



PHA Plan Elements (24 CFR 903.07)

Plan Element 1

Statement of Housing Needs and Strategy for Addressing Housing Needs.

Provide a statement addressing the housing needs of low-income, very low-income and extremely low-income families and a brief description of the PHA's strategy for addressing the housing needs of families who reside in the jurisdiction served by the PHA and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The statement must identify the housing needs of (i) families with incomes below 30 percent of area median income (extremely low-income); (ii) elderly families (iii) households with individuals with disabilities, and households of various races and ethnic groups residing in the jurisdiction or on the public housing and Section 8 tenant-based assistance waiting lists based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data.

The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location (24 CFR 903.7(a)(2)(i)). Provide a description of the ways in which the PHA intends, to the maximum extent practicable, to address those housing needs in the upcoming year and the PHA's reasons for choosing its strategy (24 CFR 903.7(a)(2)(ii)).

The Housing Authority of the County of Santa Cruz (HACSC) serves Santa Cruz County and the cities of Hollister and San Juan Bautista and faces persistent housing challenges driven by high rental costs, limited affordable supply, and an aging housing stock. Demographic, affordability, and housing market data from the U.S. Census Bureau's American Community Survey, local Housing Elements and Consolidated Plans, and analyses by the California Housing Partnership (2025), National Low Income Housing Coalition (2024), and Novogradac Journal of Tax Credits (July 2025) indicate that very low- and extremely low-income renter households—particularly seniors, people with disabilities, and Hispanic/Latino residents—experience disproportionate housing instability and are overrepresented on the PHA waiting list. These conditions are further compounded by shortages of accessible units, limited interim housing for people experiencing homelessness, and mismatches between available unit sizes and household needs, underscoring the critical need for more deeply affordable, accessible, and appropriately sized rental housing across HACSC's jurisdiction.

Demographic Profile

Santa Cruz County has a population of 270,861. The City of Hollister has a population of 41,678, and the City of San Juan Bautista has a population of 2,089. In Santa Cruz County, 34.8% of residents identify as Hispanic/Latino and 53.7% identify as non-Hispanic White. In the City of Hollister, 68.9% of residents identify as Hispanic/Latino and 23% identify as non-Hispanic White. In the City of San Juan Bautista, 55.1% of residents identify as Hispanic/Latino and 35.2% identify as non-Hispanic Whiteⁱ.

Residents age 62 and older represent 23.6% of the population in Santa Cruz County, 14.6% in the City of Hollister, and 22.2% in the City of San Juan Bautistaⁱⁱ. Disability affects 11.2% of residents in Santa Cruz County, 10.1% of residents in the City of Hollister, and 12.9% of residents in the City of San Juan Bautista. Among residents age 65 and older, 18.3% in Santa Cruz County report a disability, 10.5% in the City of Hollister, and 19% in the City of San Juan Bautistaⁱⁱⁱ.

Table 1. Demographic Profiles of Santa Cruz County, Hollister, and San Juan Bautista

Indicator	County of Santa Cruz	City of Hollister	City of San Juan Bautista
Total Population (count)	270,861	41,678	2,089
Ethnicity % of total population n=270,861			
Non-Hispanic	65.2	31.1	44.9
Hispanic/Latino	34.8	68.9	55.1
Race of Not Hispanic or Latino			
White	53.7	23	35.2
African American/Black	1.1	.8	.7
Asian	4.5	3.7	3.5
Other/multiple*	5.9	3.6	5.4
Elderly and Disability (n=270,861 unless otherwise noted)			
Age 62+	23.6	14.6	22.2
Disability	11.2 (n = 264,998)	10.1 (n = 42,878)	12.9 (n = 2,120)
65+ with Disability	18.3 (n = 264,998)	10.5 (n = 42,878)	19 (n = 2,120)

* includes American Indian and Alaska Native alone, Native Hawaiian and Other Pacific Islander alone, Some Other Race alone, and Two or More Races. Sources include ACS 2023 5-Year Estimates Tables S1811 and DEC Demographic Profile Table DP1.

In the County of Santa Cruz County, about one-third (29%) of all households include minor children. In the City of Hollister, 49% of households include minor children and, in the City of San Juan Bautista, 36% of households include minor children.^{iv}

Nearly half of the Santa Cruz County population (49%) live in the unincorporated areas of the County, with the cities of Santa Cruz and Watsonville each representing substantial percentages of population (24% and 19% respectively) with the remainder of the population split somewhat evenly between the cities of Scotts Valley (4.5%) and Capitola (3.7%)^v.

Household income in the County of Santa Cruz varies by racial group. Approximately 43% of non-Hispanic Asian households and 51% of non-Hispanic White households earn above 100% of the Area Median Income (AMI), compared to 27% of Hispanic households, 24% of

households of other or mixed races, and 30% of non-Hispanic Black/African American households. Additionally, poverty rates by race for non-Hispanic individuals show that American Indian or Alaska Native residents and Black/African American residents each have rates in the double digits. All other reported non-Hispanic racial groups have poverty rates below 9.5%.^{vi}. According to the County of San Benito 2023-2031 Housing Element, 37.6% of households are low, very low, or extremely low income^{vii}.

Affordability

Housing affordability challenges in Santa Cruz County remain severe and continue to intensify, with significant unmet needs across low and very low-income renter households, disproportionately high levels of cost burden among extremely low-income (ELI) residents, and insufficient interim housing capacity for people experiencing homelessness.

Households are considered cost burdened if they spend more than 30% of their income on housing costs and severely cost burdened if they spend 50% or more of their income on housing costs. Key findings from the Santa Cruz and San Benito Counties 2025 Affordable Housing Needs Reports show that 71% of extremely low-income households in Santa Cruz County^{viii} and 66% of extremely low-income households in San Benito County^{ix} spend more than 50% of their income on housing costs. Due to the lack of reliable city-level data, San Benito county-level measure is used as the most appropriate proxy for conditions in Hollister and San Juan Bautista. These severe rent burdens leave the lowest-income households at heightened risk of housing instability, overcrowding, and homelessness.

A report by the National Low Income Housing Coalition finds that in Santa Cruz County, a household must earn an hourly wage of \$77.96, or annual income of \$162,160, to afford a two-bedroom home at fair market rent. At the County's mean renter wage of \$22.18 per hour, a household would need the equivalent of 3.5 full-time jobs to meet this cost. In San Benito County, the same report estimates that an hourly wage of \$48.44, or \$100,760 annually, is required to afford a two-bedroom home at fair market rent. Based on the mean renter wage of \$19.64 per hour, approximately 2.6 full-time jobs are needed to afford a two-bedroom unit^x.

Countywide, approximately 48,782 individuals have incomes at or below 150 percent of the federal poverty level. This threshold represents the best available proxy for the extremely low-income population and indicates eligibility for federal housing assistance^{xi}. However, the Housing Authority has roughly 5,800 vouchers and there are approximately 4,400 federally and state-subsidized affordable housing units available countywide, highlighting the substantial gap between the demand and available resources.^{xii}. The Housing Authority waiting list data presented below is provided in addition to the countywide data and is intended to offer further insight into households actively seeking assistance.

The Housing Authority's combined tenant-based and project-based waiting lists identify 5,054 households seeking affordable housing assistance. A significant majority of households on the wait lists identify as Hispanic/Latino (61%), compared with 39% who identify as Not Hispanic/Latino. Given their larger representation on the wait list, Hispanic/Latino households make up the greatest share of applicants with the most severe housing needs, including those classified as Extremely Low-Income (ELI). The data for all households on the wait list show 92% (4,662) are classified as Extremely Low-Income (ELI), while 7% (341) are Very Low-Income (VLI), and 1% (51) are Low-Income (LI). Across all three income levels, Hispanic/Latino households consistently represent roughly two-thirds of applicants, while Not Hispanic/Latino households make up approximately one-third.

Special populations are prominently represented on the HACSC waiting lists. 1,278 households (25%) include at least one person with a disability. Additionally, 774 households (15%) include at least one elderly person.

Homelessness pressure remains acute. As of 2024, Santa Cruz County had only 874 interim housing beds available for people experiencing homelessness, far fewer than the number of individuals needing shelter and assistance^{xiii}. According to 2024 Point-In-Time there were 1,850 people experiencing homelessness in 2024 with a 7% increase in homelessness among seniors over 2023 PIT data^{xiv}. In San Benito County 621 people were experiencing homelessness and 16% were 61 years of age or older^{xv}.

Housing Supply, Quality and Type

According to the U.S. Census Bureau's American Community Survey (ACS), Santa Cruz County contains 96,261 occupied housing units, of which 40,261 units (41.8 percent) are renter-occupied. In the City of Hollister, 4,245 of the 11,904 occupied units (35.7 percent) are renter-occupied, while in the City of San Juan Bautista, 380 of 795 occupied units (47.8 percent) are renter-occupied. Using ACS renter-occupied unit counts as a proxy for available rental housing, households on the Housing Authority's waiting list (5,071) represent approximately 11% of the total renter-occupied housing stock (44,886 units) across these jurisdictions, highlighting the substantial level of unmet demand relative to the existing rental market.^{xvi}

Nearly two-thirds of the County's housing units (63.8%) were built before 1980, and a substantial share of homes in Hollister (32.6%) and San Juan Bautista (48.1%) also predate 1980, meaning they are now more than 45 years old^{xvii}. The age of the housing stock serves as an indicator of quality, as older units are more likely to experience deterioration and issues related to deferred maintenance.

Across Santa Cruz County, most renter-occupied units offer one to three bedrooms (82.2%), while smaller studio/SRO units represent only 11.7% of the rental stock and large units with four or more bedrooms account for just 6.1%. Similar patterns are evident in Hollister and San Juan Bautista, where one- to three-bedroom units dominate the rental supply (80.2% and 90.1%, respectively). Studio/SRO availability is limited—approximately 9% in San Juan Bautista and just over 1% in Hollister—while larger four-bedroom rentals are more prevalent in Hollister (18.6%) and absent in San Juan Bautista, indicating a shortage of both small and large units depending on locality^{xviii}. This can make it difficult for extremely low-income single-person households to find small units (studio and SROs) that they can afford and also can make it challenging for large families to find a suitable rental that is large enough to avoid overcrowding. While there is no data measuring the number of wheelchair accessible units, or units with other accessibility features in the County, anecdotal evidence suggests that such units are scarce, and disabled persons have difficulty finding units that meet their needs.

Overall, the data confirm a severe and ongoing shortage of affordable rental housing in Santa Cruz and San Benito Counties, marked by extreme rent burdens, and insufficient options for low-income households. These conditions create disproportionate barriers for extremely low-income renters, seniors, people with disabilities, Hispanic/Latino households, and individuals experiencing homelessness, reinforcing the need for expanded affordable units, rental assistance, and supportive housing.

Strategies to Address Housing Needs

In response to documented housing needs across the County of Santa Cruz and the cities of Hollister and San Juan Bautista, including extreme rent burdens for extremely low-income households, shortages of accessible, units for large families, inadequate interim housing for people experiencing homelessness, limited availability of studio and SRO units, and disproportionate housing barriers affecting seniors, households with disabilities, and Hispanic/Latino households, the Housing Authority of the County of Santa Cruz (HACSC) will pursue the following strategies to the maximum extent practicable in the upcoming year:

1. Expand the supply of affordable and assisted housing by increasing access to deeply affordable units for extremely low-income households, seniors, and people with disabilities through the continued pursuit of competitive voucher opportunities, including FYI, VASH, Stability, FUP, and Mainstream Vouchers. HACSC will also expand both tenant-based and project-based voucher programs, prioritizing PBVs in new affordable housing developments located in high-opportunity, low-poverty areas to affirmatively further fair housing, and will use MTW flexibility to support the acquisition,

development, and gap financing of affordable housing through its nonprofit affiliate, New Horizons Affordable Housing and Development.

2. Increase housing choice and voucher success, particularly for vulnerable groups by improving voucher utilization and reducing racial and income-based disparities through payment standards that more accurately reflect local market rents, including the continued use of regional payment standards, biennial FMR studies, and MTW authority. HACSC will also maintain expanded search times and flexible transfer policies to improve access to low-poverty, high-resource areas, while increasing landlord participation through targeted incentives and streamlined digital tools such as electronic document execution and online portals.
3. Prioritize special populations, including seniors, persons with disabilities, households experiencing homelessness, and Spanish-speaking families by focusing on accessible project-based vouchers, aging-in-place design features, and supportive services in new affordable housing developments. HACSC will continue referral partnerships that provide case management and housing navigation for households experiencing homelessness and will maintain strategies to ensure equitable access for monolingual Spanish speakers through bilingual staffing and targeted outreach.
5. Promote economic mobility, broadband access, and transportation equity by supporting household stability and reducing vulnerability to housing cost burdens through expanded digital equity initiatives that provide free high-speed internet to residents of HACSC-owned properties, continue transportation equity efforts that offer free transit access through METRO and deliver financial literacy and asset-building education through workshops and resource referrals.

Taken together, these strategies advance the production of affordable housing, preserve deeply affordable units, expand voucher access and success, address disparities in access to opportunity, and promote financial and geographic mobility to affirmatively further fair housing and meet the demonstrated needs of low-income, extremely low-income, senior, disabled, and homeless households.

ⁱ U.S. Census Bureau, (2020). Profile of general population and housing characteristics DP1. *2020: DEC Demographic Profile*.

ⁱⁱ U.S. Census Bureau, (2020). Profile of general population and housing characteristics DP1. *2020: DEC Demographic Profile*.

ⁱⁱⁱ U.S. Census Bureau. (2023). *Disability characteristics* (Table S1810). American Community Survey 2023 5-Year Estimates

^{iv} U.S. Census Bureau, (2020). Profile of general population and housing characteristics DP1. *2020: DEC Demographic Profile*.

^v County of Santa Cruz, Community Development and Infrastructure Department, Planning Division. (2025, September 30). *Report on year 2026 growth goal for Santa Cruz County's unincorporated area*.

^{vi} Santa Cruz County. (2023). *2023 Housing Element: Chapter 4 of the Santa Cruz County General Plan* (p. 4-62).

^{vii} County of San Benito. (2025). *2023–2031 Housing Element*. Hollister, CA: San Benito County Resource Management Agency.

^{viii} California Housing Partnership. (2025). *Santa Cruz County 2025 Affordable Housing Needs Report*

^{ix} California Housing Partnership. (2025). *San Benito County 2025 affordable housing needs report*.

^x National Low Income Housing Coalition. (2024). *Out of Reach*. Washington, DC: National Low Income Housing Coalition.

^{xi} U.S. Census Bureau. (2023). *Poverty status in the past 12 months* (American Community Survey 5-year estimates, Table S1701). U.S. Department of Commerce. <https://data.census.gov>

^{xii} California Housing Partnership. (2026). *Santa Cruz County: Benefits of affordable rental housing*. <https://chpc.net/affordable-housing-benefits-methodology>

^{xiii} California Housing Partnership. (2025). *Santa Cruz County 2025 Affordable Housing Needs Report*

^{xiv} Santa Cruz County Housing for Health Partnership & Applied Survey Research. (2024). *Santa Cruz County 2024 homelessness point-in-time count & report*.

^{xv} Applied Survey Research & Coalition of Homeless Services Providers. (2024). *San Benito County 2024 homelessness point-in-time count & report*.

^{xvi} U.S. Census Bureau, (2020). Profile of general population and housing characteristics DP1. *2020: DEC Demographic Profile*.

^{xvii} U.S. Census Bureau. (2023). *Selected Housing Characteristics, Table DP04* [American Community Survey 5-Year Estimates Data Profiles]

^{xviii} U.S. Census Bureau. (2023). *Physical Housing Characteristics for Occupied Housing Units, Table S2504* [American Community Survey, 2023 ACS 5-Year Estimates Subject Tables].