production with adequate infrastructure for health and safety.

Implementation Measure

No further change to BSA procedures or requirements is necessary or appropriate to accommodate projected need for housing development on rural, unimproved parcels.

2.06f Specified Development Standards

Development standards, such as maximum building height, parking space requirements, and similar standards, are contained within the Zoning Ordinance. The primary residential development standards in the unincorporated county are discussed below.

The Zoning Ordinance provides for Floor Area Ratio (FAR) or lot coverage requirements in specific, limited zoning districts. The purpose of FAR and lot coverage is to limit house size or mass. In most zoning districts, the amount of floor area possible is defined by the setbacks, height, and story limitations.

There are two combining districts used in unincorporated urban areas that have an FAR requirement, “-n1” in Los Altos, and “-n2” in the Burbank neighborhood of San José.

The -n1 combining district within the USAs of Los Altos and Los Altos Hills, FAR requirements fall into two categories:

- Lots of 10,000 square feet (net) or less have an FAR limit of 35%.
- Lots larger than 10,000 square feet have a FAR of 3,500 square feet plus one additional square foot of floor area per 10 square feet of lot area over 10,000 square feet, to a maximum of 5,700 square feet.

The -n2 combining district in Burbank has an FAR limit of 50%.

In December 2021, by way of a new combining district called the Coyote Valley Climate Resilience Combining District (“-cv”), the County adopted development standards for all new development within the unincorporated agricultural area known as Coyote Valley.

The new standards include a maximum lot coverage of 7,500 square feet for all non-agricultural structures and a maximum development area of one acre, unless there is onsite agriculture, in which case development area is allowed up to two acres.

In May 2022, the County adopted objective development standards for Stanford University’s Upper San Juan neighborhood through the adoption of an “-n3” combining district, for the purpose of preserving the area’s unique characteristics. The -n3 combining district requires single-family development to not exceed 20% of lot

coverage and a maximum of 35% lot coverage for two-family and multi-family developments.

In all districts that are restricted by FAR or lot coverage, additional allowances are made so that property owners can accommodate ADUs, JADUs, and SB 9 urban primary units (where authorized) even if the property is already at or near its maximum allowed development.

The following table sets forth the primary development standards for each zoning district.

Table 2.17: Residential Development Standards

Base Zoning District	Lot Size	Setback (Min)			Bldg. Height (Max)	
		Front	Side	Rear	Dwelling	Accessory Buildings
A	Per city GP in USAs or by combining district in rural	30'	30'	30'	35' (2 Stories)	In rural districts (generally) 35' if greater than or equal to 2.5 Ac., otherwise 12'.
AR	20 to 160 acres Depending on slope	30'	30'	30'	35 (3 Stories)	In rural districts (generally) 35' if greater than or equal to 2.5 Ac., otherwise 12'.
HS	160 acres unless clustered, in which case it is 20-160 acres depending on slope	30'	30'	30'	35 (3 Stories)	In rural districts (generally) 35' if greater than or equal to 2.5 Ac., otherwise 12'.
RR	5 to 20 acres	30'	30'	30'	35 (2 Stories)	In rural districts (generally) 35' if greater than or equal to 2.5 Ac., otherwise 12'.
RHS	1 to 10 acres	30'	20'	25'	35 (3 Stories)	In urban districts (generally) 12' (plus gable allowance)
A1, R1E, R2, R1,	5,000 Sq. Ft. or by combining district	25'	5' (or by combining district)	25'	35 (3 Stories)	In urban districts (generally) 12' (plus gable allowance)
R1S	Development density not to exceed 8 units per acre.	25'	5' (or by ASA)	25' (or by ASA)	35 (2.5 Stories)	In urban districts (generally) 12' (plus gable allowance)
R3S	Development density to be 8-15 units per acre.	Determined by ASA				

Note: In HS where cluster subdivision is proposed, minimum lot size is 2 acres: density based on 20-160 slope-density.

The following table describes standard parking space requirements for residential uses. Despite trends toward the increasing size of residential development and vehicle ownership per household, minimum parking space requirements have not been increased,

thereby minimizing development limitations. In transit rich areas, parking requirements have been reduced or eliminated for ADUs and SB 9 urban primary units in alignment with state law.

Table 2.18: Parking Requirements

Housing Type	Minimum Parking Requirement
Single Family Residences	2 spaces / dwelling unit (1 shall be covered)
Two-Family	2 spaces / dwelling unit (1 per unit shall be covered)
Multiple Family Dwelling Unit	1.5 spaces / dwelling unit
Accessory Dwelling Unit (ADU)	
Standard (attached or detached)	1 space / dwelling unit
Movable Tiny Home	1 space / dwelling unit
Junior ADU	None
Caretaker’s Residences	2 / residence
Home Occupations	
General	None
Expanded	1 in addition to total residential requirement
Recreational Vehicle Parks	1.5 per recreational vehicle space, plus 1 per employee
Residential–Communal Institutional	1 for each guest room, plus 1 for each employee (may be reduced if occupants normally do not have cars)
Rooming Houses, Fraternities, and Sororities	1 space / guest room, plus 1 space / employee

Accessible parking requirements are required by law and typically apply to non-residential and multi-family residential projects. Accessible parking requirements typically do not affect single-family residential development.

Table 2.19: Accessible Parking Requirements

Total Number of Parking Spaces	Number of Accessible Spaces Required
One-25	1
26-50	2
51-75	3
76-100	4
101-150	5
151-200	6
200-300	7
301-400	8
401-500	9
501-1,000	2% of total
1,001 +	20, plus 1 per 100 over 1,000

The County’s land development requirements for on- and off-site improvements vary by zoning district and area. For new non-residential land uses or subdivisions in an A, A1, R1E, R1, or R2 residential zoning district, the street dedication is typically a 30-foot half-street on the frontage of each parcel. Street and related improvement requirements are determined either by the County’s Roads and Airports Department for streets that are or will become part of the County-maintained road system, or by the County’s Land

Development Engineering section of the Department of Planning and Development for private roads.

Additionally, the County Ordinance Code requires:

- Local streets shall have a right-of-way (ROW) width of 60 feet.
- Urban area streets with dedicated ROW of 40 feet will not require additional dedication, but may require road improvements (e.g., install drainage or close a sidewalk gap in front of the property).
- Private driveways serving a single residence may be 12 feet in width with one 3-foot shoulder. Driveways serving more than two residences must be 18 feet with two 3-foot shoulders.
- In some instances, such as cluster subdivisions, the street, court, parking, and turnaround areas may be varied, to minimize improvement requirements.
- All dwellings must have approved water sources and sanitary wastewater treatment and disposal plans, including onsite wastewater treatment systems if necessary. All dwellings must typically connect to sanitary sewer and public water, if available.

All dwellings that do not have access to adequate piped water supplies must have adequate storage of water, including above ground storage tanks and sprinkler systems when required to meet increasingly stringent fire protection requirements in wildland areas. All dwellings in urban areas must have access to public fire hydrants and minimum pressure and flow standards. Residential sprinklers as required by current ordinance or code adoption. Dwellings in the Wildland Urban Interface zone are subject to current Building Code Requirements for exterior fire protection. Roads and longer driveways over 150 feet must meet minimum width and clearance standards as well as loading capacity, grade, turnouts, and turnarounds to be accessible to emergency vehicles.

For certain parcels located in the County's rural resource areas, for example Hillsides (HS) zoning, the permit review process can take longer if the applicant is subject to State fire access requirements or State drinking water requirements.

Constraints Analysis

The basic development standards applicable to residential use and development are consistent with those applied by most local jurisdictions and do not constitute an undue constraint on housing development. Standards described above are directly related to public health, safety, and general welfare objectives of the Zoning Ordinance and other County Ordinance Code provisions.

Implementation Measure

The County will review and update parking standards to allow more flexibility for a variety of housing types particularly in urban areas that are within walking distance from High-Capacity Transit Corridors.

2.06g Growth Control Measures

Growth control measures are defined as programs and/or ordinances that place limits on population and dwelling units within a jurisdiction during a particular period. Within such period, the jurisdiction will typically implement those limitations on growth by establishing a cap on the number of building permits that may be issued annually for construction of new residential units. The County of Santa Clara does not employ any growth control measures that place numerical limits upon the number or type of building permits that may be issued in a given period.

2.06h Accessory Dwelling Units & Junior Accessory Dwelling Units

Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs) are an important part of providing an adequate and

affordable housing supply. The County recognizes that ADUs and JADUs can be particularly important to augment urban housing supply in a largely built-out metropolitan area, such as the urban areas of Santa Clara County. Regulations governing ADUs and JADUs are set forth in Section 4.10.015 of the County Zoning Ordinance. The regulations allow for ADUs (which includes Movable Tiny Homes or "MTHs") and JADUs on properties with single-family residences in accordance with Government Code Sections 65852.2 and 65852.22. ADUs and JADUs are permitted by right and do not require land use entitlements.

ADUs and JADUs are permitted in all zones within the unincorporated county except for Light Industrial (ML), Heavy Industrial (MH), Open Space and Field Research (OS/F), and Special Conservation Areas (SCA), as these zones do not permit single-family residences. In the past, JADUs were not permitted, and ADUs (formerly known as secondary dwelling units) were regulated and limited in size depending on its location in an urban zoning district or a rural zoning district.

Since the 2014 Housing Element update, the Zoning Ordinance has been revised according to State law and allows for conforming ADUs and JADUs as a matter of right, reducing the regulatory burden on property owners and streamlining the approval process in terms of both cost and time. Furthermore, the County has applied the standards of ADUs and JADUs similarly across all sections of the County to ensure equitable access to housing type and size, with respect to ADUs and JADUs where lot coverage constraints do not exist. Additionally, the County has allowed JADUs to be attached to either a primary residence of an ADU, which surpasses the state's requirement and increases the opportunities to develop these types of units.

Within the unincorporated county, ADUs can be a maximum of 1,200 square feet, with a 400-square foot attached garage and 400-square foot attached deck. ADUs can be either attached or detached from the primary residence. The ADU, whether attached or detached, must be setback four feet from the side and rear property lines, with a front setback that is the same as the primary residence. Height requirements for ADUs are the same as the primary residence if all primary residential setbacks are adhered to. If the ADU encroaches into the primary residence setbacks (remaining four feet away from the side and rear property lines), the maximum height requirement is 16 feet. There are exceptions to setback and height requirements for the conversion of legal structures into ADUs. The County does not require owner-occupancy of the primary residence or ADU, and has made this amendment permanent, which exceeds the state law requirements.

JADUs can be a maximum of 500 square feet and must be attached to either the main residence or a detached ADU. JADUs share the same setback and height restrictions as an ADU. JADUs must contain cooking facilities and may share sanitation facilities with the existing dwelling unit. Owner-occupancy of at least the primary residence or the JADU on site is also required for all properties containing a JADU, as required by state law.

The County will continue to consider additional minor modifications to certain standards for ADUs and JADUs to provide greater flexibility and facilitate additional units as part of routine Zoning Ordinance review, and in accordance with any future amendments necessitated by State law.

2.06i Senate Bill 9/Urban Primary Units

In 2021, the State adopted SB 9 to add Government Code Sections 65852.21 and 66411.7 (as well as amend Section 66452.6) to allow the development of two residential units on a lot within a single-

family residential zone and/or the subdivision of a lot within a single-family residential zone by right if certain conditions are met. On January 24 and February 7 of 2022, the County amended its Zoning Ordinance (adding Section 4.10.387 and amending other sections) and Subdivision Ordinance (adding Sections C12-5.23 and C12-44 and amending Section C12-77) to reflect these changes, and to apply objective development standards allowed by the State.

SB 9 is intended to streamline and remove barriers to housing production in urban, primarily infill, development sites. For areas that are unincorporated, the parcel must be wholly within an urban area as designated by the U.S. Census Bureau. There are two designated urban areas within Santa Clara County: the San José Urban Area, which includes the thirteen northern cities, much of the Stanford lands, and unincorporated “urban islands,” and the Gilroy-Morgan Hill Urban Area, which includes those two cities as well as the rural community of San Martin between them. Properties with historic or conservation designations are not included, nor are properties on prime farmland or wetlands, or that contain habitat for protected species. Applicants with parcels with fire, flooding, or geologic hazards or identified as containing hazardous waste must show that these hazards are properly mitigated to use SB 9. Areas outside of the USAs must also show adequate access to water and wastewater management. Protections are built into the State law for renters, including a bar on short-term rentals to retain affordable housing. Applicants for subdivisions must state their intention to use the property as their primary residence for a minimum of three years, a provision designed to limit the involvement of large developers.

The County Zoning Ordinance mirrors state requirements that each Eligible lot be allowed to develop two residences, each at least 800 square feet in size. One of these residences is only restricted in size by the existing FAR, lot coverage, setbacks, and height requirements

of the underlying zoning district, while the second unit may be up to 1,600 square feet in size, which is double the minimum standard. If a property owner does not split a lot, the owner may also add an ADU and Junior ADU. Objective standards adopted by the County focus on preserving privacy and neighborhood character, including minimum lot frontages, minimal design standards in design review districts, and restrictions on second story windows, balconies, and rooftops. Alternatives and exemptions from standards are included to ensure that all eligible parcels can utilize SB 9, unless the Building Official can make a written finding that the project would have a specific, adverse impact upon public health and safety or the physical environment and for which there is no feasible method to satisfactorily mitigate or avoid. Like ADUs, the County has applied an equitable approach to the size of an Urban Primary Unit of 1,600 square feet across all zoning districts that are permitted to utilize SB 9 for development. This ensures that all have access to the same building structure type and size and that units are more likely to be affordable to rent to the public.

Unlike larger subdivisions, SB 9 development projects are exempt from the County Inclusionary Housing Ordinance. Parking requirements are reduced to one space per residence or eliminated for properties near High-Capacity Transit Corridors.

Constraints Analysis

The largest constraints on SB 9 development are the requirements in the State law regarding which parcels are eligible, which largely align with the County's General Plan and joint development policies regarding preservation of habitat for protected species and agricultural lands, and carefully vetting growth in hazard zones. Parcels in the urban islands and most of the rural community of San Martin are eligible if they are in single-family zones and do not have site-specific disqualifiers. The basic development standards

applicable to SB 9 development in the unincorporated county are consistent with those found in the State Government Code and do not constitute an undue constraint on housing development. Standards described above are directly related to public health, safety, and general welfare objectives of the Zoning Ordinance and other County Ordinance Code provisions. Additional FAR allowances and exemption from the County's Inclusionary Housing Ordinance were included in the County's ordinances to ensure these measures are not constraining factors. SB 9 allows for higher-density development in infill areas and will allow for additional housing development. In no cases will it reduce the density or number of units allowed prior to SB 9's adoption.

Implementation Measure

The County will review implementation of SB 9-related measures in Fiscal Year 2023-2024 and again in 2025-2026 and further amend the County Zoning Ordinance and Subdivision Ordinance as necessary to ensure eligible property owners can utilize SB 9 without undue constraints. Any changes to State law impacting SB 9 development will also be reviewed as they are adopted.

2.06j Density Bonuses

State Government Code Sections 65915 through 65918 address density bonuses and other incentives to providing affordable housing. "Density bonus" is a term generally used to refer to an allowance granted by the local jurisdiction to a developer to build more units per acre than otherwise permitted under the General Plan or zoning regulations. State law requires, in certain instances, a city or county to grant a density bonus when certain affordability provisions are met, namely, when a specified percentage of affordable housing is proposed and will be maintained as such for a

period of 55 years.¹⁴ The city or county is required to grant the concession or incentive proposed by the developer unless it finds that the proposed concession or incentive does not result in identifiable and actual cost reductions, would cause a public health or safety problem, would cause an environmental problem, would harm historical property, or would be contrary to law.¹⁵

The County's Zoning Ordinance provides for a density bonus in accordance with State laws under Section 4.20.030. The County's regulations refer to and rely upon existing State laws, rather than adopting extensive and complex provisions in the County's Zoning Ordinance, as density bonus laws are frequently updated. These regulations were adopted as part of the County's comprehensive Zoning Ordinance revision in 2003, which both simplified density bonus provisions and brought them into compliance with State laws. In June 2014, the County amended the density bonus requirements to ensure that they reflected the 2005 update to State density bonus laws.

Constraints Analysis

The use of the density bonus provisions of the Zoning Ordinance in urban unincorporated county projects has been limited. Most urban residential areas were fully subdivided and developed by the 1970s. Hence, the major subdivision tracts of 100-300 single-family residential lots that might have taken advantage of density bonuses were approved before density bonus provisions of State law took effect. Where urban area multi-family dwellings are permitted uses and eligible for redevelopment, and therefore might take advantage of density bonus provisions, the typical development process involves annexation to an adjacent city if the property is contiguous

with existing city boundaries. Consequently, the remaining urban unincorporated areas, which are predominantly single-family tracts, do not produce development proposals capable of utilizing density bonus provisions. New single-family residential subdivisions of 10-20 parcels do not occur, given the larger minimum lot sizes within rural areas and limited number of larger parcels in urban areas.

Developers have not elected to pursue density bonus opportunities because the number of units involved in a typical subdivision of two or three lots does not provide the economies of scale necessary to incorporate more affordable units or benefit from density bonuses sufficiently to be profitable.

In the rural areas, major subdivisions of five lots or more are infrequent. Those that might qualify to take advantage of the County's density bonus allowance are even more rare. As stated above, given the allowable densities in rural areas, minimum lot sizes, and lack of public services, new residential development typically is for above-moderate income households, and the cost of including affordable housing is not covered by the additional density that might be available through density bonus.

Implementation Measure

To expand opportunities and locations for development of affordable housing, the County adopted an Inclusionary Housing Ordinance that requires a 16 percent requirement for affordable units and allows for paying in-lieu fees in certain circumstances. Since the County has largely conferred the planning and multi-unit housing project development in urban areas to cities, the density bonus provisions of cities are those applicable to most of such projects.

¹⁴ Guide to the California Density Bonus Law, Revised 2021, by Jon Goetz and Tom Sakai, accessed 9/8/22 <https://www.meyersnave.com/wp-content/uploads/California-Density-Bonus-Law-2021.pdf>

¹⁵ Ibid.

2.06k Green Building Requirements

Currently, the County's Ordinance Code incorporates and requires conformance with the State of California's 2022 Building Code, Mechanical Code, Plumbing Code, Electrical Code, Green Building Standards Code and Energy Code. Codes establish the minimum acceptable standards for construction of all kinds, including code requirements for energy conservation and fire protection in most rural areas. Costs associated with meeting code requirements for energy conservation are typically recouped through energy savings over a short time.

The County adopted the California Green Building Standards Code (CalGreen) regulations in 2014 to require minimum green building standards for single-family residential development, in particular new homes and rebuilds, effective September 2015. CalGreen Tier 1 requirements apply to all new single-family and duplex residential buildings over 3,000 SF, and new multi-family or non-residential construction of buildings over 25,000 SF.

In 2021, to further reduce carbon emissions and air pollution, the County adopted amendments (Reach Codes) to the 2019 California Green Building Standards and 2019 California Energy Code to require electrification (electricity as the only source of energy) of new buildings, with certain exceptions, and increase the electric vehicle infrastructure in new construction. Pairing electrification of vehicles and buildings with the high amounts of renewable energy generation is considered a lower-cost and lower-risk emission-reduction strategies. Since 2017, unincorporated Santa Clara County communities have been able to receive 100 percent carbon-free electricity.

Green building is *"a holistic approach to design, construction, and demolition that minimizes the building's impact on the environment, the occupants, and the community"* (California Building Standards

Commission). Green building is also an important part of the Santa Clara County Climate Change and Sustainability program. The County is committed to energy efficiency, resource conservation, waste reduction, and the health and productivity of building occupants.

The overall costs associated with utilizing green building concepts and materials have been estimated as typically 5-7% of total construction costs for non-residential uses, such as office buildings. The cost for residential development may vary depending on house size. Green building requirements may also contribute to meeting future greenhouse gas emission reductions and lowering the carbon footprint of an individual residence.

Constraints Analysis

Although green building requirements may add certain upfront costs to housing production, both in terms of services and design, there are a variety of ways green building requirements reduce the overall cost of construction and maintenance over the life of a building. For example, in terms of energy efficiency requirements alone, high-efficiency heating and appliance choices can pay off through lower utility costs in as little as five years. In terms of water use efficiency and savings, there can be similar short-term and lifetime benefits. Insulation, lighting choices, and material choices can improve indoor air quality and comfort as well as benefit the environment. A study conducted by Silicon Valley Clean Energy (SVCE) and Peninsula Clean Energy found that the construction of all-electric buildings, including single-family homes, are typically less expensive to build without the cost of natural gas plumbing, metering, and venting. Green building has become an integral, mainstream aspect of development in recent years, due to its environmental benefits and market value. Green building is now generally viewed as an indispensable part of the State's efforts to meet AB 32 goals for greenhouse gas emission reductions and addressing impacts of climate change.

The County anticipates meeting or exceeding the minimum State requirements for energy and environmental design in building structures.

Implementation Measure

The County will continue to monitor and adopt CalGreen standards as the baseline requirements are raised. The County is continuing to develop its regulations to promote energy conservation and green building beyond the CalGreen standards, in both the private sector and in County Government buildings.

2.06I Site Improvement Requirements

Site improvement requirements include streets, driveways, parking and turnaround areas, road construction standards, undergrounding of utilities, water service connections or on-site water wells and storage tanks, drainage, stormwater treatment, and similar requirements. It also includes providing septic tanks and leach fields or sanitary sewer connections. Such site improvements are typically addressed and imposed as components of either subdivisions, grading or drainage permits, or building site approval processes. They are also imposed through ministerial approvals, such as a building permit, where applicable and required by County codes. In some urban unincorporated areas, where road and utility improvements already exist, there may not be significant on-site improvements required on an individual, parcel-by-parcel basis for new residential development.

In rural areas, where urban services are not provided and there may not yet exist any road, infrastructure, or utility improvements to facilitate development, site improvements can represent a significant component of overall development costs. For example, the cost of road or driveway access improvements can be substantial when developing remote, rural, hillside parcels.

A private driveway serving one or two parcels must be 12 feet wide, with one three-foot shoulder. Access roads serving three developed parcels or more must be 18 feet wide with two three-foot shoulders for a total of 24 feet of pavement surface. Additionally, access roads in the State Responsibility Area and/or the Very High Fire Hazard Severity Zone, as designated by the California Department of Forestry and Fire Protection (CAL Fire), must comply with the State Minimum Fire Safe Regulations, which includes requirements for two ten-foot-wide travel lanes and limits to the length of dead-end and one-way roads. Grade limitations are also imposed for the purpose of ensuring that emergency vehicles can gain access to a given site.

The County adopted a periodic update to the Fire Code based on the 2022 California Fire Code that went into effect on January 1, 2023. The updates included administrative and operational requirements in alignment with the requirements of neighboring jurisdictions, creating a more consistent application of the California Fire Code throughout Santa Clara County and enabling the County to enforce these provisions should the need arise in the unincorporated areas. Amendments include requirements for fire apparatus access roads, fire water supplies, fire sprinklers, fire extinguishing systems in chemical fume hoods, energy storage systems, fire site safety during construction, and hazardous materials use and storage. The amendments require that all access roads have a 20-foot drivable width and clarify when sprinkler systems must be installed. According to these updates, no final inspection or certificate of occupancy can occur prior to clearance that fire protection facilities and access have been installed. When access roads cannot be installed because of topography, waterways, non-negotiable grades, or other similar conditions, an approved alternative means of fire protection shall be provided.

There can also be drainage improvements on rural properties not served by a storm drainage system to ensure no harmful off-site impacts or additional drainage problems are created by new impervious surfaces and buildings. Stormwater treatment improvements may be required to meet the permitting requirements of the State Regional Water Quality Control Board. Sediment and erosion control plans are required for all construction projects larger than 500 square feet and review is based on standards for the applicable drainage basin (San Francisco Bay or Monterey Bay).

Constraints Analysis

Basic site improvements of the type discussed in this section are necessary pre-requisites to residential development. The individual standards and requirements are not deemed excessive. They provide the basis for meeting the fundamental public health, safety, and welfare objectives of the Zoning Ordinance, Ordinance Code, and other development-related standards of the County. The County reviews these standards regularly and reduces them where appropriate. County requirements are in line with State requirements as well as federal and international standards. These constraints encourage housing to be developed in already urbanized areas where services are currently in place and hazard risks are greatly reduced, which also support other County and State priorities discussed in this chapter.

Implementation Measure

Given the recent update to the County Fire Code, no additional implementation measures are forthcoming. The County Fire Code will be reviewed and updated every three years in line with the California Fire Code and International Fire Code updates.

2.06m Building Permit and Inspection Fees

The County has, since the mid-1990s, adopted a full cost-recovery policy for fees imposed to cover direct services to customers. This policy reflects a perspective that development should not be subsidized by County General Fund monies and that fees cannot exceed the cost of services.

The County adopts the current version of the California Building and Residential Codes every three years, including supplements and errata. The building codes of the County are based on the International Building and Residential Codes (IBRC), as compiled and published by the International Code Council. The IBRC are further modified in the County's Ordinance Code with additions, deletions, and amendments.

Typical building permit and inspection fees charged by the County for residential development are based on a formula that factors construction type, floor area, and valuation. Most new residential development in the unincorporated county is that of single-family residences and ADUs; few multi-family housing developments are in the unincorporated county other than at Stanford University. As part of the County's SB9 implementation effort, County staff used Assessor's Office data to determine the median size of a single-family dwelling and found it to be approximately 1,500 square feet.^[2]

Fees are collected at the time of application submittal and itemized in the receipt provided at the time of application. County building permit fees are updated on an annual basis, as necessary. Additional fees are also imposed to recover the costs of permitting, inspecting, and administering permits for violations of building and housing codes when required by citations or notices of violation.

^[2] San Martin Advisory Committee Staff Report, July 27, 2022 meeting, Item No. 5 <http://sccgov.igim2.com/citizens/FileOpen.aspx?Type=1&ID=12852&Inline=True>

Comprehensive Planning Fee Surcharge

In 2010, the County updated its Comprehensive Planning Fee (CPF) surcharge on building permits of \$25,000 valuation or greater to the rate of \$0.00123 per dollar valuation of a project, with a maximum fee of \$7,000.00 per permit, regardless of valuation. The fee indirectly benefits individual project applicants by enabling the County to maintain the General Plan.

Building Permit Review and Processing Times

Typical building permit review and processing times can vary depending on the size and complexity of the project, and on available staff. For a typical single-family residence that is not subject to a prerequisite building site approval process, standard plan check and review time is four weeks for the initial plan review. Subsequent reviews to address any comments from the first round of review take approximately two weeks. Express plan check and permit issuance is available for small projects that are typically additions of less than 500 square feet. Express plan check service is appointment-based and enables the applicant to submit a building permit application with the goal of obtaining a permit in one business day.

Constraints Analysis

Building permit and inspection fees, including associated surcharges, do not impose an undue burden or constraint to housing development. As a percentage of total construction costs for a typical 3,500-square-foot home with a 500-square-foot attached two-car garage, building permit and inspection fees represent only approximately 2.25% of costs.

Implementation Measure

Each year, the County evaluates and adjusts fees as necessary to comply with the full cost recovery mandate set by the Board of Supervisors. Fees may be adjusted downward as necessary to reflect real processing costs.

The Department of Planning and Development recommends no changes to current fees for building permit plan check, review, and inspection. The Department continually reviews and implements procedural improvements as appropriate that may enable applicants to obtain services faster and with fewer complications. For example, for new homes that could require building site approval or other land use processes as a pre-requisite, the Department implemented a new checklist procedure to ensure that applicants are informed of the sequence of applications and help avoid situations where building permit applications are inadvertently submitted prior to obtaining necessary land use approvals, or where the proposed project scope would make the project site subject to annexation by an adjacent city. These changes have significantly reduced complications and the need to extend building permit approvals or re-apply and pay new fees for building permit approvals that expire prior to obtaining pre-requisite land use approvals, such as site approval or Williamson Act compatible use determinations.

2.06n Land Use and Development Application Fees

Since the mid-1990s, the County has adopted a full cost-recovery policy for fees imposed to cover direct services to customers. This policy reflects a perspective that development should not be subsidized by County General Fund monies and that fees cannot exceed the cost of services.

The land use and development application fees listed below are collected by the Department of Planning and Development for necessary zoning and land use approvals. These are distinct from the building permit and inspection fees. State law requires land use and development fees to be commensurate and reasonably related to the cost of providing services. Permit processing fees charged by the County are in conformance with this requirement. For certain application types, there is a minimum fee for initial application costs,

and if processing costs exceed the initial fee or deposit, the applicant is charged for the total cost of processing the application prior to issuance of the permit.

Table 2.20: Land Use and Development Application Fees

Application Type	Fee as of 12/07/2021
Architecture & Site Approval	\$9,198*
Building Site Approval (inside USA)	\$4,860*
Building Site Approval (outside USA)	\$10,984*
Certificate of Compliance	\$1,488
Design Review-No Hearing- Tier I- Gross Floor Area= <5,000	\$995
Design Review-ZA Hearing- Tier II- 5,001<Gross Floor Area= <12,500	\$3,963
Design Review – PC Hearing- Tier III- Gross Floor Area> 12,500	\$8,932
Environmental Assessment	\$4,069*
Petition for Categorical Exemption/ Use of prior CEQA document	\$532
Geologic Report review (letter report)	\$621
Geologic Report review (in-depth report)	\$1,634
Grading Approval	\$3,587
Grading Approval filed concurrently w/ other land development permit	\$2,364
Special Permit (agricultural and temporary)	\$5,973*
Subdivision (minor, 4 lots or fewer)	\$12,078
Subdivision (major, 5 lots or more)	\$16,562

*Use Permit (standard)	\$9,258
Variance (standard)	\$2,030
Zone Change	\$6,651
<p><i>Notes:</i></p> <p>1) *Asterisk indicates minimum fee for initial filing of application. Full cost of the fee is assessed at the completion of processing and charged to applicant.</p> <p>2) There are also final inspection fees for Fire Marshal and Land Development Engineering.</p>	

Single Family Dwelling Development Cost Example

The first example of land use approval costs represents a typical rural area land development scenario, to provide a better understanding of the application fees associated with development of a new single-family dwelling used as a primary residence. Where the parcel is not an approved building site, it is not uncommon for the project to involve Building Site Approval and a Grading Approval and permit. Combined fees for these typical land use applications are \$14,411, including a petition for exemption from CEQA. These fees are based on typical processing costs and are in addition to the building permit fees discussed in the previous section. They represent the most common fees associated with residential development in rural areas. Neither a Building Site Approval nor Grading Approval would require a public hearing.

In areas subject to Design Review requirements, a Design Review process is required for a new single-family residence. The Design Review would be processed concurrently or bundled with Building Site Approval and Grading Approvals, if also necessary. Design Review zoning applies to most rural hillside lands immediately adjacent to and visible from the urban area or valley floor areas of the County. It may also be required as a condition of subdivision approval.

The Design Review process is intended to achieve excellence in residential design and make sure development blends with the natural hillsides as much as possible. Standards can require low reflectivity of painted surfaces and landscaping to blend with the natural hillsides and mitigate for visual impacts and may affect the placement of a home on a site for visual mitigation. The process allows for a residence that is 5,000 square feet or less to be processed without a public hearing. For structures that trigger design review that exceed 5,000 square feet in size up to 12,500 square feet in size, a public hearing by the Zoning Administrator is required. Design Review residences that exceed 12,500 square feet in size require a Planning Commission public hearing. Minor projects, such as additional to an existing residence or accessory structures, may apply for an exemption or for administrative review without a public hearing. Decisions of the Zoning Administration Hearing Officer may be appealed to the Planning Commission, and Planning Commission decisions to the Board of Supervisors. Companion land use actions (i.e., Grading and Building Site Approval) are completed concurrent with Design Review and are referred to as Concurrent Land Use applications by the County Zoning Ordinance. Generally, Design Review takes 2-4 months. Design Review rarely results in project denial because the process is intended to identify and resolve issues

that would result in an unacceptable final project design. Conditions of approval often include grading quantities, architectural refinements/limits, landscape requirements, and protection of existing vegetation.

Costs commonly associated with Design Review process include the County application fee (\$3,963) and consultant fees for design and modification of site improvements. Additional costs are often offset by savings associated with reduced grading, since Design Review (especially in conjunction with Grading review) often results in less grading on the site.

Multifamily Dwelling Development Cost Example

This second example of land use application costs represents a four-unit apartment project in an urban area zoned for multifamily development, in R1S, R3S, or R3. The project would require Architecture and Site Approval (ASA). There is no mandatory pre-application meeting requirement as there is for a non-residential Use Permit or Subdivision. Accompanying the submittal is a form indicating that the density of the proposed development conforms to the applicable city General Plan. The ASA process is designed to ensure conformance with applicable development standards and reasonable conditions of approval. Generally, ASA addresses the adequacy of parking and driveways, landscaping, site layout, and design of the structure. ASA may also evaluate the relationship of the lot and its development with adjacent uses. Standard ASA fees are \$9,197, plus \$531 for the processing of a Categorical Exemption under CEQA.

Constraints Analysis

Each annual budget cycle, fees are assessed relative to service costs. In the current fee evaluation process, certain fees will be reduced to address the general or average cost of processing, while other lesser

fees will become minimum deposit fees without being raised, to enable compliance with full cost recovery mandates. Fees may not be significantly increased except for the amount necessary to cover inflation in personnel costs. Fees for service is now a common means for local governments to address the costs of development-related services without relying on General Fund revenues. Fees are set by the Board of Supervisors to recover full costs of the services provided, thereby avoiding reliance on General Fund revenues to the greatest extent feasible. Reducing fees would necessitate increased reliance on General Fund revenues for planning and land use approval services.

Implementation Measure

Each year, the County evaluates and adjusts fees as necessary to comply with the full cost recovery mandate set by the Board of Supervisors. Fees may be adjusted downward as necessary to reflect real processing costs.

No changes to current land use and planning application fees are proposed to facilitate or accommodate projected housing demand or substantially reduce costs of development.

2.06o Impact Fees and Exactions

A development impact fee is a monetary exaction other than a tax or special assessment that is charged by a local governmental agency to an applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project (Gov. Code § 66000(b)). The legal requirements for enactment of a development impact fee

program are set forth in Government Code §§ 66000-66025 (the "Mitigation Fee Act").¹⁶

Two typical fees or exactions charged on housing development are permit processing fees for planning and land use entitlements and impact fees or exactions imposed to defray all, or a portion, of the public costs related to the development projects.¹⁷ The County does not impose development impact fees of its own upon private residential development. Local school districts collect impact fees when a building permit for a new residence is being processed and provide documentation of payment to the County prior to the issuance of permits. Certain ADUs are exempt from this impact fee under State law. No other impact fees are levied upon private single-family residential development in the unincorporated area. Projects which create three or more housing units (not counting ADUs or Junior ADUs, or units developed following an SB 9 urban lot split) are subject to the County's Inclusionary Housing Ordinance, which requires one out of every six units to be deed restricted affordable, or for the applicant to pay an in-lieu fee to the County's Office of Supportive Housing. This minimal application of impact fees helps reduce housing costs and it contrasts with the practices of most cities and many counties, which impose impact fees for libraries, parks, and a variety of other services to ensure new development pays a share of the costs of new facilities or upgraded facilities incurred due to new development.

2.06p Permit Process and Procedures

Processing of land use and development applications that are not permitted by-right require a discretionary land use application

administered by the Department of Planning and Development. In 2023 that process includes the following basic steps:

- **Application Submittal** – Intake of development application, receipt of fee or fees, review of submitted application materials to determine if submittal is acceptable for distribution to reviewing departments/agencies.
- **Application Review** – Referral to reviewing departments/agencies, receipt of comments. Review of development application for completeness within 30 days of submittal in accordance with Assembly Bill 884. If incomplete, letter sent indicating necessary revisions for re-submittal.
- **California Quality Act (CEQA) Compliance & Staff Report Preparation** – When the application is deemed complete, preparation of environmental review, as applicable, in addition to the preparation of preliminary conditions and staff evaluation documents.
- **Public Hearing** – Upon completion of review process, development applications requiring public hearing are scheduled for hearing before the hearing authority.
- **Hearing Authority Decision** – Granting authority approves, denies, or approves permit application, with conditions, as appropriate.
- **Appeal** – 15 calendar day appeal period following action by granting authority, after which, if no appeals are filed, land use entitlement becomes effective, and applicant may submit building permits for plan check.

¹⁶ A Short Overview of Development Impact Fees, by Peter N. Brown City Attorney, City of Carpinteria and Graham Lyons, Deputy City Attorney, City of Carpinteria, Dated

February 27, 2003, http://www.ca-ilg.org/sites/main/files/file-attachments/resources_overviewimpactfees.pdf accessed 8/16/22

¹⁷ Fees and Exactions, <https://www.hcd.ca.gov/fees-and-exactions> accessed 8/16/22

Steps taken to ensure timely processing of application submittals may include:

- Use of pre-application meeting requirements, intended to review prospective applications for completeness and feasibility prior to formal application submittal (example: use permit, subdivision, lot line adjustment).
- An optional pre-screening meeting available to property owners considering applying for a land use permit. Pre-screening meetings are scheduled approximately four weeks from the customer’s submittal of development materials. Costs are as listed in the [current fee schedule](#). The pre-screening can give

customers insight regarding next steps and identifies challenges an applicant might need to address.

- Tracking of compliance with initial 30-day Permit Streamlining Act review period for completeness determination after initial submittal or any formal re-submittal.

Typical timelines for land use entitlement and planning permits are indicated in the table below. These processing times are general averages. Where circumstances vary and projects may be more complicated or require more than one resubmittal, processing times may increase.

Table 2.21: Land Use and Development Application Processing Timelines

Application Type	Typical Processing Time
Architecture & Site Approval (residential)	2-4 months
Building Site Approval (inside USA)	3-9 months
Building Site Approval (outside USA or > 30% slopes)	12-24 months
Certificate of Compliance	3-6 months
Design Review	3-4 months
Design Review Exemption	3-4 weeks
Environmental Assessment	2-3 months
Environmental Impact Report	6-12 months
Geologic Report review (letter report)	1 month
Geologic Report review (in-depth report)	1-2 months
Grading Approval	2-4 months
Grading Small	4-6 weeks
Special Permit (agricultural and temporary ☺)	2-4 months

*Subdivision (minor, 4 lots or fewer)	2-6 months
*Subdivision (major, 5 lots or more)	6-12 months
*Use Permit (standard)	3-6 months
Variance (standard)	2-3 months
Zone Change (conforming with General Plan)	6-8 months

Constraints Analysis

A great deal of attention is often focused on permit processing and expediting such procedures as a primary means of facilitating development approvals, reducing processing costs, and speeding residential development to construction phases. Some aspects of the typical development processing and review procedure are under the control of the local government, and some are not. Departments must assure that enough adequately trained staff are assigned to manage the workload of application processing. Adequate coordination and internal review are also critical to ensuring that initial completeness reviews are performed within the 30-day period prescribed by State Permit Streamlining Act requirements. However, lack of competently prepared, legible, and adequate plans and supporting documents can lengthen review times, and the state of these documents is not within the control of the local government. In addition, depending on site-specific environmental factors and constraints, environmental assessment for potential adverse impacts and mitigation may be either simple or complex and time consuming.

County staff routinely monitors processing times to promote compliance with Permit Streamlining Act provisions. Changes to reduce permitting requirements, such as reduced requirements for minor grading projects, have also been implemented to reduce permitting costs and time consumed.

The Department of Planning and Development, including Planning, Development Services, and Fire Marshal Offices, has implemented three components of development review to potentially streamline and improve land use and permit review. First is a “developer’s roundtable” with staff to dialogue and discuss common issues that hamper efficient development review. Second, as described previously, the Department also offers an optional pre-screening meeting available to anyone considering applying for a land use permit. One benefit of pre-screening meetings is that applicants are subsequently more likely to have complete submittals and are better prepared to manage the application process. The Department also offers in-person and virtual meetings with anyone interested in developing a property to explain the application process as well as potential constraints prior to application submittal. Finally, in 2020 the Department implemented a new type of Planning application called a Planning Clearance that is aimed to be an administrative level permit that is processed in 1-4 weeks. Currently, movable tiny homes and small scale agricultural and temporary agricultural housing are able to be processed through a Planning Clearance.

Implementation Measure

Improving customer service and reducing processing times are a high priority of the Department and will continue to be the primary focus of the Department’s improvement efforts. The Department continues to evaluate other areas of its Zoning Ordinance and

Ordinance Codes to streamline permit reviews through the new Planning Clearance application.

2.06q Code Enforcement

The County's Department of Planning and Development is responsible for enforcement of the Zoning Ordinance, Building Code, and Fire Codes as they apply to land use and development. Code enforcement is performed through building plan checks and inspections, in response to complaints regarding alleged violations submitted for review, through routine observation and field visits, and coordinated agency efforts such as abatement procedures. Code enforcement is a necessary and important aspect of local land use and permitting authority. It also helps to ensure that violations do not contribute to neighborhood or community deterioration that adversely affect housing stock, new housing opportunities, and housing needs.

The Code Enforcement Division has a Program Manager who supervises a team of code enforcement officers who are assigned code enforcement cases throughout the unincorporated county and a Permit Technician that is specifically dedicated to assist the Code Enforcement Division.

The Department utilizes a database for managing and tracking violation complaints to ensure timely reporting and actions and all staff in the Department can access and view violation reports, inspections, and all images taken at inspections sites. An administrative hearing process was developed during the 2015 Housing Element cycle and is still implemented with the goal of promoting code compliance in the most timely and efficient manner. In January 2021, the Department revised County Ordinance C1-71 to clarify that a permit shall not be issued on a property that has a confirmed active violation, until and unless the violation is removed and abated directly or through a Compliance Agreement. County

Ordinance Code section C1-71 will continue to be amended during this code cycle to allow for flexibility of permits to be issued where violation(s) exist on the parcel.

Constraints Analysis

Public outreach and communication regarding code enforcement generally have a positive net effect on housing and neighborhood preservation. The County continues to evaluate various means of improving code enforcement efforts and abatement of violations.

Implementation Measure

No reduction in code enforcement efforts or resources is recommended during the current cycle of the Housing Element Update. The County and the Department should continue to implement planned improvements to the code enforcement program.

2.06r Regulations Influencing Housing for Persons with Disabilities

Government constraints or factors influencing housing for persons with disabilities derive from the Americans with Disabilities Act (ADA), Chapter 11A or Chapter 11B of the California Building Code (CBC), and Federal Housing Administration (FHA) for accessibility.

A privately funded single-family residence project (new or addition/remodel) is not subject to accessibility requirements but a property owner can voluntarily incorporate such features as ramps or other improvements. All multi-family residential structures must meet the applicable accessibility requirements (ADA, FHA, CBC 11A or 11B) depending on its funding. It is recommended that applicants meet with the County Building Division to understand the necessary requirements for accessibility and other code requirements when developing housing projects.

Where accessibility improvements are involved or required, they are reviewed and approved through the normal permitting process.

Special needs housing involving multi-family buildings or more institutional settings is more likely to be developed in the cities or unincorporated urban pockets because of the available sewer and water services and transportation accessibility.

For some populations of people with disabilities, "group homes" provide a desirable type of housing as they typically offer a variety of support and services to their residents. Our Zoning Ordinance does not define "group homes" and refers to such uses as Community Care Facilities. The County's Community Care use classification is defined as "Limited" when a development provides for six or fewer residents. Group homes or other Community Care – Limited uses are allowed as a matter of right, with no requirements restricting concentration of uses, discretionary requirements, and parking requirements other than those required under the building code for group home occupancies and accessibility requirements. Group homes or other forms of Community Care facilities providing for more than six residents are allowed under the "Expanded" subcategory, subject to issuance of a Use Permit. For "Expanded" projects, there is a supplemental finding requirement that the new facility would not lead to an undue concentration of group homes in the vicinity. There is no standard of separation from other existing facilities specified in the Zoning Ordinance. Standard Use Permit findings and criteria would provide an evaluation of whether the proposed location of the use is appropriate relative to necessary support services and is otherwise appropriate for the site. Parking requirements for residential community care facilities such as group homes are specified in Ch. 4.30 of the Zoning Ordinance, requiring one space per six beds or residents, and one per employee. If either a

Community Care facility or an Expanded Care facility is applied for, the structure is subject to accessibility requirements.

For any parking facility serving the public, accessible parking spaces shall be provided. Of the required accessible spaces, at least one shall be van accessible. Standards for accessible parking spaces are found in 4.30.070 of the County Zoning Ordinance. Additionally, Electric Vehicle Charging Stations (EVCS) shall comply with accessibility standards (e.g., stall size, spacing, signage, accessible route, etc.).

The County does not require licensing for Community Care facilities, but State licensing requirements apply.

Reasonable Accommodation

Aside from Federal and State accessibility regulations, the Zoning Ordinance provides for procedures which allow for exemptions from setback requirements or other development standards, permit requirements or building regulations to allow for accessibility devices and structures. The County has a process to address reasonable accommodation requests for persons with disabilities. The Zoning Administrator of the County of Santa Clara reviews and either denies, approves, or conditionally approves such request where the proposed building or improvements necessitate relief from a standard of the Zoning Ordinance, such as a setback. The reasonable accommodation procedures are intended to allow exceptions or modifications without application or consideration of a Variance or other defined discretionary approvals. Reasonable accommodation requests are not subject to the more restrictive nature of a Variance procedure and findings, including noticing and public hearing, rights of appeal, and fees. There are no fees charged for the reasonable accommodation review process.

The criteria and factors considered by the Zoning Administrator in processing a reasonable accommodation request are:

- Existing, applicable policies or regulations,
- Availability of solutions not requiring an exception or modification of standards,
- How the request directly relates to the needs of the owner/occupant with disabilities, and
- The exact nature of the exception or modification proposed.

In evaluating a proposed request for reasonable accommodation, the Zoning Administrator uses the above criteria and factors to determine whether the need expressed by the applicant can be met without granting undue relief from a Zoning Ordinance standard. If it is determined that the request necessitates deviation from some standard, such as a setback, the Zoning Administrator is authorized to approve the request, provided that the applicant provided the information validating the need of the owner or occupant with disabilities, and the request is not so extreme as to have an actual detrimental impact on an adjacent property.

To date, there have only been a small number of inquiries regarding the possibility of obtaining a reasonable accommodation request since it was instituted in 2003. Only one request has been filed; that request was filed in January 2009 and granted in February 2009. The County expects more reasonable accommodation requests in the future for modifications to buildings for accessibility, such as ramp and porch improvements, window and door modifications, and similar construction, as the overall population ages.

Constraints Analysis

The County's permit requirements, procedures, and reasonable accommodation request process offer opportunities for homeowners to accommodate the special housing needs of those with disabilities. The procedures are prescribed, and processing time is approximately two to three weeks depending on possible need for further

information and resubmittal. Staff works closely with applicants to ensure there is adequate information in each request to assess whether or not a reasonable accommodation can be supported.

Implementation Measure

No changes are necessary to County requirements or procedures to accommodate housing needs for persons with disabilities, however, to increase the visibility of the reasonable accommodation option, Staff will propose options to the Board to codify this process within the Zoning Ordinance.

2.06s Regulations Influencing Housing for Agricultural Workers

The County makes special provision for agricultural employee housing, especially smaller-scale projects that do not qualify as employee housing under state law. In 2020, the County updated its Zoning Ordinance to re-classify agricultural employee housing as either *Small-Scale Permanent*, *Seasonal*, or *Large-Scale Permanent*. *Small-scale permanent* housing can include up to six family units or 18 beds in group housing. *Large-scale permanent* projects are those consisting of more units or beds than small-scale. *Seasonal* projects consist of multiple movable tiny homes and are onsite for no more than 180 days. The County also created a *Temporary Agricultural Residence* category, which allows for a single recreational vehicle or movable tiny home per property to provide temporary housing to a person engaged in an on-site agricultural operation, for up to five years.

The County streamlined the permitting process for all four of these housing categories. *Small-Scale Permanent* and *Temporary Agricultural Residences* are allowed subject to a non-discretionary Planning Clearance, with a cumulative cap of 100 units and 50 units,

respectively. *Large-Scale Permanent* and *Seasonal* projects are allowed subject to a Special Permit.

Agricultural employee housing is contingent on the owner of each parcel submitting an annual verification form to the Department of Planning and Development by January 31 of each year, to verify and provide substantial evidence that any permanent agricultural employee housing was occupied by agricultural employees for a majority of the year and verify that any seasonal units will be removed from the property outside of the designated occupancy dates. A deed restriction is recorded on any property for any permanent agricultural employee housing to provide notice to subsequent property owners that such housing is to be used only for agricultural employee housing. A property owner shall also affirmatively disclose the existence of any such deed restriction before transfer of ownership of such a property.

The nature of commercial agriculture in Santa Clara County has evolved significantly over the decades since it was known primarily as an agricultural economy, nicknamed the “Valley of Heart’s Delight.” Santa Clara County, once the fruit capital of the world with over one hundred thousand acres planted in fruit and nut trees, has seen a significant loss of agricultural land since the 1940s. Recognizing the rapid conversion of prime farmland within the county over the past two decades, the County of Santa Clara adopted the Santa Clara Valley Agricultural Plan in January 2018 to identify and prioritize key strategy areas, policies, and programs that support and encourage existing and future agricultural operations. One key strategy and action was to facilitate construction of more workforce housing for both seasonal and year-round farmworkers.

The diversity of Santa Clara County’s crops, the labor-intensive nature of such crops, and the overall high cost of housing in the region compound the need for agricultural employee housing as a

basis for maintaining agriculture within the county. Santa Clara County’s land values will continue to rise, encouraging high-value specialty crop production, which tends to favor crops that are highly perishable and need sufficient personnel to be harvested and moved to market in a timely manner. Such crops require significant hand-scale labor for planting, pruning, weeding, and harvesting and are typically not well-suited to mechanization. As farms become more vertically integrated, with on-site value-added operations such as packing and shipping facilities, agricultural processing, and on-site sales, the need for agricultural labor may increase, becoming more stable and year-round rather than seasonal.

Constraints Analysis

Despite there being only three units developed in the two years since the amendments were made to streamline agriculture employee housing, interest in the new process has increased significantly during this time. Interested property owners regularly call in or schedule meetings with planners to go over their options under the revised provisions and inquire about the process, with approximately four to six inquiries per month. Property owner interest has consistently centered on the *Small-Scale Permanent* category, which prior research indicated would be the most relevant and functional category in most circumstances. However, all four types of housing allowed under the approved amendments have been the subject of inquiries by property owners.

At least three property owners have initiated projects under the *Large-Scale Permanent* category, primarily with the intent to house seasonal workers operating under H-2A work visas, hosted by farm labor contractors. In at least one case, land was purchased with the explicit intent of pursuing such a project. The primary challenge *Large-Scale Permanent* projects face is approval for drinking water. A water supply for any development consisting of five or more service

connections is classified as a “state small water system” and water supply to a project serving 25 or more people per day, for at least 60 days per year, is classified as a “public water system.” Both water system classifications trigger oversight authority by the State’s Regional Water Quality Control Board, which in recent years has required that an applicant first attempt to obtain an urban service area connection prior to its consideration of an application. In most cases, an urban service area connection would necessitate city annexation. The Department is in discussion with staff from the Local Agency Formation Commission (LAFCO) of Santa Clara County regarding options and annexation. A smaller number of inquiries have been received regarding the *Seasonal* and *Temporary Agricultural Residence* categories. Both categories make use of movable tiny homes, which are required to connect to a permanent onsite wastewater treatment system (OWTS) under our County Local Agency Management Program (LAMP). Most prospective applicants are dissuaded from pursuing the *Seasonal* or *Temporary Agricultural Residence* categories once it is explained that they would first need to develop a permanent OWTS.

As evidenced by a six-month delay for the three-unit project discussed above, the *Small-Scale Permanent* category also faces challenges with establishing OWTS. At least a dozen prospective applicants have presented preliminary plans to develop agricultural employee housing, have been informed of the requirement to first obtain Department of Environmental Health approval for an OWTS and drinking water supply, and have not yet submitted a complete application. As a result of the amendments approved by the Board, the newly established planning process has been effectively streamlined, allowing review and approval to be expedited through a

ministerial evaluation of objective standards and requirements. However, the overall permitting process, namely the path to getting clearance for an OWTS and water supply, as well as the review and requirements by subject matter experts, continues to present significant delays and challenges in the path from proposal to final approval. It is important to note that the challenges related to water supplies are also challenges that originate at the state law level.

Implementation Measures

The Department is working with all relevant agency reviewers and subject matter experts to identify opportunities for further streamlining of the regulatory requirements and permitting process for agricultural employee housing. The County will continue to implement the new streamlined permitting process and monitor its effectiveness. Where potential streamlining opportunities require additional code amendments, the Department will coordinate with the relevant agencies to present such opportunities to the Board.

2.06t Regulations Influencing Additional Special Needs Housing

Regulations for Special Needs Housing includes populations such as the elderly; persons with disabilities, including a developmental disability, as defined in Section 4512 of the Welfare and Institutions Code; large families; farmworkers; families with female heads of households; and families and persons in need of emergency shelter. Cal. Gov’t Code § 65583(a)(7). This section discusses housing for persons within these categories, and tools within the County Code to assist with residential modifications to enable a person to continue living in place.¹⁸

¹⁸ The County has not identified any special needs in the unincorporated areas specific to large families or those with a female head of household, as per Government Code 65583(a)(7).

Special needs housing includes community care facilities, assisted living centers, emergency shelter housing, and homelessness-related services. Community care facilities, also referred to as “group homes,” are defined as uses permitted in all urban base zoning districts that permit residential uses and all rural base districts. Small-scale (“Limited”) community care facilities, serving or housing six or fewer individuals, are permitted as a matter of right, while those serving more than six individuals (“Expanded”) are permitted subject to a conditional Use Permit. The use regulations of the County Zoning Ordinance are consistent with State laws.

Emergency shelters, homeless shelters, and combined shelter/service centers for the elderly and persons with disabilities are typically developed within city jurisdictions, where there are available sewer and water services, as well as public transportation, paratransit (on-demand transportation for those with special needs), and access to other important services. Emergency Shelter is permitted in Rural Residential (RR), Multifamily (R3), Commercial (CG and CN), Administrative/Professional Office (AO), and Industrial (MH and ML) zones as well as the Public Services and Supportive Housing (-ps) combining district. Small scale (14 or fewer beds) emergency shelters are allowed “by right,” and large-scale shelters are allowed with a Use Permit approval. Religious and Non-profit institutions may also operate small-scale emergency shelters as an ancillary use “by right.” Emergency, homeless, and transitional shelters are not typically located in the rural unincorporated areas. Rural hillside and agricultural areas are not served by municipal sewer service, have no or very limited access to transit and social services, are far removed from other emergency response services and medical centers, schools, and amenities, and do not promote the societal integration of the populations served.

The focus of the County is to fund programs that provide emergency, transitional, and special needs housing within the urban areas of the 15 cities within Santa Clara County, which is where the needs and opportunities are greatest. The County devotes significant resources to the operation of emergency shelter housing throughout the urban areas, operating or assisting with a total of 211 shelters within Santa Clara County, including three major shelters in Sunnyvale, Gilroy, and San José. Funding assistance is also provided for many other resources aimed at preventing homelessness.

In the last Housing Element, the County identified funding as a significant constraint to combat homelessness. Since then, County voters approved an unprecedented [affordable housing bond measure of \\$950 million](#) in 2016, which the County has used to fund affordable housing projects, including 830 new homes in nine developments, which will serve more than 1,600 people, with another 1,280 affordable homes under construction. The County’s role has expanded from providing permanent housing, emergency housing, and homeless shelter/service centers, to also include advocacy and tenant/landlord support services. Under what is called the “[Community Plan to End Homelessness](#),” the County gave itself [a deadline of 2025](#) to double its temporary shelter capacity, house 20,000 people through supportive housing, cut the annual inflow of people becoming unhoused by 30%, expand homelessness prevention programs to serve 2,500 people yearly, and address racial inequities that disproportionately affect people of color.

Constraints Analysis

The County General Plan, zoning regulations, and permitting requirements to accommodate certain special needs housing types described above do not constitute an undue burden or constraint on the production or supply of special needs housing. Within urban areas, the use classifications and regulations for special needs

housing types are intentionally like those of the adjacent cities. The key issues or factors which pose constraints to meeting special needs housing continue to be the availability of suitable land, funding for programs and grants, ongoing need for intergovernmental coordination to provide such housing and related services, and providing the kinds of ongoing services needed to prevent re-occurrences of homelessness.

Implementation Measure

No changes to General Plan land use policies, zoning regulations, permitting procedures or development standards are necessary or appropriate to facilitate or accommodate special needs housing for the unincorporated areas.

2.06u Summary of Stanford University Constraints

Stanford University is the only significant unincorporated urban area that is excluded from countywide urban development policies that call for annexation of urban development into the adjacent city. Such exclusion is based upon a 1985 land use policy agreement among Stanford, the County of Santa Clara, and the City of Palo Alto (the "Tri-Party Agreement").

Current County policies governing development at Stanford do not constrain affordable housing development. Through the Stanford Community Plan (SCP) and the 2000 General Use Permit (2000 GUP), the University is required to develop housing of a variety of types in conjunction with new academic building development. The SCP stipulates that Stanford will supply its own urban services for academic development, which includes housing for academic faculty and staff, and that lands with non-academic uses will be annexed

into Palo Alto. Stanford University has sited housing development adjacent or in close proximity to the academic programs that they support. Upon approval of an updated SCP that is being processed in parallel with this Housing Element Update, SCP policies are being amended to promote the construction of housing near transportation, the campus, and services/amenities.

Constraints Analysis

The County requires a linkage between academic development and housing, to balance housing, jobs, and available transportation. The linkage is expressly defined in the SCP and the 2000 GUP. Within University lands located in the unincorporated county, there is capacity to meet at least half (1,680 units) of the housing needs of this Housing Element Update. The County is currently updating the SCP, which would require Stanford to provide housing, both affordable and market-rate, on campus or on contiguous Stanford-owned land grant properties.

Beginning with Annual Report No. 12 (2013) Table C-2 of each Annual Report includes a column that indicates the RHNA units provided in each reporting period since the adoption of the 2000 GUP.¹⁹ This helps the County track the RHNA units constructed on the Stanford Campus in relation to the remaining capacity under the GUP.

Implementation Measures

The revised SCP policies will require development of housing in the Academic Campus land use designation at minimum densities of 30 dwelling units per acre (currently the required density is a minimum of 15 dwelling units per acre) to enhance access to affordable

¹⁹ Annual Reports for Stanford University can be found here: <https://plandev.sccgov.org/policies-programs/stanford-university/2000-general-use-permit/annual-reports>.

housing. In addition, a streamlined approval process for on-campus housing within a half mile of a public transit station or high-capacity transit stop is being developed as part of the SCP, consistent with Senate Bill (SB) 35, along with objective design standards for the three sites on the Stanford campus identified in the Housing Element, to further facilitate streamlined review of housing projects while addressing neighborhood compatibility.

2.06v Summary of Rural Unincorporated Area Constraints

Since its inception, the County General Plan has been built around a longstanding vision for rural unincorporated areas to remain rural. Areas consisting of steep hillsides, open spaces, farmland, and rangeland, are considered rural and are intended to remain in non-urban uses and densities, deemed inappropriate and unsuitable for urban development. Moreover, these areas have significant physical and environmental constraints to development; they are often prone to natural hazards, such as wildfire, flooding, and geological hazards, contain protected habitat species, protected waterways, and protected scenic vistas, and have limited viable water supply and steep slopes.

These areas are often void of sidewalks, public transit, and other amenities that would serve typical residential development, such as schools and grocery stores. Supportive infrastructure is prohibitively costly for development on certain parcels. Higher density housing is dependent on provision of urban services like sewer and water, which are available only in cities and Urban Service Areas. Very low- and low-income households particularly benefit from other urban services and amenities like schools, transportation, and retail establishments, none of which are provided in the rural areas. Local,

regional, and state planning policies and incentives such as *Plan Bay Area 2050* and transit-oriented development enabling legislation focus development in areas where there is already existing infrastructure, proximity to transit and work centers, and where environmental impacts can be minimized. As such, the County's policies for the rural unincorporated areas are aligned with broader regional and state goals.

In rural unincorporated areas, new residential uses are limited to one primary, single-family dwelling per lot (except for agricultural employee housing and accessory dwelling units), and densities for subdivision purposes are low. With the addition of Senate Bill 9 (SB9), the minimum lot size of qualifying parcels is reduced to 1,200 square feet. Under SB 9, eligible parcels in the unincorporated county must be designated as wholly within an urban area according to the U.S. Census Bureau and be residentially zoned (Parcels in R1, R1E, RHS, R1S, RR, or A1 Zoning Districts) and not be located within a hazardous area.²⁰ Over two-thirds of the land in the county (including parcels within the 15 cities and towns) would not be eligible under the provisions of SB 9. In rural zoning districts, allowable densities range between 5 and 160 acres per lot.

In rural unincorporated areas of the County, several factors present constraints to housing development, but constitute appropriate policy and regulatory approaches to development in the variety of steep, vulnerable, protected, and hazardous areas that make up over two-thirds of the land area of the County. Protection of the rural districts does not present an undue burden or constraint upon housing for the urban area population, which as a matter of policy should be located within existing urban areas to the greatest extent

²⁰ County of Santa Clara website; SB9 information page; <https://plandev.sccgov.org/senate-bill-9> accessed 11/17/22

possible to avoid sprawl and other unintended consequences. To summarize:

- Countywide, longstanding development policies require that urban scale development occur only in cities and not in rural unincorporated areas.
- Regional land use, housing, and transportation policies as reflected in the region’s Sustainable Communities Strategy focus growth in the urban core of the Bay Area, and particularly in urban areas near transit.
- The vast majority of rural unincorporated development is single-family residential on existing lots of record, agricultural uses, or open space.
- Rural areas do not have access to municipal sewers or water systems, and most areas rely upon on-site wells and small private water systems. Limited groundwater supplies, soils, slopes, and high groundwater conditions limit the feasibility of development. Multi-family housing development is not consistent with the density policies for rural areas and typically could not be approved without urban infrastructure.
- Steep terrain, limited road access, and prevalent natural hazards make most of the county’s vast rural hillside areas infeasible and unsuitable for housing at urban densities.

2.06w Summary of Urban Unincorporated Area Constraints

The unincorporated urban islands or pockets in Santa Clara County are mostly comprised of residential neighborhoods that were developed prior to the County’s first General Plan, during a time when the County approved urban subdivision tracts in unincorporated areas. These urban pockets are scattered over a 250 square mile area. The best means of improving the efficiency of urban service delivery and making more logical political boundaries is to annex the islands into their surrounding cities. Better municipal

organization, logical boundaries, and improved service efficiency promotes the provision of an affordable housing supply. To that end, utilizing the streamlined annexation provisions of state law, the cities of Santa Clara County have successfully annexed 16 islands during the fifth Housing Element cycle, from 2015 to May 2021. The City of San José alone has annexed 11 of those islands during this time.

Constraints to the development of affordable housing in urban unincorporated areas include:

- Urban unincorporated islands are largely built-out and devoted to single-family residential uses. Large-scale redevelopment of established neighborhoods with higher density uses would be difficult to coordinate and is therefore unlikely.
- Selected areas may be eligible for higher density development in accordance with city general plans, but most areas designated for multi-family residential uses have been annexed already or must be annexed into cities prior to redevelopment of any kind, consistent with joint city/County policies and as a means of accessing sewer and water services.
- While there are islands that remain unincorporated, County-approved development in these pockets must be consistent with the General Plans of the cities surrounding them to assure compatibility with the larger, surrounding city neighborhood of which they are a part. Annexation promotes the attainment of higher density housing, planned unit developments, and other urban development that better ensures affordable housing opportunities.

The longstanding joint city/County policies are founded in cooperative planning, intended to be respectful of city general plans and interests, and provide greater opportunities for infill development than if the islands remained unincorporated.

2.06x Summary of County-Owned Lands Constraints

County-owned properties provide important but somewhat limited housing development opportunities. The sale of surplus properties to non-government entities for use in housing or mixed-use developments is one means of facilitating housing development. Another means is through County retention of land rights and partnership with a private developer to create new housing or mixed-use developments. In either case, the use of land for development (for a non-governmental purpose) is governed by the applicable city general plan when located within a city's Urban Service Area.

Analysis of the constraints affecting development of individual County-owned properties for affordable housing projects is more difficult than analyzing the constraints affecting residential development on privately-owned lands because:

- Opportunities for the development of County-owned lands is limited by the small number of properties and the financial considerations involved in determining the disposition of those properties.
- For those projects that may require city approvals, the parcels involved may not initially have residential designations in the cities' general plans and/or necessary pre-zoning that would indicate how many residential units the cities would allow to be built on them.
- The residential land use designations the cities would apply to County-owned lands proposed to be used for housing are likely to be "planned unit development" designations that allow for a relatively wide range of densities and development types and as such lack specificity and predictability.

The use of surplus County-owned properties does not involve significant constraints to housing development. Rather, it promotes housing development if the property is located within city Urban

Service Areas and meets the needs of both the County and city within which development is proposed.

2.07 Non-Governmental Factors Influencing Housing Production

2.07a Overview

Housing supply and costs are influenced by many factors beyond the control of local government. State and national economic conditions have considerable bearing on the pace of local development, the availability of construction lending and financing, and mortgage interest rates. Many of the costs associated with home building, such as construction labor and materials, are outside of the County's control. The County can, and does, provide assistance in constructing low- and moderate-income housing through land-cost write-downs and construction loans through the Community Development Block Grant and other programs. However, to a great extent, the costs associated with producing and acquiring housing are beyond the direct control or influence of County government.

There may be significant capacity under existing General Plan and Zoning designations for housing, but cities and the County must rely on the housing market to create most new housing or spur rehabilitation. Several non-governmental factors that can constrain housing development are discussed in the sections below.

2.07b The Regional Housing Market and National Economy

Following a decade of economic prosperity and sustained global growth, the COVID-19 pandemic triggered widespread economic uncertainty and consumer panic. While the national, state, and regional economies have mostly rebounded from the pandemic shock, the recovery is still resulting in sweeping economic

fluctuations. After gradually returning to pre-pandemic levels by the end of 2020, the stock market slid during the first half of 2022 over fears of inflation, labor scarcity, global supply issues, political instability, and vulnerabilities to climate-induced disasters. Average long-term U.S. mortgage rates have risen due to inflation worries. As published by [Freddie Mac](#) on August 25, 2022, the 30-year rate rose to 5.55% from 2.87% the year prior and reached 7.08% by November 10, 2022.

Despite the pandemic upheaval, the San Francisco Bay Area continues to be one of the costliest housing markets in the state and the nation. According to [Zillow statistics](#), the average price of a single-family house in San José was \$1.45 million in June of 2022, up 18.5% from \$1.22 million in June 2021. Even though the high-income tech industry and limited availability of housing continues to drive up home and rental costs, the housing market has recently experienced a cooling due to the increase in borrowing interest rates.

Historically, highly profitable venture capital firms and software companies in Silicon Valley have created a prosperity that has driven prices higher in the most desirable housing areas. However, a disparity in wealth of white collar vs. blue collar workers exists in the county. As the [National Low Income Housing Coalition](#) reports, software developers (with a median hourly wage of \$71.47) represent only a small fraction of employees in the largest occupations in Santa Clara County. Collectively, there are many more workers (janitors, farm laborers, retail salespersons, fast food staff, etc.) who make less than \$20 per hour. The resultant wage gaps between income and housing costs have pushed affordable housing out of reach for many renters and potential buyers. To afford a two-bedroom rental home

in Santa Clara County, with a fair market monthly rent of \$2,418, the average worker would need to make at least \$46.50 an hour.

One of the County's hurdles to processing housing permits stems from a dwindling inventory of easily buildable lots, which is pushing residents to build on hillsides, prime farmland, and areas where a high groundwater level creates additional challenges for establishing onsite wastewater treatment systems. As climate change and drought have contributed to the increasingly common danger of wildfire, feasible lots in areas less threatened by fire are in increasingly short supply. Additionally, several areas of the county are impacted by flooding, with 50-year and 100-year storm levels occurring more often after drought periods and resulting in major flooding and destruction of residential neighborhoods and preservation land.

2.07c Home and Land Costs

In the Bay Area, the costs of housing have long been among the highest in the nation. The average home value across Santa Clara County was estimated at \$1,695,548²¹ by the end of 2020, per data collected by the Santa Clara County Associated of Realtors. This average increased to \$1,995,986 by the end of 2021.²²

Aside from the prices of homes in Santa Clara County, the cost of land is a critical component of the overall price of housing, especially new construction. The price of unimproved land varies greatly within Unincorporated Santa Clara County, depending on location, existing infrastructure, and the existence of or difficulty in obtaining Building Site Approval or other entitlements necessary for development of the site. Urban unincorporated areas also vary greatly, and most are already developed with single-family homes. In terms of cost, areas of unincorporated East San José are very different from the

²¹ Year End 2020: Santa Clara County": Single-Family Residence, accessed 9/12/22 <https://www.sccaor.com/pdf/stats/2020.pdf>

²² Year End 2021: Santa Clara County: Single-Family Residence, accessed 9/12/22 <https://www.sccaor.com/pdf/stats/2021.pdf>

unincorporated areas of Los Gatos, Los Altos, and Cupertino. According to LandWatch, an online rural real estate listing platform, in 2021 there were more than 22,700 acres of land for sale (farms, ranches, and other) in Santa Clara County, with an average cost of approximately \$4 million per transaction.²³

Rural area parcels vary greatly in price depending on whether building site approval has been obtained, the remoteness of the site, whether the property has a view, and the property’s proximity to desirable communities like Monte Sereno, Los Gatos, or Saratoga, among others.

2.07d Construction and Labor Costs

Construction and labor costs are also significant components of housing cost. These costs include site improvements (not land costs) necessary to prepare a site for development, as well as the actual costs of labor and materials for the dwelling. As part of the County Inclusionary Housing In-Lieu fee analysis, Keyser Marston Associates produced a [2020 report](#) on the costs of providing affordable units. The report concluded in part that the average cost of home sales has increased. Below is a table from the report showing the median and average cost of a new home based on the sale of homes the unincorporated Santa Clara County between the years of 2016-2019.²⁴

Table 2.22: Median and Average Characteristics of Home Sales in Unincorporated Santa Clara County

Year Sold	Beds	Baths	Size (SF)	Lot Size (Acres)	Sale Price	Price per SF
Median of Sales in						
2016	4	4	3,922	0.39	\$2,221,500	\$536
2017	4	4	3,751	0,40	\$2,300,000	\$654
2018/2019	5	5	4,158	0.75	\$2,562,500	\$709
Average of Sales in						
2016	5	5	4,415	1.25	\$2,854,000	\$658
2017	4	4	3,991	2.04	\$2,739,000	\$726
2018/2019	5	5	4,939	1.67	\$3,391,000	\$781

Source: CoreLogic, May 2019. Reflects homes built since 2000.

The median size home in urban areas over the last several years has slightly increased from 4,000 to almost 5,000 square feet, which means that a typical 4,500 square foot home in the unincorporated county could cost approximately \$3,150,000 to construct (\$700/sq.ft.). This does not include the cost of the underlying land.

Few multi-family units are built in unincorporated Santa Clara County, due to the lack of sewer and water services. According to analysis by the UC Berkeley Turner Center for Housing Innovation, the per-square-foot hard costs for constructing multifamily projects in California climbed 25 percent over the course of 2008-2018, reaching \$222 per square foot on average statewide. In the Bay Area,

²³ LandWatch, Santa Clara County Land Information, accessed 9/13/22 <https://www.landwatch.com/california-land-for-sale/santa-clara-county>

²⁴ Inclusionary Housing and Supplemental Housing Mitigation Fee Ordinance prepared by Keyser Marston Associates (2020), [available here](#).

including Santa Clara County, the average cost in 2018 was \$380 per square foot, representing an increase of 119 percent from 2008.²⁵

2.07e Availability of Financing

The COVID-19 pandemic has significantly altered the financial landscape for development and real estate within Santa Clara County. Since the start of the pandemic in early 2020 and the increasing prevalence of remote working in Silicon Valley, the general population has had an increase in demand for single-family residences in the county. The demand of single-family residences has led to a significant increase in home prices due to historically low mortgage interest rates, consistently decreasing until 2022.

Construction costs have also seen a significant increase due to labor costs as well as high demand of lumber. The Federal Reserve has steadily raised interest rates to combat high inflation of 8.2% in mid-2022²⁶ thereby slowly making it more expensive for developers and homebuyers to borrow.

The County's ability to mitigate for these effects is somewhat limited. However, in 2016 the voters of Santa Clara approved a \$950 Million Affordable Housing Bond with up to \$50 million set aside for homeownership programs. Launched in 2017, the County in partnership with Housing Trust Silicon Valley administers a \$25 Million [Empower Homebuyers SCC](#) program that offers down payment assistance to eligible first-time homebuyers.

2.07f Conclusion Regarding Non-Governmental Factors

Non-governmental factors in housing costs and production are ultimately the primary factors that determine price, availability, and affordability. In metropolitan areas that are largely built-out, redevelopment and infill development are a major source of new

housing development opportunities. Urban land markets tend to place a premium on land the closer it is to central business districts, with good access, or in areas where higher densities are available.

²⁵ https://ternercenter.berkeley.edu/wp-content/uploads/2020/08/Hard_Construction_Costs_March_2020.pdf

²⁶ U.S Department of Labor (<https://www.dol.gov/general/topic/statistics/inflation>), accessed November 17, 2022