

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.

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. The following categories refer to AMI, or Area Median Income, as used for Federal and State funding purposes, which was \$168,500 in 2022 for a household of four in Santa Clara County.

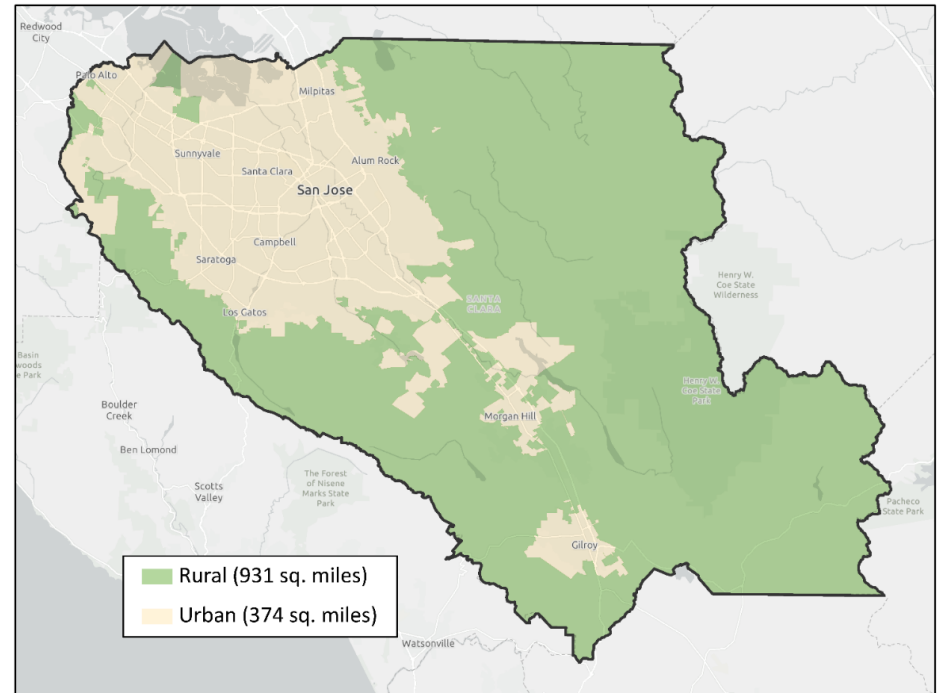


Figure 2.1 Santa Clara County Urban and Rural Areas⁶

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.

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

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

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 incrementally annexed 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 2.2 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

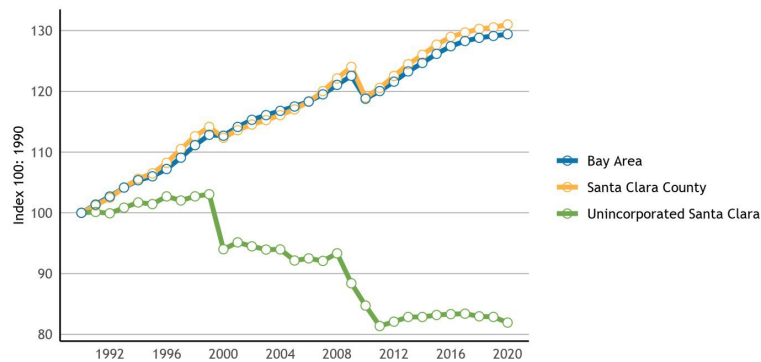


Figure 2.2 Population Growth Trends

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

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

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.

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 islands or 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 under the County’s ordinance update streamlining ADU development. For detailed explanation of the County’s capacity to meet its RHNA targets, see section [2.04](#).

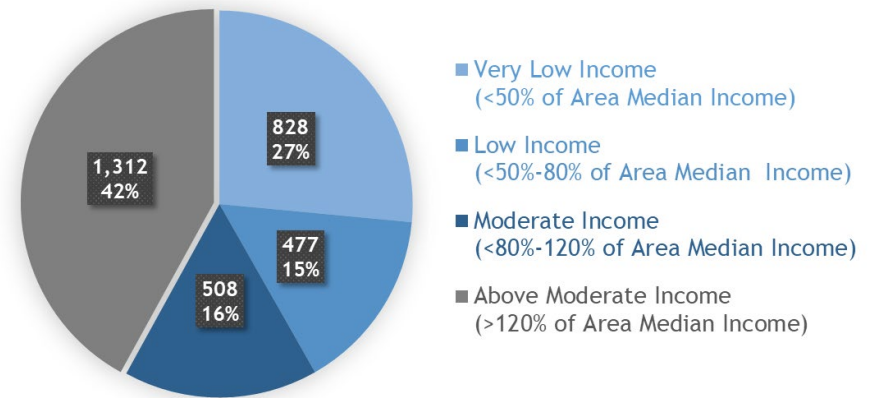


Figure 2.3 Unincorporated Santa Clara County Housing Need, by Income Category

2.02c Housing Costs

Housing costs throughout the unincorporated areas of Santa Clara County have increased significantly during the 21st century. While homeownership was already a challenge for families

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

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

earning less than \$100,000 per year in 2000, a report from real estate website Redfin estimates that a first-time homeowner in 2023 would need to earn more than \$400,000 per year in order to afford a median-priced home in the Bay Area.¹¹ This section examines how those housing costs have developed since 2000, for the unincorporated areas of the County overall, and for specific unincorporated neighborhoods within the county. Housing cost data throughout the County of Santa Clara was collected for the County's nine Census Designated Places (CDP), rural unincorporated county,¹² and the overall unincorporated Santa Clara County.

Information from the American Community Survey (ACS) and Zillow was analyzed to provide housing cost data. The County's nine CDPs are: Stanford (unincorporated lands owned by Stanford University), Loyola (an unincorporated area between Los Altos and Los Altos Hills), Lexington Hills (an area near Lexington Reservoir), San Martin (a rural community located between Gilroy and Morgan Hill), and five urban pockets surrounded by or directly adjacent to incorporated San José (Alum Rock, Burbank, Cambrian Park, East Foothills, and Fruitdale).

The Zillow House Value Index was used to quantify the median home value of all homes, including single-family residences and condos/co-ops. In 2000, the average value of a home in the unincorporated county was \$577,701. Alum Rock and East Foothills had the lowest median home value at \$319,090, while Loyola had the most expensive housing with a median home value of \$1,381,367. Between 2000-2007, home values throughout the unincorporated county rose by 48%, to a median

home value of \$846,008. Loyola, Stanford, and San Martin saw median home values exceeding \$1,000,000, with Loyola still the most expensive with a median home value of \$1,762,232. The median home value in Alum Rock and East Foothills hit a then record high in 2006 of \$530,062.

Between 2007 and 2011, average home values throughout Santa Clara County fell to \$597,297, which can be largely attributed to the housing market crash of 2008. Alum Rock, East Foothills, and San Martin saw the sharpest drop in median home value during this time, falling to below 2000 levels. Home values began to recover in 2012, with all CDPs recovering to at least their 2000 median home value, and Stanford and Loyola setting new high values.

Between 2007 and 2015, the more affluent, urban communities of Cambrian Park, Loyola, and Stanford, had the strongest recovery from the crash, increasing in value by 40%, 56%, and 67%, respectively. During this same period, the urban pocket communities like Alum Rock and Fruitdale saw moderate increases in home values by 10% and 24%, whereas the rural community of San Martin saw an overall 9% decrease. San Martin's slower recovery could be attributed to the unsuccessful attempt to incorporate as an independent city, which ended in 2008.

Between 2015 and 2023, home values in unincorporated Santa Clara County rose, on average, by 69%. Stanford saw the most modest increase at 45% while the East Foothills increased by 108%. Between 2022 and 2023 alone, housing values in the unincorporated county rose between 1% and 7%. As of 2023, all

¹¹ Homebuyers Must Earn \$115,000 to Afford the Typical U.S. Home. That's About \$40,000 More Than the Typical American Household Earns. Dana Anderson, Redfin.com, October 17, 2023

¹² In this section, rural unincorporated county refers to areas of the unincorporated areas of Santa Clara County which are not within an urban service area or within a CDP such as San Martin or Lexington Hills.

communities in the unincorporated county have median home values of at least \$1,000,000 (except for Alum Rock with a median of \$991,237). The median home values in Stanford and Loyola total \$2,766,213 and \$4,316,058, respectively. This data substantially matches ACS 5-year data of median housing values between 2000 and 2022.

Housing tenure distinguishes whether a housing unit is occupied by a homeowner or a renter. Generally, affluent and hillside communities had a higher percentage of housing occupied by homeowners. For example, the East Foothills, Loyola, and Lexington Hills had the highest percentage of housing units occupied by homeowners, the highest across the unincorporated county, with 88%, 87%, and 85% of housing units occupied by homeowners, respectively.

In contrast, unincorporated urban islands in the county (neighborhoods surrounded by an incorporated city) had a lower percentage of housing occupied by homeowners, and a higher percentage of renter-occupied housing units. Burbank, Fruitdale, and Alum Rock, urban communities surrounded by the City of San José, had only 59%, 66%, and 71% of housing units occupied by homeowners, respectively. Regardless, all communities analyzed in the unincorporated county had a higher percentage of homeowner tenure than renter tenure. In summary, across the unincorporated county, an average of 78% of housing units were occupied by homeowners and 22% were occupied by renters.

ACS 5-Year Data was used to collect median contract rent in the County’s nine CDPs, rural unincorporated county, and unincorporated Santa Clara County between 2010 and 2022. In 2010, the median contract rent in unincorporated Santa Clara County was \$1,450. Affluent and hillside communities had the highest median rents in the unincorporated county – Loyola,

Lexington Hills, and East Foothills had the highest median rents at this time, ranging from \$1,842 to more than \$2,000 per month (ACS data does not provide specific data once a median rent surpassing \$2,000 per month, so actual rents may be significantly higher based on the home values and lack of multi-family housing in Loyola and Lexington Hills).

Table 2.3: Housing Value Trends

	% Change in Housing Value 2000-2023 (ZHVI, 2023)			Median Home Value (ZHVI, 2023)
	2000-2007	2007-2015	2015-2023	2023
Stanford	+32%	+67%	+45%	\$2,766,213
Loyola	+28%	+56%	+57%	\$4,316,058
Lexington Hills	+44%	+32%	+52%	\$1,379,041
Cambrian Park	+48%	+40%	+93%	\$1,769,419
Fruitdale	+52%	+24%	+80%	\$1,321,846
Burbank	+52%	+24%	+48%	\$1,085,294
Alum Rock	+61%	+10%	+76%	\$991,237
East Foothills	+61%	+10%	+108%	\$1,173,668
San Martin	+55%	-9%	+63%	\$1,493,280
Rural Unincorporated County	+45%	+33%	+64%	\$1,750,972
Unincorporated Santa Clara County	+48%	+29%	+69%	\$1,804,703

Urban islands and rural areas had the lowest median rents in 2010. Burbank, Fruitdale, and San Martin experienced rents between \$965 and \$1,109 per month.

Between 2010 and 2015, the median rent rose by 9% throughout unincorporated Santa Clara County. In the rural areas of the unincorporated county, rent rose by 20%. Rents in the rural unincorporated area of San Martin increased by 52%. Hillside communities experienced the greatest reduction in rent during this period, with rents in East Foothills and Lexington Hills falling between 28% and 48%. Median rent increased at a rapid rate between 2015 and 2022. On average, median rents throughout unincorporated Santa Clara County rose by 60%, with median rents increasing between 21% in Stanford, to 138% in Lexington Hills. Between 2021-2022, the median rent increased by 12% across the unincorporated county.

The Zillow Observed Rent Index (ZORI) was used to provide a rental estimate (as of 2023) across unincorporated Santa Clara County. The highest median rents occurred in affluent, urban areas of the unincorporated county. ZORI data estimates show that Loyola, Cambrian Park, and Stanford experienced median monthly rents totaling \$7,884, \$3,628, and \$3,444, respectively. Hillside communities and urban islands had the lowest median rents. Lexington Hills, Alum Rock, and East Foothills, and Fruitdale and Burbank enjoyed median rents of \$2,850, \$2,992, and \$3,124, respectively. In 2023, the average median rent in unincorporated Santa Clara County was \$3,668. The data collected for both home values and rental prices concludes that while both home values and rental prices experienced significant increases between 2015 and 2022, rental prices increased by 60% while home values increased by 56%, marking a steeper increase in rental prices than home values.

Table 2.4: Rental Values

Median Rent Values 2023 (ZHVI, 2023)	
Stanford	\$3,444
Loyola	\$7,884
Lexington Hills	\$2,850
Cambrian Park	\$3,628
Fruitdale	\$3,124
Burbank	\$3,124
Alum Rock	\$2,992
East Foothills	\$2,992
San Martin	\$3,155
Rural Unincorporated County	\$3,486
Unincorporated Santa Clara County	\$3,668

The following paragraphs provide additional background on the County’s methodology for the preceding analysis.

The ACS was the primary source of data for home and rental prices. The ACS contains individual data samples for the nine CDPs within the unincorporated county. Data for the rural unincorporated county was collected from Census Tracts that cover those areas of the county. Furthermore, data from those census tracts was combined as an average to produce single data points described as the rural unincorporated county. Data sets used to analyze housing costs include housing tenure in median values of owner-occupied units between 2010 – 2022, median contract rent between 2010 – 2022, and median gross rent by bedroom in 2015, 2021, and 2022. All data collected from the ACS utilized ACS 5-Year estimates. ACS data was further analyzed to provide the percent change in rent between 2015-2022, and percent change in rent between 2021 and 2022. While

the ACS provides significant data on estimates of housing costs in the unincorporated county, Zillow was used to supplement and augment housing cost data.

The Zillow Housing Value Index (ZHVI), provided by Zillow, quantifies home values in the 35th to 65th percentile of typical homes. ZHVI data for home values is categorized by metropolitan area, state, county, zip code, and neighborhood. Generally, ZHVI neighborhood data aligned more closely with the boundaries of the CDP associated with that neighborhood (e.g., the boundaries of the Burbank neighborhood depicted by Zillow align very closely with the boundaries of the Burbank CDP), whereas zip code data covers the entire zip code.

The zip code data covers the CDP, but may also include areas outside the CDP, whether unincorporated county or incorporated city. For home values, the ZVHI neighborhood data provides more granular, accurate information than ZHVI zip code data because it covers a smaller area more aligned with the CDP. However, some ZVHI neighborhood data sets do not cover as large of a timespan as the zip code data sets (neighborhood data generally became available in 2016 whereas zip code data began in 2000). Generally, ZVHI neighborhood data was the primary source of housing cost but is augmented by ZVHI zip code data.

Where zip code data was not available or would not accurately describe housing costs of a specific community, City data was used as the most accurate data to represent that community. Additionally, Zillow housing data is not available for unincorporated areas of the county that excludes cities within Santa Clara County. For the purposes of collecting housing data on the unincorporated areas, ZVHI zip code data was used to calculate an average of the zip codes that cover the rural unincorporated county.

Lastly, an average of the housing costs for Santa Clara County's nine CDPs and rural unincorporated county provided data for unincorporated Santa Clara County. The Zillow Observed Rent Index (ZORI) provides 40th to 60th percentile of rental costs. For rental costs provided by ZORI, zip code data is the most granular data set. Zip codes associated with each CDP were used to provide the most accurate rental data in the County's nine CDPs. Data sets used to analyze housing costs include typical home values of all homes between 2000-2023 and typical rent values in 2023. Zillow data was further analyzed to provide the percent change in housing value between 2000-2007, 2007-2015, 2015-2023, and 2022-2023.

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 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.

Toward this end, the County completed its **Assessment of Fair Housing (September 2023) (Appendix L)**, prepared by the Lawyers' Committee for Civil Rights Under Law and Root Policy, with input from a wide range of stakeholders through a community participation process that began in 2019. The Assessment of Fair Housing (AFH) is intended to provide a holistic look – informed by data, maps, community input, and policy analysis – into the trends and factors affecting access to housing and opportunity on the basis of protected characteristics under federal and state fair housing laws. Complementing the AFH is the **Affirmatively Furthering Fair Housing Sites Inventory Analysis (September 2023) (Appendix M)** and the **Assessment of Fair Housing Proposed Goals and Actions and Corresponding Implementation Programs (Appendix N) (September 2023)**, which directly analyze the nexus between the AFH and this Housing Element's sites inventory and programs, respectively.

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 has enhanced 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 holistic 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 related studies, although few make special consideration for the unincorporated areas of the county. Such studies form the basis for the County's

approach to realizing fair housing and the programs of this Housing Element.

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:

1. Disproportionately high rates of homelessness among specific racial/ethnic groups.
2. Racial/ethnic variation in experiences of homelessness.
3. 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 supplements the more holistic analysis of the AFH (Appendix L) and summarizes research and analysis in the **ABAG Segregation Report (March 2021) (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 2.5. 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.¹³

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.

¹³ ABAG Segregation Report (March 6, 2021), Appendix I

Table 2.5 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 (2015-2019), Table B03002

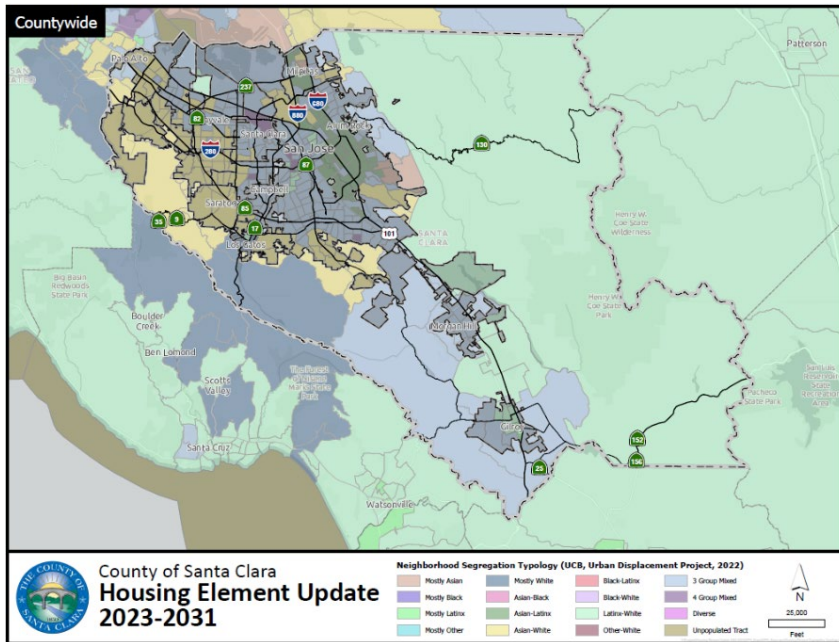


Figure 2.4: Diversity of Population in Santa Clara County
Larger format available in Appendix A

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

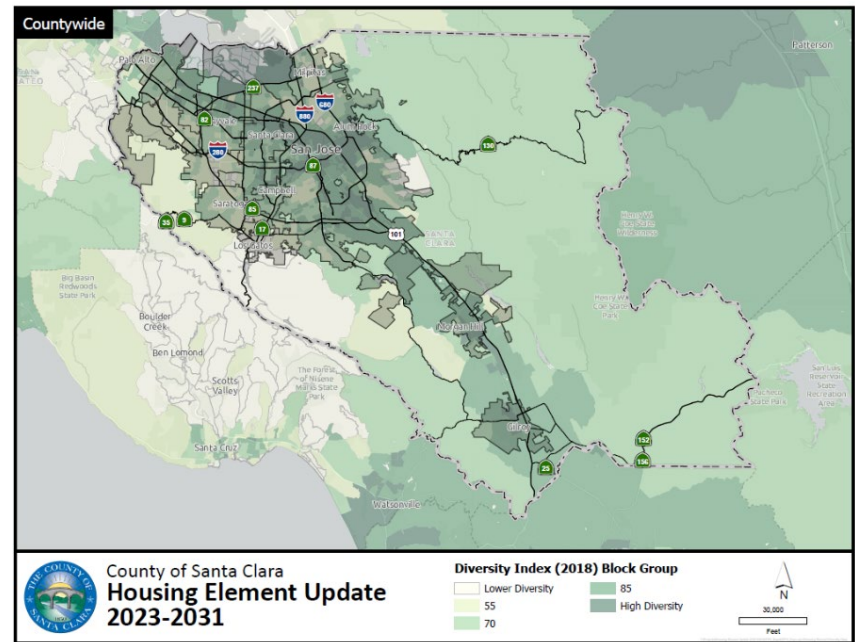


Figure 2.5: Diversity of Population in Santa Clara County
Larger format available in Appendix A

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

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 2.5). The mapping in Figures 2.4 and 2.5 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 2.6). There is currently only one R/ECAP located either partially or entirely in Unincorporated Santa Clara County, which is in South San José and includes the County Fairgrounds, an unincorporated enclave with no residential development, along with the adjoining residential areas that are within city limits. Of note is a former R/ECAP on Stanford University's campus.

The County Fairgrounds is located on a 135-acre parcel located in South San José. The site hosts the annual Santa Clara County Fair, concerts, festivals, sporting events, trade shows, corporate events, and farmers' markets, as well as special events such as Cirque du Soleil. There is no housing on the site, but the fairgrounds are situated at the western corner of a census tract that also contains residential neighborhoods within the San José city limits. According to the City of San José 2023-2031 Housing Element, the poverty rate in this census tract has nearly halved from 32.3% in 2013 to 16.6% in 2019; however, 35.4% of households have an annual income less than \$35,000. 81 percent of residents speak a language other than English (primarily Spanish or Asian languages, and 52 percent

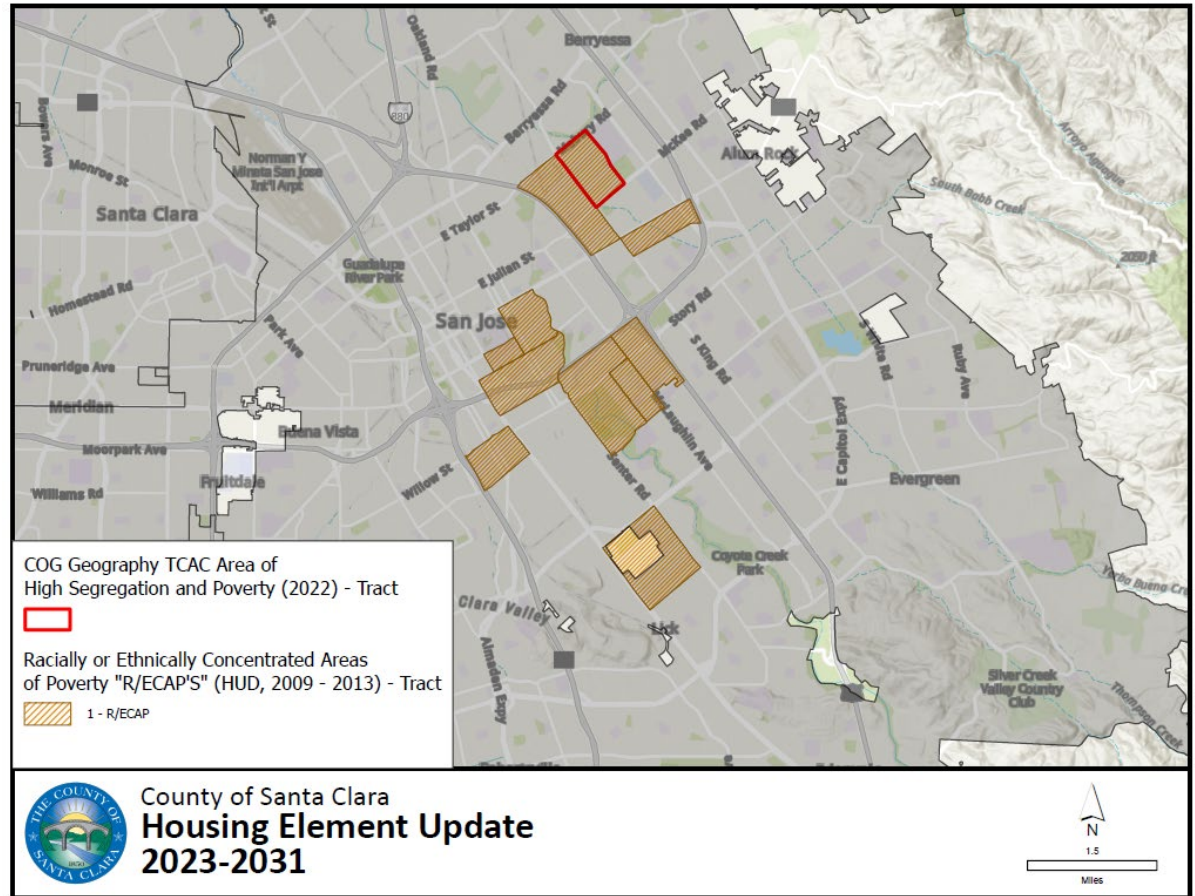


Figure 2.6: Racially/Ethnically Concentrated Areas of Poverty (R/ECAPs) in Santa Clara County
 Larger format available in Appendix A

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

speak English “less than very well” according to the 2022 American Community Survey. Within this census tract, 42% of residents who identify as Latino or of Hispanic Origin have less than a high school

education, and 34 percent of Asian residents have less than a high school education, compared to the White non-Hispanic residents, who all have at least a high school education. This compares to the County as a whole, where 96% of non-Hispanic Whites, 92% of Asians, and 71% of Hispanic or Latinx origin residents are high school graduates.

The City of San José notes in its 2023-2031 Housing Element that city-wide there has recently been a decline in the Latinx population, likely due to displacement pressures. It further notes that low-income communities of color are increasingly being forced to the edges of the Bay Area region. This may be the impetus to a decrease in the dissimilarity index city-wide from 1990 to 2020.

Stanford campus’s former R/ECAP previously included a significant population in the unincorporated county. However, the reasons for its race/ethnicity and socioeconomic demographics are very different from the vast majority of R/ECAPs and are not truly reflective of the composition of a more traditional R/ECAP. More specifically, Stanford has a comparatively larger student population than that of surrounding communities. Full-time students tend to have lower incomes and are more diverse than total residents in Santa Clara County and unincorporated areas. According to the U.S. Department of Education, Stanford University graduates have median earnings of \$107,000 per year, and rank in the top 100 schools (top two percent) for percentage of graduates earning more than a local high school graduate, which demonstrates quick financial upward mobility for its graduates.

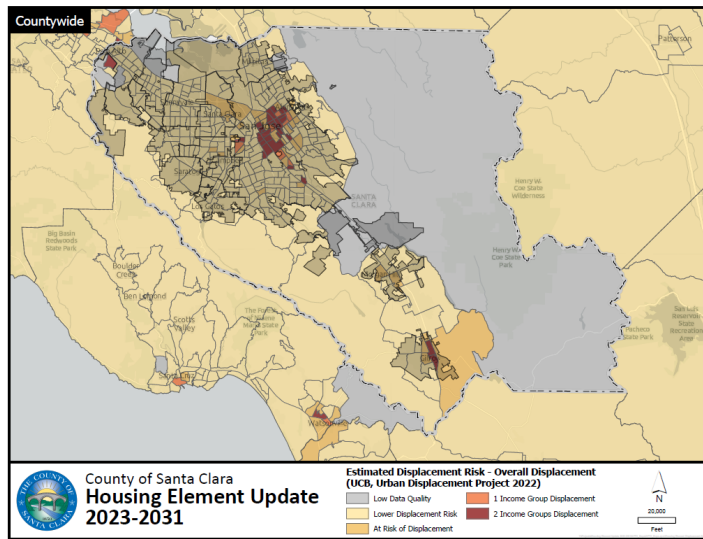


Figure 2.7: Estimated Displacement Risk
Larger format available in Appendix A

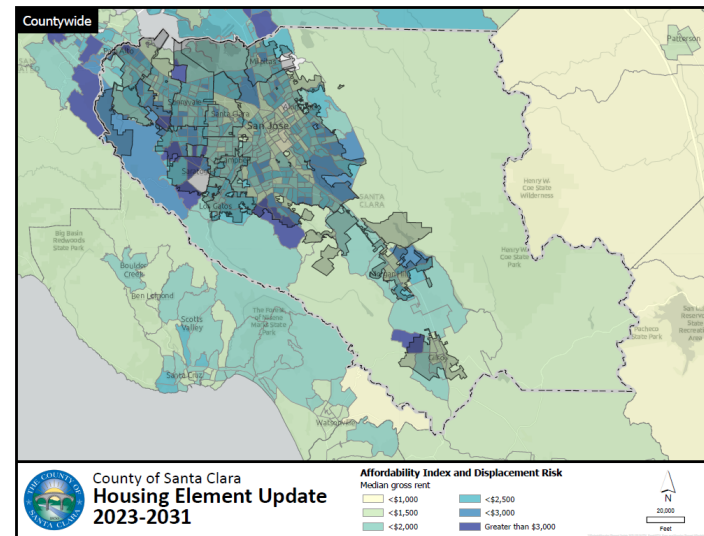


Figure 2.8: Affordability Index & Displacement Risk
Larger format available in Appendix A

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 164 into a fund managed by the County. Figures 2.7 and 2.8 reflect estimated displacement risk and affordability across the county using layers developed by ABAG. These figures and others are available in a larger format and with a focus on the sites inventory in Appendix A.

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 comparatively uncommon 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 2.04 first describes how the County has the capacity to meet the RHNA target assigned to it by ABAG for the 2023-2031 planning period (sixth cycle), followed by an analysis of the probable development that may occur through the end of the planning period in 2031. Of the sites selected for inclusion in this sixth cycle planning period analysis, only the Stanford University Escondido Village site is both considered non-vacant and was previously selected as a housing site (in the fourth cycle planning period).

Prior to the adoption of the County's first General Plan, foundational Santa Clara County land use policies placed a high value on curtailing 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. Pursuant to State law, cities may choose to utilize a streamlined annexation process for most urban unincorporated islands under 150 acres.

The County's Zoning Ordinance has historically not allowed any significant development projects within a city's USA unless the project conforms with the city's General Plan. 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 2.6 below provides an overview of the sites in the County's 2023-2031 sites inventory batched by neighborhood, along with the capacity of each group of sites by income category. Through the RHNA process, the County was allocated housing units at the Very Low-Income, Low-Income, Moderate-Income, and Above Moderate-Income affordability categories. Fifty percent of all Very Low-Income units will be made available as affordable to people with Extremely Low-Incomes. A table version of the full sites inventory is in Appendix A, and detailed analysis of each site is below in sections 2.04b and 2.04c.

Each site analysis includes a table that notes the site's existing use(s), realistic capacity, maximum capacity, and unit affordability. The realistic capacity is the same as the minimum projected density for all parcels in the sites inventory. In December 2023, the County amended its Zoning Ordinance to create a new combining district consisting of the sites identified in this chapter. This rezoning is in compliance with California Government Code section 65583.2 subdivision (c) and removes constraints to the development of such parcels. Section 3.75.040 of the County Zoning Ordinance now provides housing opportunity sites with the option to pursue a streamlined project review and approval by way of a Planning

Clearance, which conforms with the definition of "use by right" in California Government Code Section 65583.2 subdivision (i). Section 5.20.240 of the County Zoning Ordinance defines Planning Clearance as "a ministerial, nondiscretionary process for uses that require adherence to the Zoning Ordinance but for which no discretionary permit is required." To qualify for such processing, projects must meet objective eligibility criteria, including conditions and requirements for minimum levels of affordability.

Some of the selected sites are currently nonvacant sites. The department has identified these sites as underutilized, and therefore prime locations to be converted into multi-family or mixed-use residential developments. These uses include parking lots and single-story retail commercial sites. In the first quarter of 2023, San José had a reported 24% vacancy rate in commercial properties, which includes both office space and retail space. There were 70 vacant store fronts in downtown San Jose alone.

There have been a number of initiatives from the federal, state, and local governments to ease restrictions concerning the conversion of commercial buildings or commercially zoned properties into residential and mixed-use residential uses. There has also been a steady reduction of minimum parking requirements allowed by the state and City of San José, freeing up land that was previously not available to housing developers.

Of the 24 sites selected by the County in the sixth cycle, three are on the Stanford University Campus and 21 are within the City of San José's urban service area. The County worked with the Stanford University administration in selecting the three sites that they determined to have the most potential for development. The City of San José has, through its own planning initiatives, identified 90 locations as "planned growth areas" throughout the city. Of the 21 sites within the City of San José's urban service area, 14 are located in

“urban villages,” a designation the City uses for neighborhood-level “planned growth areas”. Two more sites are directly adjacent to an “urban village,” and two others are processing subdivision applications with the City or County. The three remaining sites include a church parking lot, a type of land that the State has made easier to add housing to through the “Affordable Housing on Faith Lands Act” of 2023, and two parcels containing the decommissioned Pleasant Hills Golf Course, which the owner is currently seeking to develop as residential or limited mixed-use residential. The County is therefore confident that these sites have the potential for increased development during the 6th cycle.

The market also has shown a trend of developers seeking to develop such land for housing. In 2021, for example, the City of San José approved the demolition of commercial buildings and construction of mixed-use residential projects, both located 1.5 miles from the Fruitdale sites listed in this chapter. One project replaced two single-story commercial buildings with a six-story mixed use building consisting of 61 residential units and approximately 18,000 square feet of commercial office space on a 0.88-acre site on Winchester Boulevard. The other project was for the demolition of over 75,000 square feet of commercial buildings to construct a mixed-use project with a 200,000-square foot office building and 590 residential units on South Bascom Avenue. The City of San José has also approved a project to replace the Cambrian Park Plaza Shopping Mall with a large-scale mixed-use development that includes 48 single-family residences, 27 accessory dwelling units, 25 townhomes, 305 multi-family residential units as well as assisted living and senior independent living units, ground floor retail and restaurants, and a hotel located one half mile from the Cambrian Park site.

Other recently approved developments in the City of San José include the demolition of a two-story office building to construct a

115-unit multi-family apartment building on a 0.47-acre site on North First Street, the demolition of a Chuck E. Cheese’s restaurant to construct a six-story mixed-use building with 5,000 square feet of commercial and 190 residential units on Kooser Road, the demolition of two commercial buildings to construct one six-story multifamily residential building with 62 units on Almaden Road, the demolition of a carwash and auto repair shop to construct a 20-story residential tower with up to 472 residential units and approximately 7,600 square feet of street level retail on Stockton Avenue

Under the amended County Zoning Ordinance, the development of each site requires a minimum number of affordable units, with no limitation to the maximum number of units (affordable or market rate). The maximum capacity identified in the tables below is the highest anticipated density that was analyzed under this Housing Element’s Environmental Impact Report (EIR). If a future development proposal includes more units than have been analyzed in the EIR, then additional CEQA review may be required. The number of affordable units required of future development on each site generally correlates with the County’s Inclusionary Housing Ordinance rate of 16%, assuming each site develops to the extent of the realistic capacity, with the exception of sites on Stanford University campus and those expected to develop in partnership with the County.

The amended Zoning Ordinance requires all development on the sites analyzed in this Housing Element to include residential development to the extent specified; entirely non-residential development is not permissible on these sites.

In addition to the below analyses of the sites inventory, the Affirmatively Furthering Fair Housing Sites Inventory Analysis, included as Appendix M, consists of additional site analysis within the context of AFFH.

Table 2.6 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 Jose	33%	739	370	384	3,025	4,518
Fruitdale/Santa Clara Valley Medical Center	100%	186	69	45	-	300
Pleasant Hills	16%	228	114	114	2,394	2,850
Hostetter Station	58%	325	187	200	514	1,226
Parkmoor/Burbank Neighborhood	18%	-	-	14	62	76
Alum Rock/East Foothills	17%	-	-	10	48	58
Cambrian Park	13%	-	-	1	7	8
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		1,075	622	728	4,141	6,566
<i>RHNA Assignment</i>		828	477	508	1,312	3,125
<i>Surplus Units</i>		247	145	220	2,829	3,441
<i>% of RHNA Target</i>		130%	130%	143%	316%	210%

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 sites 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.

The County considered public comments received regarding the inclusion of sites from property owners with written interest in residential development during the planning period. Those who provided public comment owned property located in rural unincorporated area outside the USAs. Sites in the rural unincorporated areas were not selected for inclusion in the Housing Element sites inventory due to the unavailability of adequate infrastructure, such as sewer and water connections to accommodate a multi-family development.

Table 2.7 presents the criteria utilized to map sites suitable for housing. Only sites scoring above a minimum threshold were considered for inclusion in the County’s sites inventory.

Table 2.7 Criteria 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 a State-identified high opportunity area		

In sections 2.04b and c, the discussion of development capacity and sites 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, or SCP), the County Zoning Ordinance, and a General Use Permit. Together, these land use controls link the development of academic space with that of housing.

The Stanford Campus has been identified by the State as a high opportunity area, and therefore is an ideal location to add a variety of housing types and households. In addition, Stanford University has indicated its desire to build new, state-of-the art, academic spaces. Such development has the potential to attract additional students and staff to the university. 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, other workers, and their families, it benefits the wider community by allowing more of the local housing supply to be available for community members not affiliated with Stanford.

Existing Uses, Trends, and Regulatory Framework

The Escondido Village site is underutilized and contains existing, low-density, multifamily graduate student housing. The existing use supports the future development of additional housing units at a higher density and does not require any change in use to do so.

Although the site is over 10 acres, the existing multifamily residential use makes the site appropriate to accommodate additional lower-income housing units. There are currently low-density, outdated residential buildings at the Escondido Village Site, housing undergraduate and graduate students, as well as the Children's Center of the Stanford Community and residential administration buildings. Nearly all the residential buildings are low-rise, however, the Escondido Village Graduate Residences immediately to the west include four large multi-story style apartment buildings. This site is also adjacent to the Bing Nursery School and Escondido Elementary School, making it an ideal location to develop additional multi-family residential buildings for graduate students and staff. The anticipated density of such redevelopment is 70-90 dwelling units per acre, at specific locations within the 40-acre area, rather than being distributed evenly across the 40-acre area.

The Quarry Arboretum site is also underutilized, developed with a parking lot, and does not have any existing structures. The Stanford

General Use Permit requires Stanford not to exceed 2,300 net new parking spaces above a baseline of 19,351 spaces. The removal of the parking lot at the Quarry Arboretum site will comply with General Use Permit requirements and the lot can be replaced elsewhere, if deemed necessary; this parking lot is not associated with any specific structures or uses.

The Quarry El Camino site is undeveloped open space and therefore does not require redevelopment or change in use to accommodate the construction of housing units.

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; 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 2015-2022 planning period, the University added 2,597 moderate-income units on Stanford lands and anticipates adding more units in the future.

The 2023 Board-adopted SCP Update 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 housing on campus to meet the affordable housing needs generated by new development of academic space. Under the updated SCP, the minimum allowed density increases from 15 dwelling units per acre to 30 units per acre.

The revised SCP also identifies the three sites included here as areas where the expected densities will further increase 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; densities that are appropriate for this area adjacent to the Caltrain

Station and the Stanford Shopping Center. The Escondido Village site has already seen an intensification of housing in the 2015-2022 planning period, and the University plans to further intensify the housing in this area to accommodate an additional 700 to 900 units.

The adopted SCP Update includes a linkage policy that requires Stanford to develop housing with, or prior to, any development of new academic space on Stanford Campus. Stanford has demonstrated a trend of continuing to develop new academic space, with over 750,000 square feet of academic space during the 2015-2022 planning period. Due to Stanford's plans for academic campus growth and the linkage policy requirements of the revised SCP, Stanford is likely to develop housing on these three sites within the 2023-2031 planning period.

In conjunction with adoption of the revised SCP, the County adopted Zoning Ordinance provisions (the "-os" Housing Opportunity Sites combining district) in December 2023, which implements Program 2.02 – Planning for Housing Development in Unincorporated USAs and Stanford University Lands. Such rezoning requires a minimum number of lower-income housing units to be included in any development proposed on each of the parcels in this Housing Element's Sites Inventory, including the three Stanford sites. Table 2.8 provides a summary of the estimated potential capacity for the three identified sites on Stanford Campus, including the anticipated levels of affordability.

The realistic capacity and anticipated affordability levels for each site are predicated on the revised SCP and new combining district requirements. Under such rezoning, new development on each site is required to be multi-family or mixed-use and to include the minimum number of affordable units prescribed. Entirely non-residential development is not allowed on such sites. Development proposals on these sites may include more units (market-rate or

affordable) beyond the units prescribed and there is effectively no density limit.

Additionally, the rezoning provides a process by which a development proposal may utilize an expedited, non-discretionary permit, if the development meets specified levels of affordability, akin to the provisions of California Senate Bill 35 (2017).

If Stanford proposes a certain percentage of affordable housing as a part of their development (further detailed in Program 2.02 and Zoning Ordinance Section 3.75.040) their project would be subject to a ministerial nondiscretionary approval called a Planning Clearance. After the Planning Clearance is approved, Stanford may apply for the required construction permits to build the proposed development.

If Stanford wishes to propose an alternative means of providing the lower income units listed in Table 2.8 (e.g., developing them elsewhere, rehabilitation of existing structures, or land dedication), Stanford may submit the alternative means of compliance for consideration and approval by the Board of Supervisors.

Height, setbacks, and other objective development standards are applied through the Stanford Community Plan and General Use Permit. However, they can be modified through an approved development agreement or variance, as delineated in the County Zoning Ordinance.

There are no timing requirements in place by the County that would restrict the development of housing on the Stanford University Campus; however, should the university wish to count the housing towards the SCP requirements of developing housing to meet increased academic space, the university would first need to apply for a new General Use Permit. County staff have a standing monthly meeting with representatives of Stanford University to best assess

the university's need and facilitate development in a way that is consistent with the SCP and other County requirements.

Based on the available information and as a result of working closely with Stanford to select the Escondido Village and Quarry sites as the best locations for future residential development on Stanford Campus, the County does not foresee any barriers preventing the development of these sites during the sixth cycle planning period. However, should an unforeseen barrier arise, the Mid-Cycle Review (Program 2.31) will further assess the sites inventory and implement a revised plan to meet the County's RHNA obligations.

Table 2.8: Housing Capacity on Stanford Sites

SITE	SIZE (ACRES)	EXISTING USE	POTENTIAL UNIT COUNT		UNITS BY INCOME CATEGORY		
			Realistic Capacity	Maximum Capacity	Lower Income	Moderate	Above Moderate
<i>QUARRY EL CAMINO 142-04-036 (a)</i>	6	Undeveloped open space	420	540	147	63	210
<i>QUARRY ARBORETUM 142-04-036 (b)</i>	8	Campus parking lot	560	720	196	84	280
<i>ESCONDIDO VILLAGE 142-04-036 (c)</i>	40	Student housing and associated parking	700	900	245	105	350
TOTAL	54		1,680	2,160	588	252	840

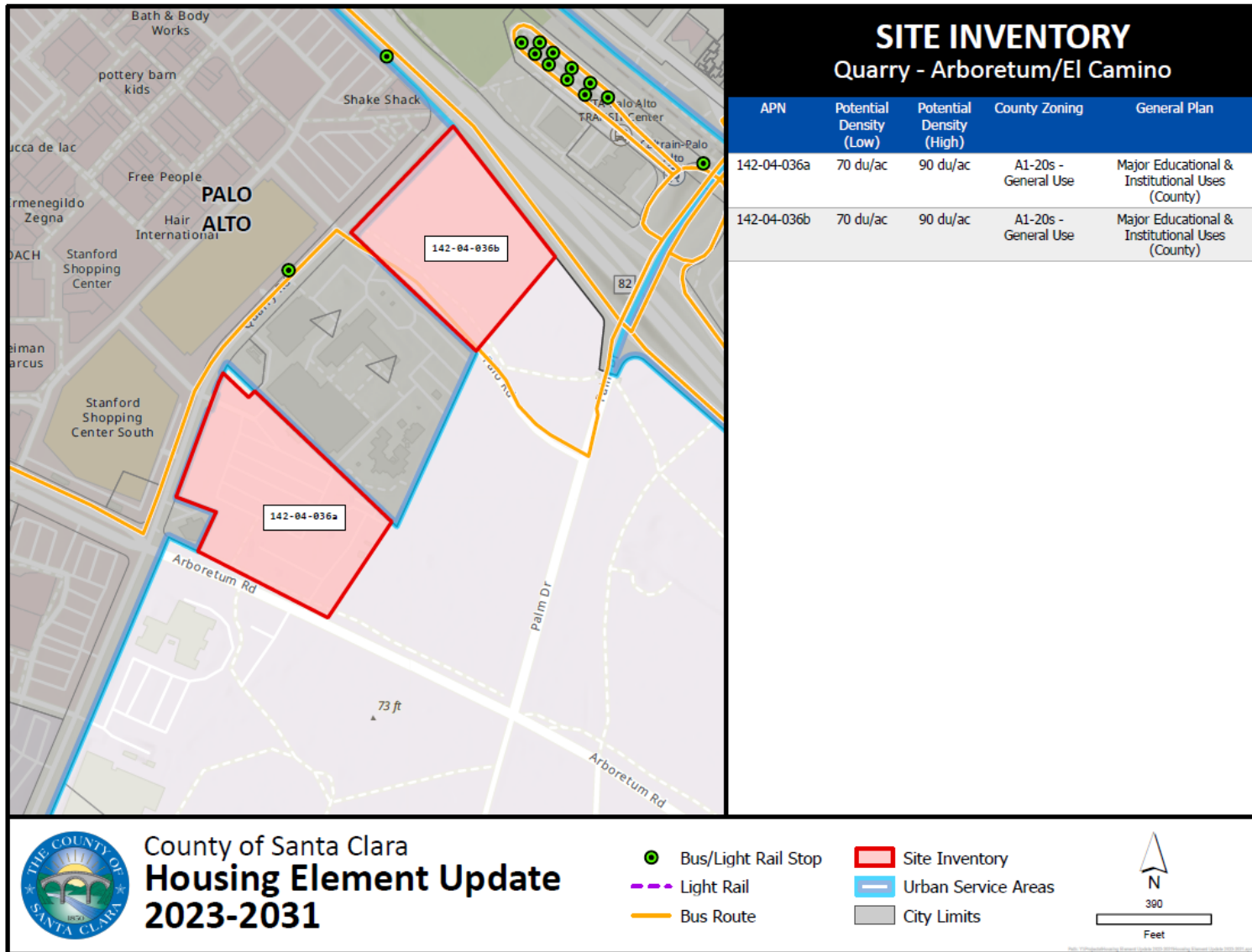


Figure 2.9: Housing Sites on Stanford Campus
(Larger format available in Appendix A)

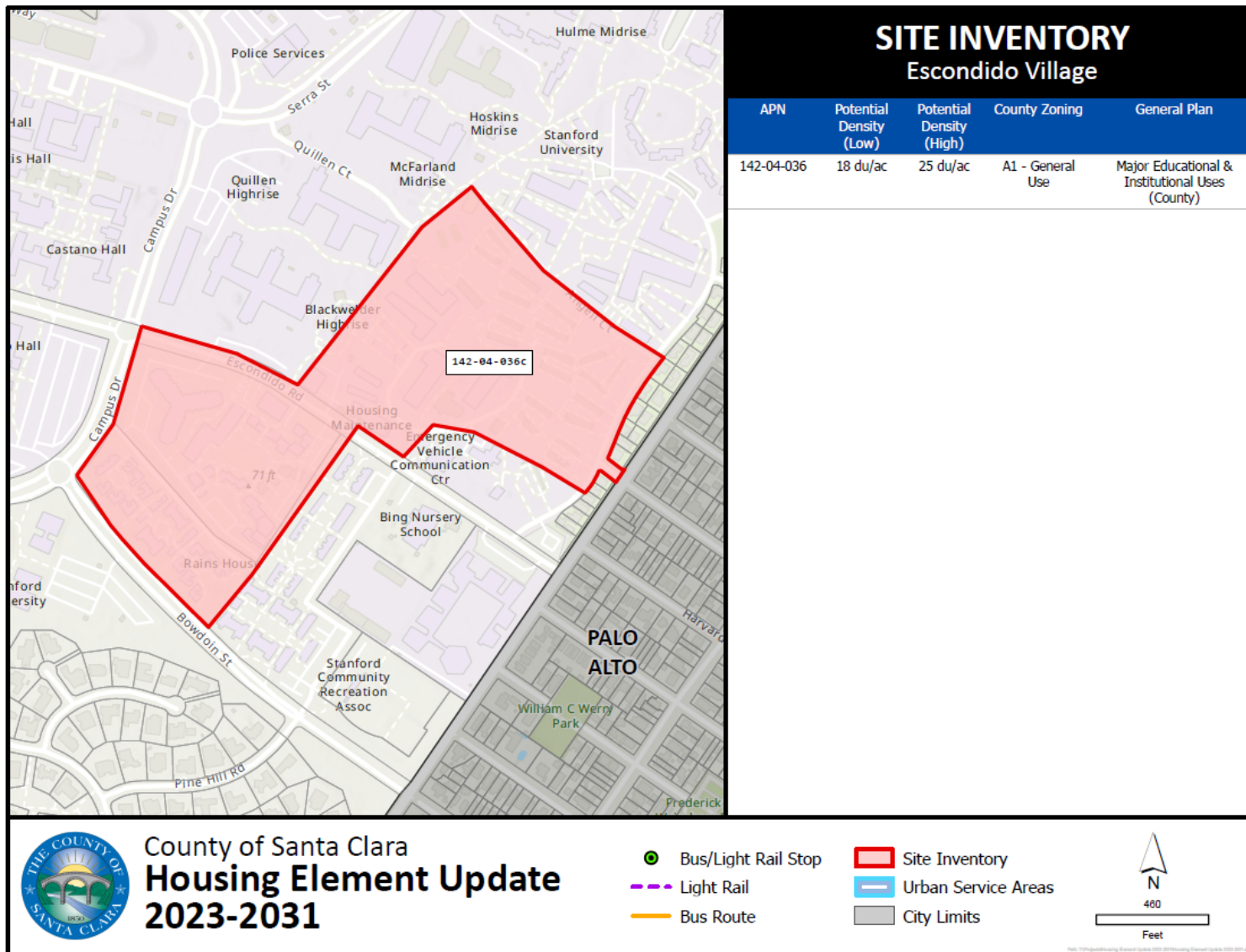


Figure 2.10: Housing Sites on Stanford Campus
(Larger format available in Appendix A)

All three Stanford 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.

These sites have been selected due to their proximity to existing infrastructure and general suitability for development. There is no known contamination on these sites, nor are they located within an airport influence area which could provide negative impacts to residents. The sites do not possess an unusual configuration and are not subject to any easements or contracts (such as a Williamson Act contract) which would limit the ability to develop on these sites, provided the projects comply with the SCP and GUP. The land is identified by the California Department of Conservation as urban and built-up land and is not suitable for farming.

The California Natural Diversity Database identifies a number of species in the area, as is to be expected as much of the area in Stanford lands and the surrounding area have been preserved in their natural state. The Central Coast foothill yellow-legged frog (California Endangered), California tiger salamander (California Threatened), and Crotch Bumble Bee and western bumble bee (California Candidate Endangered) have been identified within the area in the early to mid-1900's, but urban development and

fragmentation of land over the last century makes these sites less suitable as habitat for these species.

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 Development Capacity Analysis – 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 unincorporated urban housing 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. To better accommodate the development of lower-income RHNA on sites less than one acre, the County included a new program (Program 2.30 – Incentivize Lot Consolidation) that encourages the merging of these lots and therefore furthers the potential of these lots to be redeveloped during the sixth cycle planning period.

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’s General Plan. The one exception is the Pleasant Hills site, which is a decommissioned golf course that does not yet have a land use designation for housing under the City General Plan. However, representatives for the former Pleasant Hills Golf Course are working with the County and City of San José to facilitate development of their site. The Pleasant Hills developers have submitted an application to change the General Plan designation for this property and the San José City Council has taken action to remove a policy barrier for housing and mixed-use development on the site.¹⁴

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. Without the related rezonings concurrent with this Housing Element Update, the pre-existing County zoning ordinance would not allow many of these sites to develop with multi-family housing.

To further ensure development of these sites, the County is implementing Program 2.02 – Planning for Housing Development in

Unincorporated USAs and Stanford University Lands, which rezones the County’s identified sites through a combining district that restricts development to multi-family residential and limited mixed uses. Any future development on these sites would be required to comply with the combining district.

In December of 2023, the County adopted Zoning Ordinance provisions creating the “-os” Housing Opportunity Sites combining district, which requires a minimum number of affordable housing units to be included in any development proposed on parcels in the sites inventory. Entirely non-residential development is not allowed on such sites. Development proposals on these sites may include more units (market-rate or affordable) beyond the units prescribed and there is effectively no density limit. The realistic capacity and anticipated affordability levels for each site are predicated on implementation of these amendments.

Additionally, this rezoning provides a process by which a development proposal may utilize a streamlined, non-discretionary permit process if it meets specified levels and percentages of affordability, akin to the provisions of California Senate Bill 35 (2017).

This approach is a first for the County and is needed to meet the RHNA target for unincorporated areas. The County does not have a history of processing multi-family and limited mixed uses as previous General Plan policies relied on the respective city’s long-range land use planning for the site.

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 encouraged such development to occur under the appropriate city’s jurisdiction, to ensure

¹⁴ 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.](#)

compliance with the city’s long-range planning authority for these areas. In October of 2023, the County amended 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. Should annexation occur, any future development would move forward within the City’s jurisdiction and the County would seek a commensurate transfer of RHNA units, as described in Program 4.03.

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.

The following tables and figures provide an overview of the urban unincorporated sites in the County sites inventory, by neighborhood, with the estimated potential capacity for each site, including the anticipated levels of affordability, which reflects the new combining district requirements.

Table 2.9 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
					Realistic Capacity**	Maximum Capacity	
Fruitdale / VMC	N	Y	2	5	300	500	300
Parkmoor/Burbank	N	Y	9	1.7	75	143	14
Hostetter Station	Y	Y	2	15.32	1,226	1,532	712
Alum Rock/ East Foothills	N	N	5	5.51	58	101	10
Cambrian Park	Y	Y	1	0.78	8	16	1
Pleasant Hills	N	N	2	114	2,850	3,990	456
Total	2	4	21	142	4,517	6,282	1,493

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

** Low unit capacity is considered to be the realistic capacity based on analysis of each housing site section

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.

These properties are expected to be developed in partnership with the County, which will plan for projects on these sites to be entirely affordable. These sites have been selected due to their proximity to existing infrastructure (such as water, sewer, and dry utilities) and general suitability for development. There is no known contamination on these sites, nor are they located within an airport influence area. The sites do not possess an unusual configuration and are not subject to any easements or contracts (such as a Williamson Act contract) that would limit the ability to develop housing on these sites. The land is identified by the California Department of Conservation as urban and built-up land and is not suitable for farming.

The California Natural Diversity Database identifies several species in the area. The robust spineflower (California Endangered), California tiger salamander (California Threatened), and Crotch Bumble Bee and western bumble bee (California Candidate Endangered) have been identified within the area either over a century ago or in an unspecified area of San José, but urban development and fragmentation of land over the last century makes these sites less suitable as habitat for these species.

Existing Uses, Trends, and Regulatory Framework

The Fruitdale / Santa Clara Valley Medical Center sites are currently developed with parking lots and are considered non-vacant. These underutilized sites are expected to be developed in partnership with the County, which will plan for entirely affordable housing.

The first site is in the southwest part of the facility, where 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*. Additionally, the removal of the existing parking use will not hinder the development of new housing units as the existing parking spaces can be replaced elsewhere as deemed necessary.

The second site is adjacent to 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. The removal of the existing parking use will not hinder the development of new housing units as the existing parking spaces can be replaced elsewhere as deemed necessary.

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.

The County will follow the timeline outlined below to complete the housing development within the sixth cycle planning period. In order to fully realize the project as forecast, continued coordination and partnership will be needed with the current owners of APN 282-02-037, a nonprofit community health organization. The County is not aware of additional barriers.

County-Led Development Process

The southwestern site (APN: 282-03-016) is owned by the County of Santa Clara and is a part of the Valley Medical Campus. The following

is an analysis of necessary steps to achieve development on the property.

Upon completion of an internal space planning process in coordination with the County Facilities and Fleets Department, the site could be deemed a County-led Housing Development site under Program 1.07 and the Office of Supportive Housing (OSH) would serve as the project lead. However, in this case, because the sites are within the VMC campus there could be some additional barriers that are unforeseen or unique to County-led sites.

The following serves as a summary of the process working in coordination with the City of San José:

- Stakeholder Mapping and Coordination: During this stage, OSH works with the respective Supervisorial Office to develop a stakeholder list and a draft of the community engagement strategy. Concurrently, OSH staff meets with the City of San José's Housing Planner to discuss the potential land use development path for the property including whether it could qualify under a streamlining process under SB 35 or AB 2162. *Estimated completion date - December 2024*
- Early Community Engagement: During the second phase our focus is to host a series of listening sessions to get a better understanding and buy-in from the community. These sessions help us identify opportunities to inform the future design of the housing and determine if there are resources that are needed in the community. For instance, there may be a desire to improve a neighboring park or creek trail. Knowing this information early helps identify different funding sources to fund potential public benefits. Given that the surrounding uses are healthcare related, OSH in partnership with the Facilities and Fleet Department would

host a series of meetings with VMC leadership to assess vehicular and pedestrian circulation, safety, parking, and concerns with the proximity of housing to existing medical uses. *Estimated completion date – August 2025*

- Developer Selection: Information gathered during the listening sessions are incorporated into the solicitation process. Using the County's Developer Qualified Pool (DQP), a Request for Offer (RFO) is issued to select a development partner. The solicitation process includes a panel interview, scoring, and coordination with the City of San José. Once a developer is selected, OSH negotiates the County's early funding commitment to the project and development milestones through a development and disposition agreement. This process can take up to eight weeks including approval by the Board of Supervisors. *Estimated completion date – January 2026*
- Entitlement and Financing: Upon approval by the Board of Supervisors, the selected developer is introduced to the community and the formal community engagement process begins. The developer will spend the next 6 months working with the community to design a project and secure the necessary entitlements. During this time OSH helps coordinate engagement with the Lived Experience Advisory Board to provide input and coordinates with the City of San José's Housing Department about potential funding available. OSH continues to support the selected development partner with securing other financing throughout this phase. This includes but is not limited to local housing dollars, private philanthropy funding, and State funding applications. Assuming that the proposed development project is competitive and they are able to

receive an allocation of tax credits with their first submission, the project could be permit ready within a year and a half after a development partner is selected. *Estimated completion date – July 2027*

- Construction and Operation: Once all financing is secured, it is anticipated that the construction finance closing and completion of the project would take approximately 24 – 30 months. *Estimated completion date – August 2029*

The anticipated share of affordable units for this site is 100% because the County is the property owner (shown in Table 2.9 Housing Capacity on Sites within Unincorporated USAs of the City of San José, above).

Table 2.10: Fruitdale / Santa Clara Valley Medical Center Sites

APN	SIZE (ACRES)	EXISTING USE	POTENTIAL UNITS		UNITS BY INCOME CATEGORY		
			Realistic Capacity	Maximum Capacity	Lower Income	Moderate	Above Moderate
282-03-016	3.5	Valley Medical Center parking lot	210	350	178	32	0
282-02-037	1.5	Valley Medical Center parking lot	90	150	77	13	0
Total	5		300	500	255	45	0

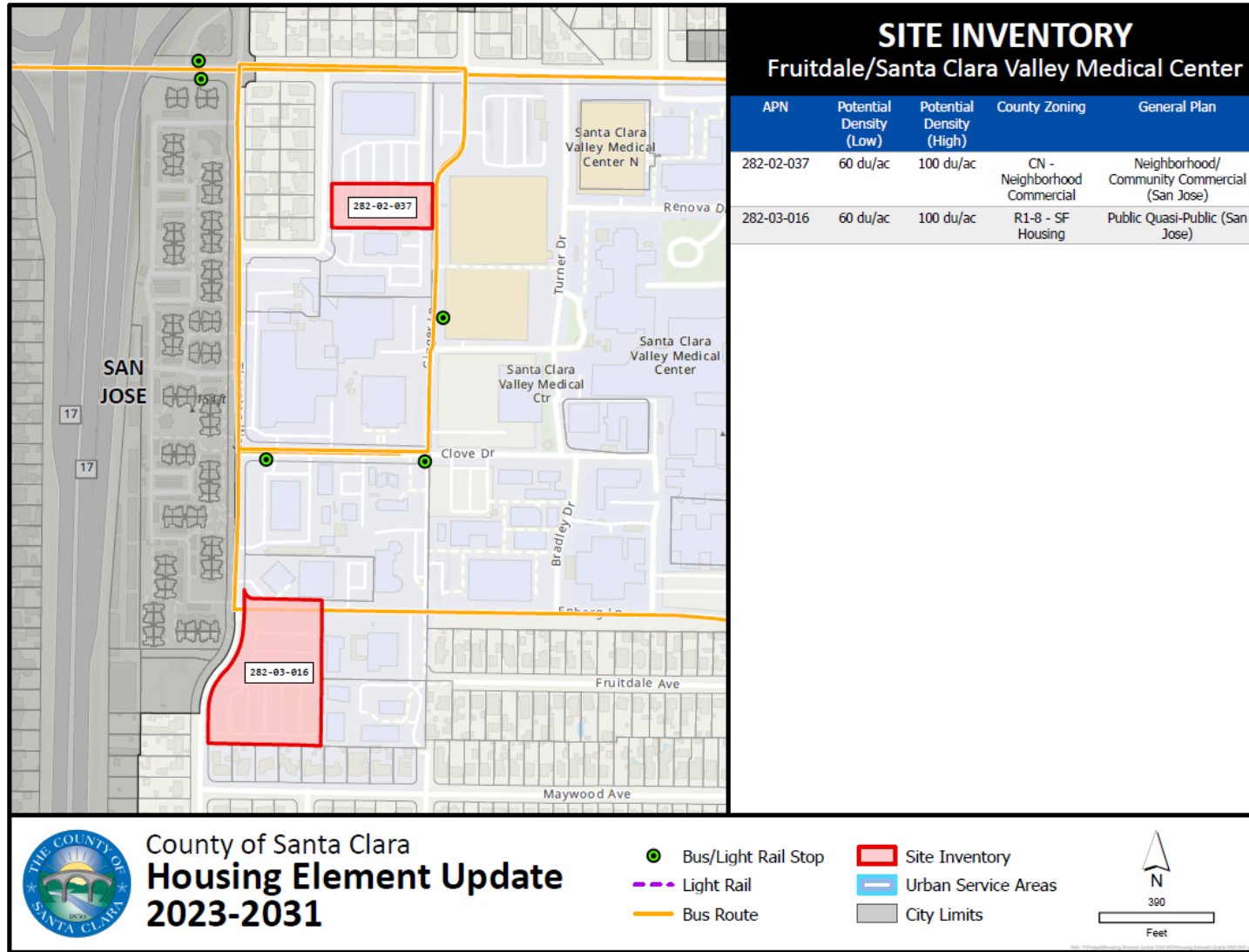


Figure 2.11: Housing Sites in Fruitdale / VMC (Larger format available in Appendix A)

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 sites have been selected due to their proximity to existing infrastructure (such as water, sewer, and dry utilities) and general suitability for development. There is no known contamination on these sites, nor are they located within an airport influence area which could provide negative impacts to residents. The sites do not possess an unusual configuration and are not subject to any easements or contracts (such as a Williamson Act contract) which would limit the ability to develop on these sites. The land is identified by the California Department of Conservation as urban and built-up land and is not suitable for farming.

The California Natural Diversity Database identifies a number of species in the area. The robust spineflower (California Endangered), California tiger salamander (California Threatened), and Crotch Bumble Bee and western bumble bee (California Candidate Endangered) have been identified within the area either over a century ago or in an unspecified area of San José, but urban development and fragmentation of land over the last century makes these sites less suitable as habitat for these species.

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.

Existing Uses, Trends, and Regulatory Framework

The Parkmoor / Burbank Neighborhood sites are currently developed with parking lots, car sales facilities, tattoo parlors, a religious institution, and a single-family residence. These sites are underutilized as they are low-density residential, older building stock, and low-density commercial/industrial uses.

Although these sites contain existing uses, there is a history of development in the nearby incorporated areas of San José that demonstrate the potential for redevelopment on the Parkmoor / Burbank neighborhood sites.

Specifically, two parcels located a third of a mile east of the Parkmoor / Burbank sites on West San Carlos received approval in August of 2021 from the City of San José to demolish existing commercial and residential buildings to construct two new seven-story residential mixed-use buildings (City of San José Project No. SP20-004). Another development one half mile to the east of the Parkmoor / Burbank sites was approved by the City of San José for an eight story 80 dwelling unit housing project that included the demolition of three single-family residences (City of San José Project No. SP17-027). Another development within the City of San José one half mile east of the Parkmoor / Burbank site was approved by the City for the construction of a seven story mixed-use development with 241 residential units (City of San José Project No. PD19-011). The project included the demolition of three commercial buildings.

Due to the trends of neighboring sites being developed with multi-family housing despite having an existing use present, the County finds that the existing uses on the Parkmoor / Burbank sites do not act as a barrier to future housing development. However, should an unforeseen barrier arise, the Mid-Cycle Review (Program 2.31) will

further assess the sites inventory and implement a revised plan to meet the County's RHNA obligations.

The Parkmoor / Burbank Neighborhood sites have been rezoned under the Housing Opportunity Sites combining district, which does not impose a limit on residential density and requires a minimum number of housing units to be developed, specified for each parcel. The potential for new housing is limited only by height and setbacks, which are aligned with the City's requirements for the surrounding area. An applicant may request a modification to such requirements through a variance or development agreement to achieve a multi-family housing development. This rezoning requires any development to have a residential component; entirely non-residential development is not allowed on such sites.

If the proposal includes the development of a minimum percentage of affordable units, a streamlined, non-discretionary permitting processes is available. The anticipated affordability of each site is shown in Table 2.9, above, and in Table 2.11, below.

Although each of these sites are under one half acre, none of them are required or expected to be developed with lower income units. Prospective developers of these sites may, however, avail themselves of the County's new program to incentivize lot consolidation. Program 2.30 – Incentivize Lot Consolidation, encourages the merging of such lots and therefore furthers the potential of these lots to be redeveloped during the sixth cycle planning period.

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.

These sites have been selected due to their proximity to existing infrastructure (such as water, sewer, and dry utilities) and general suitability for development. There is no known contamination on these sites, nor are they located within an airport influence area which could provide negative impacts to residents. The sites do not possess an unusual configuration and are not subject to any easements or contracts (such as a Williamson Act contract) which would limit the ability to develop on these sites. The land is identified as urban and built-up land and is not suitable for farming. The California Natural Diversity Database identifies a number of species in the area. The robust spineflower (California Endangered), California tiger salamander (California Threatened), and Crotch Bumble Bee and western bumble bee (California Candidate Endangered) have been identified within the area either over a century ago or in an unspecified area of San Jose, but urban development and fragmentation of land over the last century makes these sites less suitable as habitat for these species.

These sites may also be annexed by the City of San José, pursuant to State law. Should annexation occur, any future development would move forward within the City's jurisdiction and the County would seek a commensurate transfer of RHNA units, as described in Program 4.03.

Table 2.11: Parkmoor / Burbank Neighborhood

APN	SIZE (ACRES)	EXISTING USE	POTENTIAL UNITS		UNITS BY INCOME CATEGORY		
			Realistic Capacity	Maximum Capacity	Lower Income	Moderate	Above Moderate
277-06-025	0.36	Parking lot	22	36	0	4	18
277-12-029	0.31	Used car sales facility	12	25	0	2	10
277-12-027	0.31	Parking lot	12	25	0	2	10
277-07-028	0.09	Used car sales facility	4	7	0	1	3
277-07-027	0.09	Used car sales facility	4	7	0	1	3
277-07-029	0.18	Used car sales facility	7	14	0	1	6
277-08-029	0.09	Single family residence	4	7	0	1	3
277-08-030	0.09	Tattoo parlor, clothing store, insurance agent	4	7	0	1	3
277-08-031	0.18	Religious facility	7	14	0	1	6
Total	1.7		76	142	0	14	62

Note: the Parkmoor / Burbank sites are not required or expected to accommodate lower-income units and their development is not necessary to meet the County’s RHNA obligations, however, they are included in the Sites Inventory for the housing opportunity they present and have been rezoned accordingly.

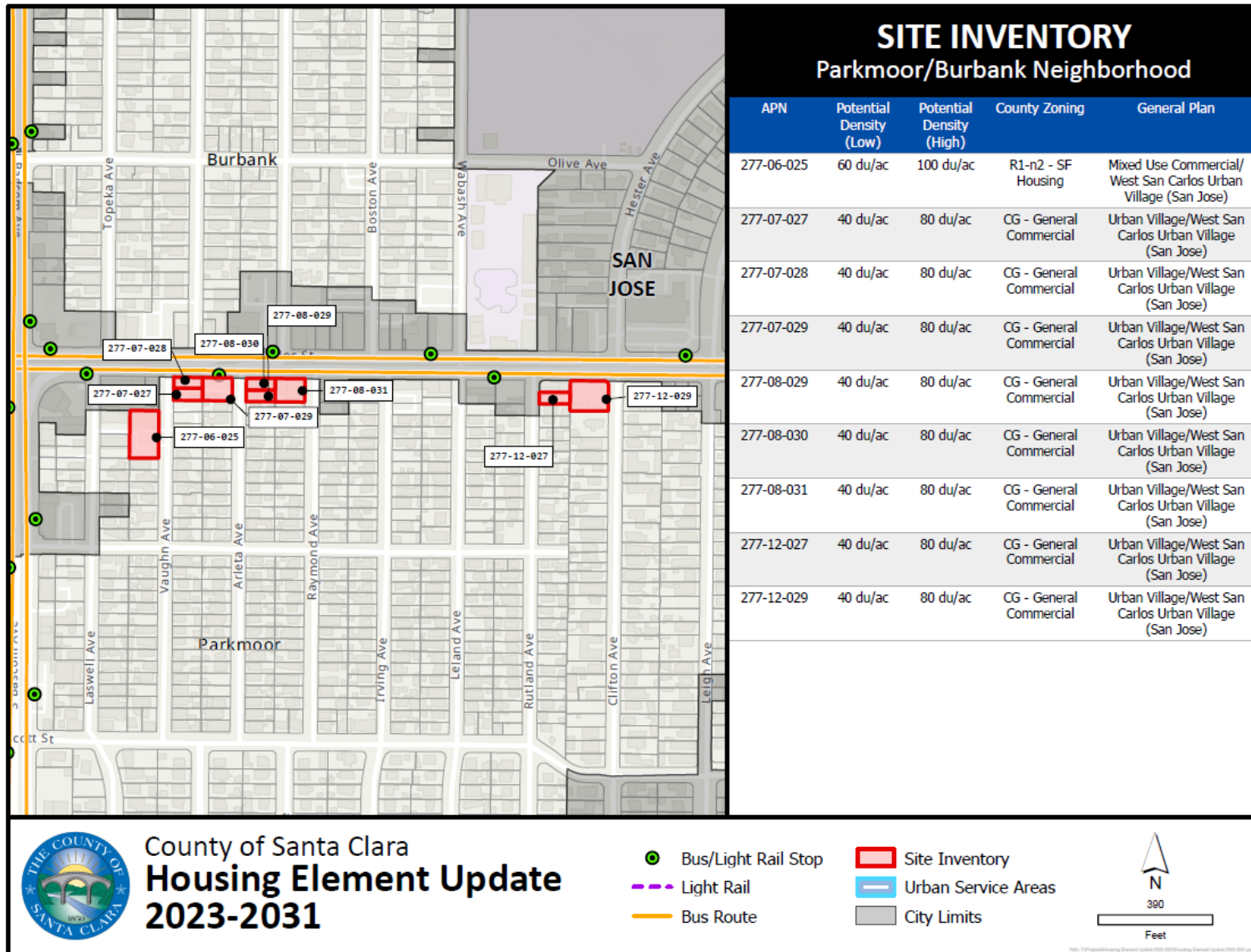


Figure 2.12: Housing Sites in Parkmoor / Burbank (Larger format available in Appendix A)

Hostetter Station

The Hostetter Station site consists of two parcels adjacent to the Hostetter Light Rail Station in North San José. These sites are ideal for multi-family housing development because they are within a State-identified high opportunity area and adjacent to the light rail station.

These sites have been selected due to their proximity to existing infrastructure (such as water, sewer, and dry utilities) and general suitability for development. There is no known contamination on these sites, nor are they located within an airport influence area which could provide negative impacts to residents. The sites do not possess an unusual configuration and are not subject to any easements or contracts (such as a Williamson Act contract) which would limit the ability to develop on these sites. The land is identified by the California Department of Conservation as partially consisting of “unique farmland” but has no recent history of agricultural use.

The California Natural Diversity Database identifies a number of species in the area. The robust spineflower (California Endangered), California tiger salamander (California Threatened), and Crotch Bumble Bee and western bumble bee (California Candidate Endangered) have been identified within the area either over a century ago or in an unspecified area of San José, but urban development and fragmentation of land over the last century make these sites less suitable as habitat for these species.

Existing Uses, Trends, and Regulatory Framework

The larger 13-acre site is largely vacant with an existing single-family residence and privately owned. The smaller 2.3-acre site is a F Park & Ride facility. The County has connected with VTA and representatives of the privately-owned property and both are amenable to the

development of housing on these sites. VTA representatives were supportive of up to 100 percent affordable housing. As such, there is potential for these sites to be redeveloped throughout the housing element cycle.

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 planning period sites 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.

The County will follow the timeline outlined below to complete the housing development within the sixth cycle planning period (entering a MOU with VTA to prioritize development of this site, community engagement, developer selection, entitlement and financing, and construction). As one of these sites is controlled by another governmental entity, there may be additional steps to development. In order to fully realize the project as forecast, continued coordination and partnership will be needed with VTA and the current owners of APN 245-01-003. The County is not aware of any additional barriers.

County-Led Development Process

The County is intending to leverage two sixth cycle Housing Element programs that are designed to accelerate the production of affordable and supportive housing by utilizing publicly owned land. First, the County will implement Program 1.08 (Joint Development Memorandum of Understanding (MOU) to negotiate a partnership with VTA to incorporate this property as a priority housing development site. Currently the County is working with the VTA on four similar partnership projects that once completed will add 508 Affordable Units in partnership with the Office of Supportive Housing (OSH). The properties are in a State-identified high opportunity area and at least 25% of the units will be set aside for special needs populations.

Upon completion of the negotiations with VTA, the site could be deemed as a County-led Housing Development site under Program 1.07 and OSH would serve as the project lead coordinating with the VTA Transit Oriented Development (TOD) team. All County-Led Housing Development sites follow a similar workflow process, and it usually takes five years to develop a property into housing. However, in this case, because the site is controlled by another governmental entity, there are additional steps that could result in additional barriers that are unforeseen or unique to other County-led sites.

The following serves as a summary of the process working in coordination with the City of San José and VTA:

- Stakeholder Mapping and Coordination: During this stage, OSH works with the respective Supervisorial Office to develop a stakeholder list and a draft of the community engagement strategy. Concurrently, VTA staff meets with the City of San José's Housing Planner to discuss the potential land use development path for the property including whether it could

qualify under a streamlining process under SB 35 or AB 2162. *Estimated completion date – December 2026*

- Early Community Engagement: During the second phase our focus is to host a series of listening sessions to get a better understanding and buy-in from the community. These sessions help us identify opportunities to inform the future design of the housing and determine if any of the existing parking needs to be replaced. *Estimated completion date – August 2027*
- Developer Selection: Information gathered during the listening sessions are incorporated into the solicitation process. Using the County's Developer Qualified Pool (DQP), a Request for Offer (RFO) is issued to select a development partner. The solicitation process includes a panel interview, scoring, and coordination with the City of San José. VTA include OSH staff to serve on the panel. Once a developer is selected, the VTA TOD team takes the lead in negotiating with the selected developer and approval is considered by the VTA Board. *Estimated completion date – January 2028*
- Entitlement and Financing: Upon approval by the VTA Board, the selected developer is introduced to the community and the formal community engagement process begins. The developer will spend the next 6 months working with the community to design a project and secure the necessary entitlements. During this time OSH meets monthly with the VTA team to stay apprised of any issues to ensure progress continues. *Estimated completion date – July 2029*
- Construction and Operation: Once all financing is secured, it is anticipated that the construction finance closing and completion of the project would take approximately 24 – 30 months. *Estimated completion date – August 2031*

Pursuant to Program 1.08, mentioned above, the County plans to enter into negotiations with VTA to initiate County-led housing development on the property and anticipates an affordability level noted in Table 2.12. Due to the partially public ownership and the County prioritizing this site for housing development, it is appropriate to accommodate the lower-income RHNA despite its size over 10 acres.

In support of development on this site, VTA’s Transit-Oriented Development team and the City of San José recently nominated it for MTC’s Priority Sites pilot program, which provides pre-development funding and technical assistance for projects providing affordable housing in either a Play Bay Area 2050 Growth Geography or a Transit Priority Area. The Priority Sites selected by MTC will also be included in Plan Bay Area 2050+, which can provide additional funding.

Table 2.12: Hostetter Station

APN	SIZE (ACRES)	EXISTING USE	POTENTIAL UNITS		Units by Income Category		
			Realistic Capacity	Maximum Capacity	Lower Income	Moderate	Above Moderate
245-01-003	13		1040	1300	435	170	436
245-01-004	2.3		186	232	77	30	78
Total	15.3		1,226		512	200	514

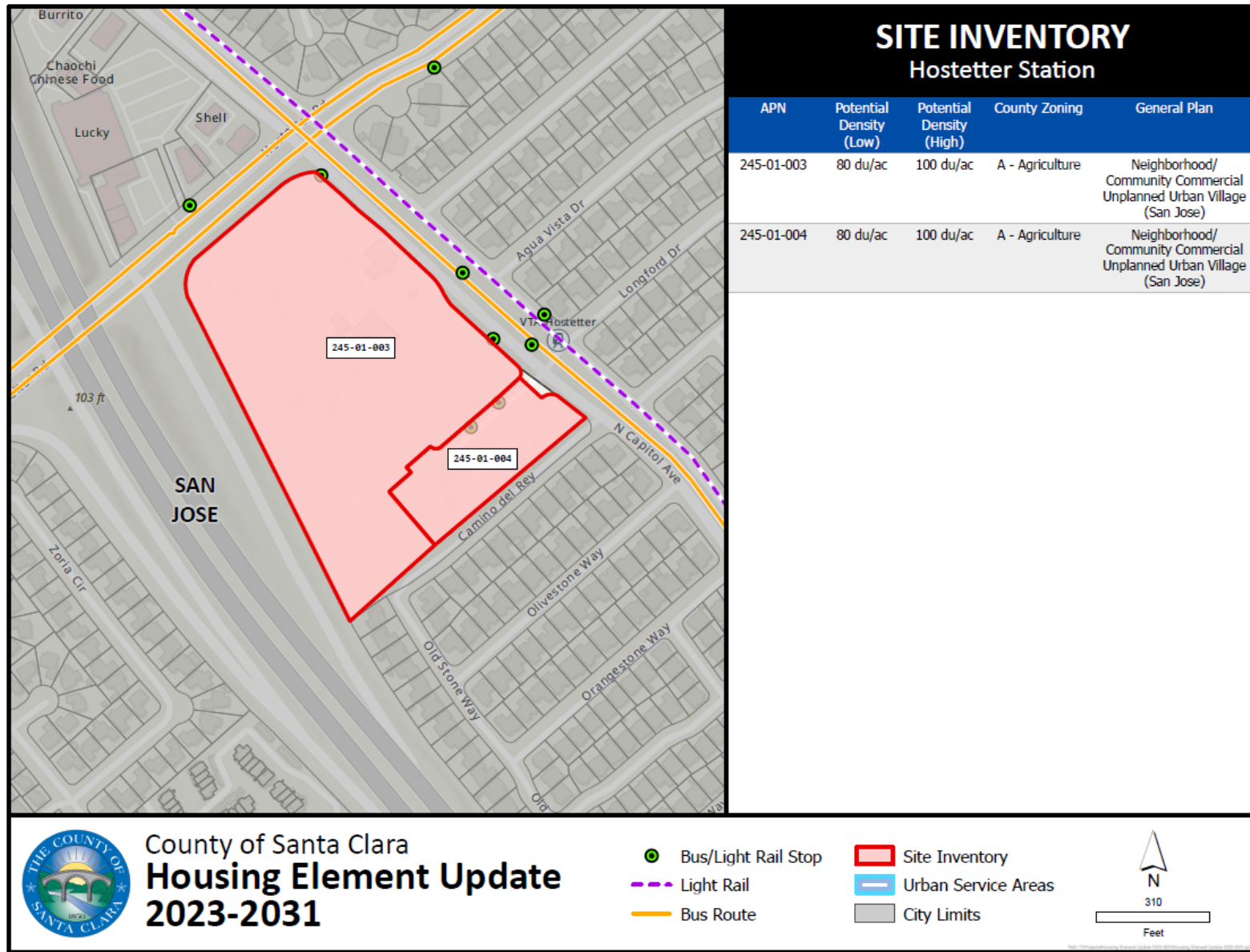


Figure 2.13: Housing Site at Hostetter Station (Larger format available in Appendix A)

Alum Rock / East Foothills Neighborhoods

Alum Rock and East Foothills are established residential neighborhoods with few vacant parcels.

These sites have been selected due to their proximity to existing infrastructure (including water, sewer, and dry utilities) and general suitability for development. There is no known contamination on these sites, nor are they located within an airport influence area which could provide negative impacts to residents. The sites do not possess an unusual configuration and are not subject to any easements or contracts (such as a Williamson Act contract) which would limit the ability to develop on these sites. The land is identified by the California Department of Conservation as urban and built-up land and is not suitable for farming.

The California Natural Diversity Database identifies a number of species in the area. The robust spineflower (California Endangered), California tiger salamander (California Threatened), and Crotch Bumble Bee and western bumble bee (California Candidate Endangered) have been identified within the area either over a century ago or in an unspecified area of San José, but urban development and fragmentation of land over the last century makes these sites less suitable as habitat for these species.

Existing Uses, Trends, and Regulatory Framework

The Alum Rock / East Foothills neighborhood sites that are considered non-vacant are currently underutilized and developed with parking lots, a shopping center, and a single-family residence.

Three of the five parcels identified are within commercially zoned areas in an Unplanned Urban Village under San José's General Plan. These sites were recently rezoned to now also 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.

There are trends from surrounding parcels in the City of San José that demonstrate a high potential for these sites to be redeveloped. Specifically, one site located 1.5 miles northwest of the Alum Rock / East Foothills sites, is under review by the City for the demolition of a single family residence and the development of a 7-story, 350-unit apartment building and a 3-story, 32-unit townhome building (City of San José Project No. H21-015). Another development was approved by the City of San José located approximately 1.75 miles west of the Alum Rock / East Foothills sites, which included the demolition of a lower density apartment complex to make way for a new 87-unit residential building with 3,000 sf of commercial space (City of San José Project No. CP18-044). Another development located approximately 2 miles west of the Alum Rock / East Foothills sites was approved by the City for the construction of a five-story building with 3,000 sf of commercial space and 185 affordable units (City of San José Project No. CP2-015). This project included the demolition of a contractors' facility.

Due to the trends of neighboring sites being developed with multi-family housing despite having an existing use present, the County finds that the existing uses on the Alum Rock / East Foothills sites do not act as a barrier to future housing development. However, should an unforeseen barrier arise, the Mid-Cycle Review (Program 2.31) will further assess the sites inventory and implement a revised plan to meet the County's RHNA obligations.

The Alum Rock / East Foothills sites have been rezoned under the Housing Opportunity Sites combining district, which does not impose a limit on residential density and requires a minimum number of housing units to be developed, specified for each parcel.

The potential for new housing is limited only by height and setbacks, which are aligned with the City’s requirements for the surrounding area. An applicant may request a modification to such requirements through a variance or development agreement to achieve a multi-family housing development. This rezoning requires any development to have a residential component; entirely non-residential development is not allowed on such sites.

These sites may also be annexed by the City of San José, pursuant to State law. Should annexation occur, any future development would move forward within the City’s jurisdiction and the County would seek a commensurate transfer of RHNA units, as described in Program 4.03.

Table 2.13: Alum Rock / East Foothills Neighborhoods

APN	SIZE (ACRES)	EXISTING USE	POTENTIAL UNITS		UNITS BY INCOME CATEGORY		
			Realistic Capacity	Maximum Capacity	Lower Income	Moderate	Above Moderate
612-21-004	0.82	Undeveloped lot	4	7	0	1	3
599-39-047	0.56	Single family residence	22	45	0	4	18
599-01-064	0.74	Shopping center	15	22	0	2	13
601-25-119	1.9	Religious facility parking lot	10	15	0	2	8
601-07-066	1.49	Single family residence	7	12	0	1	6
Total	5.51		58	101	0	10	48

Note: the Alum Rock / East Foothills sites are not required or expected to accommodate lower-income units and their development is not necessary to meet the County’s RHNA obligations, however, they are included in the Sites Inventory for the housing opportunity they present and have been rezoned accordingly.

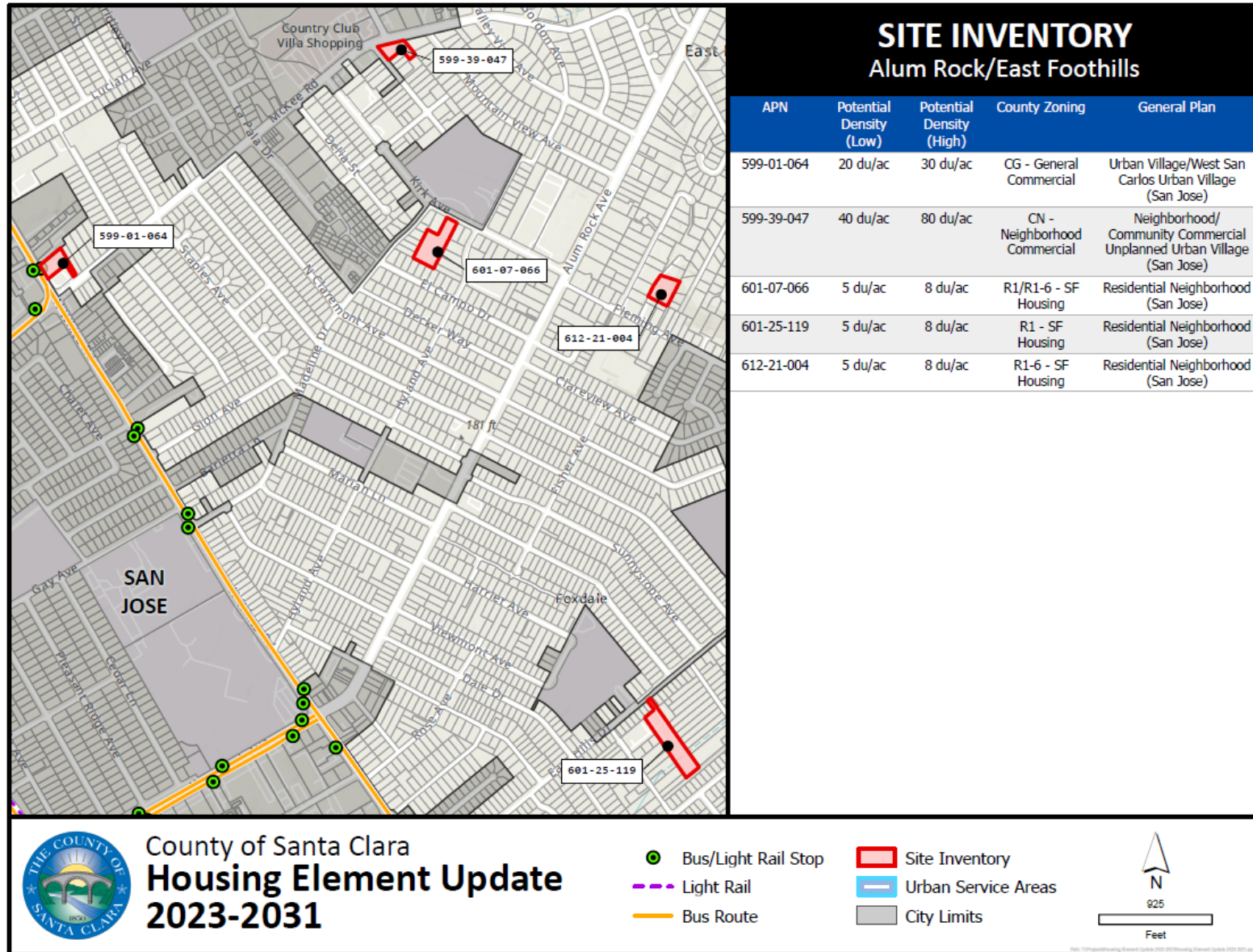


Figure 2.14. Housing Sites at Alum Rock / East Foothills (Larger format available in Appendix A)

Cambrian Park Site

The single site within the Cambrian Park neighborhood is within a State-identified high opportunity area and has been selected due to its proximity to existing infrastructure (including water, sewer, and dry utilities) and general suitability for development. There is no known contamination on these sites, nor are they located within an airport influence area which could provide negative impacts to residents. The sites do not possess an unusual configuration and are not subject to any easements or contracts (such as a Williamson Act contract) which would limit the ability to develop on these sites. The land is identified by the California Department of Conservation as urban and built-up land and is not suitable for farming. The California Natural Diversity Database does not identify any species in the area.

Existing Uses, Trends, and Regulatory Framework

This site is currently developed with a liquor store and cell phone repair shop. Although this site contains an existing use, there is a history of annexation and development in the nearby areas of San José that demonstrates the potential for redevelopment on the Cambrian Park neighborhood site. Specifically, two parcels located a quarter mile to the west of the subject site received approval in August of 2022 from the City of San José to annex the parcels into the City and demolish the existing strip mall into a planned development with residential, commercial, and open space uses (City of San José Project No. [PDC17-040](#)).

Due to the trends of neighboring sites being developed with multi-family housing despite having an existing use present, the County finds that the existing uses on the Cambrian Park site do not act as a barrier to future housing development. However, should an unforeseen barrier arise, the Mid-Cycle Review (Program 2.31) will further assess the sites inventory and implement a revised plan to meet the County's RHNA obligations.

The Cambrian Park site has been rezoned under the Housing Opportunity Sites combining district, which does not impose a limit on residential density and requires a minimum number of housing units to be developed, specified for each parcel. The potential for new housing is limited only by height and setbacks, which are aligned with the City's requirements for the surrounding area. An applicant may request a modification to such requirements through a variance or development agreement to achieve a multi-family housing development. This rezoning requires any development to have a residential component; entirely non-residential development is not allowed on such sites.

These sites may also be annexed by the City of San José, pursuant to State law. Should annexation occur, any future development would move forward within the City's jurisdiction and the County would seek a commensurate transfer of RHNA units, as described in Program 4.03.

Table 2.14: Cambrian Park Neighborhood

APN	SIZE (ACRES)	EXISTING USE	POTENTIAL UNITS		UNITS BY INCOME CATEGORY		
			Realistic Capacity	Maximum Capacity	Lower Income	Moderate	Above Moderate
419-12-044	0.78	Liquor store and cell phone repair shop	8	16	0	1	7

Note: the Cambrian Park sites are not required or expected to accommodate lower-income units and their development is not necessary to meet the County’s RHNA obligations, however, they are included in the Sites Inventory for the housing opportunity they present and have been rezoned accordingly.

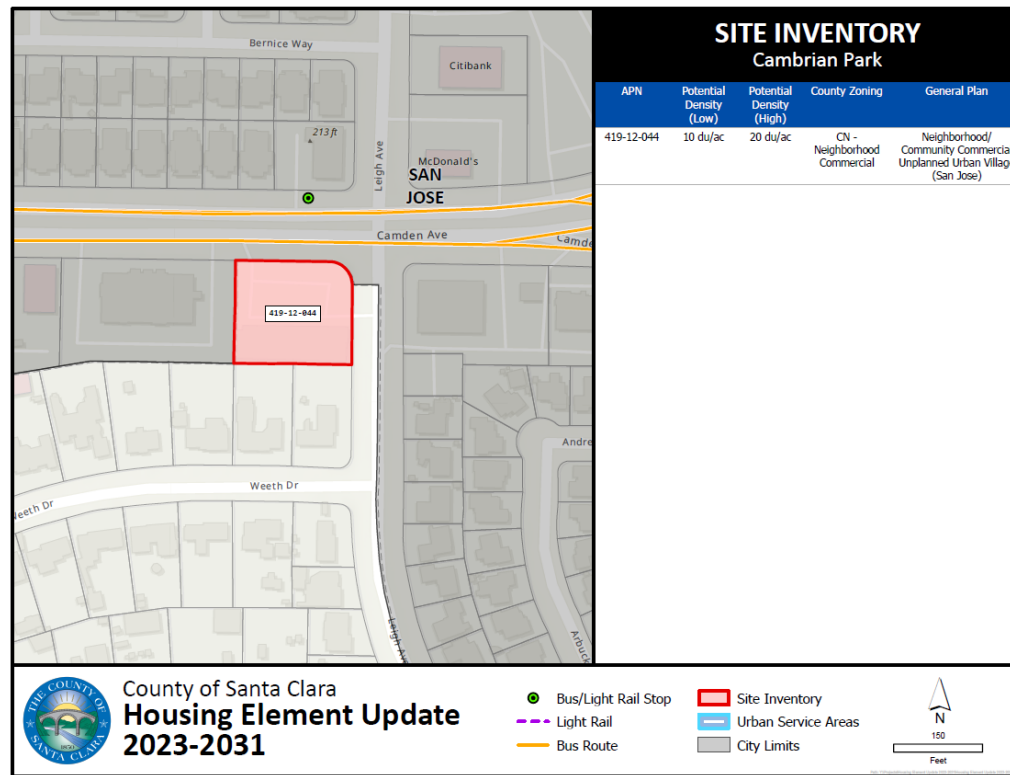


Figure 2.15. Housing Site in Cambrian Park Neighborhood (Larger format available in Appendix A)

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.

The site is not within a State-identified high opportunity area; however, it is in the vicinity (within 1.5 miles) of 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 increases to transit service in the immediate vicinity.

The Pleasant Hills site has been selected in part due to its proximity to existing infrastructure and general suitability for development. There is no known contamination on this site. The site is located near the Reid-Hillview Airport, outside of the airport safety zone and therefore suitable for residential development. The parcels are located between the MSL 283 and 433 lines, which limit the maximum height allowed (in feet) above sea level for new development. These height limits do not present a realistic constraint to the type of housing likely to be developed on this site. The site does not possess an unusual configuration and is not subject to any easements or contracts (such as a Williamson Act contract) that would limit the ability to develop. The land is identified by the California Department of Conservation as consisting of “grazing land,” but has no recent history of agricultural use.

The California Natural Diversity Database identifies a number of species in the area. The robust spineflower (California Endangered), California tiger salamander (California Threatened), and Crotch Bumble Bee and western bumble bee (California Candidate Endangered) have been identified within the area either over a century ago or in an unspecified area of San José, but urban development and fragmentation of land over the last century makes these sites less suitable as habitat for these species.

Existing Uses, Trends, and Regulatory Framework

There is no existing use on the Pleasant Hills site; it is a decommissioned golf course with no other current use. Although the site consists of two parcels over 10 acres, there is a high likelihood of development during the sixth cycle planning period. Due to a variety of factors, there are no anticipated barriers for achieving the estimated level of housing on this site – such factors include the site’s vacancy, the ability to process a housing development application through either the City or County, the City’s interest in seeing the site developed, and the developer’s active application with the City to construct multi-family housing at the scale represented below in Table 2.15.

This site does not currently have a land use designation for housing under the City of San José 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.¹⁵

The County anticipates that the City will process the application to change the General Plan designation, pre-zone the property for high-

¹⁵ 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](#).

density residential and mixed-use development, and then annex the property to process the development application under the City's jurisdiction. The removal of a policy barrier by the City and application for a General Plan change by the developer demonstrates the potential for imminent development of the site. The current development proposal with the City seeks a 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 commercial space. Alternatively, the developer could choose to submit an application to the County, prior to annexation.

The County has conservatively estimated a lower density of 25 units per acre as the realistic capacity. As of June 2024, based on discussions with the developer, incorporating feedback from the recent community outreach process, and the City's overall planning goals, development on the site is likely to be in the range of 28 to 32 units per acre. Significant parcelization is expected prior to residential development, which would likely occur in four phases, from 2027 through 2031. The first three phases would focus on residential development and deliver relatively equal portions of the residential units. A fourth phase would develop the commercial components of the project. This approach supports the adequacy and suitability of these sites to support the development of lower-income units.

Should the proposed development on this site come to fruition under the County's land use authority, the project will be required to include a specific number of very low-income and low-income

housing units but does not impose an overall limit on residential density, pursuant to the recently adopted Housing Opportunity Sites combining district (Program 2.02) in County Zoning Ordinance Chapter 3.75.020. The potential for new housing is limited only by height and setbacks, which are aligned with the City's requirements for the surrounding area. In other words, the rezoning enables a developer to size and configure a project to meet market demands and trends to achieve the projected realistic capacity, inclusive of the required affordable units.

An applicant may request a modification to such requirements through a variance or development agreement to achieve a multi-family housing development. This rezoning requires any development to have a residential component; entirely non-residential development is not allowed on such sites.

The developer's proposal identifies the inclusion of affordable housing but does not yet specify a level or amount. The County's Inclusionary Housing Ordinance (County Zoning Ordinance Chapter 4.20.130) requires 16% of total dwelling units be made affordable to lower-income households.¹⁶ A minimum number of very low- and low-income housing units are required pursuant to Chapter 3.75.020. Due to the significant and singular potential of this site, the County will work with the applicant and the City, as applicable, to support a high proportion of the units as affordable to lower-income households.

¹⁶ Upon annexation of the Pleasant Hills into the City of San José, the affordability requirement could be 1% lower (15%), pursuant to the City of San José's Inclusionary Housing Ordinance.

Table 2.15: Pleasant Hills Site

APN	SIZE (ACRES)	EXISTING USE	POTENTIAL UNITS		UNITS BY INCOME CATEGORY		
			Realistic Capacity	Maximum Capacity	Lower Income	Moderate	Above Moderate
649-23-001	70.5	Decommissioned golf course	1,762	2,468	211	70	1481
649-24-013	43.5	Decommissioned golf course	1,088	1,523	131	44	913
Total	114		2850	3991	342	114	2394

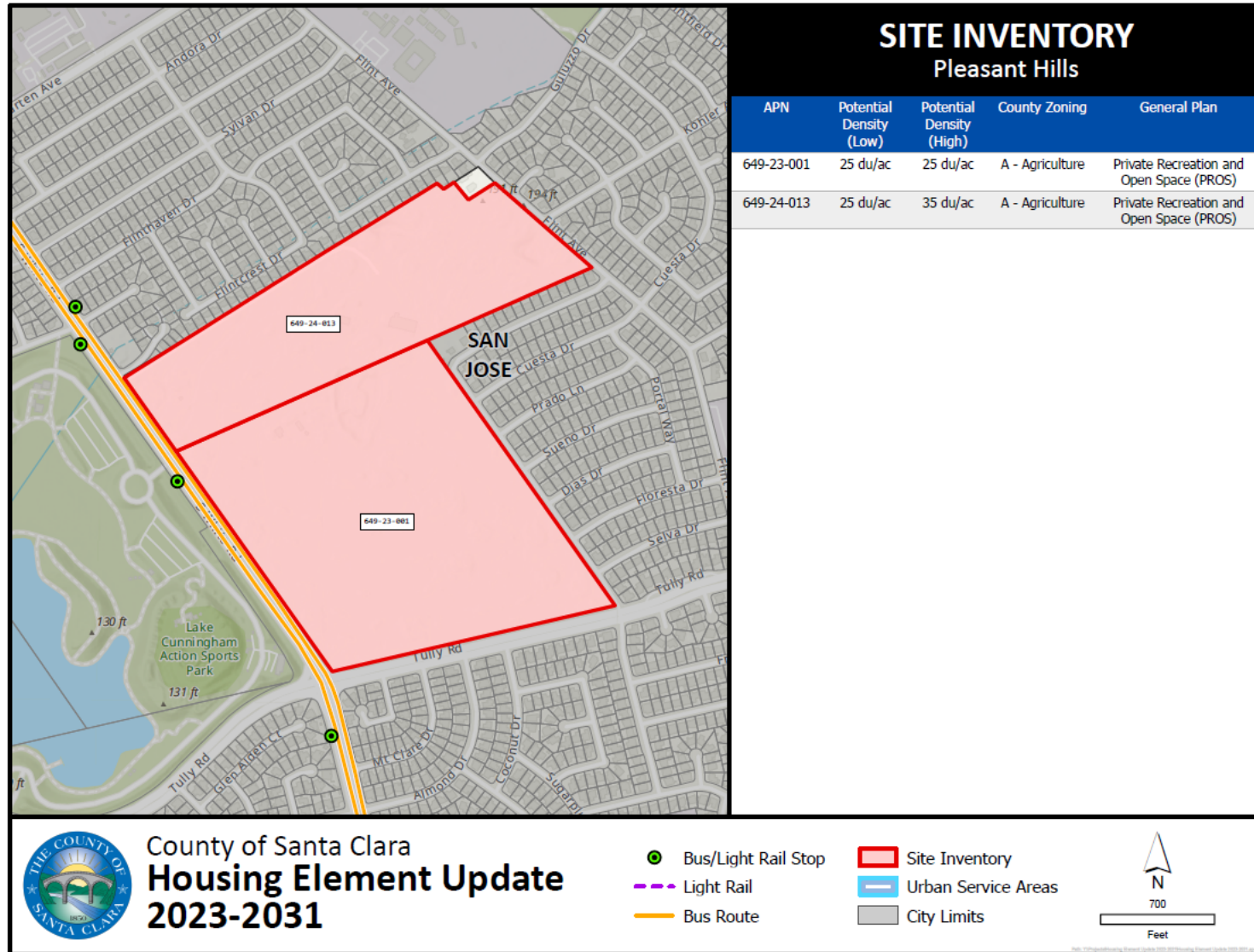


Figure 2.16. Pleasant Hills Site (Larger format available in Appendix A)

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 parcels identified in the sites 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 planning period. Table 2.16 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 of 100% affordable housing during the sixth cycle planning period.
- 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.

Housing Development Mid-Cycle Review

By December 2026, the County shall complete a review of housing permits issued and units transferred via annexation to determine if they are in line with the projections to meet the County's RHNA requirement by the end of the sixth cycle planning period. If the review indicates that the selected sites may not be developed at the capacities discussed in Sections 2.04b and 2.04c, then the County will re-evaluate the sites inventory list and explore additional ways to incentivize and remove barriers to housing production, such as streamlining permit processing, reduction of fees, removal of subjective requirements, and CEQA streamlining. The additional site selection and/or barrier removal shall be completed by December 2027 (Program 2.31).

2.04d Summary of Quantified Objectives

Table 2.16 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. From a housing needs perspective, new housing units, rehabilitated housing units, and preservation of existing affordable units are all important for a healthy housing market which serves all income

levels. While the County has many programs to help construct new and preserve existing affordable units throughout Santa Clara County, this section will focus only on units in the unincorporated areas.

Unincorporated Santa Clara County has fewer existing affordable units and a lower capacity for new units than some of the county's constituent cities. Most multi-family development since 1970 occurs within one of the incorporated cities, or on unincorporated lands that are first annexed into one of the cities. The only three new multi-family developments constructed since 1970 that are still in unincorporated areas are an 8-unit and 18-unit development owned by the Emergency Housing Consortium of Santa Clara County, constructed in 1998, and the 29-unit Vivente I development on County land managed by MidPen Housing. The remaining 632 units of multi-family housing in the unincorporated areas of the county were constructed between 1900 and 1968. While the County has no information indicating if or how these 632 units may be in need of rehabilitation, it is reasonable to assume that all units could benefit from seismic retrofitting.

The overwhelming majority of units within the unincorporated area are single-family dwellings. None of these units are considered below market rate, although some have developed accessory dwelling units (ADUs) or Junior ADUs, which could be rented out at differing levels of affordability. According to assessor data, the unincorporated areas of Santa Clara County include 17,737 single-family homes and 52 duet homes. These residences range in age from the Victorian era to newly constructed. Approximately 1% of single-family residences currently in the unincorporated area were constructed in the Victorian era (1850-1900), and 18% in the pre-World War 2 or wartime era (1901-1945). These pre-1946 homes represent the most vulnerable housing stock in the County's jurisdiction. All of

Santa Clara County experienced a post-war boom, with 38% of all single-family homes in the unincorporated areas constructed between 1946 and 1960. This post-war boom prompted the County to begin requiring building permits in 1947. 24% of single-family homes were constructed from 1961 to 1980, 12% from 1981 to 2000, and 7% from 2001 to 2023.

The slowdown in development of single-family residences in the unincorporated areas of the County over the last 50 years can in part be explained by a groundbreaking set of agreements between the County and the 15 constituent cities in 1970, to focus development into the urban service areas and protect the areas outside of the urban service areas for agriculture, recreational open space, natural resource conservation, and natural hazard buffer zones. The dwindling supply of readily developed parcels after the post-war building boom also contributed to the decline in new housing starts, as well as policy interventions like Proposition 13, which had a deterring effect on the frequent sale of homes in order to purchase larger homes.

Some of the older housing stock has been significantly rehabilitated. Approximately 4% of homes at least 25 years in age have undergone a significant remodel since 1990. With the remaining vacant parcels available only at a premium price, and with significant site constraints such as slope, remodels continue to be an important tool for homeowners, including new buyers, seeking to upgrade their older homes. Between 2018 and 2023, the County issued 877 building permits to remodel existing residences, which is roughly 5% of all homes over a six-year period.

Between 2019 and 2023, the County Code Enforcement Division received complaints involving substandard housing at 139 distinct addresses. This represents less than 1% of all housing units in the unincorporated areas, although there are many reasons why this

number is not fully representative. The County relies on a complaint-based code enforcement system and does not proactively inspect residences, whether they are owner-occupied, rental units, or vacant. An owner is unlikely to submit a complaint against themselves, and renters may be deterred from reporting issues due to either a fear of retaliation, or fear that if improvements are made the residence will no longer be affordable to them. Many of the complaints received revolve around the unpermitted conversion of structures into substandard housing or overcrowding, both of which point more towards the lack of housing availability than to the overall housing stock conditions.

County Code Enforcement Officers estimate that 55% of housing stock in unincorporated areas is in need of some kind of repair beyond purely cosmetic improvements, with approximately 10% in need of more serious repair. These numbers are likely higher in the unincorporated areas than in the cities due to the remote locations of some parcels, the existence of multiple accessory buildings that could be converted to housing, and the lack of visibility on many parcels due to terrain, vegetation, or parcel size.

Based on prior permit history and trends, the County forecasts that 5% of all single-family or duet homeowners in the unincorporated areas will seek permits to voluntarily remodel and upgrade their homes during the sixth cycle planning period (refer to Table 2.17), meeting roughly half of the estimated need. While the County has programs for minor home repairs that can benefit all housing types (refer to Program 1.31, Minor Home Repair and Maintenance Program), the focus on rehabilitation and preservation of affordability in County programs will be directed primarily to multi-family units.

Programs 1.09, 1.12, 1.13, 1.14, and 1.16 help provide funds to create and preserve affordable housing. Program 1.30 will preserve the

existing affordability of units constructed with financial and other forms of support from the County. Program 2.26 will see the County review options to allow rehabilitation or replacement of such multi-family units without compromising their legal nonconforming status. In 2025, the County will develop ordinance or policy updates to help streamline such rehabilitation and replacement of older multi-family units. The County will also consider opportunities to preserve the affordability of existing units, whether required or naturally occurring.

This may include partnering with community development corporations to acquire, rehabilitate, and preserve the affordability of units.

Lastly, the County will assess the housing stock and conditions of agricultural worker housing and explore related opportunities to streamline rehabilitation and replacement of such units, as appropriate (refer to Programs 2.05, 2.15, & 4.02).

Table 2.16: Total Probable Units Developed in Unincorporated County, 2023-2031

UNIT TYPE	VERY LOW	LOW	MODERATE	ABOVE MODERATE	TOTAL UNITS
Single Family Dwellings <i>(40 units/year)</i>	-	-	-	360	360
ADUs <i>(46 units/year)</i>	-	-	92	276	368
Fruitdale / Santa Clara Valley Medical Center	186	69	45	0	300
Stanford Campus	336	252	252	840	1,680
Pleasant Hills	228	114	114	2,394	2,850
Hostetter Station Site	325	187	200	514	1,226
Parkmoor/Burbank Neighborhood	-	-	14	62	76
Alum Rock/East Foothills	-	-	10	48	58
Cambrian Park	-	-	1	7	8
Total Probable 2023-2031	1,075	622	728	4,141	6,566

Note: the Parkmoor / Burbank, Alum Rock / East Foothills, and Cambrian Park sites are not required or expected to accommodate lower-income units and their development is not necessary to meet the County’s RHNA obligations, however, they are included in the Sites Inventory for the housing opportunity they present and have been rezoned accordingly.

Table 2.17: 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	79		79	205	713	1,076
Conservation & Preservation	79		79	0	0	158

2.04e Zoning for a Variety of Housing Types

Table 2.18 sets forth how the County’s zoning districts accommodate a variety of housing types described in State law.

Table 2.18: 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 2.18.

2.04f Multi-Family Residential Development

Multi-family residences are allowed in R1S, R3S, and R3 zones with an Architecture and Site Approval (ASA) permit. ASA is a discretionary permit required for certain applications as detailed in the County Ordinance and require review by the Zoning Administrator or other hearing body at a public hearing. The required findings for an ASA approval are detailed in the Zoning Ordinance and are listed below:

- Adequate traffic safety, on-site circulation, parking and loading areas, and insignificant effect of the development on traffic movement in the area;
- Appearance of proposed site development and structures, including signs, will not be detrimental to the character of the surrounding neighborhood or zoning district;
- Appearance and continued maintenance of proposed landscaping will not be detrimental to the character of the surrounding neighborhood or zoning district;
- No significant, unmitigated adverse public health, safety and environmental effects of proposed development;

- No adverse effect of the development on flood control, storm drainage, and surface water drainage;
- Adequate existing and proposed fire protection improvements to serve the development;
- No significant increase in noise levels;
- Conformance with zoning standards, unless such standards are expressly eligible for modification by the Zoning Administrator as specified in the Zoning Ordinance;
- Conformance with the general plan and any applicable area or specific plan, or, where applicable, city general plan conformance for property located within a city's urban service area; and
- Substantial conformance with the adopted "Guidelines for Architecture and Site Approval" and any other applicable guidelines adopted by the County.

While some of these findings are necessary for health and safety, others could create uncertainty or barriers which could constrain the development of multi-family housing in desired areas. These include high parking requirements per unit, conformance to neighborhood character, and conformance to guidelines and policies which lack objective standards. To this end, the County will create a new process for review of multi-family residential development on properties located within designated Housing Opportunity zones under a non-discretionary permit.

The non-discretionary permit will be ministerially reviewed and approved if they meet a set of objective criteria. These will include:

- Conforms with all requirements of the California Building Code as locally adopted and amended;
- Adequate traffic safety, on-site circulation, and loading areas, and compliance with County design standards for traffic improvements;

- Proposed landscaping will comply with the County's Water Efficiency standards;
- No significant, unmitigated adverse public health, safety and environmental effects of proposed development;
- Proposed development will meet County and Regional Water Quality Control Board standards for drainage;
- Adequate existing and proposed fire protection improvements to serve the development;
- Noise levels will not exceed those allowed in the County Noise Ordinance; and
- The project provides for at least the required number of inclusionary units as specified in the Zoning Ordinance.

By removing discretionary reviews, subjective criteria, parking requirements, as well as not imposing height, FAR, or lot coverage restrictions on these projects, developers will be able to apply with greater certainty that their projects would be approved.

2.04g 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.

2.04h 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."

2.04i 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.

2.04j 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.

2.04k 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.

2.04l 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.

2.04m 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.

2.04n 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 (“rebuilt”) 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.

In alignment with the provisions and purpose of the Housing Crisis Act of 2019 (Government Code 66300 et seq.), any County-adopted

rezoning or development controls shall not impose any new governmental constraints to the development of housing unless those increased constraints are offset by the removal or reduction of other constraints. A "new governmental constraint" is a County-imposed requirement, including but not limited to process, fees, or design, that increases the cost of development, not including mitigation measures adopted in compliance with CEQA or a requirement adopted to specifically protect against a threat to health or safety. The County complies with these requirements, and has not rezoned or changed the designation of any parcels or districts to a reduced intensity since the adoption of the Housing Crisis Act. Any changes the County makes to zoning or land use designations in the future shall be done within the requirements of State law.

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.

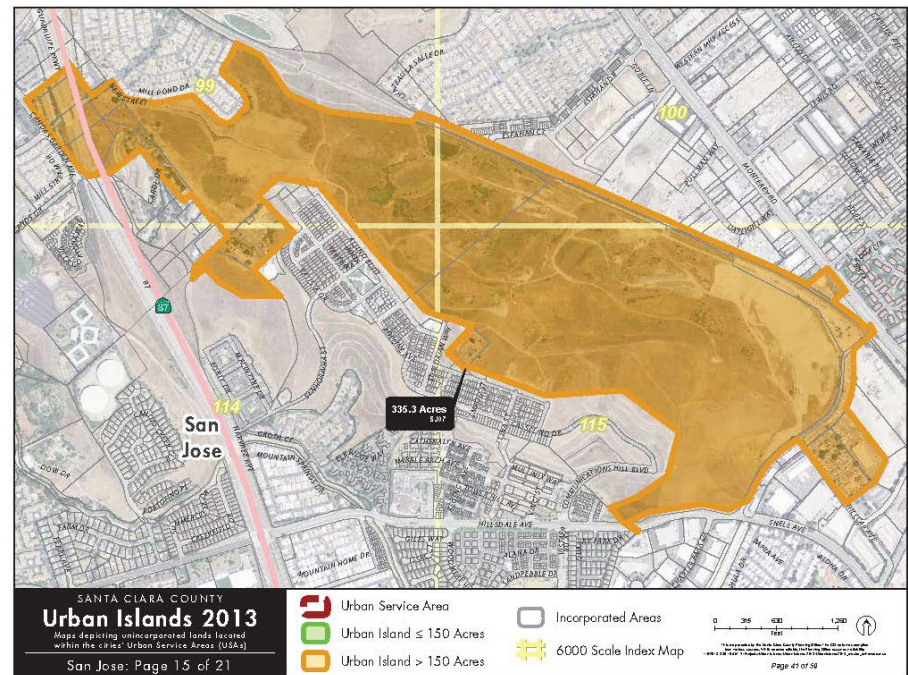


Figure 2.17. Urban Islands – Communications Hill

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 2.18: 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 ministerial 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 feasible for any given development is defined only by the setbacks, height, and story limitations.

In most zoning districts there are no open space requirements, however, in the “-os” Housing Opportunity Sites combining district, created for the sixth cycle planning period’s sites inventory, all buildings shall provide either a patio or balcony for each unit, or commonly accessible open space(s) (including courtyards, parklets, playgrounds, usable landscaped areas, rooftop common areas, and sports courts) equal to a minimum of ten percent of the lot size. This requirement alone, with a variety of options, many of which could be located within the building setback areas, is unlikely to reduce the maximum size of a multi-family residential structure.

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 2.19: 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 20 acres: density based on 20-160 slope-density, and 90% of the remaining land area is preserved in permanent open space

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 December of 2023, the County reduced the number of parking spaces required for multi-family development from 1.5 spaces per dwelling unit to 1 space per dwelling unit, across all zoning districts. In most zoning districts, no guest parking spaces are required, however, in the “-os” Housing Opportunity Sites combining district,

there is a requirement for 1 guest parking space and 1 short-term drop-off/delivery space for projects with more than 25 units, with 1 additional space of each type required for every 600 residential units.

Currently, the County Zoning Ordinance does not differentiate parking requirements in dwellings based on the number of bedrooms. In transit rich areas, parking requirements have been reduced or eliminated for ADUs and SB 9 “urban primary units” in alignment with state law, and for multi-family developments that qualify for parking exceptions or reductions.

Table 2.20: 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 space / 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 2.21: 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 Hillside (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; however, they do constitute an undue constraint on housing development. Parking requirements add an additional cost to development of any housing, a cost which is compounded for multi-family development. Minimum lot sizes and required setbacks beyond those necessary for fire safety also represent a constraint on the number, size, and types of units which can be developed. Height, FAR, and lot coverage standards similarly provide this constraint. Additionally, the County's current Zoning Ordinance and development guidelines limit multi-family development to relatively low densities. Other 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. The County has implemented Program 2.02 – Planning for

Housing Development in Unincorporated USAs and Stanford University Lands, which created a new combining district to rezone sites listed in this Housing Element's sites inventory and a streamlined, non-discretionary permit review for multi-family and/or mixed-use development with a certain percentage of affordable units. This new process will remove as many constraints as possible for the approval of new multi-family development on these properties.

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.¹⁷ 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

¹⁷ 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>

or safety problem, would cause an environmental problem, would harm historical property, or would be contrary to law.¹⁸

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, including California Government Code Sections 65915 through 65918 and California Health and Safety Code Sections 50052.5 and 50053, 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. Additionally, the County will implement Program 2.23 – Facilitate State Permit Streamlining Laws, which will establish application requirements, eligibility criteria and decision making and processing criteria for applications associated with State Density Bonus Law.

Pursuant to the County's Inclusionary Housing Ordinance, at least 16 percent of new units in multi-family development shall be made available to rent or purchase at an Affordable Housing Cost to lower, very low, or extremely low-income households earning no more than eighty percent (80%) of the Area Median Income. The Applicant for a multi-family development providing Inclusionary Units upon the same site as the Market Rate Units may, at the Applicant's sole option, submit a written request for density bonus, waivers or incentives pursuant to California Government Code Section 65915 et seq. and Section 4.20.030 of the County Code, if the multi-family development includes the provision of affordable Inclusionary Units

within the development that meets the minimum thresholds for density bonus pursuant to California Government Code Section 65915 et seq. The incentives requested by the Applicant of the multi-family development shall be included in a proposed Affordable Housing Plan, and any incentives authorized by the County pursuant to Section 4.20.030 of the County Ordinance Code shall be included in the Affordable Housing Plan, if approved by the County, for the development.

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.

¹⁸ Ibid.

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. As detailed in Programs 2.23 and 2.24, the County will streamline the permitting process for multi-family units by providing the public with checklists and information about the processing online, and will create an administrative permit system for applications which meet basic objective standards, including at least the minimum required affordable housing units.

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. While these constraints are the minimum necessary, they are not without a cost. The grading, pavement, and retaining walls necessary for access roads and driveways, especially in areas of wildfire risk, can cost millions of dollars. Similarly, the development of onsite wastewater treatment systems (aka septic systems) requires costly testing to site in addition to construction costs. Because of their relation to public health and safety, these are not constraints the County can reduce beyond encouraging development to be sited in areas which already have adequate access and can be serviced by existing sanitary sewers. However, this does not impede the ability for the County to meet its RHNA as the County's sites inventory is located within the city's Urban Service Areas which can provide services to those sites.

Implementation Measure

Given the recent update to the County Fire Code, and the lack of sites inventory locations in the rural unincorporated areas, 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.

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.

Impact and Additional Fees

The County does not assess any impact fees for residential development, beyond a limited option to pay an Inclusionary Housing fee in lieu of constructing affordable units. This is the case for both single-family residential development (which are exempt from the County's Inclusionary Housing Ordinance) and multi-family residential development, in both urban and rural parts of the unincorporated county. Other entities and special districts do collect additional fees, such as the school impact fee and the Santa Clara Valley Habitat Conservation Plan development fee as appropriate for the particular development.

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

^[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>

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 2.22: 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
<i>Notes:</i>	
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.	
2) There are also final inspection fees for Fire Marshal and Land Development Engineering.	

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").¹⁹

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.²⁰ 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-

¹⁹ 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

²⁰ Fees and Exactions, <https://www.hcd.ca.gov/fees-and-exactions> accessed 8/16/22

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

The County seeks to be as transparent as possible with applicants on permit processing and procedures. This includes posting checklists of required submittal materials on the Department of Planning and Development website, with helpful descriptions of required items and helpful links to examples, ordinance sections, fee schedules and guidelines to provide direction and context to the applicants.

Throughout the processing of applications, the County complies with the State's Housing Accountability and Permit Streamlining Acts.

Ministerial projects are reviewed by the County's subject matter experts for compliance with relevant State and County requirements (such as the California Building Code, County Grading Ordinance, and the County Zoning Ordinance) and permits issued unless the project does not comply.

In the unincorporated areas, the County allows many types of housing without a land use entitlement. Where applicable, the entitlements that may be required include Building Site Approval, Design Review (in certain districts), Grading Approval (should the project exceed a specified amount of earthwork), Architecture and

Site Approval (for some multi-family housing), and in rare cases, a Use Permit (when housing is proposed in a zone that is not a residential zone by nature). Accessory Dwelling Units do not require site approval or design review, although may be subject to grading approval. Multi-family housing in the Housing Opportunity Sites combining district (those properties listed in the Housing Element sites inventory) have the option of proceeding without any land use entitlements if certain conditions are met, including an affordability requirement.

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.

Throughout the application review process, the County complies with the Permit Streaming Act and CEQA timeline requirements to ensure timely processing of applications. Other steps taken to ensure timely application review 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. The County does not require any period of time to elapse between the approval of a project and the submittal of development permit applications, although applicants are advised to wait until the 15-day appeal period has passed.

Table 2.23: 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 ministerial

nondiscretionary application called a Planning Clearance, 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.

There are no constraints related to the timing of development permit applications following planning approvals, as there is no required waiting period. The County of Santa Clara generally does not impose restrictive requirements that delay property owners and project applicants from applying for building permits once a land use entitlement is granted. Almost all land use entitlements related to housing are valid for four years (five years in rare cases), and eligible for up to a two-year extension at the discretion of the approving authority (i.e., the Director of the Department of Planning and Development, the Zoning Administrator, the Planning Commission, or the Board of Supervisors). When the County applies timing conditions, they are generally items to be met prior to permit issuance or prior to final inspection, and do not require separate actions prior to application in almost all cases.

It should be noted that since 2020, the County has discouraged applicants from submitting “at-risk” applications, where a permit moves forward with all parties involved understanding that a land use entitlement is required but has not yet been approved. The County does not consider this policy to be a barrier to development, as there are often changes to the design of projects in rural areas that are required prior to the land use entitlement being approved, which would render the at-risk building permit application moot.

The County analyzed recent land use entitlements related to housing that were approved in relation to when the following development applications were submitted. There have been few, if any, multi-family developments in the unincorporated county since 1970, so

timelines for that housing type is not known. The County instead analyzed available data for single-family development. As of February 13, 2024, of the last 150 land use entitlements that were approved, 123 of them (82.0%) have resulted in development permit applications. A majority of these development permit applications (109, or 72.7% of the entitlements approved) were submitted within

one year of the prerequisite land use entitlement being approved, 49 of which were submitted within the first month of entitlement approval. Of the 150 approved entitlements, 27 have not yet materialized into development applications, 9 of which are currently still within the first year since the entitlement was approved. Additional analysis is summarized in the table below.

Table 2.24: Time Between Approval of Housing-Related Land Use Entitlements and Building Permit Application

Time Between Approval of Housing-Related Land Use Entitlements and Building Permit Application														
<i>(Analyzing most recent 150 approvals, as of February 13, 2024)</i>														
Time Since Entitlement Approval	within 1st month		1 mo. - 1 yr.		1-2 yrs.		2+ yrs.		No application submitted*		Expired		Total	
Building Permit Applications Submitted	49	32.7%	60	40.0%	9	6.0%	5	3.3%	24	16.0%	3	2.0%	150	100%

* Not yet expired, but no building permit application submitted since land use entitlement approval; expiration is generally four years from approval of these entitlements. Of the 24, 9 are still within 1 year of approval, 11 are between 1-2 years, and 4 are already beyond 2 years.

There are several reasons why an applicant may be delayed in applying for their development permits after receiving their land use entitlement approval. In four instances, there were appeals of the decision by either the applicant or a neighbor which delayed the project advancing. In five cases, the applicant chose to modify their project significantly after receiving their approval. In one case, an applicant chose to annex into a sanitary district rather than develop an onsite wastewater treatment system, a process governed by the Santa Clara County Local Agency Formation Committee (LAFCO) and not by the Department of Planning and Development.

In five cases, applicants began their work after receiving their land use entitlement approval and without seeking their development

permits, in violation of the County Ordinance Code. The County Ordinance Code does not allow for permits to be issued on a property with a violation except when the permits do not expand an existing use or add a new use; the permits are immediately necessary to protect public health, safety, or welfare; the permits will allow for the full abatement of all existing violations on the premises; or the property owner enters into a compliance agreement with the County concerning the correction or legalization of the violations.

Additionally, based on anecdotal reporting from property owners, some applicants who have received their land use entitlements have subsequently faced financial or other hardships that have prevented them from moving forward with their projects. Some property

owners have reported having difficulty hiring surveyors or other experts needed to finalize plans, including the onsite wastewater treatment system. Others elect to delay their application until they have completed conditioned requirements, even those requirements could be handled concurrently with their permit review. Finally, some owners seek a land use entitlement to increase their asking price for the land and have no intention of developing the property themselves.

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. The County will also implement Program 2.24 - Streamline Multi-Family Housing Development which removes permit processing constraints in zones which permit multi-family housing. Delays experienced between land use entitlement approval and development permit application are not within the control of the County, and therefore no program is proposed to remedy them.

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 2015-2022 Housing Element cycle and is still implemented with the goal of promoting code compliance in the most timely and efficient manner. County Ordinance C1-71 was further amended in January 2021 to clarify that while 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, the Department Director has discretion to issue a permit where (1) the permit does not expand an existing use or add a new use, (2) the permit is immediately necessary to protect public health, safety, or welfare, or (3) the permit will allow for full abatement of all existing violations on the premises. . 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.

The County Zoning Ordinance includes the following definition of "family" which explicitly includes "necessary domestic help" to accommodate those with disabilities – *"Family: One or more persons occupying a premises and living as a single, nonprofit household, as distinguished from a group occupying a hotel, club, fraternity or sorority house. A family shall be deemed to include necessary domestic help."* The purpose of the definition of "family" is to distinguish

private residential dwelling units from hotels, bed and breakfasts, inns, clubs, and fraternity or sorority houses. Families are also allowed to rent out rooms to two persons who are not part of their family structure.

This definition does not pose a constraint on housing for persons with disabilities because it allows for necessary domestic help and does not include any requirement for a specific type of relationship between residents within a residential unit, be it a single-family residence, multi-family housing development, or "group home." For clarification, the reference to "nonprofit households" does not address the type of legal entity occupying the household, but rather clarifies that the group of individuals occupying the home is not doing so for a profit-seeking purpose (e.g., a hotel).

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. Community Care Facilities are allowed in all zoning districts except for OS/F (Open Space and Field Research) and SCA (Special Conservation Areas).

“Limited” projects may be sited on any parcel in the unincorporated county outside of the OS/F and SCA zones. 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, and to date the County has not denied any application due to concerns regarding the proximity to other Community Care facilities. 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. By December 2026, the County will adopt revisions to the Zoning Ordinance and other County codes to allow “Expanded” projects in all zones that have similar residential uses, with objective standards and permit processes that are equivalent to similar residential uses.

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

The County’s approach is to seek reasonable accommodations whenever possible under Federal and State law. 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.

To further ensure the County is removing barriers that may make it more challenging for people with disabilities to develop housing, Program 2.33 – Reasonable Accommodation Policy will be implemented by December 2024, to review and further amend findings required to grant a reasonable accommodation.

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. However, the findings currently required may pose an unnecessary constraint. Therefore, the County will review and amend its required findings for granting a reasonable accommodation (refer to Program 2.33).

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.

Additionally, the County is implementing Program 2.25 – Tracking and Ongoing Compliance with State Housing Laws, which includes updating the County's Zoning Ordinance, and any other relevant County codes and policies, on a regular basis so they continue to be in line with state law. The County will include an assessment of the regulations for group homes for seven or more persons in relation to state law as a part of Program 2.25.

2.06s Regulations Influencing Housing for Agricultural Workers

Agricultural workers are a specific subset of the population with special housing needs. The 2023 Farmworker Health Study published by UC Merced found that nearly all (92 percent) agricultural workers in the State are renters, and that these workers face a host of substandard housing issues ranging from inadequate drinking water, plumbing, heating and cooling systems, or are in need of major repairs due to problems such as termite infestation or water damage. Agricultural workers also face issues of overcrowding, with more than a quarter reporting that they live in a house with six or more than six people and sleep in a room with three or more people.

The State has set forth regulations relating to employee housing and labor camps in the California Health and Safety Code sections 17021.5, 17021.6, and 17021.8, which supersede any local ordinances. Housing that accommodates six or fewer employees must be treated as a single-family residence in terms of how they are permitted both in location and in processing. Medium-scale projects that include group quarters of up to 36 beds or up to 12 single-family units are classified as an agricultural use and cannot be subject to any requirements which other agricultural uses in the same zone would not be subject to.

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. According to the Santa Clara County 2021 Crop Report, there are approximately 8,000 agricultural workers in the county supporting a \$340 million industry that provides food to the local residents, region, and beyond. As the County implements additional measures to preserve agricultural lands, the need for agricultural worker housing is unlikely to diminish.

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. On August 29, 2023, the Board of Supervisors directed the preparation of an Agricultural Worker Housing Workplan to facilitate and further support agricultural worker housing production.

Please see the implementation programs in Chapter 4 for multiple efforts aimed at further alleviating constraints on the development of housing for agricultural workers.

Please see Section X.6 of the Assessment of Fair Housing (Appendix L) for analysis of the housing need experienced by agricultural workers in the unincorporated county.

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.²¹

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),

²¹ 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).

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 State Required Permitting

The State has adopted several measures where local jurisdictions must approve projects which meet certain criteria, including SB 9, SB 35, SB 330, and the State ADU ordinances. The County is not yet subject to SB 35, but should it become so will fully comply with the

State's requirements. For SB 330, the County will revert to the State preliminary application, with no growth controls and only objective standards reviewed for qualifying applications. The County has adopted local implementing ordinances for SB 9 and ADUs, to incorporate the State's requirements and add minimal objective standards as allowed by the State. Should any of these State laws be amended, or new laws of a similar vein be adopted, the County will defer to State requirements when in conflict with the local County ordinances.

Constraints Analysis

The County permitting requirements to accommodate these housing application types described above do not constitute an undue burden or constraint on the production or supply of qualifying housing. Projects not qualifying for state required permitting often require discretionary approvals, such as Architecture & Site Approval for multi-family housing projects.

Implementation Measure

The County will create transparent processes, fees, and checklists for all State required permitting and make these available to public (Program 2.23). In addition, the County will work to streamline all multi-family housing developments through a streamlined permitting process with limited objective standards that will be applied first to properties on the sites inventory list and eventually to all zoning districts which allow multi-family housing development (Program 2.24). Lastly, the County will implement Program 2.25 - Tracking and Ongoing Compliance with State Housing Laws, which includes updating the County's Zoning Ordinance, and any other relevant County codes and policies, on a regular basis so they continue to be in line with state law.

2.06v Inclusionary Housing

The County adopted a countywide Inclusionary Housing Ordinance (IHO) in October of 2020 to foster a sufficient supply of housing for persons at all economic levels and relieve the burden placed on the housing market throughout Santa Clara County. The IHO applies to any application that creates three or more dwelling units. Of the proposed dwelling units, sixteen percent (16%) shall be made available for rent or for sale to at an affordable Housing cost to moderate, lower, very low, or extremely low-income households. The County adopted Inclusionary Housing Ordinance Guidelines in November of 2021 which serves as a guiding document for the implementation of the IHO.

Inclusionary Housing in the Stanford Community Plan Area

Applications within the Stanford Community Plan Area (SCPA) may bank the inclusionary for sale affordable units to be developed as rental inclusionary units at a later date. Applications within the SCPA may also construct the inclusionary units on site, off-site, convert an existing unit to an inclusionary unit, or transfer required inclusionary units to another residential development within the SCPA.

Inclusionary Housing outside the Stanford Community Plan Area

Required inclusionary units may be developed on-site, off-site, converted from an existing unit, or the applicant may choose to pay an in-lieu fee for developments that result in a fraction of a unit (a development that has less than 7 units).

Constraints Analysis

The intent of the program is to promote affordable housing development. To date, the County has not processed any residential development applications outside or within the SCP that would be subject to the IHO, therefore the County has not seen the IHO act as a constraint of proposed development projects. Additionally, the

development of ADUs, agricultural employee housing, student housing, residential community care facilities, and units created pursuant to SB9 are not subject to the IHO which limits constraints on building these types of units on properties. Lastly, the IHO offers a variety of options for the development of the required inclusionary unit(s) (on-site, off-site, conversion of units, etc.) which provides flexibility for the creation of the unit. As such, the IHO provides minimal constraints on housing supply and affordability.

Implementation Measures

The County will continue to implement the IHO as written and may perform future revisions if the County finds areas of improvements needed to achieve the IHO goals of affordable housing development.

2.06w 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.²² This helps the County track the RHNA units constructed on the Stanford Campus in relation to the remaining capacity under the GUP.

Implementation Measures

²² Annual Reports for Stanford University can be found here: <https://plandev.sccgov.org/policies-programs/stanford-university/2000-general-use-permit/annual-reports>.

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 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.

2.06x 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. As such, **none of the sites selected to meet the County's RHNA are located in the rural unincorporated areas.** The selected sites are all located within a city's urban service area or on Stanford Campus, which is an area planned to provide infrastructure and utilities to properties it encompasses. Refer to the Housing Element Update EIR Section 4.16 and Appendix C for more information regarding the utility services planned for the selected sites.

Unincorporated 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.²³ Over two-thirds of the land in the county (including parcels within the 15 cities and towns) would not be

²³ County of Santa Clara website; SB9 information page; <https://plandev.sccgov.org/senate-bill-9> accessed 11/17/22

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 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.

2.06y 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.

2.06z 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 \$1,695,548²⁴ 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 2021.²⁵

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 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.²⁶

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

²⁴ Year End 2020: Santa Clara County”: Single-Family Residence, accessed 9/12/22 <https://www.sccaor.com/pdf/stats/2020.pdf>

²⁵ Year End 2021: Santa Clara County: Single-Family Residence, accessed 9/12/22 <https://www.sccaor.com/pdf/stats/2021.pdf>

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 2016-2019.²⁷

Table 2.35: 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

²⁶ LandWatch, Santa Clara County Land Information, accessed 9/13/22 <https://www.landwatch.com/california-land-for-sale/santa-clara-county>

²⁷ Inclusionary Housing and Supplemental Housing Mitigation Fee Ordinance prepared by Keyser Marston Associates (2020), [available here](#).

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, including Santa Clara County, the average cost in 2018 was \$380 per square foot, representing an increase of 119 percent from 2008.²⁸

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-2022²⁹ 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.

²⁸ https://turnercenter.berkeley.edu/wp-content/uploads/2020/08/Hard_Construction_Costs_March_2020.pdf

²⁹ U.S Department of Labor (<https://www.dol.gov/general/topic/statistics/inflation>), accessed November 17, 2022