

2022-2023

CONSOLIDATED FINAL REPORT

SANTA CRUZ COUNTY CIVIL GRAND JURY



Santa Cruz Town Clock

THE REPORTS

CORE: The Needs of The Community Equitably Distributed

Cyber Threat Preparedness

Envisioning the Future of our Jails

Housing Our Workers

Honoring Commitments to the Public

Diagnosing the Crisis in Behavioral Health

Surveillance State in Santa Cruz County

Code Compliance Division - Out of Compliance



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June 30, 2023

Honorable Syda Cogliati, Presiding Judge
Superior Court of California, County of Santa Cruz
701 Ocean Street
Santa Cruz, California 95060

Dear Judge Cogliati,

On behalf of the 2022-23 Santa Cruz County Civil Grand Jury, it is with great pride that I present our Consolidated Final Report to the residents of Santa Cruz County.

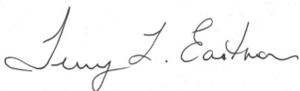
This has been a year of transition for the Grand Jury, from the imposed isolation and virtual work environment of COVID back to in-person meetings and work sessions. Like many other public and private entities, the jury's work environment will likely continue to be a hybrid of physical and virtual meetings.

Our jury members, like those before us, applied for this opportunity because of an interest in the community and a desire to understand more about how local government works. Looking back, it is amazing to think that 19 strangers could come together and work collaboratively to research and produce reports on a variety of topics that few knew anything about prior to jury service. Like previous juries, the 2022-23 Santa Cruz County Civil Grand Jury did just that, and did so with a cohesive, professional focus.

It is a daunting task to learn about the workings of city or county governmental agencies and also research a topic that the leaders of those agencies know more about than many of the jurors. Still, it is vitally important to do so. As I learned many times in my professional life, one of the most important voices in any discussion or decision process is the one who sees the topic with a new set of eyes. That is what the Santa Cruz County Civil Grand Jury does. Hopefully, the 2022-23 reports will give the public an opportunity to benefit from that perspective. The reports may expose an issue that county or city officials need to address, but they also educate the public about topics of interest and, sometimes, they shine a light on the good work that county and city agencies are already doing. Santa Cruz County Civil Grand Jury service is an example of our California democracy at its best.

I want to thank all of the jurors for their service. It was a privilege and a pleasure to get to know all of them. I also want to commend the clerks, John Rible, David Heintz, and Eric Decker, for all of their support and help in the editing and publication of the reports. County Counsel Suzanne Yang has offered prompt and supportive guidance, as has the Honorable Judge Syda Cogliati. Thank you Judge Cogliati for supervising the jury tactfully and trustfully. The jury is grateful for your ongoing help.

Sincerely,



Terry Eastman, Foreperson
2022-2023 Santa Cruz County Civil Grand Jury



2022–2023
SANTA CRUZ COUNTY CIVIL GRAND JURY

Back Row: Pat Downward, Jim Goodrich, Jill Wynn, Rodney Sellers

Front Row: Dick Lovelace, Katie Barlow, Dean Kashino, Terry Eastman, Julie Dixon, and Richard Hencke

Not Pictured: Rose Ashford, Colleen Sullivan, Jesus De La Rosa, Kevin Dempsey, and Bonnie Morr

Foreperson **Terry Eastman**
Foreperson Pro Tempore **Rodney Sellers**
Treasurer **Julie Dixon**
Secretary **Pat Downward**

Photo Credits: Cover picture by Shmuel Thaler, juror picture is a personal photo.

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SANTA CRUZ COUNTY
Civil Grand Jury

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CORE: The Needs of The Community Equitably Distributed

A Model of Transparency

Summary

The Santa Cruz County Civil Grand Jury reviewed the operational functions, processes and implementation of CORE (Collective of Results and Evidence-based) Investments awards to non-profit organizations throughout Santa Cruz County. CORE was established in 2015 to achieve equitable health and well-being in Santa Cruz County, using a results-based, collective impact approach that is responsive to the community needs. The focus was to create a more equitable and unbiased approach to awarding funds. Prior to CORE the County would hold public hearings for any organization or agency to present their case as to why they should be awarded funds. This series of actions was a very subjective process. This investigation was to determine if there were any inefficiencies, waste, or abuse in the current process and if there were any areas for process improvement. It is the Grand Jury's belief that the CORE process is being administered with integrity, transparency, and to create equity of opportunity for all applicants. Through research, the Jury found that significant time and resources were spent to communicate with and to support all potential applicants.

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Background

The County and City of Santa Cruz seek to fund community-based organizations to provide evidence-based safety net services that will collectively impact the well-being of the community's most vulnerable people. As a result of this, Requests for Proposal (RFP) are solicited and three-year contracts are awarded in support of a new model termed "Collective of Results and Evidence-Based" Investments, also known as CORE Investments. In 2022 a total of 128 applications representing 78 organizations were received across all four funding tiers, representing all CORE conditions, with a total of \$15,179,382 worth of requests.^[1] The Santa Cruz County Civil Grand Jury wanted to understand how the distribution process worked and how it was determined which organizations qualify for a grant or not.

Scope and Methodology

The Santa Cruz County Civil Grand Jury reviewed the complete award process of CORE and how the parameters around the RFP and application sequence worked for each prospective organization. It was important to understand the scoring criteria and how funding size of an organization was determined, Small, Medium or Large Tier. The Jury wanted to understand if there is a fair and equitable distribution of funds, based on the application request and if each organization had an equal opportunity to capture an award.

The following areas were reviewed:^[2]

- RFP Process
- Application Review & Process Understanding
- Application Scoring Review
- Panel Scoring Approach
- Panel Review and Scoring Process
- Funding Tier Determination
- Panel Funding Recommendations

Investigation

The RFP process is a three year contract term. It allows increases to the base funding, including folding in the Set Aside Fund allocation, which is used as a reserve for organizations if they fall short on the services they are providing. The resulting \$4,799,000 in base County funding is available for awards. The City of Santa Cruz funding of \$1,080,000 added to the base, provides a total of roughly \$5,879,000 available funds to awarded grantees.^[1] There is a tiered funding approach of small, medium, and large awards, with an additional, larger Targeted Impact award. A fair and equitable process is central to CORE investments and desired by applicant organizations. It's understood grants of all sizes would be driven by community needs, as defined, and articulated by the applicants. Also, the selection staff used discretion to recommend awards up to no more than ten percent variance from applicants' proposed budgets.

A total of 128 applications representing 78 organizations were received across all four funding tiers, representing all CORE conditions, with a total of \$15,179,382 worth of requests. Highlights of the applications are below, with further description of the application included in "Summary of Proposals/Applicant Profile".

- Twenty-two agencies submitted multiple applications, with 12 submitting 2, and 10 submitting 3 or more.
- Forty-seven percent of applicants were from new organizations (have never received CORE funding), representing 42 percent of total applications.
- While all CORE conditions were represented, the majority of the proposals were in the areas of Health and Wellness (36) and Stable, Affordable Housing & Shelter (23).
- Along the continuum of evidence-based practices, most proposals, sixty-seven percent utilized evidence-based programs, followed by twenty-four percent utilizing an effective practice.

The review panel approach was guided by the RFP. Review panels were organized by funding tier and CORE Condition, and 58 individuals participated as panelists. Panelists were assigned to panels based on their connection to the CORE Conditions of the proposals and demographics striving for locally representative, diverse panels. Seventy-six percent of panelists stated lived experience within one of the CORE conditions. Ninety-one percent of panelists stated professional experience with one or more of the CORE conditions. Eighty-six percent of the panelists live in Santa Cruz County, twenty-one percent of the panelists were Latinx, with a total of thirty-one percent Black, Indigenous, and People of Color. All panelists completed a survey, and conflict of interest and confidentiality statements.

A scoring rubric was developed for each tier, and proposals were scored based on the criteria of the tier for which the organization applied. Training on the CORE RFP and scoring matrix was provided to all panelists. Nineteen review panels were created according to CORE Conditions, at least three panelists reviewed each application according to the scoring matrix. Panels were reconvened to discuss discrepancies in

scores and a total of 34 reconvening meetings of 1–3 hours each were held across all panels for a total of approximately 63 hours worth of discussion. The average panelist score for each proposal was used to rank applications within each tier.

Funding Recommendations

Funding recommendations are based on the score and rank of proposals within each tier and the dollar amounts available. The mix of proposed awards is different from the current list of CORE recipients; however, the geographic distribution and populations served are comparable to what is currently funded. The recommended awards across all CORE Conditions reflect the spread of proposals that were received across the CORE conditions, with largest proportions going to Health and Wellness (thirty-one percent) and Thriving Families (thirty-two percent).

The geographic distribution of recommended awards closely mirrors the geographic distribution of all proposals received, and the geographic distribution of current CORE Funding. The percentage of funding targeting seniors (thirty-two percent) is comparable to the percentage of current CORE funding supporting seniors, and also reflects the county population of seniors under two-hundred percent of the Federal Poverty Level. The distribution of recommended awards by race/ethnicity closely matches the distribution of people living below two-hundred percent of the Federal Poverty Level, with fifty percent of the funding going towards people who are Latinx. Distribution of recommended awards across the tiers demonstrates progressively higher levels of evidence-based practices within the higher tiers of funding. All levels of results and evidence-based practices on the Continuum of Results and Evidence are utilized by recommended awardees.

Conclusion

The Santa Cruz County Civil Grand Jury is delighted to report that the Santa Cruz County CORE (Collective of Results and Evidence Based Investments) program provides fair and equitable distribution of funds to the many deserving non-profit organizations throughout the County. This process has removed any specter of bias and allows all potential organizations an even playing field. Their approach is completely transparent, from the application process, all the way through to the funded awards. The equity-centered approach clearly sets Santa Cruz County apart from any other counties in the region. It provides very clear parameters of how the process works and how each organization can benefit. The Grand Jury applauds the County and City officials and community members for their continued dedication and looks forward to the further evolution of CORE.

Findings

- F1.** Funds are focused on improving conditions of well-being for community members experiencing the greatest challenges and barriers in the County.
- F2.** A hybrid approach is administered to support both broad-based service programs and smaller “Targeted Impact” models.
- F3.** There is good diversity of eligible applicants: Non-profit 501(c)(3) agencies, federally recognized tribal entities, and public education agencies.
- F4.** The program is well coordinated, with County and City staff partnering to review and award for all tiers. The City focused their funding on programs serving primarily City residents.
- F5.** A clear outline of the RFP is available to the applicants, with an understanding of the awards process and the tier level they fall under.
- F6.** The County and City provides a comprehensive review of the process which allows the applicants an opportunity to ask questions of clarity if needed.

Commendations

- C1.** The CORE program is commended for being unbiased. Applicants for Small, Medium, and Large tiers are asked to select an “equity dimension” (i.e., race, ethnicity, age, gender, sexual orientation, etc.) that best describes how equity is defined in the proposed project or program. Since the Targeted Impact tier is focused on racial equity, a question is included in that specific application on any additional equity dimensions the proposal will address. It is not required to focus on an additional dimension, and it will not be scored. This aspect provides a very even playing field for all applicants applying and there is no room for any bias in the process.
- C2.** The CORE program is commended for accommodating applicants of diverse size equitably. All applicants are encouraged to be as specific as possible when articulating their activities, populations served, and program outcomes. Details on activities (strategies) are relevant in the Small tier while higher tier applications are to emphasize outcomes. This allows inclusion no matter what size your organization and focuses on the central objective of helping the broader community with the most impactful services.
- C3.** Since funding is awarded at the same amount for each year of the 3-year grant term, applicants are able to consider how this may impact the services throughout the 3-year term. CORE does a good job of ensuring that the services being funded remain intact and the impacted communities receive the needed support throughout the duration of the funded programs. We could not find any evidence of mishandling of the funds or programs being removed within this 3-year period.

Invited Responses

<i>Respondent</i>	<i>Findings</i>	<i>Recommendations</i>	<i>Respond Within/ Respond By</i>
Director of Human Services Santa Cruz County	F1 – F6		90 Days August 16, 2023
Chief Administrative Officer Santa Cruz County	F1 – F6		90 Days August 16, 2023

Glossary of Terms

CORE: The “Collective of Results and Evidence-based” investments model.

CORE Conditions: Elements of a thriving, healthy community. Every CORE Investments application must designate one primary CORE Condition the program seeks to achieve from among eight options: 1. Health and Wellness 2. Lifelong Learning and Education 3. Economic Security & Mobility 4. Thriving Families 5. Community Connectedness 6. Healthy Environments 7. Safe & Just Community 8. Stable, Affordable Housing & Shelter.

Equity: Fairness or justice in the way people are treated, specifically: freedom from bias or favoritism. A program built on equity will address the needs of specific populations most likely to be affected by inequities by providing resources and opportunities such that they may thrive alongside other residents in the county.

Fiscal Year: For this application a Fiscal Year (FY) is the period between July and June, thus FY 2022–2023 would be July 1, 2022 to June 30, 2023.

HSD: Human Services Department.

Impact Area: The specific result that you want to achieve or contribute to in the CORE Conditions. This can include short-term (1–3 years), medium-term (3–4 years), and long-term (5+ years) impacts. The full list of impact areas organized by CORE Condition can be found at datasharescc.org. Other commonly used terms: Goal, Result.

Needs: Resources or conditions which are absent or insufficient for a particular group or community yet are necessary to thrive.

Population: A group of people.

Program or Project: An organized effort to implement a set of services with a specific purpose, for a specific population, with dedicated staff, policies, and procedures. Other commonly used terms: Services, Plans.

Program Implementation: The way that a program’s resources (staff, materials, other assets) are used to carry out services and activities.

Program Outcomes: The measurable changes expected as a direct result of a program’s strategies and implementation. Different outcomes may be expected in the short-, medium- or long-term phases of a program.

RFP: Request for Proposal.

Services: The activities or actions carried out on behalf of a program. Other commonly used terms: Activities.

CORE Primary Principles & Definitions

CORE Values^[3]

Equity—Uncover the root causes of inequities and disrupt individual, organizational, and systemic practices and structures that perpetuate inequities in opportunities and outcomes.

Compassion—Ground our work with each other and the community in a human-centered, empathic approach to ensure that all can reach their potential.

Voice—Seek out, listen, and respond to the perspectives of those most affected by current and historical adversities and inequities.

Inclusion—Create authentic opportunities for people with diverse backgrounds and life experiences to share their perspectives and co-create solutions.

Collaboration—Work across sectors and organizational boundaries for the common good and contribute our individual talents and resources to achieve collective impact.

Transparency—Openly share our data, results, successes, and challenges to build trust, foster dialogue, and create a countywide culture of continuous improvement.

Innovation—Encourage creative strategies and approaches to solve the complex, inter-related social, economic and environmental challenges that undermine equitable health and well-being.

Accountability—Hold ourselves responsible for setting shared goals and measurable outcomes, investing public and private resources efficiently and effectively in data-driven, evidence-based and evidence-informed programs and practices, evaluating our efforts and progress, and demonstrating our collective impact.

CORE Conditions for Health & Well-Being^[4]

Health and Wellness: Optimal physical, mental, social-emotional, behavioral, and spiritual health across the lifespan.

Lifelong Learning & Education: High-quality education and learning opportunities from birth to the end of life.

Economic Security & Mobility: Stable employment, livable wages, food security, ability to afford basic needs, wealth accumulation, and prosperity.

Thriving Families: Safe, nurturing relationships and environments that promote optimal health and wellbeing of all family members across generations.

Community Connectedness: A sense of belonging, diverse and inclusive neighborhoods and institutions, vibrant arts and cultural life, and civic engagement.

Healthy Environments: Clean, safe, resilient natural environment and a built environment and infrastructure that support health and well-being.

A Safe and Just Community: Fair, humane approaches to ensuring personal, public, and workplace safety that foster trust, respect, and dignity.

Stable, Affordable Housing & Shelter: An adequate supply of housing and shelter that is safe, healthy, affordable, and accessible.

Sources

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Site Visits

Human Services Department, County of Santa Cruz
County of Santa Cruz
Health Services Agency
Human Services Department Archives

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SANTA CRUZ COUNTY
Civil Grand Jury

701 Ocean Street, Room 318-I
Santa Cruz, CA 95060
(831) 454-2099
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Cyber Threat Preparedness

Phishing and Passwords and Ransomware, Oh My!

Summary

Cyber attacks targeting computer information systems, personal digital devices, or smartphones increase every year with the largest number of attacks typically hitting California. Cyber criminals target all types of businesses and all sizes of government agencies including small cities that often have limited resources to invest in cybersecurity. As Santa Cruz County continues its plans to expand broadband access and to provide efficient digital services to its residents, adherence to cybersecurity measures and best practices is critical.

Santa Cruz County and the cities of Santa Cruz, Watsonville, Scotts Valley, and Capitola understand the cyber threat environment and the potential consequences of a cyber attack. These government entities have implemented varying levels of security measures to mitigate such threats.

The Jury's overall recommendations encompass the following:

- The County and the four cities should write and implement Cybersecurity Plans and Incident Response Plans that detail frameworks for mitigating cyber attacks and details for responding to a cyber incident.
- Each of our cities should designate a city official as the lead for cybersecurity. Even when an information technology consulting firm supports the city, one government official should be responsible for cybersecurity.
- The County and cities would benefit from cyber threat information sharing across the county, enabling greater knowledge of potential threats and shared ideas for threat mitigation.

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Background

Cyber preparedness is the practice of ensuring that an entity has a strategy to mitigate, respond, and recover from a cyber incident on its networks or devices. With cyber attacks continuing to escalate year over year, and targets expanding to include small- and mid-sized cities, schools, and medical facilities, Santa Cruz County and its cities need to allocate sufficient attention to this threat. Cyber attacks can occur in many ways and can produce a wide range of effects including:

- Damaging financial security and theft of intellectual property;
- Theft of personally identifiable information (PII);
- Blocking digital access or deleting information and accounts;
- Complicating or blocking business and government services, and
- Interfering with transportation, power networks, and other critical infrastructure.

The United States remains the top target worldwide for all types of cyber attacks, with Californians constituting the most frequent victims, totalling over 67,000 people or businesses for a total loss of more than \$1.2 billion in 2021.^{[1][2]} According to the California Cybersecurity Integration Center (Cal-CSIC), in 2022, ransomware was by far the most common type of cyber attack in the state, although other cyber crimes, including data breaches and investment crimes, are common as well. No industry sector has been spared from cyber attacks. In the last six months of 2022 alone, the Cal-CSIC recorded over 250 cyber incidents in California and a 22 percent increase in ransomware attacks over the first six months of the year.^{[2][3][4]}

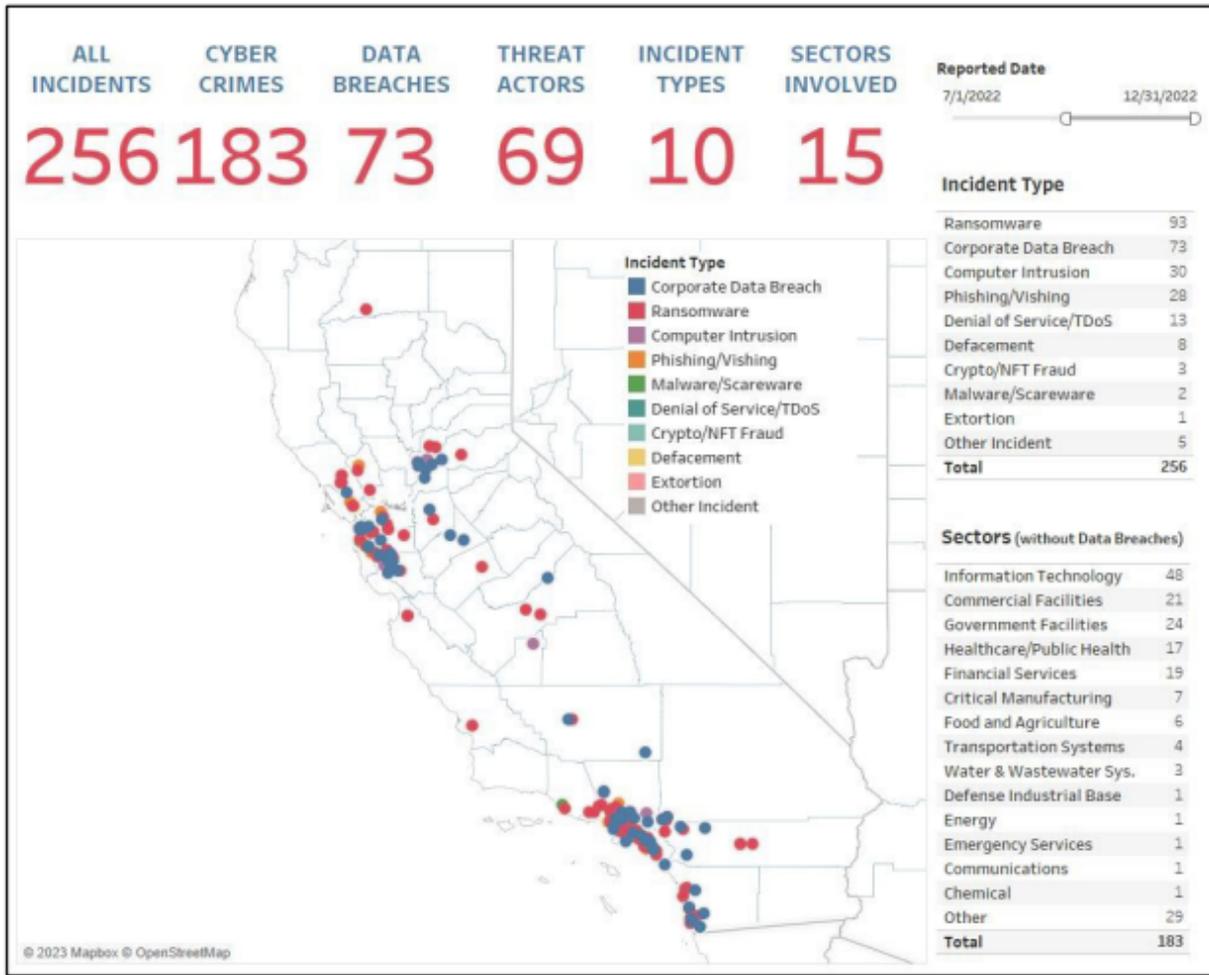


Figure 1. Cal-CSIC reporting on sectors targeted and types of cyber attacks in California in the second half of 2022.^[3]

Over the past several years, cyber attacks have become much more sophisticated, often leveraging multiple attack surfaces, third-party software, or cloud-based infrastructure to reach a viable target. In the cyber industry, experts recognize that it is not a question of whether an attack will happen, but rather when an attack will happen and how prepared the target entity is to mitigate the impacts.^{[5] [6] [7] [8]}

In mid-February 2023, the city of Oakland declared a local emergency and shut down some of its city services, including non-emergency calls, parking and business payments, and planning services, when it was hit by a ransomware attack.^[9] As of early March, the hacker group had released over nine gigabytes of data including employees' social security numbers, driver license numbers, addresses, and bank statements of the city's operating accounts.^{[10] [11]}

In March 2018, the city of Atlanta was the target of a ransomware attack that shut down many city services, including court services and utilities, for several weeks and at the cost of more than \$10 million.^{[12] [13] [14]}

Small cities are not immune to ransomware attacks, as evidenced by the November 2018 ransomware attack against Valdez, Alaska, a city of less than 4,000 residents. Contrary to FBI advice, the city admitted to paying the ransom to recover access to their network.^[15] The cost of the attack probably totaled considerably more than the ransom itself as the city hired a well known cybersecurity firm to negotiate the ransom payment and ensure recovery of their data. While the cost of the Valdez ransomware attack was in the tens of thousands, in 2022, the cost of a data breach reached an average of \$4.35 million, according to IBM's Cost of a Data Breach Report.^[16]

Fortunately, Santa Cruz County has not experienced the breadth of cyber attacks that many other counties experience; however, an attack could occur at any time and could have significant impacts across the county.^{[17][18]} Given the daily barrage of news about cyber attacks, the Santa Cruz County Civil Grand Jury elected to shine a light on the level of cyber preparedness in our county and our cities.

Scope and Methodology

The Santa Cruz Civil Grand Grand Jury sought to evaluate the overall level of preparedness for a cyber incident against the county or city networks. It performed research across federal and state resources, top cyber security sites, and reputable media sources to build an understanding of the current cyber landscape and a foundation for cyber preparedness. Based on interviews with subject matter experts and resources available from the Cybersecurity and Infrastructure Security Agency (CISA) at the Department of Homeland Security (DHS) and the National Institute of Standards and Technology (NIST) in the U.S. Department of Commerce, the jury delineated key elements of strong cyber hygiene, the security and health of the information systems, and best practices for local governments.^{[6][19][20]}

The Grand Jury conducted multiple interviews of employees in Santa Cruz County and its cities. The investigation examined the extent to which cyber precautions are implemented and maintained—including cyber awareness training, common network security measures, and planning for cyber incidents—across Santa Cruz County and the cities of Santa Cruz, Watsonville, Scotts Valley, and Capitola. The Grand Jury specifically looked at:

- Do Santa Cruz County and its cities stay informed on emerging technologies and current cyber threat trends?
- Is there an identified individual responsible for cyber security?
- Do the County and its cities routinely follow recommended cyber security practices?
- What is the extent of cyber awareness training for county and city staff, particularly given that most attacks begin with phishing emails?
- To what extent do the County and cities participate in regional or state-level information sharing or information sharing within the County itself with respect to cyber threats?
- Do the County and the cities have a plan in place for mitigating cyber attacks?

- Are there policies and procedures in place for how our local governments will respond to a cyber attack?
- Do the County and cities have cyber insurance?

In each interview the Civil Grand Jury conducted, it discussed best practices in cyber security and the state of each entity's cyber hygiene or the practices organizations and individuals perform regularly to maintain the security and functionality of users, devices, networks, and data.^[21] The discussions highlighted the preparations to mitigate, detect, and manage cyber incidents and the level of attention to training and education, all of which constitute an entity's level of cyber maturity.

The Civil Grand Jury investigation focused solely on the county and city governments. It did not assess cyber preparedness at the County Office of Education or the schools, law enforcement and fire entities, or critical infrastructure such as water systems and public health facilities.

Investigation

The Civil Grand Jury's research underscored the fact that, to date, our county has not been a target of a major cyber attack. This favorable status is not likely to continue given the increasing volume of cyber incidents and the very broad nature of targets, many of which are simply targets of opportunity rather than entities of specific interest to cyber criminals.

The most notable cyber attack raised during the jury's research was the December 2010 Distributed Denial of Service (DDOS) attack against the Santa Cruz County website that temporarily shut down the site and county digital services. A DDOS attack is a malicious attempt to disrupt a website by overwhelming the site with communication requests, thus denying access to legitimate users. According to the 2011 Department of Justice indictment, the People's Liberation Front (PLF), a group associated with the Anonymous hacktivist group, planned and executed the attack. The cyber actor, known by the moniker "Commander X," conducted the DDOS attack as part of "Operation Peace Camp 2010," a protest against the county's camping policies.^{[22] [23]}

The Commander X cyber incident was a wake-up call for Santa Cruz County, highlighting the vulnerabilities and potential damage of a cyber attack that could quickly shut off county services. Since that time, the sophistication, frequency, and nature of cyber attacks has evolved dramatically with ransomware attacks becoming the most common and costly type of cyber incident. Ransomware is a form of malware that encrypts files on a device or network rendering the files and/or services unusable. Malicious actors then demand ransom in exchange for releasing the files. Examples in 2022 include the September 3rd ransomware attack against the Los Angeles Unified School District, the October 2nd ransomware attack against Hartnell College in Salinas, and the October 5th ransomware attack against CommonSpirit, the parent company of Dominican Hospital, that exposed the personal data of 623,700 patients and recently prompted a lawsuit. Fortunately, the CommonSpirit attack did not impact patients at Dominican Hospital in Santa Cruz.^{[15] [24] [25] [26] [27] [28]}

A CISA cybersecurity advisory published in 2022 noted that recent trends, tactics, and protocols (TTP) among ransomware actors encompass:

- Gaining access to networks via phishing emails, stolen Remote Desktop Protocols (RDP) credentials or brute force, and exploiting network vulnerabilities. The pandemic-caused increase in remote work significantly expanded the landscape for cyber actors.
- Using cybercriminal services-for-hire. Ransomware attacks can now be conducted through ransomware-as-a-service (RaaS) that sells malware as well as services to negotiate and facilitate payments.
- Sharing victim information across cyber criminal groups.
- Targeting a greater number of medium and smaller organizations, including local governments and public services.
- Diversifying avenues for extorting money to include the threat of releasing stolen data, further network disruptions, and informing shareholders and partners.^[6]

The same CISA Advisory, along with additional CISA cybersecurity resources for state and local governments, recommends several measures for minimizing the chance of and mitigating the impact of cyber attacks:

- Maintain data back-up versions, preferably to multiple locations, requiring multi-factor authentication (MFA) for access, and encrypting data in the cloud.
- Require MFA for as many services as possible, particularly for webmail, accounts that access critical systems, privileged accounts that manage backups, and virtual private networks (VPN).
- Keep all operating systems and software up to date.
- Implement a user training program and phishing exercises to raise awareness among users about the risks of visiting suspicious websites, clicking on suspicious links, and opening suspicious attachments.
- Evaluate and monitor third-party software for security concerns.
- Ensure devices are properly configured and that security features are enabled.
- Maintain a current Cybersecurity Policy and Incident Response Policy that is accessible when networks are inoperable.^{[6] [19]}

Cyber Best Practices across Santa Cruz County

The Civil Grand Jury applied this list of best practices cited above, with the addition of a Cyber Insurance Policy, in its assessment of cyber preparedness in the county and cities. With respect to cyber insurance, insurance companies such as Beazley, Ironshore, and other markets offered through the Monterey Bay Area Self Insurance Authority (MBASIA) and Alliant, which provide insurance coverage for our cities, are now requiring government entities to meet basic cyber best practices to be eligible for all insurance coverages. If these requirements are not met, the government entities may still have cyber insurance for some causes of loss, but payments may be restricted if the

cyber measures are not implemented before an incident occurs. In order to obtain competitive insurance terms, access all coverage terms available, and control claims exposures, cyber hygiene measures should be prioritized for implementation.^[23]

The Jury concluded that Santa Cruz County and its cities are well educated on the potential cyber threats—probably more so than most U.S. cities of similar size—and are making efforts to improve their cyber posture. The jury identified several areas for improvement and a critical need for more attention to cybersecurity among county and city leaders. Information Technology (IT) and cyber professionals understand that cybersecurity constitutes a business problem, not an IT problem, and therefore, is everyone’s responsibility.

Table 1 summarizes the cyber best practices and levels of adoption by Santa Cruz County and city government entities.

Table 1. Summary of best practices

Cyber Security Practice	Santa Cruz County	Santa Cruz City	Watsonville	Scotts Valley	Capitola
Routinely Back-up Data	M	M	M	M	M
Multi-factor Authentication	M	M	IP	A	IP
Timely Patching and Updates	M	IP	M	M	M
Restrict Admin Accounts	M	M	M	M	M
Security Awareness Training	M	M	M	M	IP
Cybersecurity Policy	A	A	A	A	A
Incident Response Plan	A	A	A	A	A
Cyber Insurance	IPA	IPA	IPA	IPA	IPA

Key: M Currently meet standards
 IP Improvement in process
 A Needs attention
 IPA Needs more attention before an incident

Source: Grand Jury interviews and document requests^{[29] [30] [31] [32] [33] [34] [35] [36] [37] [38] [39] [40] [41] [42] [43] [44] [45] [46] [47] [48] [49] [50] [51] [52] [53] [54] [55] [56] [57] [58] [59] [60] [61] [62] [63] [64] [65] [66] [67] [68] [69] [70] [71] [72]}

Steps in the Right Direction

Santa Cruz County and the city governments of Santa Cruz, Watsonville, Scotts Valley, and Capitola demonstrate a strong awareness of potential cyber threats and the risks of a ransomware attack against county or city networks. Across these public entities, there is a wide variation in resources assigned to cybersecurity and efforts to mitigate the growing threats.

With a well structured Information Services Department (ISD) and a plan to hire a dedicated Chief Information Security Officer (CISO) in 2023, Santa Cruz County has built a solid foundation for cybersecurity.^{[73] [74]} The County is aware of possible areas for improvement and is working towards filling any cybersecurity gaps. With its strong foundation and IT resources, the County is positioned to take a leading role in cybersecurity across the county.

Santa Cruz City appears well educated on the potential cyber threats to cities, although it lacks sufficient resources to fully implement appropriate security measures. The City's primary challenge is hiring and retaining qualified personnel. The City IT department is implementing measures to raise its level of cyber hygiene, including participation in CISA services and augmenting cyber best practices.^[35]

Watsonville recently revamped and enlarged its IT Department to meet its IT requirements and match the changing threat environment. While its new IT structure and system upgrades are critical for improving the functionality and security of city networks, they are not yet sufficient to mitigate the range of potential cyber threats. Watsonville is working towards raising awareness of cyber threats across city departments and expanding its capabilities.^[62]

Scotts Valley manages its IT needs, including cybersecurity, through a local contracting company that is responsible for all aspects of information technology from user support and staff training to network monitoring and cybersecurity. The consulting company maintains a current and strong understanding of cyber threats and the status of city networks. The company is positioned to respond rapidly to any network threats.^{[9] [52]}

With one person responsible for all of the IT needs of Capitola, the City is inadequately resourced to meet the threat of cyber attacks. Capitola did not replace its IT Director when he departed in mid-2022. Although Capitola recently contracted with an IT consulting company for technology services, the contract support is limited. There is no city official responsible for cybersecurity, and awareness of the potential threats—especially in the wake of increased national attention following the 2023 storms—is limited.^{[43] [46]}

Conclusion

Overall, the Grand Jury investigation found that the IT staff in the county and city governments are well aware of current and growing cyber threats to local governments and the potential consequences of a cyber attack. The level of preparedness for mitigating and responding to an attack varies from the County's excellent cyber security

foundation to minimal security measures in some of the cities. Nationwide, under-resourced public sectors are insufficiently prepared for cyber attacks and continue to be heavily targeted by cyber criminals. Lack of adequate budgets and skills shortages make these localities potentially vulnerable. In several cases in our county, IT staff appeared swamped with the daily press of the business of managing hardware, software, and access issues, leaving cybersecurity to fall to a lower priority.^{[75] [76]}

The potentially high cost of a ransomware attack underscores that in addition to the IT staff, executive-level attention to the risks and a greater investment in cybersecurity is a sound business practice for local governments.^[77] All of our government entities would benefit from greater countywide collaboration and information sharing.^[78] Multiple regional and state resources offer opportunities for cyber threat information sharing. As one official noted, monthly coffees with the IT leads in each local government would offer a very useful opportunity to share cyber TTPs and best practices specific to Santa Cruz County.

The Grand Jury recognizes the limited resources available to small counties and cities, a situation that often leads to a lack of funding and insufficient attention to cybersecurity. The Jury would argue that the potential cost of a ransomware attack more than justifies a much greater investment in cybersecurity.^[79] There are several avenues small cities should consider to enhance their cybersecurity including:

1. **Secure long-term funding for cybersecurity in the core budget.** A proactive approach that prioritizes network defense, situational awareness, and education is a critical element of cybersecurity and well worth the commitment. Cybersecurity should be a budget item on a business level, not solely an IT budget allocation.
2. **Hire and retain cyber talent.** Small and medium-sized cities need to identify innovative methods for hiring and retaining the appropriate expertise to ensure secure networks and a vigilant security program. If funding limits the ability to hire a sufficient number of competent IT professionals, cities may want to consider a part-time CISO position, shared resources, or hiring an outside contractor.
3. **Set up strong relationships with the private sector.** Santa Cruz is well positioned to leverage private sector partnerships in the region that may offer additional resources and superb cyber expertise with minimal investments.
4. **Build an exhaustive Incident Response Policy.** Every entity should maintain a current Incident Response Policy that delineates established relationships, detailed scenario planning, step-by-step instructions for incident responses, defined public relations measures, and plans for business continuity. Such a plan is critical to delineate the processes that will allow cities to continue serving the public in the event of an attack. The plan should define how systems will be restored without disrupting the business continuity, steps for a thorough investigation of the nature of the breach, and an immediate investment in addressing the vulnerabilities.

5. **Improve training and culture.** A company culture that encourages security and provides a broad range of cybersecurity training is the best approach to mitigating cyber threats, in both government and private entities.^{[73] [74]}
6. **Rely on cybersecurity best practices.** At a minimum, entities should ensure the use of reputable automation and cybersecurity tools across all networks. The cybersecurity foundation should encompass firewalls, antivirus software, and strong endpoint and network security products that allow visibility into the network.^[18]

With proper cybersecurity measures in place, our county and cities could take advantage of the cybersecurity grant opportunities available from federal agencies such as DHS/CISA and the Federal Emergency Management Agency (FEMA). In the event of limited resources to prepare and apply for grants, the County and cities would be well served by hiring a consultant to write grant proposals. In the long run—or possibly in the short run—such expenditures would pay for themselves and much more.^{[43] [73] [79]}

Findings—Santa Cruz County

- F1.** Santa Cruz County does not have a Cybersecurity Plan, and the absence of a current plan that defines security policies, procedures, and controls required to protect its networks and devices increases the risk of vulnerabilities.
- F2.** Santa Cruz County does not have a sufficiently detailed Incident Response Plan, indicating they would not be prepared to respond rapidly and effectively in the event of a cyber incident.
- F3.** Santa Cruz County participates in multiple information sharing groups at regional and state levels, although it has only minimal interaction with the cities across Santa Cruz County, degrading their ability to fully understand regional vulnerabilities.

Recommendations—Santa Cruz County

- R1.** Santa Cruz County should prepare and implement a Cybersecurity Plan by the end of 2023, ensuring that city officials and all staff are well aware of the plan details, their responsibilities, and associated policies. (F1)
- R2.** By the end of 2023, the county should revise and expand its Incident Response Plan to clearly delineate the steps it will take in response to a cyber attack, the responsibilities of identified officials, and the coordination required with state and federal officials for each type and level of cyber attack. A detailed plan is a requirement for continuity of county operations in a cyber incident. (F2)
- R3.** The County’s information sharing efforts should be expanded to ensure fulsome information sharing across all government entities in the county, specifically Santa Cruz, Watsonville, Scotts Valley, and Capitola, by the end of 2023. A simple schedule of monthly meetings would permit regular sharing of possible threats, TTPs seen across the county, and information learned from outside organizations such as the Cal-CSIC. (F3)

Findings—City of Santa Cruz

- F4.** The City of Santa Cruz seems to have an adequate IT Department structure; however, in late 2022, 40 percent of its positions remained vacant, leaving them inadequately staffed to mitigate and respond to cyber attacks.
- F5.** Inadequate staffing and high attrition has led to overworked staff and raises the risk of cyber vulnerabilities across its networks.
- F6.** The City does not have an individual dedicated as the lead for cyber security, which could lead to inadequate preparation for and response to a cyber attack.
- F7.** The City of Santa Cruz does not have a Cybersecurity Policy, suggesting that preparations to mitigate a cyber attack are inadequate and not widely shared.
- F8.** The City of Santa Cruz does not have an Incident Response Plan, and this absence indicates that the City will be challenged in responding to a cyber attack, especially a ransomware attack.
- F9.** Santa Cruz participates in some information sharing organizations such as the California Municipal Information Services Association (MISAC), yet it has minimal collaboration within the county and the other cities, forfeiting opportunities to share best practices and understand threats.

Recommendations—City of Santa Cruz

- R4.** The City of Santa Cruz should prioritize filling its vacant IT department positions by Fall 2023. The IT Department and the Human Resources (HR) Department should revise its position requirements, compensation packages, and recruiting priorities to enable the City to attract qualified personnel to these positions. (F4)
- R5.** By Fall 2023, Santa Cruz should identify and implement creative approaches to hiring and retention so they can maintain a fully staffed IT Department despite the competition with surrounding counties. The City should investigate potential partnerships with one or more of the 18 California colleges and universities with National Centers of Academic Excellence in Cybersecurity. (F5)
- R6.** By Fall 2023, the City of Santa Cruz should assign one individual responsible for cybersecurity. Adoption of a managed service provider arrangement will boost its security posture, although it does not eliminate the need for a dedicated security lead within the City's IT Department. (F6)
- R7.** By the end of 2023 or sooner, the City of Santa Cruz should develop and implement a Cybersecurity Plan that encompasses all aspects of information security. (F7)
- R8.** By the end of 2023 or sooner, the City should complete an Incident Response Plan with sufficient detail for city officials to use as a step-by-step guide in the event of a cyber incident. (F8)

- R9.** Once the IT Department has adequate staffing and by the end of 2023, it should expand its participation in local and state information sharing groups to maintain current knowledge of the threat environment and emerging technologies. (F9)

Findings—City of Watsonville

- F10.** After recently expanding its IT Department, the City of Watsonville has improved its IT functions although it does not yet allocate sufficient resources to cybersecurity.
- F11.** The City does not have an individual whose primary responsibility is cybersecurity for the city networks, leaving cybersecurity oversight to the IT Director—along with a multitude of other IT responsibilities—and lowering the priority for cybersecurity measures.
- F12.** Watsonville does not have a Cybersecurity Plan that defines security policies, procedures, and controls required to protect its networks and devices, a situation that increases the risks of vulnerabilities.
- F13.** Watsonville does not have an Incident Response Plan that provides detailed information on how to respond to an attack, suggesting the City would not be able to respond rapidly and effectively to a cyber attack.
- F14.** Watsonville participates in some regional information sharing forums, but it does not have the resources to expand its participation or tap into state-level information sharing, thus forfeiting valuable best practices and cyber threat information.

Recommendations—City of Watsonville

- R10.** Watsonville should conduct an evaluation of its recently expanded IT Department, critical IT upgrades, and the status of cybersecurity measures by the end of 2023. Based on this assessment, the City should allocate existing or newly identified resources to ensure cybersecurity is adequately addressed going forward. (F10)
- R11.** Given the size of Watsonville, the City should have a dedicated position for cybersecurity by the end of 2023, to ensure adherence to best practices, mitigation of potential threats, and education of city staff and leadership. (F11)
- R12.** By early 2024 or sooner, Watsonville should prepare and implement a Cybersecurity Plan that addresses all of the best practices for strong cyber hygiene. (F12)
- R13.** By early 2024 or sooner, Watsonville should prepare and implement an Incident Response Plan with sufficient detail to serve as a guide in the event of a cyber attack. (F13)
- R14.** Upon completion of IT structural upgrades and a higher level of cyber maturity, and by the end of 2023, Watsonville should participate in local, regional, and state information sharing initiatives. (F14)

Findings—City of Scotts Valley

- F15.** Although Scotts Valley’s managed service provider is very knowledgeable and capable of providing cybersecurity services, there is no single city official with cybersecurity oversight, potentially leading to a poor understanding of the threats and an inadequate response to a cyber attack.
- F16.** Scotts Valley does not have a current Cybersecurity Plan that defines security policies, procedures, and controls required to protect its networks and devices, potentially increasing the risks of vulnerabilities.
- F17.** Scotts Valley does not have a current Incident Response Plan, which could exacerbate the effects of a cyber incident such as increase the time a network is unavailable or raise the potential financial costs of a resolution.
- F18.** Scotts Valley does not participate in any cybersecurity information sharing groups to enhance best practices, rather they depend on their contractor to stay informed, which makes the City last to know of critical cyber threats.

Recommendations—City of Scotts Valley

- R15.** By mid-2023, Scotts Valley should assign a city official as the lead for cybersecurity for the city. This individual should oversee the contractor’s performance in cybersecurity and ensure city leaders are well informed on emerging threats, cybersecurity challenges, and information provided from regional and state entities. (F15)
- R16.** Working with its IT contractor, by Fall 2023, Scotts Valley should write and implement a Cybersecurity Plan that is shared with all city officials to demonstrate comprehensive security measures and executive-level cyber threat awareness. (F16)
- R17.** By Fall 2023, Scotts Valley should write an Incident Response Plan that clearly delineates the steps it will take in response to a cyber attack, the responsibilities of identified officials, and the coordination required with state and federal officials for each type and level of cyber attack. (F17)
- R18.** Scotts Valley should participate in local, regional, and state cybersecurity organizations for information sharing by the end of 2023. (F18)

Findings—City of Capitola

- F19.** With one individual responsible for IT services, Capitola does not allocate sufficient resources to cybersecurity, a status that could lead to poor cyber knowledge and unnecessary vulnerabilities.
- F20.** The City of Capitola does not have a robust cybersecurity training program, nor does it conduct phishing tests or routinely remind employees to adhere to cybersecurity measures during potential periods of increased threats.

- F21.** The City of Capitola does not have a Cybersecurity Plan to address cybersecurity measures city wide, suggesting the city is not adequately mitigating the potential impact of cyber incidents.
- F22.** The City of Capitola does not have an Incident Response Plan, which could exacerbate the effects of a cyber incident such as increase the time a network is unavailable or raise the potential financial costs of a resolution.
- F23.** Capitola does not participate in any cyber-focused information sharing groups, nor does it take advantage of state and federal resources designed to assist small cities with mitigating cyber attacks, thereby forfeiting opportunities to learn best practices and raise their cyber awareness.

Recommendations—City of Capitola

- R19.** By Fall 2023, Capitola should hire a full-time IT Director to replace the IT Director who departed in mid-2022. The IT Director should oversee and expand IT services, including those of the consulting company, and lead cybersecurity initiatives. (F19)
- R20.** The City should develop a more robust cybersecurity training and phishing testing program for all employees by Fall 2023 or earlier. (F20)
- R21.** Capitola should establish and implement a Cybersecurity Plan by the end of 2023. Several resources exist to provide a foundation or templates for these plans including NIST Guidelines, CISA resources, and Cal-CSIC guidance. (F21)
- R22.** By Fall 2023 Capitola should prepare an Incident Response Plan that provides detailed guidance for a city response to a cyber attack. (F22)
- R23.** When appropriately resourced to monitor cyber threats, and by the end of 2023, Capitola should participate in regional cybersecurity information sharing groups, to gain valuable information to best protect the City. (F23)
- R24.** By mid-2023, Capitola city management should raise the priority it assigns to cybersecurity and demonstrate a recognition of their role in ensuring the security of the City’s information networks.(F19–F23)

Commendations

- C1.** Santa Cruz County has built an excellent foundation for preparing for the possibility of cyber incidents. Its Information Services Department (ISD) has a very knowledgeable Director, is very well informed, and has taken steps to prioritize cybersecurity. The integration of ISD in all IT purchasing processes provides a sound check on the security of third-party software, and its cyber training appears well integrated for all county staff.
- C2.** The City of Santa Cruz has instituted a cyber awareness program that is strongly enforced. Its IT Advisory Team and standard security questions provide a security perspective for all third-party software purchases, thus minimizing supply chain threats.

- C3.** Watsonville has instituted commercial cyber security training for all employees and has recently begun to raise cyber risk awareness among city executives, highlighting that cyber security is a business problem for all departments and that promoting cyber education among government leaders is a critical element of effective cyber hygiene.

Required Responses

<i>Respondent</i>	<i>Findings</i>	<i>Recommendations</i>	<i>Respond Within/ Respond By</i>
Santa Cruz County Board of Supervisors	F1–F3	R1–R3	90 Days August 16, 2023
Santa Cruz City Council	F4–F9	R4–R9	90 Days August 16, 2023
Watsonville City Council	F10–F14	R10–R14	90 Days August 16, 2023
Scotts Valley City Council	F15–F18	R15–R18	90 Days August 16, 2023
Capitola City Council	F19–F23	R19–R24	90 Days August 16, 2023

Definitions

Access: The ability and means to communicate with or otherwise interact with a system, to use system resources to handle information, to gain knowledge of the information the system contains, or to control system components and functions.

Adversary: An individual, group, organization, or government that conducts or has the intent to conduct detrimental activities.

Antivirus software: A program that monitors a computer or network to detect or identify major types of malicious code and to prevent or contain malware incidents. Sometimes by removing or neutralizing the malicious code.

Attack: An attempt to gain unauthorized access to system services, resources, or information, or an attempt to compromise system integrity.

Attack surface: The set of ways in which an adversary can enter a system and potentially cause damage.

Continuity of operations plan: A document that sets forth procedures for the continued performance of core capabilities and critical operations during any disruption or potential disruption. Continuity of operations may be included in an Incident Response Plan.

Critical infrastructure: The systems and assets, whether physical or virtual, that are so vital to society that the incapacity or destruction of such may have a debilitating impact on the security, economy, public health or safety, environment, or any combination of these matters.

Cyber hygiene: The practices organizations and individuals perform regularly to maintain the health and security of users, devices, networks, and to ensure the safe handling of data.

Cybersecurity: The activity or process, ability or capability, or state whereby information and communications systems and the information contained therein are protected from and/or defended against damage, unauthorized use or modification, or exploitation.

Cybersecurity maturity: Cybersecurity maturity refers to an organization's capabilities and degree of readiness to mitigate vulnerabilities and threats from cyber criminals. The more 'mature' a company's cybersecurity protocols and practices are, the better equipped it is at preventing threats before they become breaches.

Data breach: The unauthorized movement or disclosure of sensitive information to a party, usually outside the organization, that is not authorized to have or see the information.

Denial of service: An attack that prevents or impairs the authorized use of information system resources or services.

Disruption: An event which causes unplanned interruption in operations or functions for an unacceptable length of time.

Distributed denial of service (DDOS): A denial of service technique that uses numerous systems to perform the attack simultaneously.

Event: An observable occurrence in an information system or network; also known as an incident.

Exploit: A technique to breach the security of a network or information system in violation of security policy.

Hacker: An unauthorized user who attempts to or gains access to an information system.

Incident: An occurrence that actually or potentially results in adverse consequences to an information system or the information that the system processes, stores, or transmits and that may require a response action to mitigate the consequences.

Incident response: The activities that address the short-term, direct effects of an incident and may also support short-term recovery.

Incident response plan: A set of predetermined and documented procedures to detect and respond to a cyber incident.

Information or cyber security policy: An aggregate of directives, regulations, rules, and practices that prescribe how an organization manages, protects, and distributes information.

Information sharing: An exchange of data, information, and/or knowledge to manage risks or respond to incidents.

Information technology: Any equipment or interconnected system or subsystem of equipment that processes, transmits, receives, or interchanges data or information.

Malicious code: Program code intended to perform an unauthorized function or process that will have adverse impact on the confidentiality, integrity, or availability of an information system.

Malware: Software that compromises the operation of a system by performing an unauthorized function or process.

Mitigation: The application of one or more measures to reduce the likelihood of an unwanted occurrence and/or lessen its consequences.

Multi Factor Authentication (MFA): A form of authentication that requires a user to provide two or more verification factors to access a resource such as an online account.

Personally identifiable information (PII): The information that permits the identity of an individual to be directly or indirectly inferred.

Phishing: A digital form of social engineering to deceive individuals into providing sensitive information.

Preparedness: The activities to build, sustain, and improve readiness capabilities to prevent, protect against, respond to, and recover from natural or manmade incidents.

Ransomware as a Service (RaaS): A business model where cyber criminals pay to launch ransomware attacks using malware developed by other individuals.

Recovery: The activities after an incident or event to restore essential services and operations in the short and medium term and fully restore all capabilities in the longer term.

Remote Desktop Protocol (RDP): RDP is a technical standard for using a desktop computer remotely.

Resilience: The ability to adapt to changing conditions and prepare for, withstand, and rapidly recover from disruption.

Response: The activities that address the short-term, direct effects of an incident and may also support short-term recovery.

Risk: The potential for an unwanted or adverse outcome resulting from an incident, event, or occurrence, as determined by the likelihood that a particular threat will exploit a particular vulnerability, with the associated consequences.

Risk assessment: The product or process that collects information and assigns values to risks for the purpose of informing priorities, developing or comparing courses of action, and informing decision making.

Risk mitigation: A structured approach to managing risks to data and information by which an organization selects and applies appropriate security controls in compliance with policy and commensurate with the sensitivity and value of the data.

Security policy: A rule or set of rules that govern the acceptable use of an organization's information and services to a level of acceptable risk and the means for protecting the organization's information assets.

Supply chain: A system of organizations, people, activities, information and resources, for creating and moving products including product components and/or services from suppliers through to their customers.

Supply chain risk management: The process of identifying, analyzing, and assessing supply chain risk and accepting, avoiding, transferring or controlling it to an acceptable level considering associated costs and benefits of any actions taken.

Tactics, techniques, and procedures (TTP): The behavior of an actor. A tactic is the highest-level description of this behavior, while techniques give a more detailed description of behavior in the context of a tactic, and procedures an even lower-level, highly detailed description in the context of a technique.

Targets: The potential and selected subjects of cyber incidents.

Threat: A circumstance or event that has or indicates the potential to exploit vulnerabilities and to adversely impact organizational operations, organizational assets, individuals, other organizations, or society.

Threat analysis: The detailed evaluation of the characteristics of individual threats. Identification and analysis of the capabilities and activities of cyber criminals or foreign intelligence entities.

Threat assessment: The product or process of identifying or evaluating entities, actions, or occurrences, whether natural or man-made, that have or indicate the potential to harm life, information, operations, and/or property.

Unauthorized access: Any access that violates the stated security policy.

Virtual Private Network (VPN): A virtual network built on top of existing networks that can provide a secure communications mechanism for data and IP information transmitted between networks.

Virus: A computer program that can replicate itself, infect a computer without permission or knowledge of the user, and then spread or propagate to another computer.

Vulnerability: A characteristic or specific weakness that renders an organization or asset (such as information or an information system) open to exploitation by a given threat or susceptible to a given hazard.

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SANTA CRUZ COUNTY
Civil Grand Jury

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Envisioning the Future of our Jails

We Continue to “Kick The Can”

Summary

Every year, the Santa Cruz County Civil Grand Jury examines detention facilities within the County, including the Main Jail, the Blaine Street Women’s Jail, the Rountree Men’s Medium Security Facility, and Juvenile Hall. During the tours, which uncovered little information not reported by previous Grand Juries, it learned about the ongoing crisis in Correctional Officer staffing that has caused some detention facilities to be closed. While touring the aging, dismal Main Jail, the Grand Jury also learned about the need for a new jail. This became the subject of our report.

The Grand Jury recommends increasing funding for the Sheriff’s Office to combat the longstanding and serious staffing issue. It recommends increased funding for anti-recidivism programs run by the Public Defender’s Office, Behavioral Health and others to reduce the distressingly high number of inmates who commit further crimes and end up right back in jail. An approximately \$200 million new Main Jail should be considered only after anti recidivism programs have been funded adequately and for a sufficient period to evaluate the needs of a much reduced inmate population.

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Background

Each year in accordance with California Penal Code Section 919(b), the Grand Jury examines the housing and general living conditions of the incarcerated population within our jails. Santa Cruz County has four jails; the maximum security adult Main Jail in Santa Cruz, the adult men’s medium security Rountree jail in Watsonville, the Blaine Street women’s minimum security jail next to the Main Jail, and Juvenile Hall in Felton.

The Main Jail, located at 259 Water Street in Santa Cruz, was constructed in 1981 to house 92 inmates. It was expanded in 1986 and again in 1999, bringing the total capacity to 319 inmates. It currently houses some women because the women’s jail is closed, and the requirement to keep women separated reduces the capacity slightly.

Rountree Detention Facility, located at 90 Rountree Lane, Watsonville, includes two medium security units and the minimum security Rehabilitation and Re-entry Facility. The Rountree medium security units have a capacity of 48 each, totalling 96. One of these units is currently closed due to lack of staffing. The R&R facility has a capacity of 64.

Blaine Street Women’s Facility, located at 141 Blaine Street, Santa Cruz, has a capacity of 32. It is currently closed due to lack of staffing, however, the expected reopening date will be mid May 2023.

Juvenile Hall, located at 2650 Graham Hill Road, Felton, was built in 1968 and can house up to 42 juveniles.

Table 1 shows the average population of each adult facility for the period March 2022 until February 2023.

**Table 1. Santa Cruz County Jails Average Occupancy
March 2022 – February 2023**

Facility	Capacity	Occupancy	Percent Occupied
Main Jail	319	281	88%
Rountree	96	27	28%
Reentry and Rehabilitation	64	47	73%
Blaine Street	32	0	0%

Source: Santa Cruz County Sheriff’s Office February 2023 Monthly Statistics.^[1]

When the Grand Jury toured Juvenile Hall, the population was 13 boys and one girl, 33 percent of capacity. (There is not an average for the previous year.)

Scope and Methodology

The Grand Jury toured and assessed the Main Jail, Rountree facility, and Juvenile Hall. As described later in this report, the jury’s inspections of the jail facilities did not result in new information beyond that included in the 2015-16 and 2018-19 Grand Jury jail inspections.^{[2] [3]} During the tours, the Jury asked about the chronic and significant

staffing shortage among Correctional Officers, the main subject of this investigation proposal. The Jury was also told about the need for a new jail to replace the aging and obsolete Main Jail.

The Santa Cruz County Civil Grand Jury interviewed members of the Sheriff's Office, the Public Defender's Office, County Government, the jail's medical contractor, and private citizens having knowledge germane to the investigation. It reviewed numerous law enforcement, criminal justice and mental health websites, published articles on criminal justice and mental health, and local newspaper reports.

The Sheriff's Office was prompt and helpful with the many document and information requests, including but not limited to, county reports, research studies, interviews, annual reports, operations manual & public articles. In addition, the Jury reviewed the several reports of prior grand juries dealing with the jails in Santa Cruz County.

There is some overlap between this investigation and the investigation into Santa Cruz County Behavioral Health. Thus information gathered for this investigation has been shared with the Behavioral Health investigation, and vice versa.



Figure 1. The Main Jail (photo credit East Bay Times)

Investigation

Touring the Jails

The 2022-23 Santa Cruz County Civil Grand Jury toured the Main Jail, the Rehabilitation and Reentry Facility at Rountree and Juvenile Hall in October and November 2022. Staff were helpful and forthcoming at each of the facilities. Some jurors were able to tour the women’s facility, which is closed. The Jury found the adult jails to be as described in the 2015-16 and 2018-19 reports, but with a few more years of normal wear and tear.^{[2][4]}

The Jury was impressed with Juvenile Hall. If kids need to be detained, this was a good place for the 13 boys and 1 girl to be. The building is old and in need of upgrade,^[5] but staff have done what they can to make the environment friendly and appealing. The Jury learned about the school that provides high school classes up to graduation. The day some jurors attended, they observed “Unchained”, a program that brings dogs in need of training to Juvenile Hall, where students are paired with a dog to promote a positive learning experience while working with their dog on the socialization skills they need before adoption. The Jury found this inspiring and effective for both kids and dogs.

Life in Jail for Staff and Inmates

Being in jail is an entirely different experience depending on which jail, and which part of the jail the inmate is in. Some of the Grand Jury toured the Main Jail and the Rehabilitation and Re-entry facility at Rountree on the same day, making the huge contrast between the facilities even more striking. While the Main Jail is crowded, foreboding, and with little to distract the inmates from the boredom of incarceration, the Rehabilitation and Re-entry facility is spacious, light and with much programming which both serves to engage the inmates and to provide necessary skills for life on the outside. During the tours, the Jury was informed that Rountree/R&R provides food service and laundry for the Main Jail. Some staffing for these functions is provided by inmates, allowing them to gain useful work experience, as well as save the jail a little money.

Both jails suffer from a significant staffing shortage, described in the 2018-19 Grand Jury Jail inspection report^[3] and again in the 2020-21 “Justice in the Jail” Investigation.^[6] Both reports describe mandatory overtime, especially for newly-hired Correctional Officers. Mandatory overtime is often coupled with long commutes to where housing prices are slightly less unaffordable than Santa Cruz County. Being a Correctional Officer is stressful; mandatory overtime and a long commute make this much worse. Abuse of sick leave and other negative behavior has been reported, suggesting that there is dissatisfaction among the Correctional Officers. Turnover is high for new COs; some become Deputies, some go to another agency.^[7] The Corrections Policy Manual^[8] describes in detail how COs should treat inmates, and how their safety and welfare should be protected. But expecting an overworked CO to always follow policy is a recipe for failure.^[9] The Sheriff’s Office appears to be doing what they can to make the Correctional Officers’ work experience more positive; among other improvements, their locker room is being fixed.^[10]

The Main Jail is used to house inmates deemed a high security risk. Most are pretrial, even though they may have been incarcerated at the Main Jail many years.^[11] The Grand Jury is concerned about the civil rights of those detained long-term without being convicted, but that question is beyond the scope of this investigation. However, living in this unending limbo must have a negative effect on the inmates. Those who have never been incarcerated cannot imagine what life is like behind bars, especially the dungeon-like Main Jail. Inmates may be locked in their cells for 23 hours a day and let out for an hour of exercise in a small area open to the sky, but still without a view of any green plant. The exercise hour might be in the middle of the night!^[12] Exorbitant cost of the commissary and phone calls are also a common inmate complaint.^{[13][14]}

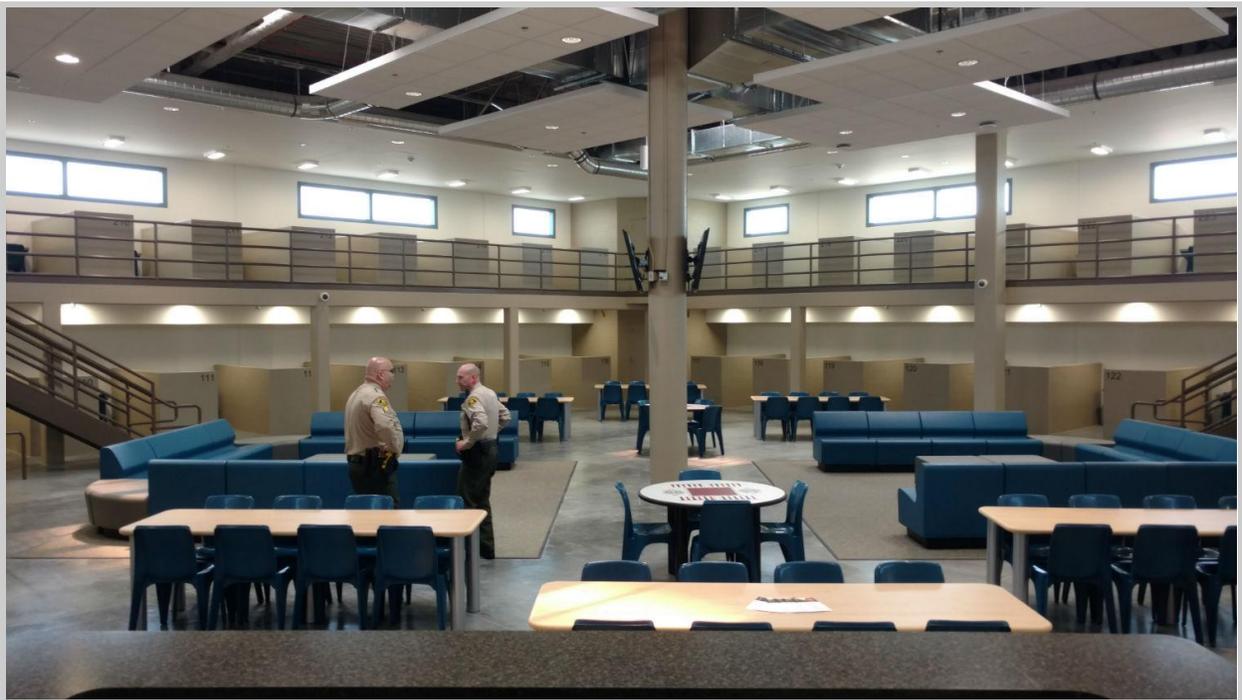


Figure 2. Rountree Rehabilitation and Re-entry Facility (photo credit Santa Cruz County Sheriff's Correctional Officer Association)

Rountree is where lower level offenders are housed. Rountree includes two medium security units and the minimum security Rehabilitation and Re-entry facility. Unlike the Main Jail, Rountree is spacious, with outdoor exercise areas including basketball and handball. The Grand Jury watched inmates weeding their home-grown vegetable plots.



Figure 3. “Paths out of Jail” Class at Rehabilitation and Reentry facility (photo credit Santa Cruz Sentinel)

Inmates have access to a large variety of programming including educational, motivational and life skills classes described in the 2019-19 inspection report.^[3] These are both aimed at keeping the inmates occupied and at providing necessary skills for life after incarceration. The Grand Jury understood that not all programming has been resumed post-Covid.^[15] Inmates initially housed at the Main Jail may be transferred to Rountree once they have demonstrated sustained appropriate behavior.^[16]

In recent years, there have been a number of lawsuits against the Main Jail when inmates suffered injuries or worse.^{[17][18]} Some of these lawsuits have resulted in settlements in the millions of dollars, which our County pays. Additionally, there have been sexual assaults, violence, drugs, and serious equipment failures, all described in the 2020-21 investigation.^[19] That report also shows in Appendix B that while Santa Cruz County has the eighth lowest death rate in California, the total number of incidents described in the report suggests that all is not well at the jail.

Mental Health and Substance Use Disorder of Inmates

The Santa Cruz Main Jail has been described as the largest mental health holding facility in the County.^{[20] [21] [22] [23] [24]} Approximately 40 percent of jail inmates have been diagnosed with mental illness.^[25] Sixty-five percent have an active Substance Use Disorder (SUD) and an additional 20 percent were under the influence of drugs or alcohol at the time of the crime. Clearly, some inmates have both mental illness and SUD. Treatment for mental illness or SUD for incarcerated people is limited, most inmates do not get the care that is available for insured people on the outside, although treatment in jail may be the first and only treatment they receive. The National Alliance on Mental Illness estimates that between 25-40 percent of all mentally ill Americans will be jailed or incarcerated at some point in their lives. By contrast, about 6.6 percent of the general population will experience this. Rates of recidivism are between 50% and 230% higher for persons with mental health disorders regardless of diagnosis. Prison conditions such as crowded living quarters, lack of privacy, increased risk of victimization, and exposure to punitive segregation are strongly correlated with emerging and worsening psychiatric symptoms.^{[26] [27] [28]}

Treatment for inmates suffering from mental illness or SUD can be effective, but must be followed by significant continuing care after release. Without adequate follow up, a released inmate will find it easier and cheaper to score street drugs rather than follow the laborious process to get medical insurance coverage for methadone, or whatever medication assisted treatment they were on.

Keeping People out of Jail

Santa Cruz law enforcement has made several very successful efforts to keep low level offenders out of jail. The Pretrial Division of the Probation Office uses evidence-based tools to determine which defendants are at low risk of failing to appear for court dates, or committing another crime, and who may be released until trial. Moderate risk individuals may be allowed more supervised release. Higher risk individuals may be fitted with electronic monitoring and/or be subject to home detention. Only those for whom a significant public safety concern exists are detained. Since 2015, the population of pretrial released individuals has increased from 38 to 249 in 2022.^[29] The Pretrial Division estimates that keeping offenders out of jail saved more than 91,000 jail bed days in 2022 resulting in a cost saving of over \$26M.^[30] The District Attorney's Office administers several diversion programs allowing a person charged with a crime to avoid a conviction by engaging in treatment designed to tackle the root cause of their involvement in the criminal justice system.^[31] The Sheriff's Custody Alternatives Program allows qualified, sentenced, low level offenders to serve their sentence while working, or performing supervised community service, with electronic monitoring and restricted movement.^[32]

In 2019, the County received a \$6 million grant that was used to start the Neighborhood Courts, a successful diversion program designed to keep low level misdemeanor offenders from entering the criminal justice system.^[33] In August 2022, the County received another \$6 million grant that will continue the Neighborhood Courts program,

and allow the County to expand its Coordinated Access for Empowering Success (CAFES) program, a collaboration of the Santa Cruz County Probation Department, the Public Defender’s Office, the District Attorney’s Office, Santa Cruz County Superior Court and County Behavioral Health. It aims to prevent unnecessary engagement in the justice system, and reduce recidivism for those already involved, while improving the health and well-being of adults who have committed low level crimes so they are less likely to reoffend.^{[34] [35] [36]} The chart in Figure 4 below shows how CAFES works.

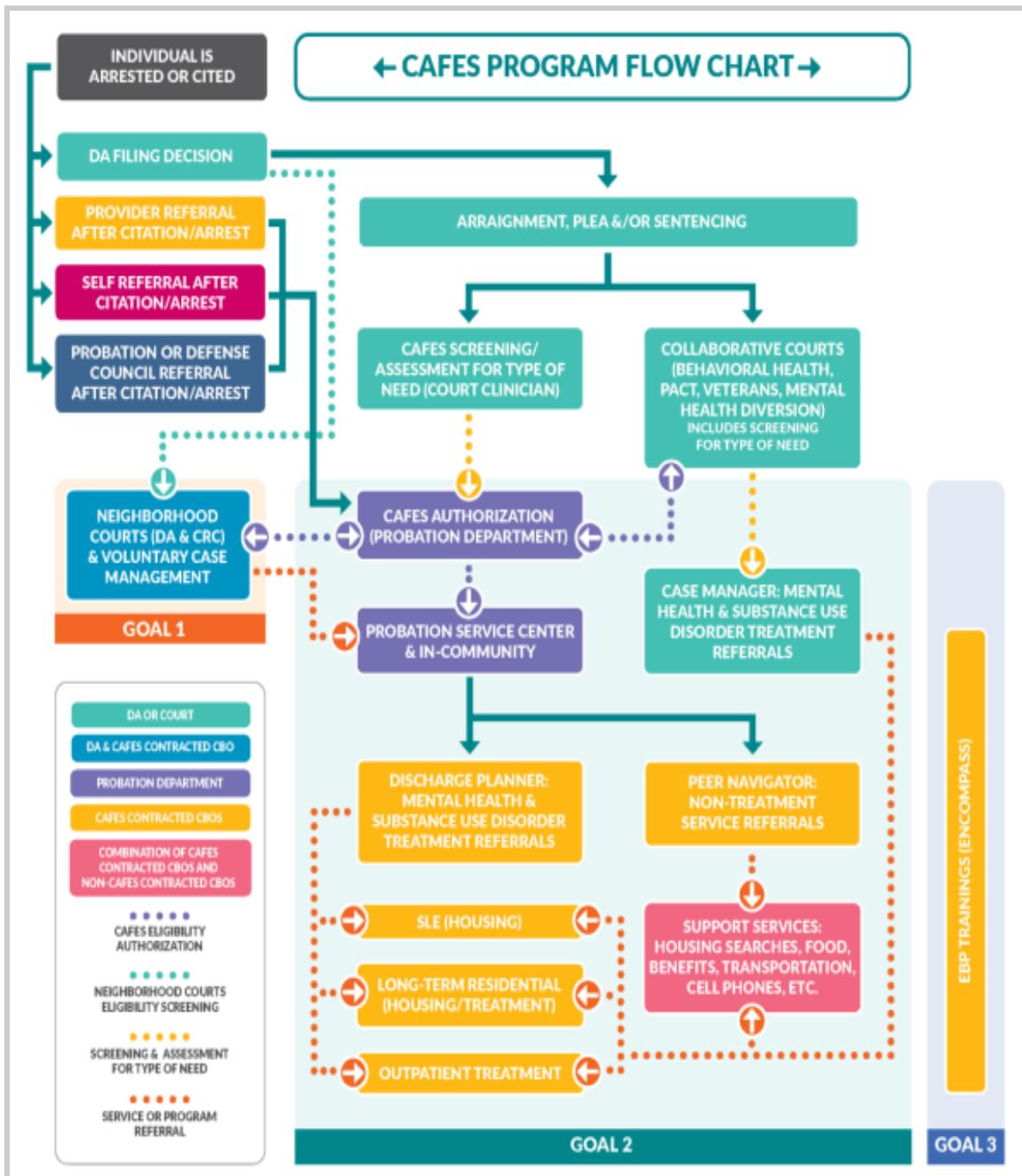


Figure 4. The Coordinated Access for Empowering Success (CAFES) program.^[37]

CAFES focuses on first-time offenders who do not qualify for other programs. Its main goals are to Increase diversion opportunities (Goal 1), reduce recidivism (Goal 2), and improve existing support for those already incarcerated (Goal 3). The chart in Figure 4 shows the major steps in achieving each goal. CAFES is sufficiently new that little data on its effects are available, especially including the impact of Covid. However, the report notes that of 197 people authorized to CAFES, just 8, or 4 percent have recidivated.^[38]

The Focused Intervention Team (FIT) is a collaboration between the Sheriff's Office and Santa Cruz Behavioral Health aimed at reducing recidivism among qualified, but more serious, repeat offenders who have demonstrated aggressive, threatening or assaultive behavior, and who are resistant to being helped. These offenders, mostly homeless people with substance use disorder, get intensive police supervision and support services. Offenders, both in jail and after release, get positive incentives, including employment training, housing assistance, and behavioral health treatment.^{[21] [39] [40] [41]}

Combating Recidivism

The programs noted above are not an exhaustive list of all law enforcement is doing to keep people out of the criminal justice system; however it is clear that local law enforcement is putting significant effort and resources into reducing the number of offenders going into detention, and reducing the number who commit further crimes after being released. In spite of these laudable efforts, recidivism is still around 60 percent within 10 years^{[42] [43] [44]}, and the Main Jail is sometimes overcrowded.^[45] During Covid, the jail population was reduced by about a third to reduce spread of the disease. This made the jail more manageable with the staffing level at the time.^[46] About 15 percent of those released were soon rearrested, but most apparently stayed out of trouble.^[47] This suggests there is yet more that could be done to keep people out of jail.

In spite of all the efforts listed above to prevent recidivism, the lack of sufficient step-down programs, also described as continuing care for released inmates, was noted during several of our interviews.^{[48] [49] [50] [51]} Many released former inmates are either unhoused or have insecure housing.^{[52] [53]} Being homeless is a full time job; just getting food, shelter, bathroom access, medical and dental care, and access to whatever limited services local government or non-profit organizations provide is all consuming.^{[54] [55]} More than 40 percent of released inmates have additionally been diagnosed with mental illness,^{[42] [56]} making reestablishing life on the outside even more difficult for the unhoused. A person needs secure housing before they can be expected to take an active role in dealing with their mental health, or complying with probation or other restrictions imposed for their release from custody.^[57]

This does not mean that the step-down programs that do exist are not working, but that they are inadequate. Santa Cruz County Probation enrolled 464 low-level, unduplicated participants in an anti-recidivism program. For those that completed the program, recidivism was calculated at nearly 12 percent, while those who had left early were calculated as repeat offenders more than 18 percent of the time. Program participants who received only one-time services had recorded recidivism rates of nearly 24 percent, twice that of those who completed the program.^{[34] [58]}

The jail’s healthcare contractor, Wellpath, does provide some assistance for inmates being released, including a “discharge planner”, similar to a case manager, who helps the inmate get medical insurance restarted and other necessities of life on the outside.^{[59] [60] [61] [62]} There is a 6-7 month wait for getting a bed at a state mental hospital, which is no help for an inmate needing inpatient care.^[63] The Public Defender’s Office also tries to help inmates being released by having a social worker do reentry planning.^[64]

The Santa Cruz County Behavioral Health Department provides mental health care for those without private insurance and is often the only source of mental health care for released inmates. Behavioral Health is also part of the CAFES program described above. Behavioral Health states that 43 percent of their client population has some involvement with the criminal justice system, mostly post-release supervision.^[65] They further state that there is a lack of coordination with other county systems, such as law enforcement or the jail, and a lack of warm handoff to outpatient providers and ensuring a sufficient amount of medication until a pharmacy is open.^[66] (A warm handoff means that jail staff actually introduces the inmate to the outpatient provider rather than just providing a referral.)

This year’s Grand Jury is also investigating Behavioral Health, which we found to be overworked, understaffed and under-funded.^{[67] [68]} Expecting Behavioral Health to improve step-down programs without a significant improvement in staffing and funding is unreasonable.

The Case for a New Jail

Local law enforcement really wants a new jail! After touring the grim, gloomy, cramped Main Jail, which lacks natural light or even a view of the trees around the building, the Santa Cruz County Civil Grand Jury was inclined to agree. The jail was intended for inmates being held for less than a year, but many have been held pretrial for several years.^{[69] [70]} The current jail does not meet the needs of inmates or modern requirements for incarceration.^[71] The Sheriff’s Office has also suggested that a new jail is needed because the current jail is near the end of its useful life.^[72] A new jail would be expected to cost around \$200 million for a 500 bed facility, and it would take 5-8 years to build.^{[73] [74]} Put another way, a new jail would cost \$400,000 per inmate bed. The Santa Cruz Sentinel published an editorial in 2021 entitled “Santa Cruz County must start planning for a new jail.”^[75]

Crime Rates in Santa Cruz County

The table in Figure 5 below from Open Justice shows the trend in the number of arrests over the period 2012-2021. Although the numbers for the last three years may have been affected by Covid, the overall decline in arrests for felonies and drug offenses is clear. The decline in drug arrests is likely due at least in part to changing criteria for making an arrest, plus successful efforts to divert low level drug offenders away from the criminal justice system. The decline in arrests for property crimes is likely due to the same causes. The increase in arrests for violent offenses is small compared to the decline in arrests for felonies.

The chart in Figure 5 is for arrests, not those who are actually booked into jail, but arrests for felonies are those most likely to require incarceration in a maximum security jail. However, the number has declined by a third over ten years, and likely explains why the jail is not as overcrowded now as it was a few years ago. It would be wonderful if this trend continues, but there is no guarantee of this. The declining number of felony arrests suggests a declining need for a new jail.

ARRESTS										
Counties: Santa Cruz County.										
Years: 2012 - 2021.										
Offenses: Felony. Ages: Adults. Gender: All. Ethnicities: All.										
SV PDF Search within results:										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
FELONY	2,812	2,814	2,753	2,133	2,086	2,179	2,162	2,039	1,782	1,924
Violent Offenses	548	610	653	739	619	702	724	719	630	682
Property Offenses	598	570	497	402	490	497	517	427	372	359
Drug Offenses	1,110	965	940	378	260	244	169	172	155	179
Sex Offenses	44	56	48	39	38	36	34	34	27	33
Other Offenses	512	613	615	575	679	700	718	687	598	671

Figure 5. Record of arrests in Santa Cruz County for the ten years 2012 - 2021. ^[76]

Alternatives to a New Jail

Building a new jail will not solve the chronic Correctional Officer staffing problem, although a more pleasant working environment might help with CO retention. The Blaine Street women’s jail and one unit of Rountree are currently closed for lack of staffing. During the tours, the Grand Jury was told that reopening Blaine Street was a priority, and with sufficient staffing, will happen mid May 2023. Over the last few years, turning Blaine Street into a men’s facility, using part of Rountree for women and expanding Rountree have all been suggested to maximize the utility of our local jail system. ^{[77] [78] [79]}

The primary mission of our criminal justice system is public safety. Could more inmates be moved from the Main Jail to Rountree while meeting that mission? The Grand Jury is not equipped to answer this question. Over the last year, the occupancy rates stated in the Background section of this report indicate Rountree is only about 23 percent full; Re-entry and Rehabilitation is more fully utilized at 78 percent. There is room for about

60 more inmates at Rountree if both units were open. If these people could be moved from the Main Jail, that would relieve pressure on the at-capacity facility. Re-opening Blaine Street would also make more room in the Main Jail. Rountree might also be expanded at far less cost than the expected \$200 Million for a new jail. Given the security needs of the inmate population, what is the optimum use for the Main Jail, Rountree/R&R and Blaine Street? Could moderate expansion of Rountree plus some renovation of the Main Jail suffice to keep us all safe? The Grand Jury believes there is good reason to study this before a complete new Main Jail is proposed.

Reducing recidivism is the main alternative to building a whole new 500 bed jail.^{[80] [81] [82]} As noted previously in this report, recidivism remains stubbornly high at around 60 percent. Once a person goes to jail, there is a 60 percent chance they will go back to jail some time in the future, hugely contributing to the need for a new jail. Step-down or continuing care for released inmates is inadequate, contributing to recidivism. Better funding for step-down programs, such as those described above and run by the Public Defender's Office and Behavioral Health is desperately needed. This could produce positive results much quicker, and at far less cost, than the estimated 5-8 years to build a new jail.

Conclusion

In a perfect world, the Sheriff's Office would have sufficient funding to raise Correctional Officers' pay sufficient to hire all the officers they need, and build the new jail they want. But in that perfect world, there would also be sufficient resources to give all inmates the mental health care they need and to provide adequate continuing care after they are released, including supportive housing as appropriate. This report asks the question "In the real world, with the funding constraints in this County, what is the best solution to both the aging Main Jail and to the distressingly high recidivism rate?"

The Santa Cruz County Grand Jury believes that funding for the Sheriff's Office to hire and retain more Correctional Officers should be increased. Funding for the Public Defender's Office and County Behavioral Health should also be increased so their anti recidivism efforts can reduce the current horrifying 60 percent recidivism rate.

Findings

- F1.** Permanent mandatory overtime for Corrections Officers has a negative effect on them that leads to high turnover, and the need to hire more COs and train them, which is inefficient and demoralizing for the Sheriff's Office.
- F2.** Overcrowding at the Main Jail would be alleviated if the Blaine Street Women's Jail and the second unit at Rountree could be reopened.
- F3.** Keeping women who do not need to be in a high security facility in the Main Jail is clearly detrimental to their mental health, and to their chances of staying out of jail once released.

- F4.** Reopening Blaine Street and the second unit at Rountree would give the Sheriff's Office much more scope to balance the jail population between the three facilities, and would allow some inmates from the Main Jail to move to Rountree and take advantage of the programming available there.
- F5.** Lack of programming at the Main Jail is bad for inmate welfare, both their mental health while on the inside, and their ability to stay out of the criminal justice system once released.
- F6.** Programs such as those run by the Public Defender's Office and CAFES that reduce recidivism are effective because they give former inmates the mental health and/or substance abuse treatments they need, as well as case management and supportive housing.
- F7.** Lack of continuing care for released inmates, most especially those with mental illness, SUD and/or who will be homeless after release, significantly contributes to recidivism, which then contributes to the need for a new jail.
- F8.** Some continuing care does exist, but is massively underfunded, especially for former inmates who need supportive housing.
- F9.** The Main Jail is old, has been overcrowded, and does not meet current requirements for incarceration.
- F10.** The Main Jail might be adequate for incarcerating inmates who need to be in a high security facility, providing it can be renovated to meet current incarceration requirements for a much reduced population.

Recommendations

- R1.** In the next budget cycle the Board of Supervisors should allocate more funding to the Sheriff's Office to be used to increase Correctional Officer pay, and/or give out increased hiring or retention bonuses as the Sheriff's Office determines. (F1)
- R2.** The Blaine Street Women's Jail should be reopened as soon as practical, but definitely before the end of 2023. (The reopening is imminent and will occur mid May 2023) (F2 – F4)
- R3.** After Blaine Street, the second unit at Rountree should be reopened as soon as sufficient staffing is available, and preferably by the end of 2023. (F2, F4, F5)
- R4.** Programming at the Main Jail, both that intended to stimulate and entertain inmates, and that intended to provide them with skills for life on the outside, should be restarted as soon as practical and as Covid restrictions allow. (F6)
- R5.** The Public Defender's Office should receive funding in the next budget cycle to provide adequate anti recidivism programs. (F7 – F9)
- R6.** In the next budget cycle, County Behavioral Health should be funded to adequately treat released inmates with mental illness, including supportive housing where necessary. (F6 – F9)

- R7.** The Sheriff’s Office should commission a study to determine the most effective use of the three jails and any modifications to existing facilities needed to house the expected jail population into the future. This study should be completed by the end of 2024. (F4, F9, F10)

Commendations

- C1.** The Probation Office and the Public Defender’s Office are doing an excellent job of diverting low level offenders away from the criminal justice system.
- C2.** The Probation Office is providing their Juvenile Hall youngsters a more physically and emotionally healthy environment that most of them ever had at home.

Required Responses

<i>Respondent</i>	<i>Findings</i>	<i>Recommendations</i>	<i>Respond Within/ Respond By</i>
Santa Cruz County Board of Supervisors	F1 – F10	R1, R5 – R7	90 Days August 23, 2023
Santa Cruz County Sheriff	F1 – F10	R1 – R4, R7	60 Days July 24, 2023

Invited Responses

<i>Respondent</i>	<i>Findings</i>	<i>Recommendations</i>	<i>Respond Within/ Respond By</i>
Santa Cruz County Public Defender	F6 – F8	R5	90 Days August 23, 2023
Santa Cruz County Administrative Officer	F1 – F10	R1, R5 – R7	90 Days August 23, 2023

Definitions

Adult: Any person 18 years of age or older.

CAFES: Coordinated Access for Empowering Success (Prop 47)

Correctional Officer: All persons, regardless of rank, who are employees and who are selected and trained in accordance with state law as a corrections officer of the Santa Cruz County Sheriff’s Office.

FIT: Focused Intervention Team, a collaboration between the Sheriff’s Office and Santa Cruz Behavioral Health aimed at reducing recidivism among qualified, but more serious, repeat offenders who have demonstrated aggressive, threatening or assaultive behavior, and who are resistant to being helped.

Juvenile: Any person under the age of 18.

Pretrial: Is a hearing prior to trial, in which all parties involved in the trial attempt to determine the issues, laws, or facts matter, before the court trial.

R&R: Rehabilitation and Re-entry

SUD: Substance use disorder.

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Site Visits

Main Jail, County of Santa Cruz

Rountree Medium Facility, County of Santa Cruz

Juvenile Hall, County of Santa Cruz

Sheriff's Office, County of Santa Cruz

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SANTA CRUZ COUNTY
Civil Grand Jury

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Housing Our Workers

Essential Workers Need Affordable Housing!

Summary

The cost of housing has risen dramatically, especially in the past five years, not just in Santa Cruz County but all over the state of California. There were some clear issues, the 2008 recession, the COVID crisis, the rise of Airbnb, but the biggest reason is that municipalities stopped building new housing. The numbers of unhoused people increased, and employers found it harder and harder to find and keep employees. The reason that prospective employees most often gave for not coming to work here was the scarcity and cost of housing. Over the past several years, California has enacted several laws to encourage, and even require, all municipalities to build more housing, especially more affordable housing for essential workers..

The four cities, Capitola, Santa Cruz, Scotts Valley and Watsonville, as well as the County of Santa Cruz, have all begun identifying suitable properties and have begun making zoning changes to build more housing. The five municipalities (the county and the four cities) are at various stages in this process and now face even higher affordable housing goals in the Sixth Cycle Housing Element, which is due to the State at the end of December.

The Santa Cruz County Civil Grand Jury's overall findings and recommendations encompass the following:

- How well each of the five municipalities have met current housing goals
- How well the public understands the need for more workforce housing
- How well each municipality is positioned to meet future housing goals
- How each municipality can use housing laws, grants and partnerships to make housing more affordable

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Background

Over the past few years we have heard a lot about essential workers, those who keep our community running. We depend on these workers to educate our children, take care of our medical and dental needs, keep our communities safe, maintain our food supply, provide public transportation, and keep our streets clean. These workers are being squeezed out of the housing and rental markets in Santa Cruz County. Almost daily there are news reports of teacher and bus driver shortages, police departments that can't find enough qualified officers, stores and restaurants that have to reduce hours because they can't find enough workers.

The Santa Cruz area was recently designated the second most expensive place to live in the country with the average home price of \$1.5 million and the average rent for an apartment at over \$3,000/month.^{[1][2]} Watsonville is somewhat less expensive at an \$800,000 average price for a home and an average rent of \$2,000.^{[1][2]} These prices are beyond the reach of many of our essential middle income workers. In order to buy the average home in the Santa Cruz area, a worker with \$50,000 down payment would have to make \$400,000/year and the monthly payments would be \$8,830/month.^[2] In Watsonville, a worker would need to make \$200,000/year to afford to buy the average house with monthly payments of \$4,345.^[2]

Although salaries have gone up in many areas, the average annual teacher salary is only about \$70,000.^[3] The average full time firefighter makes less than \$60,000 and a school custodian makes about \$50,000.^[3] The average registered nurse makes \$100,000.^[4] According to the Transparent California website, the average Santa Cruz Metro driver makes about \$68,000 in salary and another \$60,000 in overtime, still not enough to buy the average house in Watsonville! In a recent survey from the California Association of Realtors, just one in five residents in the Bay Area can afford to buy a home at current prices.^[5]

While our communities have programs to help low income residents, (individuals who make less than \$35,000/year), there is little to help essential middle income workers who can't afford the rent or housing prices, yet have jobs in our community.

The report calculates a "housing wage" for Santa Cruz County of \$60.35 an hour.... At \$3,138 per month for a two-bedroom rental, tenants would need to work four full-time minimum-wage jobs, at \$15 an hour, to afford rent....^{[6][7]}

Figure 1 below shows that in Santa Cruz County many workers are spending nearly 50% of their income on mortgage.

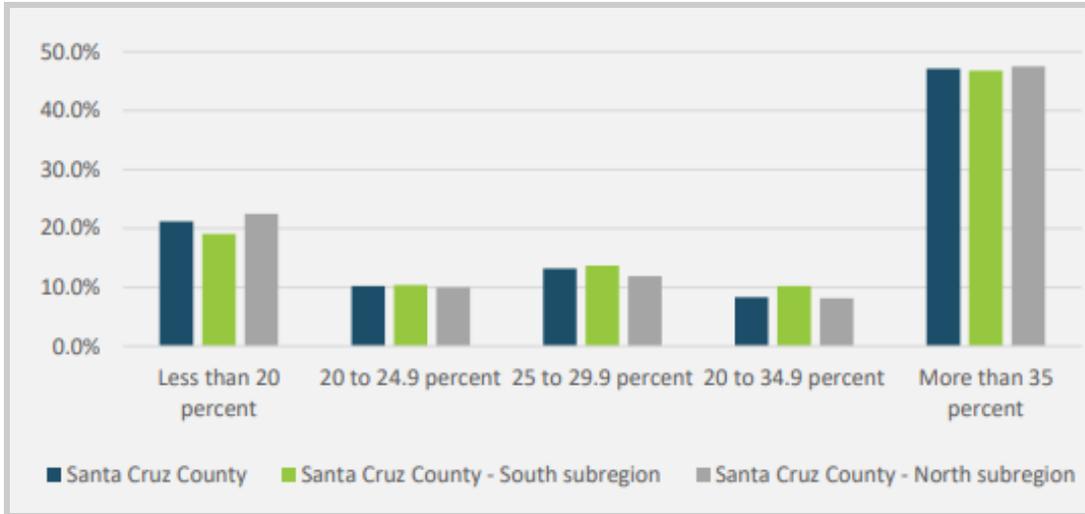


Figure 1. Percentage of income spent on mortgage.^[8]

Many local employers are reporting difficulty attracting and keeping workers.^[9] Cabrillo College reports that 11% of workers commute from outside Santa Cruz County ^[10], and Pajaro Valley Unified School District reports that over the last two and a half years, 9.24% of those resigning from the district left to move out of state and 11.65% of those resigning left to accept jobs with better salary and housing options outside of the County.^[11] Salary schedules from the City of Santa Cruz show that neither police officers nor firefighters make a salary high enough to comfortably afford housing in this County.^{[12] [13]}

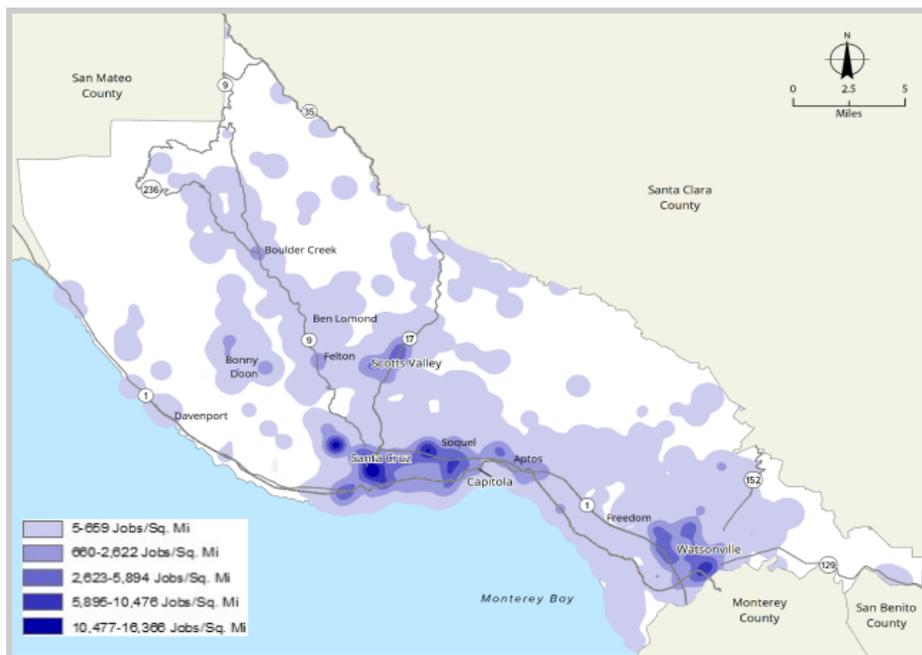


Figure 2. Where people work in Santa Cruz County.^[14]

As Figure 2 above shows, much of our workforce is commuting from south county to jobs primarily located in the central part of the county. Many essential workers make less than the Santa Cruz County housing wage of \$60.35/hour. No wonder Hwy 1 is clogged with traffic driving to and from Watsonville and points south and east of here where it is cheaper to live.^{[15] [16]}

The cost of housing in coastal California has outpaced increases in wages and salaries over the same period of time while the supply of affordable housing has decreased relative to the increasing population. According to the Santa Cruz County Planning Department:

The difficulty is not just the cost of housing, but specifically the cost of housing in relationship to local incomes.^[17]

How did we get in this predicament? There are many reasons for the lack of housing overall in Santa Cruz County. The 2022 state publication, “A Home for Every Californian”^[18] lists several reasons:

- High costs of land, materials and labor
- Insufficient land zoned and available for housing
- Financial support constraints
- Opposition to neighborhood change
- Numerous, varied and opaque regulatory hurdles
- Social pressure to limit population growth
- Lack of federal support and expiring subsidies for affordable homes

In addition, after the growth following the construction of the University of California at Santa Cruz (UCSC) and the fight over preserving the north coast and Lighthouse Field, a no-growth mentality was pervasive in Santa Cruz County.^[19] We just stopped building enough houses. Figure 3 below shows construction of housing peaked in the 1970s and then fell sharply in the next three decades.

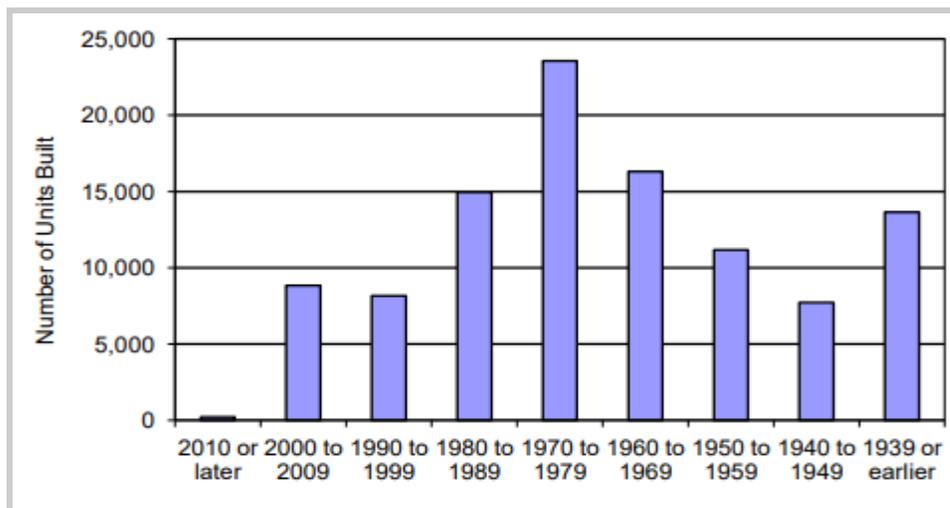


Figure 3. Housing construction in Santa Cruz County by decade built.^[20]

The population of UCSC and Santa Cruz County in general continued to grow despite the slow pace of housing construction. The cost of housing continued to rise making it difficult first for low income workers and, eventually, for middle income workers to afford to live in Santa Cruz County municipalities.^[8]

What can be done to address housing availability and cost in Santa Cruz County municipalities?

Scope and Methodology

In this investigation the Santa Cruz County Civil Grand Jury examined key elements in providing affordable housing for middle class workers in Santa Cruz County, those that earn more than \$35,000/year but less than \$100,000/year. It focused on answering the following questions:

- What affordable housing options are available in Santa Cruz County to support middle class workers?
- Are employers offering housing support to their employees?
- What can local city and county planning departments do to provide more housing for these workers.?
- What changes are needed in the planning and permit process to make it easier to build more workforce housing in our cities and unincorporated areas?
- How can local jurisdictions leverage recent State of California bills and initiatives to encourage more housing here?
- How can local agencies work together to help support housing for local workers?
- What changes are needed to plan for the future housing needs of our workforce?
- What is UCSC doing to help house its students, faculty and staff?

During this investigation the Jury interviewed county planners from each of the four cities, Capitola, Santa Cruz, Scotts Valley and Watsonville, and the County of Santa Cruz. It also interviewed community members who were housing advocates as well as those who were housing skeptics. It collected information from Civil Grand Jury investigations in Santa Clara County, Marin County and Santa Barbara County. It asked some employers for information regarding employee hiring and retention. It examined the new state housing laws and the 2015 Housing Elements for each of the 5 municipalities in the county. Members attended municipal planning meetings and community meetings regarding proposed housing developments and read numerous articles regarding housing from a variety of local news sources.

Investigation

Examination and Summary of New California Housing Laws

The Santa Cruz County Civil Grand Jury began its investigation by examining the new California housing laws that have been passed during the last few years in an effort to galvanize cities and counties into building more housing. California passed a series of laws to boost housing production beginning in 2017 in an effort to:

- Streamline the building of new homes
- Break down barriers to build more affordable housing
- Address systematic bias by elevating fair housing principles
- Hold governments more accountable to approve housing construction

The more well-known laws include:

- Senate Bill 9 (SB9) signed in 2022 which allows ministerial approval to convert homes into duplexes and split lots to allow up to 4 units on a lot.
- SB10 which allows “up to 10 dwelling units on any parcel within a transit-rich area or an urban infill site.”
- SB290 which ‘grants bonuses, concessions, waivers and parking reductions to projects with qualifying affordable housing.’^[21] Usually market rate allows for only 20% affordable units. A builder can qualify for more than 20% affordable units (density bonus) by meeting some of the criteria for SB290.
- Nonprofit Housing Organizations can qualify for increased density bonuses when purchasing a property under SB728.^[21]
- Other laws that make it easier to construct Accessory Dwelling Units (ADUs).

The laws that much of the public has already heard about are the laws that permit zoning changes to allow up to 10 units per residential lot (SB10) and the laws that permit cities to ease the process for building ADUs.^[22] The streamlined process for building ADUs has been popular, and many cities, particularly Capitola with less buildable land, have encouraged the construction of ADUs.^[23] The City has even provided building code approved plans for construction.^[24] While the Capitola guidelines state that ADUs cannot be used as vacation rentals, it is unknown whether or not those guidelines are enforced.^[24]

One of the most important laws that was passed was SB330 in 2019, later extended by SB8, that limits the ability of local municipalities to prolong the housing application process through repeated hearings and shifting requirements. Many people may have seen the term “objective standards.” SB35 passed in 2017 and clarified by AB1174 in 2021, allows for streamlined approval of a housing project that meets a set of objective standards for zoning, subdivision and design review.^[21]

See [Appendix B](#) for more detailed information about relevant Housing Laws

Housing Elements, AMI and RHNA ... What Does That Mean?

Not only have there been dozens of new state laws designed to increase housing production, but California has also required that every municipality (cities and counties) meet specific housing goals.^[25] Every eight years since 1969, California has required cities and counties to submit detailed Housing Element plans that show how they would accommodate the building of a number of homes across a range of affordability levels. For years, most communities, including many of those in Santa Cruz County have paid very little attention to the Housing Element.^{[26] [27]}

That all changed with the passage of the new housing laws. Beginning with the 2015-2022 Housing Element, municipalities were required to build a specific amount of housing for each income level calculated as a percentage of the Area Median Income (AMI). Figure 4 below shows the calculated income level for each category in Santa Cruz County.

SANTA CRUZ COUNTY INCOME LIMITS FOR STATE PROGRAMS					
Effective Date:		April 26, 2021			
Area Median:		\$111,900			
Number of Persons in Family	Extremely Low 30% of Median	Very Low 50% of Median	Low 80% of Median	100% of Median	120% of Median (Moderate)
1	29200	48650	78050	78350	94000
2	33400	55600	89200	89500	107450
3	37550	62550	100350	100700	120850
4	41700	69500	111500	111900	134300
5	45050	75100	120450	120850	145050
6	48400	80650	129350	129800	155800
7	51750	86200	138300	138750	166550
8	55050	91750	147200	147700	177300
9	58400	97300	156100	156650	188050
10	61700	102850	165050	165600	198800
11	65050	108450	173950	174550	209550
12	68400	114000	182900	183500	220300

Figure 4. Calculated income category levels for 2021 in Santa Cruz County.^[28]

Based upon this chart from 2021, a family of four would be considered moderate income if they earned \$134,300/year, median income if they earned \$111,900/year, low income if they earned \$111,500/year, very low income if they earned \$69,500/year and extremely low income if they earned \$41,700/year.

The Regional Housing Needs Assessment (RHNA) is determined by the California Department of Housing and Community Development (HCD) for each major metropolitan area based upon the AMI for the area and the projections for population growth and additional housing that would be needed over each 8 year period. Santa

Cruz County is part of the Association of Monterey Bay Area Governments (AMBAG). Our area is in the final year of the 5th Housing Element Cycle, and area municipalities are beginning to work on the 6th Housing Element Cycle due December 31, 2023.

So...how are we doing? The Jury’s interviews with the different planning directors and housing advocates in our community show some clear signs of progress, and a lot of room for improvement. In the 5th Housing Element Cycle, AMBAG cities in Santa Cruz and Monterey Counties were expected to permit roughly 10,430 housing units from January 2014 to December 2023. The snapshot from September 3, 2021 below shows the progress of Santa Cruz, Watsonville, unincorporated Santa Cruz County, Capitola and Scotts Valley towards that goal.^[29]

See [Appendix A](#) for more information on 5th Housing Cycle progress

As of last year, only the City of Santa Cruz^[30] is on track to meet the RHNA goals for housing during the 5th Housing Element Cycle, and the City of Watsonville^[31] will come close.^{[32] [33]} Scotts Valley and Capitola made almost no attempt to build housing for low income or extremely low income workers. Santa Cruz County has approved zoning changes to support construction of mixed use projects along Portola Drive.^[34]

Last spring, the state of California set the housing goals for each region. AMBAG, our region, set the 6th Housing Element construction goals for each local municipality. Those goals have **quadrupled** from the previous 5th Cycle goals, which most municipalities did not meet as of May, 2022.^[35]

The draft goals for housing development from Dec. 31, 2023 to Dec. 15, 2031 are outlined below by jurisdiction followed by their progress towards the 5th Element goals as reported in May, 2022.^[35]

City of Capitola

- 1,336 new homes are targeted to be built by 2031. More than half of the new homes would be required to be affordable for people with “low” or “very low” incomes. Income limits are set by the state. The new housing construction goal is more than nine times Capitola’s current goal.
- The current goal—which the City has not met—calls for Capitola to permit 143 new homes between Dec. 31, 2015 and Dec. 31, 2023. The City has permitted 53 homes in that period. Planners have issued one of 34 required permits for “very low income” units and zero of 23 required permits for “low income” units.

City of Watsonville

- 2,053 new homes are targeted by the end of 2031, including 469 affordable units for people with “low” or “very low” incomes. That’s nearly three times Watsonville’s current goal, which the City has not met.
- Since Dec. 31, 2015, Watsonville has issued 302 of 700 permits required by the end of 2023. To meet the current goal, the City must permit 148 “very low income” units, 100 “low income” units, 113 “moderate income” units and 37 market-rate units by the end of 2023.

City of Scotts Valley

- 1,220 new homes are targeted by the end of 2031, including 649 affordable homes for people with “low” or “very low” incomes. That goal is nearly nine times Scotts Valley’s current goal, which the City has not met. Since Dec. 31, 2015, Scotts Valley has issued 18 of 82 permits for “moderate,” “low” and “very low income” units required by the end of 2023. The City has exceeded the state’s goal for market-rate unit development.

City of Santa Cruz

- 3,736 new homes are targeted by 2031, including about 1,400 affordable homes for people with “low” or “very low” incomes. That goal is five times Santa Cruz’s current goal.
- The City must still permit 123 of 180 required permits for “very low income” affordable units by Dec. 31, 2023 to meet its current RHNA goals. Santa Cruz has exceeded state development goals for market-rate and affordable units for other income categories.

Unincorporated areas of Santa Cruz County

- 4,634 new homes are targeted by 2031, including 1,492 affordable units for people with “very low” incomes. unincorporated Santa Cruz County includes the San Lorenzo Valley, the North Coast, Live Oak, Aptos, La Selva Beach, Freedom and other areas. That goal is about three times the area’s current goal, which has not been met.
- The County of Santa Cruz must issue 335 permits for “very low” and “low income” units and 267 permits for market-rate units by the end of 2023 to meet the state’s goal.

The Santa Cruz County Civil Grand Jury’s research has found that all Santa Cruz County municipalities are aware of the new state housing laws as well as the new RHNA housing allocations, although there is some disagreement about feasibility. It found much agreement with the need to construct more housing as well as the desire to do so within the existing urban areas rather than expanding into existing green spaces. Urban areas are closer to jobs and transportation hubs and less costly to maintain roads and utilities compared to areas like the Santa Cruz Mountains.^[27]

Most county municipalities have already identified properties along transportation and urban corridors and made the necessary zoning and building code changes to build more housing. Figure 5 below is hard to read, but it shows the areas in pink that the County of Santa Cruz has designated for more housing. Note that the County is only proposing housing (pink areas) in the center of the County, the area where many jobs are located.

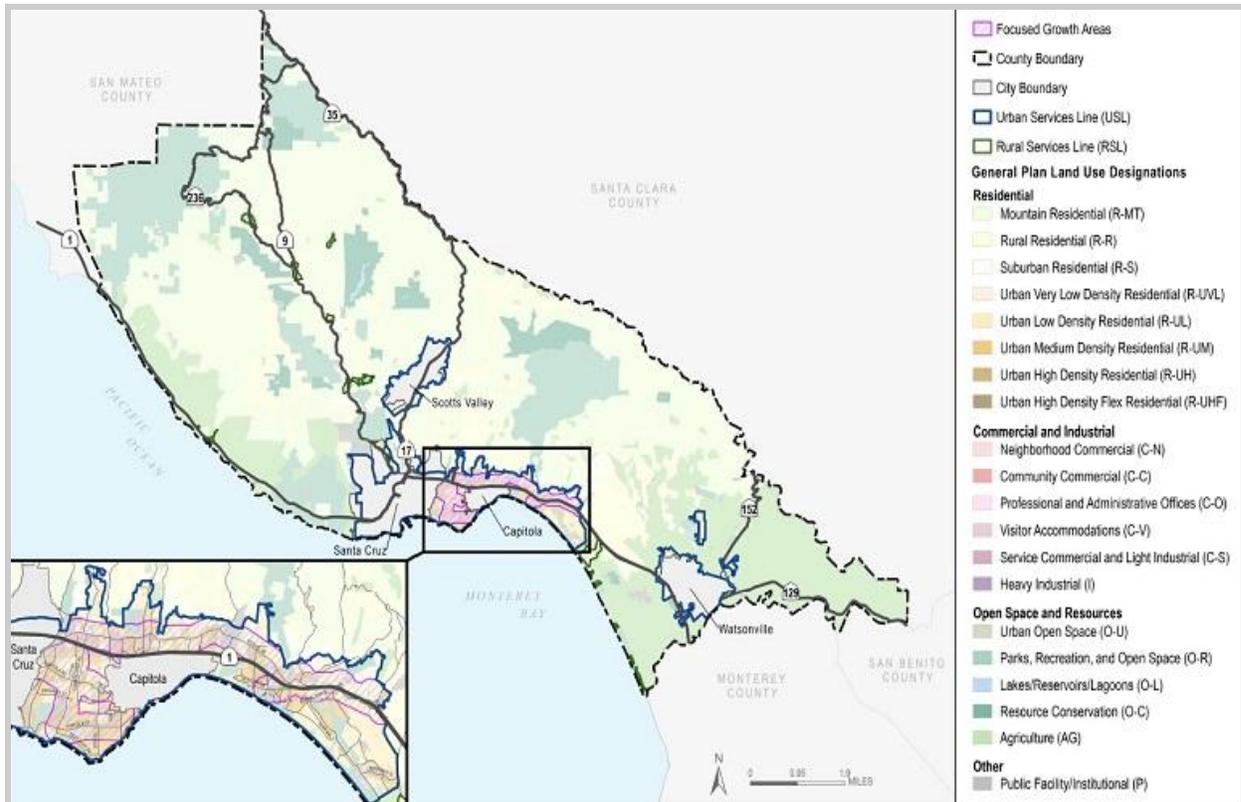


Figure 5. Santa Cruz County Focused Growth Areas 2020 – 2040.^[36]

How is Santa Cruz County Reacting to the New Laws?

Nearly 8 years have passed since our local municipalities submitted their 5th Housing Element Cycles, and as we approach the submission of the 6th Housing Element Cycle, housing costs continue to rise steeply, pricing even more middle income workers out of the housing market.

School districts are actively looking for ways to house workers. By using district owned land, districts can reduce the cost of rent for their teachers and classified workers. Los Gatos Union School district has recently completed a housing complex.^[37] Live Oak School District has proposed construction of teacher housing,^[38] and the Santa Cruz City School District has successfully passed a bond measure to construct housing on one of its properties.^[39] Figure 6 below is an artist’s rendering of what the Santa Cruz City Schools housing might look like.



Figure 6. Renderings of 80 units of workforce housing for Santa Cruz City Schools, located on a parcel of land owned by the district off of Swift Street on the Westside, near the old Natural Bridges Elementary School campus. (via Santa Cruz City Schools^[39])

Pajaro Valley Unified School District is looking at a similar bond measure in south county to finance employee housing.^[11] Peace United Church on the westside of Santa Cruz is proposing a 40 unit housing project on their land.^[40]

County municipalities are responding as well:

- Santa Cruz County has rezoned part of Portola Drive near 41st Avenue for mixed use housing that combines ground floor businesses with apartments above.
- There is more housing construction in Aptos Village.^[36]
- Watsonville has continued to build housing in recent years, pursuing joint housing projects with the county planners and non-profits. The City has a rehabilitation program for existing houses.^[32]
- Capitola has eased requirements for ADUs.^[41]
- Scotts Valley just approved a mixed use housing development.^[42]
- The City of Santa Cruz has taken a lead in housing production within the City's urban core, beginning the construction of multi-story apartment complexes.^[43]
- Santa Cruz City has passed a measure to construct a mixed use project that includes a new library, low income housing, a day care center and parking.^[44]

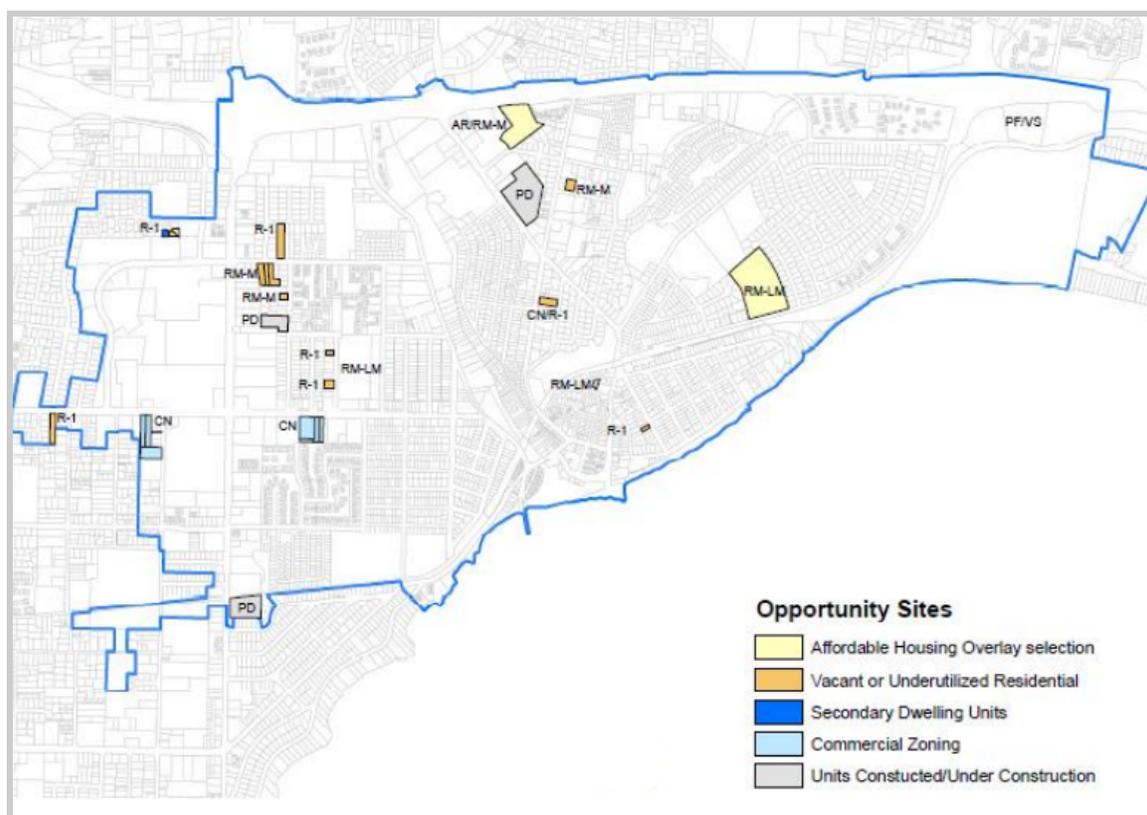


Figure 7. City of Capitola showing areas identified as buildable parcels.^[45]

Capitola claims to be mostly built out, although it has identified some areas in which to build housing, as shown in Figure 7 above. The small City has chosen instead to focus on ADUs as additional housing.^[41] Capitola has not added low income housing.^[29] Scotts Valley has also added very little low income housing. A proposed rule by the U.S. Department of Housing and Urban Development (HUD) called Affirmatively Furthering Fair Housing (AFFH)^[46] may make it mandatory under the Fair Housing Act of 1968^[47] to “proactively take meaningful actions to overcome patterns of segregation, promote fair housing choice, eliminate disparities in opportunities, and foster inclusive communities free from discrimination.”^[46] Scotts Valley and Capitola need to do their part to add more low income housing in our County.

The areas that the City of Santa Cruz has designated for multi-use zoning, including multi-story housing, are shown in Figure 8 below. The letters, colors and legend indicate the location and size of each identified parcel. There is a redesign of the bus station in the works that includes multi story housing, and a possible collaboration with the Santa Cruz Warriors to construct a permanent arena and housing in the south end of the urban area.^{[48] [49]}

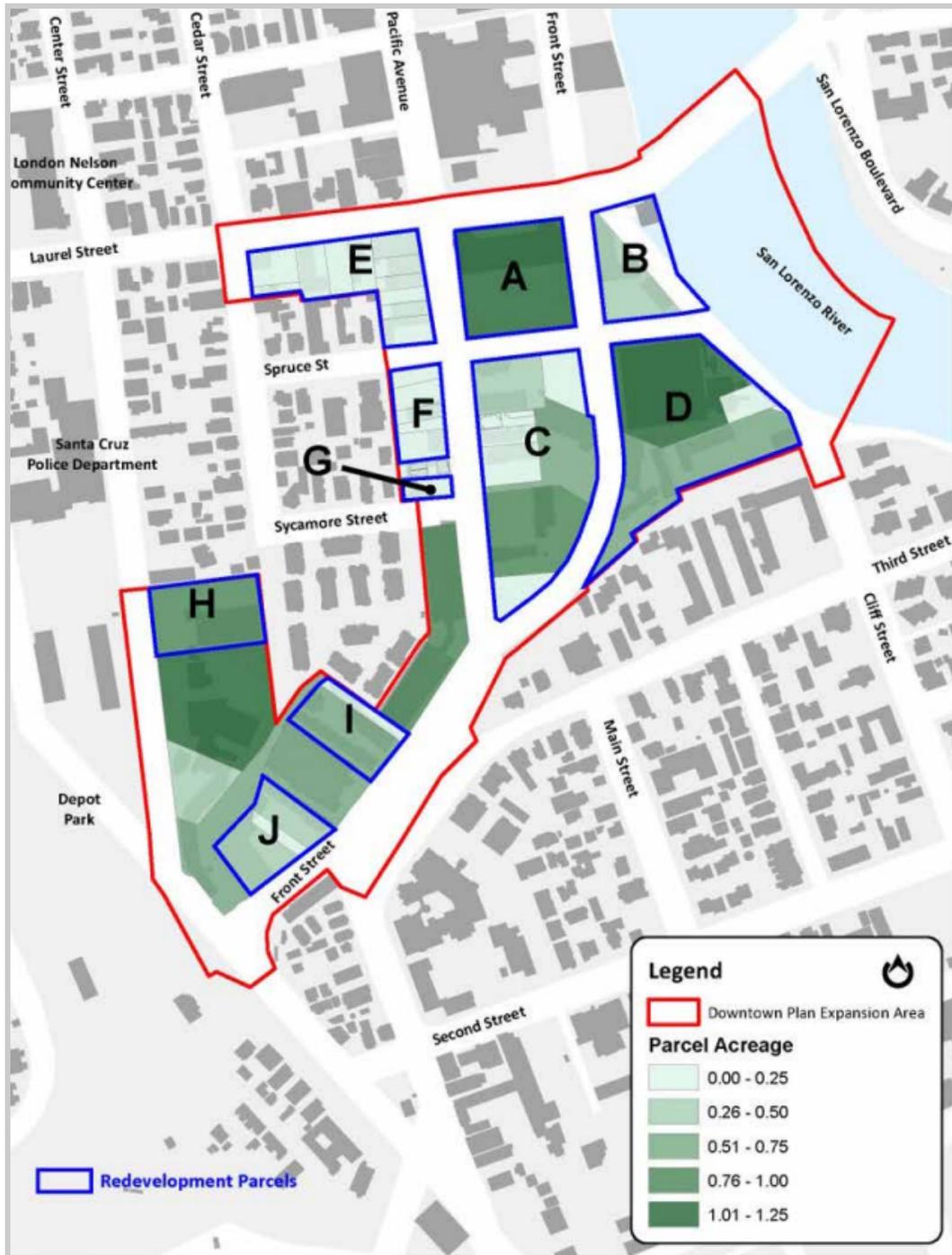


Figure 8. Areas that the City of Santa Cruz has designated for multi-use zoning, including multi-story housing.^[49]

Housing Laws: Opposition and Support

NIMBY and CEQA in Santa Cruz

Santa Cruz has had a no-growth mindset for over 40 years.^[19] That mindset, “Not in My Back Yard,” often referred to as NIMBY, still exists, and it is hard for members of the community to envision housing as anything other than neighborhoods of single family homes. Many homeowners rely on rising property values to build wealth, and resist new developments which might impact them. Changing zoning to allow duplexes and apartments within a single family home neighborhood is a rude awakening, but so is the construction of high rise apartments in downtown Santa Cruz. Removing existing buildings will displace tenants for years while new housing is built.^[50] Citizens and local organizations in Santa Cruz have tried to use elements of the California Environmental Quality Act (CEQA) to fight housing developments. The most recent example is a lawsuit filed against UCSC by a group called Habitat and Watershed Caretakers to try to stop the construction of additional student housing on campus. A judge recently ruled in favor of the university, but the lawsuits have held up the construction approval process for two years.^{[51] [52]}

California Cities Ignore RHNA Allocations at Their Own Peril

For California communities that have ignored the need to build more housing for years, the newest RHNA allocations have come as a shock. Some have ignored the mandate or continued to place roadblocks in the way of builders.

- The town of Woodside tried to have their entire town designated as a mountain lion habitat to avoid building duplexes (SB9) prompting a swift response from California Attorney General Rob Bonta.^[53]
- The City of Orinda tried to designate unbuildable slivers of land as the sites for affordable housing.^[54]
- Santa Monica, which approved the construction of only 1,600 homes in the last eight years, is the first City to be subjected to “builders remedy” based on a 1990 law called the Housing Accountabilities Act (HAA).

Santa Monica failed to adopt a Housing Element and under the HAA residential zoning was suspended, freeing builders to design any housing project they wanted without needing City approval. Within one week developers officially filed plans for 4,797 homes.^[55] The same thing could happen in Palo Alto.^[56] Several Bay Area cities did not file their 6th Housing Element Cycles and RHNA allocation plans by the January 31, 2023 deadline,^[57] and three pro-housing groups have already filed lawsuits against eleven cities for failing to take significant steps to prepare for more housing.^[58]

Support for Housing Laws and YIMBY in Santa Cruz

There is no question that the new RHNA housing allocations for the 6th Housing Element Cycle are daunting. As Figure 9 below shows, the amount of housing that Santa Cruz municipalities will need to construct in the next 6-7 years is much higher than in the previous cycle.

Region	Income Group Totals				RHNA
	Very Low	Low	Mod.	Above Mod.	Total
Santa Cruz County	7,868	5,146	6,167	14,093	33,274
Capitola	430	282	169	455	1,336
Santa Cruz	859	562	709	1,606	3,736
Scotts Valley	392	257	154	417	1,220
Watsonville	283	186	521	1,063	2,053
Unincorporated Santa Cruz	1,492	976	586	1,580	4,634

Figure 9. Number of housing units for each income group needed to be built by each Santa Cruz municipality, extracted from the tables in the AMBAG RHNA Plan.^[59]

It is especially difficult to construct Low Income and Extremely Low Income housing in this community due to the price of land and cost of construction. Builders claim that it is not financially profitable to include more than 20% affordable units in normal market-rate construction^[60], and the majority of middle class workers cannot afford market rate housing. The housing market is actually upside down...only about 20% of the population can afford market rate housing, and 80% of the population needs more affordable units.^[2] All cities and the County of Santa Cruz need to find ways to increase the number of affordable housing units in new construction.

The University of California at Santa Cruz (UCSC) is a large contributor to the need for more affordable housing.^[61] The university is already a large contributor to the scarcity and cost of housing, as it only houses about 9,300 students or 50% of the student population, and the campus is expected to grow to a total of 28,000 students in coming years.^[62] The local preference guidelines considered by many Santa Cruz County cities, would also benefit UCSC students who would be competing with the local workforce for less expensive housing. Cabrillo College and UCSC have embarked on their first ever collaboration to construct student housing on the Cabrillo campus.^[63] They are applying jointly for a California grant to cover the cost.^{[64] [65]} More collaborations between the university and local agencies would be beneficial in constructing housing that will benefit all.

The cities of Santa Cruz and Watsonville have taken steps to build higher density, more affordable housing in their downtown areas.^[66] Pro-housing groups such as Housing Santa Cruz County, and Yes In My Backyard (YIMBY) have organized in Santa Cruz County municipalities to advocate and provide more vocal support for affordable housing^[67]. Opposition to housing growth still exists, but reactions to housing proposals are more constructive.^[68] Public comments to projects show an understanding of the need for more housing, especially low income housing, in our community.^{[69] [70]} There is support for mixed use housing along urban corridors, and while residents are

somewhat daunted by multi-story buildings above 4 stories, there is acknowledgement that urban downtown areas are a better place to build than expanding into the coastal zone, hillsides or green spaces.^{[27] [71]} including the Santa Cruz mountains. Santa Cruz municipalities recognized this during the 5th Housing Element as their maps show, making zoning changes and identifying housing sites only in the urban areas.^{[29] [36] [49] [72]}



Figure 10. BDE Architecture’s revised rendering of the proposed five-story 351-unit housing complex on the 900 block of Ocean Street.^[73]

As Figure 10 shows, the proposed 351-unit apartment building for the 900 block of Ocean Street is large and multi-story. It is also a good illustration of the public perception and concerns about the size of housing needed to meet the demand in Santa Cruz. It is huge, beginning next to Marianne’s Ice Cream and continuing all the way to Togo’s. Public comments at a recent meeting included concerns about the height and size, a desire for the architecture to fit into the small town look of Santa Cruz and relief that a much nicer looking building would replace the vacant lots and dilapidated houses that make up that block.^[74] The public offered constructive criticism instead of automatic opposition. More multi-unit projects are moving through the planning process in Santa Cruz.

Conclusion

There is no doubt that the small, charming coastal City of Santa Cruz and the surrounding county municipalities are going to have to change. We can no longer ignore the fact that our highways and city streets have become gridlocked; rents and housing prices are beyond the reach of most; and many businesses are unable to find and keep the employees that they need. School enrollment is dropping as families move away to

find more affordable places to live, and businesses are moving to other locations. Perhaps the state laws and high housing goals are unattainable, but living in an area that only the wealthiest can afford is untenable without access to the businesses and services that all communities expect. It is too early to tell if it is possible to build all of the housing that the state demands, but it is undeniable that more housing, especially more affordable housing, needs to be built for the essential workers in Santa Cruz County. If that affordable housing is built near jobs and along transportation corridors, it will also alleviate traffic gridlock.

Findings

- F1.** While all city and county planning departments have demonstrated a good understanding of the new State housing laws and the need to facilitate more housing, the failure to do so in a timely manner has served to further decrease the availability of housing and further increase the need and cost of more housing.
- F2.** With the planned growth of UCSC to 28,000 students, the potential demand for off campus housing for students, faculty and staff has the potential to make the affordable housing problem even worse.
- F3.** The County of Santa Cruz has identified several sites for higher density housing, identified sites along transportation corridors for housing and changed zoning laws to allow more mixed use developments, however in the past several years, few low income homes have been built or approved.
- F4.** Capitola has made little progress towards achieving housing goals, particularly for low income housing. Although the City identified sites for mixed use developments, they have made little progress towards developing those sites.
- F5.** Capitola has focused primarily on streamlining the construction of ADUs as a means to increase housing. However, there is little evidence that ADUs are prioritized for rental to local workers, and there is little chance that ADUs alone can meet the housing needs for the 6th Cycle Housing Element.
- F6.** Capitola and the County of Santa Cruz need to work together to facilitate significant housing in the mid-county area where a large percentage of jobs are located.
- F7.** The City of Capitola has made little progress towards facilitating the development of the Capitola Mall as a mixed use project which could accommodate both business and housing.
- F8.** The City of Capitola claims to have significantly fewer resources to attract housing planners and builders than do the bigger municipalities of Santa Cruz, Watsonville and the County of Santa Cruz, but that does not mean the City should be exempt from the need to construct housing for local low income workers.
- F9.** The City of Scotts Valley has facilitated the building of market rate housing in recent years, but has made little effort to develop housing for low income workers.

- F10.** The City of Scotts Valley has made little progress towards developing the Town Square project which could accommodate both business and housing.
- F11.** The City of Scotts Valley claims to have significantly fewer resources to attract housing planners and builders than do the bigger municipalities of Santa Cruz, Watsonville and the County of Santa Cruz, but that does not mean the City should be exempt from the need to construct housing for local low income workers.
- F12.** While all local municipalities have voiced support for prioritizing housing for local workers, only some of them have clear local preference guidelines that give some priority to local workers. Without clear guidelines and incentives, new housing is more likely to be purchased by those who do not live and work here.
- F13.** All municipalities are trying to identify and facilitate the building of housing projects, but most of that is done independently of the other municipalities or with outside partners. Since workforce housing and transportation gridlock is a county-wide problem, all county municipalities need to work more closely together and with property owners to develop housing solutions.

Recommendations

City of Capitola:

- R1.** By the end of 2023 the City of Capitola should identify enough parcels of land, zoned appropriately, to meet the new RHNA housing allocations for **all** income levels, especially low income housing. (F4 – F6, F8)
- R2.** By the end of 2023 the City of Capitola should show significant progress towards planning and facilitating the construction of mixed use businesses and housing on identified parcels of land in the City. (F4, F6 – F8)
- R3.** By the end of 2023, the City of Capitola should demonstrate a plan to work with the County of Santa Cruz as well as other for profit and non-profit agencies to develop housing close to transportation corridors along Hwy 1 and 41st Avenue. (F6, F7, F13)
- R4.** By the end of 2023 the City of Capitola should develop clear, measureable guidelines to ensure that local preference is given to local workers in the construction of ADUs as well as low income housing. (F12)
- R5.** By the end of 2023 the City of Capitola should demonstrate that they have reestablished regular meetings of a workgroup or entity that would allow planners from all 5 county jurisdictions to share ideas on housing development and develop joint projects. (F13)

City of Scotts Valley:

- R6.** By the end of 2023 the City of Scotts Valley should identify enough parcels of land, zoned appropriately, to meet the new RHNA housing allocations for **all** income levels, especially low income housing. (F9)

- R7. By the end of 2023, the City of Scotts Valley should show significant progress towards planning and facilitating the construction of mixed use businesses and housing on identified parcels of land in the City. (F10)
- R8. By the end of 2023, the City of Scotts Valley should demonstrate a plan to work with other county municipalities as well as other for profit and non-profit agencies to develop low income housing for workers in the City. (F9 – F11)
- R9. By the end of 2023 the City of Scotts Valley should develop clear, measureable guidelines to ensure that local preference is given to local workers in the construction of low income housing. (F12)
- R10. By the end of 2023 the City of Scotts Valley should demonstrate that they have reestablished regular meetings of a workgroup or other entity that would allow planners from all 5 county jurisdictions to share ideas on housing development and develop joint projects. (F13)

County of Santa Cruz:

- R11. By the end of 2023 the County of Santa Cruz should demonstrate progress towards identifying sites and planning for increased housing along the transportation corridors in mid-county. (F6)
- R12. By the end of 2023 the County of Santa Cruz should develop clear, measureable guidelines to ensure that local preference is given to local workers in the construction of low income housing. (F12)
- R13. By the end of 2023, the County of Santa Cruz should demonstrate a plan to work with other county municipalities as well as other for profit and non-profit agencies to develop low income housing for workers in the county, (particularly on properties such as the old drive-in theater acreage which is adjacent to transportation corridors. (F3, F6)
- R14. By the end of 2023, the County of Santa Cruz should demonstrate progress in working collaboratively with UCSC to develop housing sites that are affordable for UCSC students and essential workers. (F2)
- R15. By the end of 2023 the County of Santa Cruz should demonstrate that they have reestablished regular meetings of a workgroup or other entity that would allow planners from all 5 county jurisdictions to share ideas on housing development and develop joint projects. (F13)

City of Santa Cruz

- R16. By the end of 2023 the City of Santa Cruz should demonstrate that they have reestablished regular meetings of a workgroup or other entity that would allow planners from all 5 county jurisdictions to share ideas on housing development and develop joint projects. (F13)
- R17. By the end of 2023, the City of Santa Cruz should develop clear, measureable guidelines to ensure that preference is given to local workers in the construction of low income housing. (F12)

- R18.** By the end of 2023, the City of Santa Cruz should demonstrate progress in working collaboratively with UCSC to develop housing sites that are affordable for UCSC students and essential workers. (F2)

City of Watsonville:

- R19.** By the end of 2023 the City of Watsonville should demonstrate that they have reestablished regular meetings of a workgroup or other entity that would allow planners from all 5 county jurisdictions to share ideas on housing development and develop joint projects. (F13)
- R20.** By the end of 2023, the City of Watsonville should develop clear, measureable guidelines to ensure that local preference is given to local workers in the construction of low income housing. (F12)

Commendations

- C1.** By acquiring and using City owned property, and seeking State grants and other outside funding, Santa Cruz is developing projects that are more affordable for tenants. With projects already underway and in the pipeline, Santa Cruz is on track to meet its 5th Cycle Housing goals, though the 6th cycle will present a larger challenge.
- C2.** The City of Watsonville has continued to build housing during the years when other municipalities were not. They have collaborated well with non-profits and Santa Cruz County to build housing at all affordability levels.
- C3.** All county municipalities have made a concerted effort to identify housing sites in the urban corridors in order to preserve the local coastal zones, mountains and green spaces in the rest of the County.
- C4.** County school districts, Peace United Church, Cabrillo College and UCSC are working collaboratively to design and build affordable housing for teachers, staff and students.

Required Responses

<i>Respondent</i>	<i>Findings</i>	<i>Recommendations</i>	<i>Respond Within/ Respond By</i>
Santa Cruz County Board of Supervisors	F1, F3, F6, F12, F13	R11 – R15	90 Days August 31, 2023
Capitola City Council	F1, F4 – F8, F12, F13	R1 – R5	90 Days August 31, 2023
Santa Cruz City Council	F1, F2, F12, F13	R16 – R18	90 Days August 31, 2023
Scotts Valley City Council	F1, F9 – F13	R6 – R10	90 Days August 31, 2023
Watsonville City Council	F1, F12, F13	R19, R20	90 Days August 31, 2023

Invited Responses

<i>Respondent</i>	<i>Findings</i>	<i>Recommendations</i>	<i>Respond Within/ Respond By</i>
Assistant Director, Santa Cruz County Community Development	F1, F3, F6, F12, F13	R11 – R15	90 Days August 31, 2023
Director, Capitola Community Development	F1, F4 – F8, F12, F13	R1 – R5	90 Days August 31, 2023
Director, Santa Cruz Community Development	F1, F2, F12, F13	R16 – R18	90 Days August 31, 2023
Director, Santa Cruz Economic Development	F13	R17	90 Days August 31, 2023
Director, Scotts Valley Community Development	F1, F9 – F13	R6 – R10	90 Days August 31, 2023
Director, Watsonville Community Development	F1, F12, F13	R19, R20	90 Days August 31, 2023

Definitions

Accessory Dwelling Unit: Accessory dwelling units (ADUs) are also known as “in-laws” or “granny-flats.” The legislature greatly expanded homeowners' ability to add ADUs in a series of laws from 2016-2019, and now 1 in 5 new homes built in California are ADUs.

Affordable Housing: When used by city staff and consultants, the term “affordable

housing" refers to housing that is available at rents and prices below the market rate, usually defined relative to the income level of residents. This form of housing typically receives some form of government subsidy to keep rents low and residents must qualify to rent or buy the units based on their household income.

Affirmatively Furthering Fair Housing (AFFH): State and local governments must not only outlaw housing discrimination, they must also proactively work to eliminate discriminatory practices and reduce segregation. All Housing Element revisions adopted after 1/1/21 must include an AFFH analysis: addressing significant disparities in housing needs and in access to opportunity, including more investments in higher income areas.

Affordability density bonus: A density bonus provides an increase in allowed dwelling units per acre (DU/A), Floor Area Ratio (FAR) or height which generally means that more housing units can be built on any given site. Typically programs allow increases of **between 10 percent and 20 percent over baseline permitted density** in exchange for the provision of affordable housing.

AMBAG: As the Council of Governments for Santa Cruz County and Monterey County, AMBAG holds responsibility for regional housing needs allocation (RHNA) for our region.

Area Median Income(AMI): A value determined on an annual basis by the US Department of Housing and Urban Development that represents the household income for the median household in a specified region.

Builders Remedy: The builder's remedy requires cities without a compliant housing plan to approve any housing project that meets affordability requirements of reserving 20% of homes for low-income households or 100% for moderate-income households. Specifically, if a California city does not have a "substantially compliant" housing element, the California Housing Accountability Act indicates that the jurisdiction cannot use its zoning or general plan standards to disapprove any housing project that meets the affordability requirements.

CEQA: California Environmental Quality Act (CEQA), intended to preserve the environment, has been blamed for worsening the state's housing crisis. The lengthy and costly environmental review process required under CEQA, even for housing that complies with local General Plans and zoning codes and the hundreds of applicable environmental, health, safety, and labor laws and regulations, can derail projects. Even after new housing is finally approved, any party can file a CEQA lawsuit seeking to block the housing for "environmental" reasons, resulting in costly, multi-year delays. Recent State legislation seeks to exempt certain affordable housing projects from CEQA review.

Density Bonus: For more than forty years, California's Density Bonus Law has been a mechanism to encourage developers to incorporate affordable units within a residential project in exchange for density bonuses and relief from other base development standards (e.g. setback rules, parking spaces). Under the Density Bonus Law, developers are entitled to a density bonus corresponding to specified percentages of units set aside for very low income, low-income, or

moderate-income households.

General Plan: A General Plan is a broad, long-range policy document that guides future development, transportation, and conservation. It is a comprehensive collection of goals and policies related to a multitude of aspects of community life. In California, cities and counties are required by State law to have a General Plan. It is the local government's long-term blueprint for future development. Pursuant to State law, the General Plan must accommodate the required amount of projected population growth the State of California estimates for each city.

Essential Workers: Those workers who are necessary to ensure continuity of functions critical to public health, safety and well being as well as economic security.

Fair Housing Act: Part of the Civil Rights Act of 1968, it guarantees the right to housing and prohibits discrimination in housing.

HCD: California Department of Housing and Community Development (HCD) that develops housing policy and building codes and administers community development programs.

Housing Element: A Housing Element is a local plan, adopted by a city, town or county that includes the goals, policies and programs that direct decision-making around housing. Local jurisdictions look at housing trends, zoning and market constraints, and evaluate various approaches to meeting housing needs across income levels. Every eight years, every city and county must update their Housing Element and have it certified by the California Department of Housing and Community Development. All jurisdictions in Santa Cruz County must update their Housing Element for the 2023-2031 planning period.

HUD: U.S. Department of Housing and Urban Development

Income Limits: are one of the determining factors in determining eligibility for housing assistance. Definitions are set for Very Low, Low, and Moderate income and are determined by the gross household income and household size.

Inclusionary Zoning (IZ): also known as inclusionary housing, is a policy that requires a share of new housing development to be affordable to low- or moderate-income households. By including affordable housing in a market-rate housing development, inclusionary housing policies promote mixed-income development projects.

Local Preference: The right or opportunity to select a person from an identified target group that is considered more desirable than another in a constituency, city, urban area or county.

Market-rate housing: Residential units that are rented and sold at market rates, not subjected to sales or rental restrictions, and not typically benefiting from any public subsidy intended to change rental rates or sale prices.

Ministerial approval: A streamlined permit process for development approval involving little or no personal judgment by the public official. As opposed to "Discretionary review process" that allows for public hearings which brings a lot of

uncertainty and months or years long approval process, Ministerial approval is as short as 90 days.

Municipalities: Municipalities is used in this document to refer to the 4 cities, Capitola, Santa Cruz, Scotts Valley and Watsonville and the County of Santa Cruz together. Santa Cruz County is unique in that a large proportion of the population (above 40%) lives in unincorporated areas under Santa Cruz County jurisdiction.

NIMBY: Not in My Backyard, a term for people who have a no-growth mindset regarding high density housing in their neighborhoods.

Objective Standards: State law defines objective standards as those that “involve no personal or subjective judgment by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant and public official prior to submittal.” The State of California has adopted legislation requiring cities to approve certain housing proposals through ministerial processes based on objective standards. The result of these laws is to encourage localities to create quicker, more accessible pathways for housing to be built.

Regional Housing Needs Analysis (RHNA): Housing-element law requires a quantification of each jurisdiction’s share of the regional housing need as established in the RHNA-Plan prepared by the jurisdiction’s council of governments. The RHNA is a minimum projection of additional housing units needed to accommodate projected household growth of all income levels by the end of the housing-element’s statutory planning period. Each locality’s RHNA allotment must be segmented into four income categories.

Workforce housing: also known as middle-income or moderate-income housing, is housing for residents typically earning less than 120 percent of the area’s median income. This category often includes first responders, teachers, and government employees, as well as healthcare, construction, and retail workers.

YIMBY: Yes in My Backyard, a term for housing advocates who seek to increase the supply of housing, particularly infill and multifamily affordable housing developments.

Zoning: Zoning is the system of rules that local jurisdictions use to determine how land is used within their boundaries. Land use policy establishes the basic type and intensity of uses permitted under a city’s General Plan for each land use category, such as maximum density for residential development and maximum intensity for commercial or industrial uses. Effective land use policy uses zoning to adapt to changing environmental, social and economic conditions.

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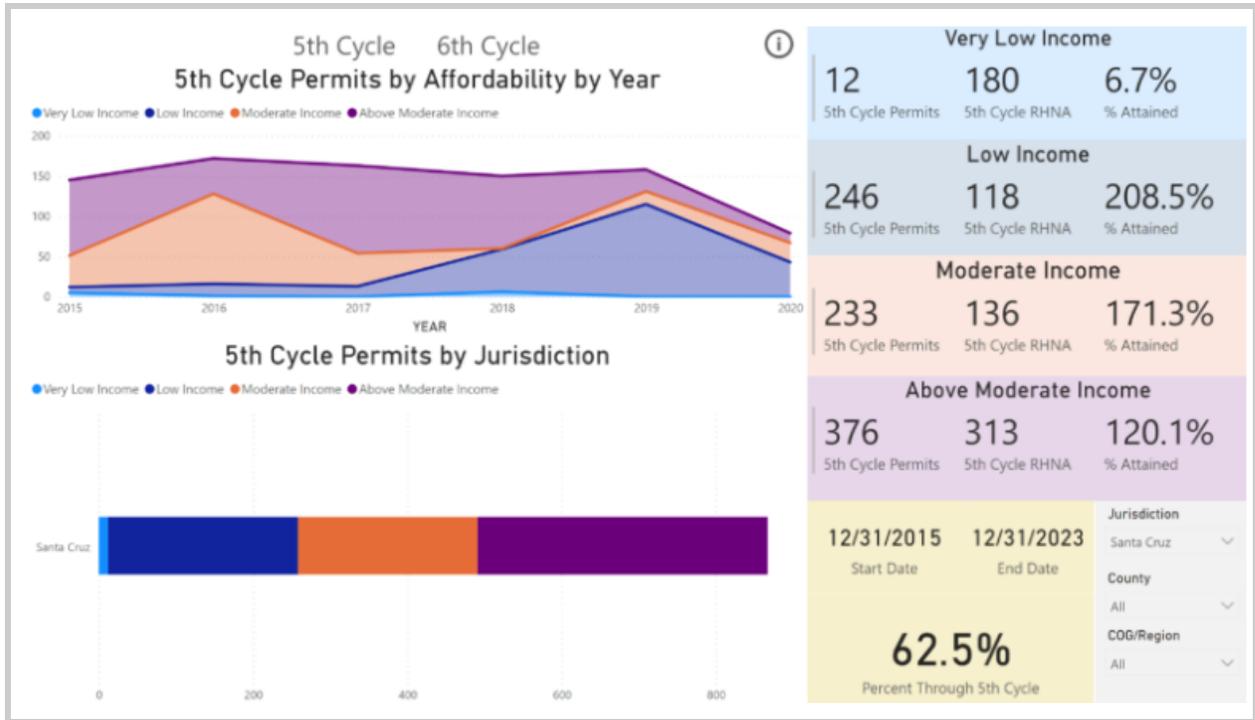
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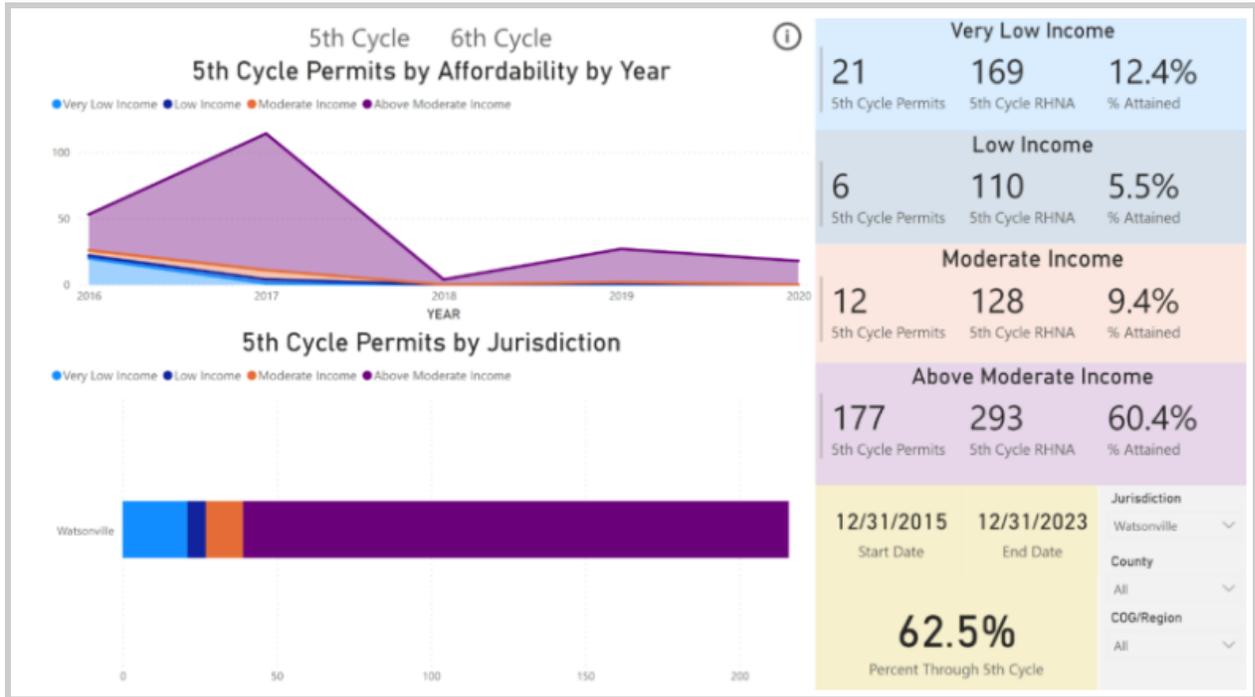
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Appendix A – Progress on 5th Housing Cycle^[29]

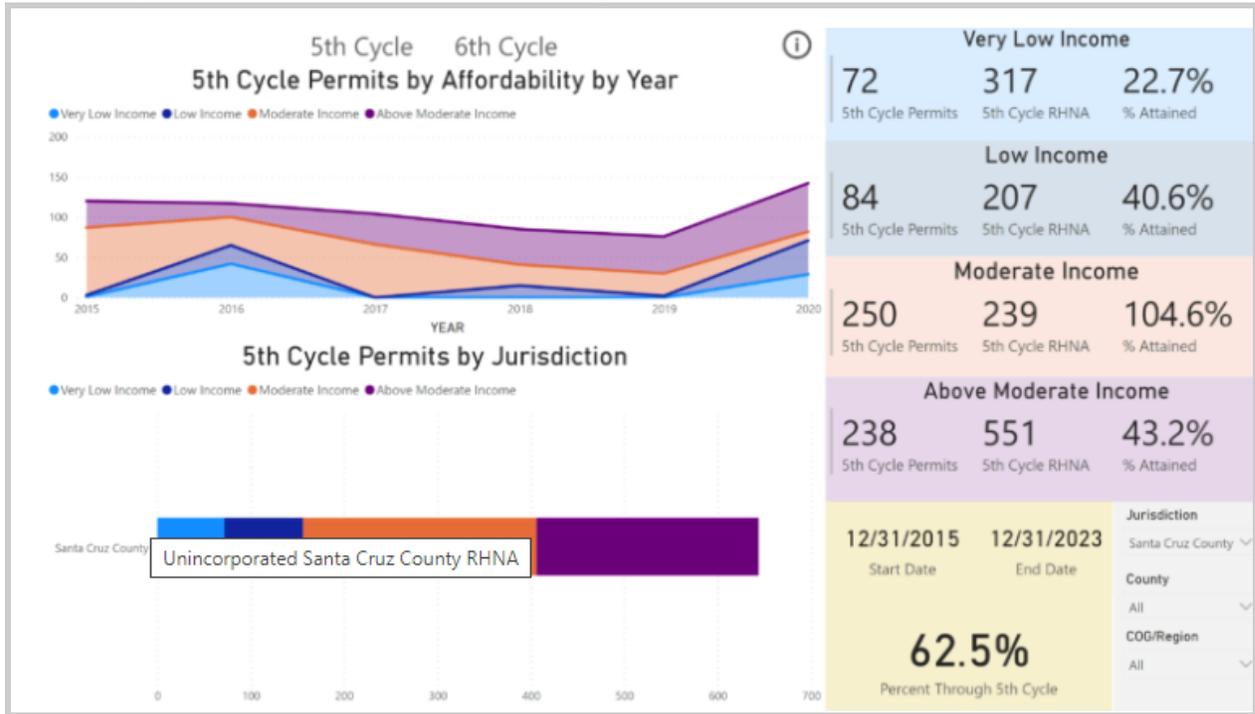
City of Santa Cruz



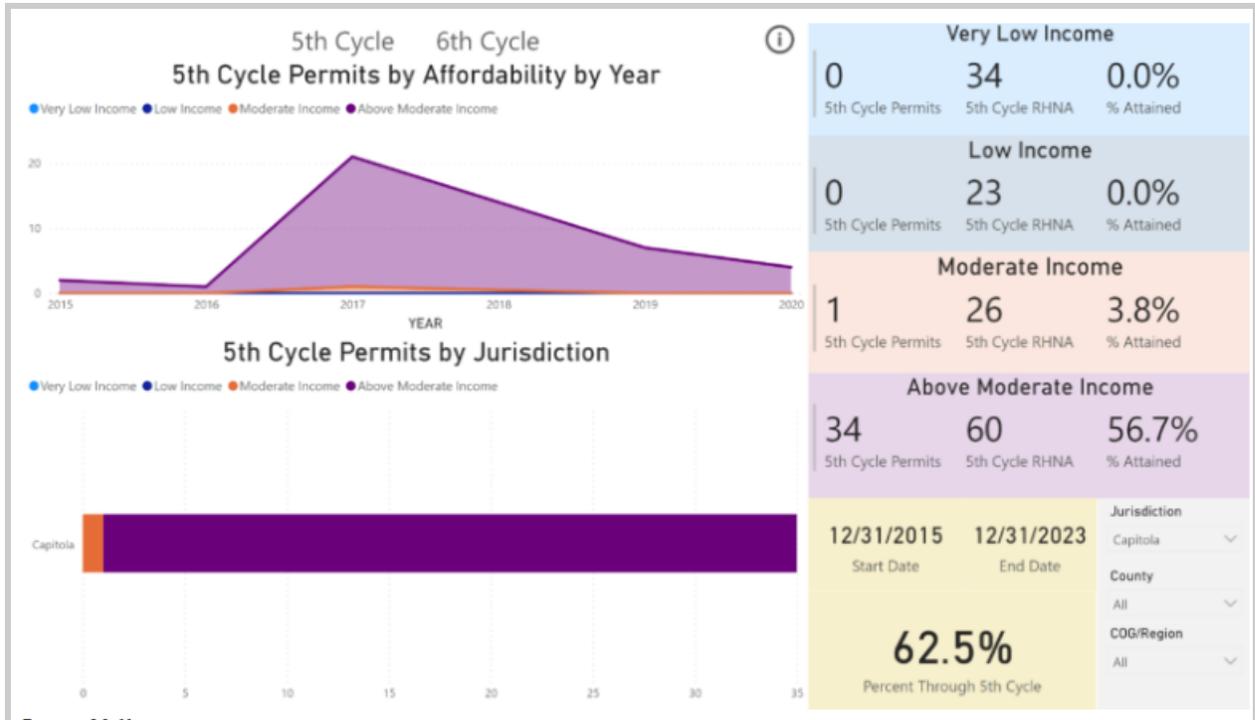
City of Watsonville



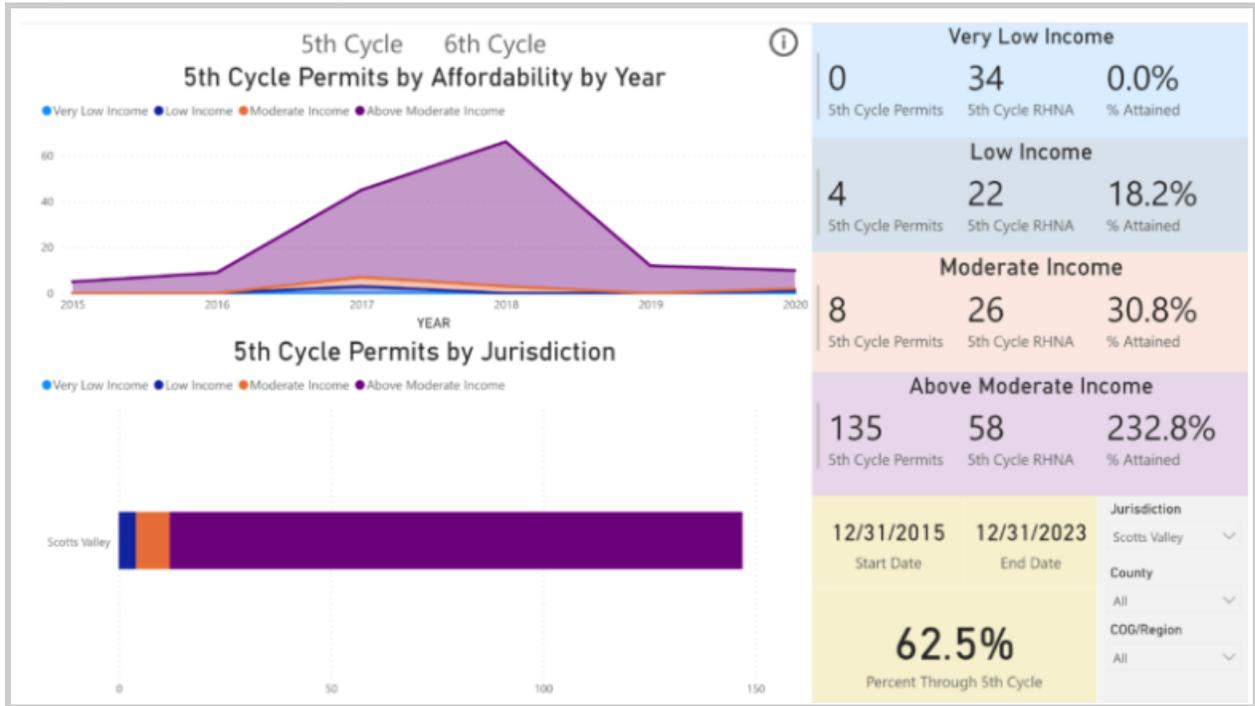
Unincorporated Santa Cruz County



City of Capitola



City of Scotts Valley



Appendix B – Summary of State Housing Laws

The descriptions given below paraphrase the legal definitions found on the California Legislative Information website.^[75] Search for Prop 13 under the “California Law” tab and the rest under the “Bill Information” tab.

Law	Description
PROP 13 (1978)	Under Proposition 13, property tax assessments can increase by no more than 2% each year, and property tax rates are limited to 1% of the assessed value (plus additional voter-approved taxes). After Proposition 13, all California properties—even vacant ones—are taxed based on the original purchase price, not their current value.
SB 35 (2017)	In 2017, Governor Brown signed into law Senate Bill (SB) 35 as part of a package of bills created to address California's housing shortage. This law provides a streamlined review process for eligible multifamily projects in cities and counties that have not built their share of housing to accommodate the region's population growth.
AB 1771 (2018)	AB 1771 revises statutory objectives of RHNA plan to include an AFFH requirement, to address disparities in housing needs and access to opportunity. Also requires improved regional jobs-housing relationship, and allocates lower proportion of housing need to jurisdictions already disproportionately high in any income category.
SB 330 (2019)	SB 330 allows accessory dwelling units and further accelerates the permitting process. Only five public hearings may be called for a housing project. Cities cannot raise fees or change permit requirements if the applicant has submitted all necessary documents. Building standards cannot be changed after submittal, nor can projects be downzoned.
SB 8 (2021)	SB 8 is a follow-up SB 330, which extended the streamlined review process. SB 330 was set to expire in 2025. SB 8 now extends that sunset to 2030. SB 8 also clarifies language in SB 330 to further streamline the creation of housing and protect low-income tenants against displacement.
SB 10 (2021)	SB 10 allows cities to rezone a parcel for smaller developments of up to 10 units and streamline government permitting in urban infill or areas near transit. By enabling cities to increase the density of these lots up to 10 units without triggering an environmental review, this bill makes it easier to build housing.
AB 215 (2021)	AB 215 requires the state to check in with cities and come up with a game plan if they are not on track to meet their RHNA numbers.

Law	Description
AB 2345 (2021)	Amends the Density Bonus Law to expand and enhance development incentives for projects with affordable and senior housing components. Under the Density Bonus Law, developers are entitled to a density bonus corresponding to specified percentages of units set aside for very low income, low-income, or moderate-income households. AB 2345 amends the Density Bonus Law to increase the maximum density bonus from thirty-five percent (35%) to fifty percent (50%).
SB 6 (2022)	SB 6 allows housing to be built in underutilized commercial sites currently zoned for retail, office, and parking uses. SB 6 gives local governments the option for an expedited development process to avoid the property remaining vacant.
SB 9 (9/2022)	SB 9 allows lot splits and/or the development of duplexes on single-family-zoned parcels to be approved ministerially (i.e., without discretionary approval or hearings) if certain requirements are met. Consequently, such projects bypass the California Environmental Quality Act (CEQA) process. Theoretically, this allows for up to four residences where there was historically only one (if an applicant receives ministerial approval for both a lot split and the development of duplexes on each parcel).
AB 2011 (2022)	This legislation allows for ministerial, by-right approval for affordable housing to be built in infill areas currently zoned for office, retail, and parking uses. Also allows such approvals for mixed-income housing along commercial corridors, as long as the projects meet specified affordability, labor, and environmental criteria.



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Honoring Commitments to the Public

County Agency Actions in Response to 2019–2020 Grand Jury Recommendations

Summary

The 2022–2023 Santa Cruz County Civil Grand Jury reviewed local government responses to five of the nine 2019–2020 Grand Jury reports to determine whether local government officials honored their commitments in compliance with California Penal Code 933.05. The reports reviewed were: *DeLaveaga Golf Course*; *Fail in the Jail*; *Homelessness: Big Problem, Little Progress*; *The Tangled Web*; and *Voter Data*. The Grand Jury evaluated whether the agencies followed through with the commitments made in these reports.

The Grand Jury also reviewed *Ready? Aim? Fire!*; however, follow-up responses to this 2019-2020 investigation were not pursued, since over the past three years there has been a major wildfire and three more fire-related Grand Jury investigations.

The value of the Grand Jury's reports is realized when government agencies apply the recommendations to improve transparency and efficiency for county residents.

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Background

Each year the Santa Cruz County Civil Grand Jury (Grand Jury) investigates local government operations and issues reports with the goals of improving government efficiency and effectiveness, and promoting accountability and transparency. The Grand Jury reports make recommendations for improvements. When called for in the report, elected local government officials are required to respond to the Grand Jury's findings and recommendations.

Each investigated organization receives a copy of the Grand Jury's report and a response packet that includes the instructions shown in Appendix A. They send their responses to the presiding judge of the Superior Court with a copy to the Grand Jury. Elected officials must respond within 60 days and governing bodies are required to respond within 90 days.

Only governing bodies and "elected county officers or agency heads" are required to respond to Grand Jury reports.^[1] There is no requirement that any individual other than an elected official respond. However, the Grand Jury may invite a response from other "responsible officers" such as the chief administrative officer of a government function.

Readers interested in a more comprehensive look at the Grand Jury reports and responses are encouraged to read the original reports and responses. All may be found on the County's Grand Jury web page in the Reports section.^[2]

Scope and Methodology

For this Honoring Commitments report, the 2022-2023 Grand Jury reviewed responses to the following five 2019-2020 reports:

- **DeLaveaga Golf Course**—How City Policies and Practices Have Affected the Bottom Line
- **Fail in the Jail**—No Lights, No Camera, No Action?
- **Homelessness: Big Problem, Little Progress**—It's Time To Think Outside The Box
- **The Tangled Web**—Oh, What a Mangled Web We Weave...
- **Voter Data—Registering Concerns**—Keeping a Closer Eye on the Distribution of County Voter Registration Data

The 2022-2023 Grand Jury has followed up with the responding agencies for some of the above reports. This report summarizes the government responses to each report's recommendations that fell under the categories "Has Not Been Implemented but Will Be Implemented in the Future" and "Requires Further Analysis." The Grand Jury wanted to know whether the agencies actually did implement recommendations that they said they would in the future, or that they did the further analysis and what its outcome was. Without follow-up, these are the most susceptible to falling by the wayside and dropping out of public view.

Each report section that follows covers the key findings and recommendations that we evaluated. Each section then describes the local agency commitments and actions taken to address those findings and recommendations.

Investigations

The Key Findings and Key Recommendations sections within the below investigations provide context for the Response section. The Response section describes agency responses to the investigation report, including recent agency actions. Findings and recommendations where the agencies said they had already implemented, or declined to take action, or which do not seem to the Grand Jury to be critical to improving government functions at this time, are not included.

1. DeLaveaga Golf Course^[3]

Summary: The 2019-2020 Santa Cruz Civil Grand Jury investigated the history, governance, use, costs and revenue related to the City of Santa Cruz's DeLaveaga Golf Course. The Grand Jury's intention was to provide insight and clarity on fiscal responsibility along with recommendations for improvements to City of Santa Cruz management of the DeLaveaga Golf Course.

Key 2020 Findings:

- F4. The City of Santa Cruz's failure to conduct thorough, regular on-site inspections of the DeLaveaga Golf Course's restaurant/lodge resulted in excessive renovation costs to the City of Santa Cruz. This contributed to more than doubling the original estimates to bring the building up to code.*
- F5. The new draft Operations Plan lacks the necessary robustness to communicate how major golf course operations will be managed at DeLaveaga Golf Course, including but not limited to facility inspections, water use policies, variable pricing policies, charitable policies, operations review, and basic roles, responsibilities, and authority.*

Key 2020 Recommendations:

- R5. The City of Santa Cruz City Manager should perform a lessons learned activity and then update the City's relevant policies and operating procedures to avoid a future repeat of the DeLaveaga Golf Course's restaurant/lodge shutdown and renovation no later than second quarter 2021. (F4)*
- R6. The City of Santa Cruz Parks and Recreation Department and the City of Santa Cruz City Manager should add a formal process to the Operation Plan by addressing needed capital improvements, maintenance schedules, facility inspections, water use, variable pricing, charitable policies, operations review, and basic stakeholder roles and responsibilities. Stakeholders include the Santa Cruz City Council, the City's Parks and Recreation Department, the City's Parks & Recreation Commission, the Operator, the DeLaveaga Golf*

Course Superintendent, the City's Building Department and the City's Public Works Department. (F5)

Requested 2020 Responses:^[4]

The City of Santa Cruz partially disagreed with Finding 4 as related to Recommendation 5, that there was a failure to conduct thorough, regular on-site inspections of the DeLaveaga Golf Course's restaurant/lodge, resulting in excessive renovation costs to the City of Santa Cruz. This contributed to more than doubling the original estimates to bring the building up to code. They stated that many of the issues discovered during the golf lodge renovation were interior to the building (e.g. electrical, plumbing, rotting wood, etc.). These issues were not evident in general facility inspections. The fundamental cause of the facility issues and exorbitant costs to renovate was a lack of ongoing capital improvement investment into the building over time. Due to limitations of City budgets, and to some degree, the local political will to invest in the golf course, funding was not sufficiently appropriated to maintain the golf lodge over time. Therefore, the result was a costly repair due to years of virtually no maintenance.

The City of Santa Cruz stated that this is an important lesson as other facilities at the golf course including the maintenance facility, golf cart barn, and driving range, among others, are in desperate need of investment. Otherwise they may face similarly expensive capital needs in the future. This is also true of many City-owned buildings such as the Civic Auditorium, Public Works Corp Yard and the Parks Yard, Market Street Senior Center, Harvey West Park facilities, and many more. Investment in an aging portfolio of City-owned assets is critical for the future.

Regarding Finding 5, as related to Recommendation 6, the City of Santa Cruz felt that they needed further analysis on whether or not the City Manager should perform a lessons learned activity and then update the City's relevant policies and operating procedures to avoid a future repeat of the DeLaveaga Golf Course's restaurant/lodge shutdown and renovation no later than second quarter 2021. The City of Santa Cruz stated that as of July 2020, there are no specific plans to do this, although it would be a helpful exercise and the Parks and Recreation Department would support it. The Parks and Recreation Department responded, indicating it would discuss with the City Manager's Office a plan to chart a course of action related to this recommendation before the end of calendar year 2020.

2022-2023 Update: Were Commitments Kept?

In response to this jury's request for an update, the Parks and Recreation Department indicated budgeting, and the Santa Cruz City Council approved funding to assess facilities and develop a long-term Capital Investment Plan as outlined in Budget, Fiscal Years 2023-2027.^[5] Additionally, the City Council appropriated funding for critical infrastructure and facility upgrades in FY 2023.^[6] The Parks and Recreation Department will initiate these projects in 2023. The completion of the study is estimated to be in June 2023, and the improvements to the driving range and golf course assets are estimated to be in October 2023.^[7]

2. Fail in the Jail^[8]

Summary: On September 28, 2019 an unplanned power failure at the Santa Cruz County Main Jail resulted in the loss of critical capability to provide safe and secure operation of the jail. While the risks were known well in advance of the failure event, steps to manage and mitigate the risks were not taken. Established, comprehensive policies for management in a power failure emergency were in place, but those policies were not followed. Evidence of process improvement and risk management practice after the event was lacking.

Key 2020 Findings:

- F3. While an emergency generator has been procured, adequate testing of methods of connection and operation has not been done yet.*
- F5. The County was non-compliant with policy regarding emergency power backup at the jail and remained non-compliant for months, including fueling, maintenance, testing, and emergency backup power generation.*

Key 2020 Recommendations:

See below under “2022-2023 Update: Were Commitments Kept?”

Requested 2020 Responses:^[9]

The Santa Cruz County Sheriff/Coroner agreed with Finding 5. They had previously requested that this work be done by the Santa Cruz County’s General Services Department. The Santa Cruz County Board of Supervisors also agreed with Finding 5.

2022-2023 Update: Were Commitments Kept?

There was no specific recommendation to upgrade the existing generator system to power all of the areas critical to ensure safe and secure operation of the jail during an unexpected power outage, but it was confirmed during our 2022 jail tour that a new generator was purchased in 2020 with an estimate of 1 to 1 ½ years to have it installed and operational. However, due to component shortages resulting from COVID/supply chain issues, the new generator system will not be operational until May or June of 2023.^[10] They stated that the old generator should have enough power to operate a good portion of the facility.^[11] While it will not fully power the facility, certain functions have been prioritized to receive generator power to minimize any risk to both inmates and staff. For security reasons, they did not want to identify any specific vulnerabilities. The new generator will have much more capacity. They are in constant communication with the County and subcontractors to prioritize this project. Therefore, they are working toward keeping their commitment on improving their functionality during an unexpected power outage to provide safe and secure operation of the jail.

3. Homelessness: Big Problem, Little Progress^[12]

Summary: The 2019-2020 Santa Cruz Civil Grand Jury investigated the County’s response to homelessness. The report highlighted the considerable money, time and effort devoted to reducing the County’s ever-growing number of homeless persons, and the lack of real progress towards solutions. Most of the recommendations in this report received the Response “Will Not Be Implemented”. This year’s Civil Grand Jury decided to examine two recommendations that received mostly “Requires Further Analysis” responses. It should be noted that since the 2019-2020 report was written, much has happened on the homelessness issue, including a \$14.5 million grant in 2021 to the City of Santa Cruz to improve and expand services to people experiencing homelessness. This changes the landscape and overtakes some of the report’s recommendations. In several cases, the responses were not compliant. It is also clear the various agencies coordinated their responses, with several identical explanations provided.

Key 2020 Findings:

- F12. There are parcels of land throughout the county that appear to be unused or underutilized, and could possibly be used to build housing for the homeless.*
- F21. If underutilized parcels of land throughout Santa Cruz County were identified, such as the area near Coral Street in Santa Cruz and the parcel adjacent to the County Mental Health Building in Watsonville, these parcels could potentially be used to increase the number of beds and services to support the homeless.*

Key 2020 Recommendations:

- R6. The Santa Cruz County Administrative Officer (CAO) and the County’s City Managers should identify parcels of land within their jurisdictions that could be utilized to supply homeless services and/or temporary or permanent housing, and report such sites to their governing bodies by December 31, 2020. (F12)*
- R9. By December 31, 2020, the City of Santa Cruz should evaluate whether closing Coral Street permanently to thru traffic, to make more space available for additional housing and services for the homeless, would be a viable option. (F13 was cited in the 2019-2020 Grand Jury report, but this probably should have been F12 and/or F21)*

Requested 2020 Responses:^[13]

F12. The Board of Supervisors, the cities of Capitola, Santa Cruz, Scotts Valley and Watsonville, and the City Manager of Watsonville all agreed with Finding 12, that there are parcels of land throughout the County that could potentially be used to provide services to homeless people. The City Managers for Capitola, Santa Cruz and Scotts Valley responded that their responses were included in their unified response from the City Council.

F21. The Board of Supervisors, the Cities of Santa Cruz and Watsonville, the Santa Cruz County Administrative Officer and the Watsonville City Manager all agreed with Finding 21, that if underutilized parcels were identified, they could potentially be used to increase the number of beds and services to support homeless people. The Cities of Capitola and Scotts Valley partially disagreed, saying that zoning may not allow such use. Using identical text for their explanation for their responses, they both describe the partnership between the County, the City of Santa Cruz and Housing Matters to evaluate potential reconfiguration and expansion of the services for homeless people provided around Coral Street. The Human Services Agency and the planning Department responded that their input was included with the CAO response. The city managers of Santa Cruz, Capitola and Scotts Valley responded that their responses were included in their unified response from the City Council.

R6. The only required response to Recommendation 6 was from the Board of Supervisors. They responded that the recommendation required further analysis, questioning the feasibility of the approximate three month timeline to identify parcels of land suitable for temporary or permanent housing for homeless people.

Responses to Recommendation 6 were requested from the Santa Cruz County Administrative Officer, the Santa Cruz County Human Services Agency, and the city managers of the four Santa Cruz cities. Of these, the CAO provided the same response, using the same text as the BoS's required response described above. The HSA responded that their input was included with the CAO response. The city managers of Santa Cruz, Capitola and Scotts Valley responded that their responses were included in their unified response from the City Council. The Grand Jury noted that the City Councils were not assigned R6 and thus we do not have a response from these city managers. The Watsonville City Manager responded that R6 "Requires Further Analysis" and gave an explanation that they have 416 acres of land zoned for potential shelters or housing. They did not indicate any ongoing effort to provide shelters or housing for homeless people.

R9. Responses to Recommendation 9 were required from the Board of Supervisors, and the four City Councils. The BoS provided no response to Recommendation 9. The City of Santa Cruz responded that the recommendation requires further analysis, with the explanation that the City, County and Housing Matters are working collaboratively to evaluate increasing access to services and shelter on Coral Street and adjacent private property. The Cities of Capitola and Scotts Valley also responded that the recommendation requires further analysis, using the same text as the City of Santa Cruz to describe collaboration with Housing Matters. They further add they have no authority over Coral Street, which is within Santa Cruz City limits. Watsonville responded "Will not be Implemented" with the explanation that the recommendation is not within their jurisdiction.

2022-2023 Update: Were Commitments Kept?

R6. In March 2021, the Board of Supervisors adopted a “Three Year Strategic Plan to Address Homelessness” which includes consideration of using county-owned and unincorporated county areas for temporary housing for the homeless.^[14] The plan calls for 600 emergency shelter and transitional housing beds, 120 of which would be in unincorporated county areas. Santa Cruz Local’s article on the plan refers to the Civil Grand Jury’s recommendation to identify suitable unincorporated parcels, but it is not clear if the Jury’s recommendation influenced creation or adoption of the plan.^[15]

In March 2022, The Santa Cruz City Council unanimously approved the “Homelessness Action Plan” which aims to eliminate unsanctioned homeless camps and move people to managed shelters in the city and throughout the County.^[16] The plan calls for collaboration with leaders from the County of Santa Cruz, and the Cities of Watsonville, Scotts Valley and Capitola to identify 20 new locations for shelters across the county.^[17] Again, whether the Grand Jury’s recommendation influenced this is unknown.

R9. The City of Santa Cruz is currently working on a Master Plan for Coral Street including newly acquired property, the existing shelters and housing, and the planned “Harvey West Project” of 120 units of supportive housing.^[18] In December 2022, the City held a “Community Design Charrette” to solicit input on the Coral Street Master Plan. This included a group discussion of limiting vehicle access to Coral Street, and a suggestion to build a pedestrian and bicycle overpass bridge over it.^[19] The Grand Jury assumes that the Master Plan preempts any recommendation to close Coral Street, but hopes that suggestions such as limiting vehicle access or building a bridge be considered as part of the Master Plan.

4. Tangled Web^[20]

Summary: The public relies on current, accurate information to conduct its business with government agencies and offices. When the 2019-2020 Grand Jury accessed county and city websites to gather data and contact government officials, they found that website information was sometimes inaccurate and out-of-date. In fulfilling our charter as an advocate for the public to improve government operations, they pointed out where these errors exist and directed those responsible to provide an up-to-date and accurate information platform to the public.

Key 2020 Findings:

- F1. County and City website information is sometimes missing, out-of-date, and inaccurate; links may be broken. Thus, many city and county departments aren’t updating their websites often enough to keep citizens informed.*
- F2. County and City administrations lack a process to review content accuracy and currency and thereby assure timely correction and revision of content.*

- F3.** County and City goals for website redesign or quality improvement are not sufficiently “SMART”: Specific + Measurable + Attainable + Relevant + Time-Bound.
- F4.** The County does not have a notification system by which users can be alerted to updated web content. The County's website would be enhanced by the addition of a site-wide notification system.
- F5.** County and City website content providers do not provide an explanation in content for incorrect or out-of-date information, even though they appear to know the reasons.

Key 2020 Recommendations:

- R1.** The County Administrative Officer and the City Managers should establish a formal process by December 31, 2020 for their departments to validate and verify the accuracy and currency of website information. (F1, F2, F5)
- R3.** The County Administrative Officer and the City Managers should establish ‘SMART’ goals for website quality assurance and manage these goals beginning in 2021. (F3, F4, F5)

Requested 2020 Responses:^[21]

City of Capitola

The City of Capitola partially disagreed with Findings 1, 2, and 3. They update information on a regular basis. There have been occasions when old data did not get removed after updated data was added. Stale and inaccurate data is corrected and replaced whenever found. The City is in the process of updating its website platform to make this task easier for departments. They also stated that SMART (Specific + Measurable + Attainable + Relevant + Time-Bound) is not a methodology that the City of Capitola has adopted.

The City of Capitola disagreed with Finding 5. They stated that If data is determined to be incorrect or out-of-date, they remove or correct the data. The City does not knowingly keep incorrect or out-of-date information on the City website.

The City of Capitola, addressing Recommendation 1, agreed to implement in the future a formal process by December 31, 2020, for their departments to validate and verify the accuracy and currency of website information.

Regarding Recommendation 3 the City of Capitola felt that establishing SMART goals for website quality assurance and managing these goals beginning in 2021 needed further analysis.

City of Santa Cruz

The City of Santa Cruz agreed with Findings 1, 2, and 5.^[22]

The City of Santa Cruz addressing Recommendation 1 agreed to implement a formal process by December 31, 2020 for their departments to validate and verify the accuracy and currency of website information.^[22]

City of Scotts Valley

The City of Scotts Valley partially disagreed with Findings 1 and 2. The City of Scotts Valley responded in 2020 that they post all City Council, Committee and Commission agendas on the City website's Agenda Center. Some commissions/committees meet only as needed and a committee's last meeting may have been a year or more in the past. Thus, even though these agendas and minutes may appear out of date, the content is current. Similarly, the City maintains various plans and documents on its website and although they may be dated years in the past, the posted documents are still the most current. The City updates its website content regularly. They do not have the resources for a dedicated webmaster and staff manages the website on a departmental level. City staff reviews and updates City webpages on a regular, although not regimented, schedule.

The City of Scotts Valley partially disagreed with Finding 3. They implemented a major upgrade to their website in May 2018, moving from an antiquated website to the current, highly functional and easy-to-navigate site. The City of Scotts Valley has not adopted the formal goal paradigm of Specific + Measurable + Attainable + Relevant + Time-Bound. However, the City maintains the goal, as an operational prerequisite, to provide current, timely and useful information to the public.

The City of Scotts Valley disagreed with Finding 5. When the City identifies outdated or inaccurate information on its website, it is rectified as soon as is practically feasible. They view their website as an important communication and engagement tool with the community and do not allow erroneous information to persist on their website.

The City of Scotts Valley felt that they needed further analysis regarding Recommendation 1, the establishment of a formal process for their departments to validate and verify the accuracy and currency of website information. They routinely update information and maintain current agendas and notices.

The City of Scotts Valley also felt that they needed further analysis regarding Recommendation 3, the establishment of SMART goals for website quality assurance and manage these goals beginning in 2021.

2022-2023 Update: Were Commitments Kept?

In response to this Grand Jury's request for information, the City of Capitola said they kept their commitment to complete a content clean-up and overall update of their website in 2021. The website is now more logically organized, provides users with easier access to information, and is easier to update than the prior website.^[23] The City of Capitola also kept their commitment to analyze the creation of SMART goals for website quality assurance, but determined that they were not necessary at this time.^[23]

In response to this Grand Jury's request for information, the City of Santa Cruz said they kept their commitment to clean up their website. In December 2020 the City of

Santa Cruz coordinated with departments to do a thorough departmental website review and to edit the contents. This included checking the accuracy of the content, repairing broken links, and archiving unused contents. They also updated the City's meeting agenda, minutes, video and audio recordings. This was completed by October 2021.^[24] To maintain an updated Website, the City of Santa Cruz plans to implement a more automated way to audit the content to allow departments to edit more frequently and efficiently. It is estimated that this more automated system will be implemented in the calendar year 2023, depending on funding and staffing of their Information Technology Department. At the time of their response to our follow-up inquiry they had a 35% shortage of employees.^[24]

In response to this Grand Jury's request for information, the City of Scotts Valley said they kept their commitment to analyze Recommendations 1 and 3. Regarding recommendation 1 the City decided to redesign their website to afford transparency, accessibility, and ease of use to all stakeholders. With the goal of having as many of the processes automated as practicable, the City will have much better tools available to track website usage and functionality. Due to the COVID pandemic and staffing issues the initiation of the new website project was delayed. An improved staffing level was achieved by June 2022 and the redesign of their website was started.^[25] The City is fully committed to having this completed by the spring of 2023.^[26] Regarding recommendation 3, when the City of Scotts Valley developed its 2021-22 Strategic Plan in the Spring of 2021, they had a discussion of the SMART goals paradigm. Due to the upcoming redesigned website it was felt that adopting SMART goals was not necessary at this time.^[26]

5. Voter Data^[27]

Summary: Data Security has become a major concern to our community. There are many articles which chronicle, in painful detail, the destruction of lives caused by the theft of millions of confidential records. The 2019-2020 Grand Jury discovered that California elections code requires county elections departments to share voter data, including a key piece of data that would assist hackers: an individual's complete date of birth. While date of birth has not been clearly defined as personally identifiable information in the California Elections Code, date of birth is often used in identity theft, as well as social engineering and phishing attacks. State law requires each county to provide access to data collected during the voter registration and election processes. This data contains Personally Identifiable Information (PII) as defined by the National Institute of Standards and Technology (NIST). There are reports of voter registration data being offered for sale on hacker websites. County election departments were recommended to examine their processes to make sure that best practices are being employed, and all precautions are being taken to ensure that voter registration data is secure.

Key 2020 Findings:

- F1. Risk of misuse of voter registration data acquired by ELEC_2194 (1994) could be mitigated by stronger security measures at the County of Santa Cruz level.*
- F2. County applicants are not informed of recent amendments to ELEC_2188 (1994), and thus may not be taking all reasonable precautions to protect voter registration data, avoid data breaches, and report breaches if they occur.*

Key 2020 Recommendations:

- R1. In Distributed Data that is provided to county recipients, the County Elections Department should replace voter full date of birth with year of birth only. This action should be implemented before the end of FY2021.*
- R4. The County Elections Department should incorporate amendments to ELEC 2188 (1994), as specified in AB 1678 and AB 1044, in the county application and website information, namely that county recipients must inform the Secretary of State of a data breach, and that County Applicants may be subject to data security training.*
- R5. The County Elections Department should provide county applicants with data security training, consistent with any guidance from the Secretary of State, with the goal of implementing best practices aimed at protecting voter registration data. This action should be implemented before the end of FY2021.*

Requested 2020 Response:**County Elections Department**

The Santa Cruz County Elections Department agreed with Findings 1 and 2 in 2020.^[28]

The Santa Cruz County Elections Department agreed to implement in the future Recommendation 1 about replacing the voter's full date of birth with year of birth only, Recommendation 4 regarding incorporating amendments to ELEC 2188 (1994), as specified in AB 1678 and AB 1044, in the County Application and website information, and Recommendation 5 regarding providing County Applicants with data security training, consistent with any guidance from the Secretary of State, with the goal of implementing best practices aimed at protecting voter registration data.^[29]

2022 Update: Were Commitments Kept?

We sent multiple inquiries to the County Elections Department to verify that these recommendations were implemented. Unfortunately, no response was received.

Since we did not receive a response from the County Elections Department, we could not determine if the County honored the commitments made in their response to the 2019-2020 Grand Jury Report.

Notable Missing Responses

Nearly all required responses to the 2019-20 investigative reports were submitted to the Grand Jury; the Board of Supervisors' required response on the Homelessness Investigation Recommendation 9 on evaluating closure of Coral Street was the lone exception. Far fewer invited responses were received. In many cases, the agency the response was invited from said their response was included with a required response. Thus some invited responses were missed because the agency providing the response was not invited to respond to each finding and recommendation. Additionally, there was evident coordination of responses from some agencies. This Grand Jury believes the public would be better served by the agencies providing their own responses to our recommendations rather than saying their response was given by others, or colluding to provide duplicates.

This Grand Jury made several attempts to ascertain whether the Elections Department had implemented the recommendations they said they would implement, but received no response.

Conclusion

The 2022-2023 Grand Jury reviewed responses to five of the 2019-2020 reports and found that, in general, commitments were kept. In some cases, the agencies are implementing recommendations but it's not clear if the actions are in response to the Grand Jury or whether they were instigated by the agencies.

The Grand Jury also reviewed Ready? Aim? Fire!, however we did not evaluate whether commitments were kept. Over the past three years there have been a major wildfire and three other fire-related investigations;^[30] ^[31] therefore, it would be difficult to gauge whether or not the studied entities fulfilled any of the recommendations specifically from the 2019-2020 Grand Jury report.

The Grand Jury continues to recommend that all organizations create and regularly update formal records of the actions they take to address Grand Jury recommendations, and to share those records with the public, in accordance with CA Penal Code Section 933(c).^[32]

Findings and Recommendations

General

Findings

- F1. The 2022-2023 Grand Jury reviewed responses to five of the 2019-2020 reports and found that, in general, commitments were kept.
- F2. The evident coordination of responses from agencies leaves the public without independent contributions across agencies.

Recommendations

- R1. All agencies should provide their own independent responses to findings and recommendations instead of referring to the response of another agency. (F2)
- R2. We continue to recommend that all organizations create and regularly update formal records of the actions they take to address Grand Jury recommendations, and to share those records with the public, in accordance with CA Penal Code Section 933(c). (F1, F2)

DeLaveaga Golf Course

Finding

- F3. The City of Santa Cruz delayed the timeline rather than proceeding as outlined in their 2020 response to the Grand Jury. Instead, the City budgeted for a more comprehensive assessment of system-wide facilities and a capital investment plan to be completed in 2023.

Recommendation

- R3. The City of Santa Cruz should report to the Grand Jury on the completion status of the Facilities Assessment and capital investment plan no later than December 31, 2023. (F3)

Fail in the Jail

Finding

- F4. The safe and secure operation of the County Jail remains vulnerable during an unexpected power outage.

Recommendation

- R4. The Santa Cruz County Sheriff should verify that the new generator system is operational by August 31, 2023. If not, the reasons for the further delay should be explained. (F4)

Homelessness

Findings

- F5.** The adoption of multi-year plans by both the City and County of Santa Cruz offer the public some assurance that locations can be found within the County where homeless services will be provided.
- F6.** Although the Cities of Capitola, Scotts Valley, and Watsonville agreed that there appear to be unused or underutilized parcels of land that could possibly be used for homeless services, it is not clear how this could be done.
- F7.** The master plan for Coral Street being worked by the City of Santa Cruz includes consideration of limiting vehicle access to Coral Street, but the grants received by the City and the plan to build 120 units of supportive housing preempt the original Grand Jury recommendation to consider closing it.

Recommendations

- R5.** As recommended in the 2022 “Homelessness Action Plan,” the Cities of Capitola, Scotts Valley, and Watsonville should collaborate with leaders from the County of Santa Cruz and the City of Santa Cruz to identify 20 new locations for shelters across the county. These cities should report on the status of this recommendation no later than December 31, 2023. (F6)
- R6.** The County of Santa Cruz and the four cities should plan to provide services for homeless persons at the sites identified in their plans, including but not limited to supportive housing, case management, and medical services. The County of Santa Cruz and the four cities should report to the Grand Jury on the status of providing homeless services at the sites identified no later than December 31, 2023. (F5, F6)
- R7.** The City of Santa Cruz should complete and then implement their Master Plan for Coral Street, including consideration of limiting vehicle access. The City of Santa Cruz should report to the Grand Jury on the status of Coral Street no later than December 31, 2023. (F7)

Tangled Web

Findings

- F8.** Staffing shortages made automating the process for updating the website of the City of Santa Cruz and redesigning the website of the City of Scotts Valley more difficult.

Recommendations

- R8.** The City of Santa Cruz should verify that their commitment to automate the

process for updating their website has been completed by October 31, 2023. (F8)

- R9.** The City of Scotts Valley should verify that their commitment to redesign their website to afford transparency, accessibility, and ease of use to all stakeholders has been completed by October 31, 2023. (F8)

Voter Data

Finding

- F9.** Data security is an important issue, including the security of voter registration data and it is unknown if measures have been taken in this area.

Recommendation

- R10.** The Santa Cruz County Clerk should outline steps that have been taken to make voter registration data more secure by September 30, 2023. (F9)

Required Responses

<i>Respondent</i>	<i>Findings</i>	<i>Recommendations</i>	<i>Respond Within/ Respond By</i>
Santa Cruz County Board of Supervisors	F1, F2, F4, F5, F9	R1, R2, R4, R6, R9	90 Days September 5, 2023
Santa Cruz County Sheriff	F4	R4	60 Days August 7, 2023
Santa Cruz County Clerk	F9	R10	60 Days August 7, 2023
Capitola City Council	F1, F2, F6	R1, R2, R5, R6	90 Days September 5, 2023
Santa Cruz City Council	F1, F2, F3, F5, F7, F8	R1, R2, R3, R6, R7, R8	90 Days September 5, 2023
Scotts Valley City Council,	F1, F2, F6, F8	R1, R2, R5, R6, R9	90 Days September 5, 2023
Watsonville City Council	F1, F2, F6	R1, R2, R5, R6	90 Days September 5, 2023

Definitions

County Applicant: A person or persons applying to the Santa Cruz Elections Department to receive voter registration data.

County Recipient: A person or persons who have been approved by the Santa Cruz County Elections Department to receive voter registration data.

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Appendix A

Instructions for Respondents

California law PC §933.05^[33] requires the respondent to a Grand Jury report to comment on each finding and recommendation within a report. Explanations for disagreements and timeframes for further implementation or analysis must be provided. Please follow the format below when preparing the responses.

Response Format

1. For the Findings included in this Response Packet, select one of the following responses and provide the required additional information:
 - a. **AGREE** with the Finding, or
 - b. **PARTIALLY DISAGREE** with the Finding and specify the portion of the Finding that is disputed and include an explanation of the reasons therefor, or
 - c. **DISAGREE** with the Finding and provide an explanation of the reasons therefore.
2. For the Recommendations included in this Response Packet, select one of the following actions and provide the required additional information:
 - a. **HAS BEEN IMPLEMENTED**, with a summary regarding the implemented action, or
 - b. **HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE**, with a timeframe or expected date for implementation, or
 - c. **REQUIRES FURTHER ANALYSIS**, with an explanation and the scope and parameters of an analysis or study, and a timeframe for that analysis or study; this timeframe shall not exceed six months from the date of publication of the grand jury report, or
 - d. **WILL NOT BE IMPLEMENTED** because it is not warranted or is not reasonable, with an explanation therefore.

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SANTA CRUZ COUNTY
Civil Grand Jury

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Diagnosing the Crisis in Behavioral Health

Underfunded, Understaffed & Overworked

Summary

The Grand Jury investigated the Santa Cruz County Behavioral Health Division (BHD) of the Health Services Agency to ascertain how well they were handling the additional demands on their services caused by the Covid Pandemic. It found the BHD to be seriously understaffed - as much as 30% - including management, clinicians and support staff. It also found many other problems, including inadequate crisis stabilization capacity, lack of step-down capability, and insufficient outreach to the Latino/a community, but the BHD cannot be expected to improve in these areas until it gets significantly more staff.

The statistics point to a disturbing reality. Santa Cruz has more homeless people per capita than anywhere else in California; some 2300 of our residents are without housing. An estimated 37% of the BHD's clients are homeless. About 67% of homeless residents experience chronic substance abuse, and 43% of BHD's substance use disorder clients are involved with the criminal justice system.

The Grand Jury urgently recommends increasing BHD's staffing to meet the overwhelming demand for mental health services in this county. It further recommends increasing the capacity of the crisis stabilization program and transitioning the Mobile Emergency Response Teams for adults and youth to 24/7 availability. It finally recommends improving service to marginalized populations, especially homeless people, those involved with the criminal justice system and the Latino/a community.

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Background

The United States has been in the midst of a mental health crisis since long before the Covid Pandemic, which has made it even worse.^{[1] [2]} Mental health struggles and rates of substance use disorder have been dramatically escalating for more than two years in Santa Cruz County.^[3] A longstanding shortage of mental health workers in the country, combined with the now increased demand for mental health services following the pandemic, has impacted all parts of the country, including Santa Cruz County. What makes the problem even more pressing here is Santa Cruz's distinction of having the highest number of homeless persons per capita in the state, along with a very high incidence of substance use disorder.^{[4] [5]}

The County's Behavioral Health Division (BHD) is the primary provider of mental health care for low income adults and children who lack private health care coverage. BHD is one of four divisions of the Health Services Agency, the others being Clinic Services, Environmental Health, and Public Health. BHD has four subdivisions: Adult Mental Health, Children's Mental Health, Substance Use Disorders, and Quality Improvement. BHD services are designed to address the most significant mental health needs of the County and to ensure services and access for all residents, with an emphasis and priority focus on serving individuals at highest risk for experiencing mental health service gaps and access barriers. This population includes individuals who are experiencing homelessness, those who do not speak English as their primary language, racial and ethnic minorities, low-income people and inmates being released from the county jails. Santa Cruz has continued to see increased community need for behavioral health services, especially for serving Spanish speaking residents and individuals experiencing homelessness.^[3]

The County has a complex network of preventive and mental health treatment options for adults and children. Approximately 34% of the services are provided directly by the County and 66% are provided by private contractors.^[6] Based on examination of their website,^[7] the BHD oversees many programs, including but not limited to the following:

- Two county mental health clinics, one in North and one in South County
- A Crisis Stabilization Program for adults and children
- A 16 bed Psychiatric Health Facility for adults
- Crisis response teams: Mobile Emergency Response Teams for Adults and Youth in North and South County, known as MERT and MERTY
- A mental health liaison program to local law enforcement
- Homeless support programs such as the Downtown Outreach Team
- A locally staffed 988 Suicide Crisis Line
- A 24 hour line for referrals to local mental health services
- Jail mental health program
- Residential step-down programs - sub acute and residential
- Case management services for severely mentally ill persons

BHD's annual budget to accomplish this diverse mission is over \$100 million, including both County money and State funding such as Medi-Cal.^{[8] [9]}

Scope and Methodology

The Grand Jury wanted to investigate how BHD was coping with the increased demand for mental health services resulting from the pandemic. Specific questions that the Jury addressed include the following:

- Is the County's Health Service Agency adequately staffed and resourced to address mental health problems in the County?
- If staffing is not adequate, what are the difficulties in recruiting, hiring, and retaining staff?
- Are the mental health facilities in the County adequate to address demand?
- Are services sufficient for other marginalized groups such as persons experiencing homelessness or those being released from jail?
- Are there some ethnic groups in our county who may underutilize these services?
- How do people know about and access mental health services?
- How long do people have to wait to receive these services?
- What are the challenges in providing mental health services in our community?

The Grand Jury interviewed key leaders and personnel in the mental health system. It attended monthly Mental Health Advisory Board meetings. It also reviewed important articles, including published reports from the County regarding mental health, mental health related documents found online, the mental health medical literature, and local newspaper articles regarding mental health.

Investigation

The Grand Jury began this investigation by examining documents that evaluated whether goals set by BHD for itself were met. It soon discovered that nearly all goals were not met, even those representing very small improvement. Of 14 goals in their *Integrative Behavioral Health Quality Improvement Work Plan, FY 2021-2022*, only two were met, and these were not directly related to service quality. Goals not met included access to services, response times to service requests and cultural responsiveness.^[10]

In March of this year, BHD released a draft of their *Mental Health Services Act (MHSA) FY 2023-2026 Three Year Plan* and *FY 2023-2024 Annual Update*.^[3] This plan includes results of the Community Program Planning Process, a structured method of soliciting community input to identify local needs and funding priorities for Behavioral Health. The results of this process are startling. The plan states, "Community members and providers alike shared concerns about staffing shortages throughout the county system of care, including psychiatrists, therapists, counselors, and specialty mental health case managers."

The report highlights the lack of enough beds in higher-level care facilities that can lead to people with serious mental illness repeatedly cycling through the system. Patients and families report delays in receiving needed services, or inability to find services when they need them.^[11] The report states that homeless people and those involved with the criminal justice system have unique needs and barriers, and experience long wait times to access BHD services. When looking at the county's Medi-Cal population, BHD serves a lower percentage of the eligible Latina/o residents than any other ethnic group. The major service gaps highlighted in this draft report became the focus of the Grand Jury's investigation.

While the scope of mental health care overseen by the county is commendable, the complexity of the system, with each program having its own eligibility requirements, makes understanding and accessing services difficult for patients, especially the marginalized people the County serves. Gaps in continuing care are particularly difficult for these vulnerable persons. Studies show that a delay in diagnosis, a delay in appropriate treatment, and a lack of continuity in care make achieving successful outcomes more difficult and increases the overall cost of mental health care.^{[12] [13] [14] [15]}

The Crisis in Behavioral Health Staffing

Currently the Santa Cruz County Behavioral Health Division has approximately a 30% staff vacancy rate. (See Table 1 below.) At the time of our investigation, 4 out of the 10 director positions were vacant, filled by interim employees who were performing the tasks of at least two positions.^[16] In response to this critically low staffing in senior management, the department hired a consultant to consider structural changes to the organization.^[17] There are vacancies at every level of staffing, including psychiatrists, psychiatric nurses, licensed mental health practitioners, and other direct service practitioners, especially bilingual staff. While the Grand Jury did not directly interview them, the contractors providing mental health services for the county are reported to also be struggling to fill open positions. Behavioral Health and Personnel staff point to limited pools of applicants for licensed mental health clinicians.^{[18] [19]} At the time of the investigation, despite holding all licensed mental health job classifications as open, there were no available candidates in the pipeline.^[18] The BHD is also suffering from lack of analyst positions which would allow them to analyze tracking data more efficiently, to evaluate contracts and to financially plan.^[20]

Recruitment Status unfilled	(Multiple Items)	
		26%
Unfilled positions	FTE	% Vacant
Access and Crisis	11.00	31%
Adult Mental Health	17.30	27%
Behavioral Health Administration	2.65	25%
BH Support	5.00	18%
Children's Mental Health	14.30	24%
Quality Improvement	1.75	11%
Specialty Mental Health - FQHC	14.25	31%
Substance Use Disorder	8.00	29%
Grand Total	74.25	26%

Table 1. Behavioral Health Vacancy Rate on March 15, 2023.^[21]

Critically low staffing levels have had a negative impact on access to and quality of treatment across many programs. From interviews the Grand Jury learned that the Crisis teams—the Mobile Emergency Response Team (MERT) and the Mobile Emergency Response Team for Youth (MERTY)—are frequently understaffed by as much as 50% and are unable to expand to weekend coverage due to lack of staffing despite having the funding to expand.^{[22] [23]} Year over year Quality Improvement reports reference low staffing as the reason for not meeting performance goals.^{[24] [25] [26] [27]} Staff shortages are also impacting contractors' ability to meet contracted goals. Telecare, the contractor that runs the only Crisis Stabilization Unit Program in the county, has frequently had to close for admissions due to staff shortages. These closures cause recurring diversions to local hospital emergency rooms.^[28]

Also, the vacancies in BH administration have created a lack of clarity about contract oversight. Multiple interviewees (all high level managers) did not know who was responsible for oversight of each contract.^{[29] [30] [31] [32] [33] [34] [35] [36]} This may be due to temporary staffing in these positions or unfamiliarity with the oversight hierarchy.

In response to the serious behavioral health staffing shortage at the state level, Governor Newsom and the State Legislature have recently passed large initiatives focusing on more funding and more streamlined funding for mental health support.^[37] But factors specific to Santa Cruz County heighten the staffing crisis:

- The extremely high cost of living, especially housing,^[38]
- Increased competition with both private and public mental health providers and hospitals,

- Competition with wealthier local counties,
- Lower salaries
- The difficulty of the work, and
- The large homeless population which makes delivering mental health treatment very challenging.^{[39] [40] [41] [42]}

In our investigation, multiple interviewees also pointed to Santa Cruz County’s hiring practices and lower salaries as a barrier to their ability to be competitive in the job market. Some noted that it takes as long as two months between the interview and the final hire. These practices are outdated and out of alignment with current hiring practices. They pointed to the need for more automated application processes and more responsiveness in updating hiring classifications to suit a younger workforce that wants more flexibility.^{[43] [44] [45] [46] [47]}

County Personnel Department

Despite these issues, the County Personnel Department does not recognize a staffing shortage in Behavioral Health^[48] and maintains that Behavioral Health salaries are locally competitive by pointing out that Santa Cruz County behavioral health salaries are average in comparison to six other Bay Area counties.^[49] The closest county where workers can comfortably commute is Santa Clara, where in 2020, they paid Sr. Mental Health Specialists \$10,000 more per year.^[49] The Personnel Department does not regularly conduct competitive analysis of salaries, only as needed or prior to negotiations with the union.^[50] In trying to verify the hiring practices, the Grand Jury was told that the Personnel Department does not collect key human resources data by department such as Time to Hire, Acceptance Rates, Turnover Rates, and Retention Rates. They only collect data for the county as a whole, so they have very little means for analysis of their practices by department. Data collection about hiring is left to each department. What they did report is that “a typical process could be 30-90 days”.^[50]

While some hiring incentives have been introduced for psychiatrists, psychiatric nurse practitioners, and physicians and medical directors, currently there are no incentives for licensed mental health practitioners such as Licensed Clinical Social Workers (LCSW) and Marriage, Family and Child Counseling (MFCC).^[51] Santa Clara County, on the other hand, has a \$5,000 signing bonus, loan repayment, workforce tuition, and public service loan forgiveness for open MFCC and LCSW positions.^{[40] [52] [53]}

Recruitment and retention is also a problem.^{[19] [54] [55]} It is difficult to recruit and retain people in a county with the second highest housing costs in the nation without commensurate salaries. The University of California, Santa Cruz does not offer Master’s degree programs in psychology or social work. San Jose State University and Cal State University at Monterey Bay are the nearest universities to offer these degrees. Interviewees pointed to the need to develop connections to these university programs such as internships or stipends to strengthen the professional pipeline for licensed and unlicensed mental health clinicians in Santa Cruz County.^[56]

The Crisis in Crisis Stabilization

Crisis stabilization services are needed for people who are experiencing an acute mental health crisis. These services assess a patient's mental health status, providing the initial steps in diagnosis, treatment, and determination of their mental health needs. While MERT and MERTY can provide some screening assessments in the field,^[57]^[58] this initial evaluation is meant to be provided by the Crisis Stabilization Program (CSP), which is located at the Psychiatric Healthcare Facility or PHF. Some call this portion of the PHF the Crisis Stabilization Unit. A patient may stay up to 24 hours in the CSP^[59] which is considered an outpatient setting. Since an overnight stay is not allowed, patients are considered to be in chairs and not beds. If a patient is deemed to not be gravely disabled or a threat to themselves or others, they can be discharged to outpatient care. Otherwise they remain on a mental health hold, which is also known as a 5150 for adults and a 5585 for minors.^[60] This is an involuntary 72 hour mental health hospitalization, which for adults could take place at our PHF if beds are available. The County's CSP and PHF are currently operated by Telecare, a company that is based in Alameda and has been treating mental illness since 1965.^[61]



Figure 1 The Psychiatric Healthcare Facility.^[62]

Santa Cruz County is the primary provider of mental health crisis stabilization services for all adults and children, regardless of payor class.^[63] Unfortunately, the demand for acute crisis services often exceeds the capacity of the current 12 chair CSP and 16 bed PHF.^[64] The capacity of the CSP/PHF is dependent on two factors, the number of chairs/beds that they have and the staffing that they have available to treat patients in

crisis.^{[65] [66] [67] [68]} Since the facility often lacks the capacity to take new patients, patients are diverted to the Emergency Department or ED of local hospitals. In 2022 the average number of CSP patients at the Dominican ED was 29.1 per month, and it was 8.8 per month at the Watsonville ED.^[69] Patients may have to wait up to 24 hours in the ED to be evaluated.^[70] This evaluation can be performed by MERT or MERTY.^{[71] [72]} However, currently these teams are only available from 8am to 5pm on Monday through Friday. As previously noted, efforts to expand their availability have been hampered by staffing shortages.^{[22] [23]} Outside of those hours the hospitals must rely on their own resources to assess the patient. If the patient cannot be released for outpatient mental health follow-up, the arrangement for a 5150 or 5585 psychiatric inpatient stay becomes the responsibility of the hospital.^{[73] [74]} This placement can take days and is generally outside of our county, since our PHF is often full.^[75] According to the nonprofit Treatment Advocacy Center our current 16 bed PHF falls far short of the number of beds needed to serve this county's population. They estimated that 50 beds are needed per 100,000 population,^[76] which means that for the county's population of about 270,000, there should be about 135 beds, vastly more than are actually available. Even considering the County's current efforts to treat patients in the least restrictive environment possible,^[77] more beds are needed.

The occupied ED bed negatively impacts the hospital's ED, which is already very busy dealing with patients who do not have a mental health related emergency.^[78] Patients brought into the ED by law enforcement require continuous supervision by an officer to protect against violence or possible escape until a mental health assessment. This practice not only ties up an ED bed but also pulls law enforcement away from other critical duties. Also, the patient's assessment, diagnosis, and treatment is delayed when they are diverted to an ED.

Issues with the Psychiatric Healthcare Facility

The current PHF is a free standing facility and is therefore limited to 16 beds to be eligible for Medi-Cal and Medicare reimbursement for services.^{[65] [79]} Also, since there has not been a separate unit for children or youths needing crisis support, up to four of the 12 CSP chairs at the PHF have been held for youths under 18.^[80] However, patients under 18 who need inpatient psychiatric treatment must ultimately be placed in a facility outside of our county, since our current PHF is for adults only.

The County has acquired a building in Live Oak and plans to open a PHF specifically for children and youths, which will include 8 CSP chairs and 16 inpatient beds, by late 2024 or early 2025.^{[81] [82] [83] [84] [85]} Unfortunately, starting on July 1, 2023, patients under 18 will no longer be accepted at the current PHF for CSP services.^{[86] [87]} While this will free up four chairs in the current CSP, which are presently reserved for patients under 18 years of age, the BHD says that the total number of chairs at the adult CSP will remain 12. To minimize the potential 18 month gap in youth crisis care, the BHD is trying to open a temporary four chair CSP for children and youths by the fall of 2023.^[88]

Due to ongoing issues at the PHF currently run by Telecare, the County sent out a request for proposal or RFP to see if there are other vendors who could run the current adult CSP/PHF programs. While about a dozen groups received information about the

RFP, as of the March 2023 Mental Health Advisory Board meeting, only one group had responded to the RFP. Some in the Health Service Agency feel that many groups did not submit a proposal due to the staffing challenges in this county.^[41]^[89] To support crisis services, in February of this year the County increased payment to Telecare, because they have had to increase their wages to attract and retain clinical staff.^[90] Since that time, the percentage of time that the CSP is on diversion to the hospital ED has been falling.^[91] In the final quarter of 2022 the percentage of time on diversion for children was 86.7%, and for adults it was 44%. During February through April of 2023 this has dropped to 50.3% for children and 11.8% for adults.^[91] Presumably, this means that the diversion rate is also falling. However, other factors could be involved in this trend, such as seasonal variation, which may affect the demand for crisis services.

The Impact of High Cost Beneficiaries

The FY 2021-2022 Medi-Cal Specialty Behavioral Health External Quality Review revealed that Santa Cruz County has three times the number of mental health High Cost Beneficiaries (HCBs) than the state average for calendar years 2018 through 2020.^[92] This review defined a HCB as a Medi-Cal patient who has approved treatment claims of \$30,000 or more in one year.^[92] There are many possible reasons for this. High cost of care typically occurs when a beneficiary repeatedly requires intensive treatment. This may result from failure to provide timely appropriate care, especially step-down care, discussed later in this report.^[92] Furthermore, HCBs occupy treatment slots and may cause a cascading effect on other beneficiaries, who in turn cannot receive sufficient care. This places them at risk of becoming a high utilizer themselves.^[92]

External auditors found through their analysis of our Medi-Cal Specialty Mental Health plan billing and claims data that our county's Medi-Cal beneficiaries received more crisis stabilization and intervention services than the statewide average. The auditors postulated that this was in part due to the "robust" crisis stabilization and intervention services that the County of Santa Cruz provides compared to other counties.^[93] However, it was also reported that the County pays for the transfer of a patient from our CSP to an out-of-county inpatient psychiatric facility and pays 100% of the cost for that care for a Medi-Cal beneficiary. Since the County does not receive the Federal match for any Medi-Cal out-of-county care, the shortage of in-patient psychiatric beds in this county financially hurts the County.^[76]^[94] It is not clear if the high cost of crisis stabilization and intervention services is due to the "robust" services provided by the County, to the number of patients sent out of the county for treatment, or to other factors.

Watsonville Behavioral Health Center

In spite of the severe staffing issues and the lack of crisis stabilization in the County noted above, and in addition to the planned Live Oak facility, there is some really good news. Encompass Community Services has just been awarded more than \$9 million in state funds that will support continued development of a new South County mental health facility, called the Sí Se Puede Behavioral Health Center. Encompass Community

Services is the county’s largest community-based behavioral health and human services provider. It offers counseling, substance use recovery, and housing for mental health patients.^[95]

Groundbreaking will commence in 2023 and the new facility will include seven new residential substance-use disorder treatment beds specifically for the 18-25 year old age group, and 30 residential treatment beds in total. There will also be 106 annual outpatient treatment slots available and the center will have capacity to serve an estimated 1,300 community members annually. Encompass has also partnered with nonprofit developer MidPen Housing to include a 72-unit affordable housing development on the forthcoming health campus.^[96]

Continuing Care or “Step-Down”

Behavioral Health’s FY 2021-2022 Quality Management Plan^[97] outlines significant capability to support patients leaving mental health care either as an outpatient or from an inpatient psychiatric facility. Their Assertive Community Treatment Team provides intensive, wrap-around case management services for patients who are returning to the community from locked psychiatric care. The goal is to support their psychiatric stabilization, successful transition back into the community, increase independent living skills and decrease the need for locked care.^[98] BHD works with Encompass which runs the El Dorado Center (EDC), a community-based, short-term treatment program for individuals who may be stepping down from locked care.

An intensive, structured residential program, EDC is an unlocked, home-like environment facilitating the healing process in preparation for transitioning back to community living. Staff provide individual and group counseling, crisis intervention, structured activities, community outings, and assistance with independent living skills and connecting to the community.^[99] Encompass’s funding from the County was recently increased by \$1.7 million to a total of \$9.4 million.^[100] (This is separate from the funding for the new Watsonville facility described above, and is in addition to Behavioral Health funding.) As well as the El Dorado Center, Encompass runs programs for anyone diagnosed with mental illness, including treatment, counseling, emergency shelter, case management, outreach and education, permanent supportive housing, and transitional housing.^[95]

In spite of the description in the Quality Management Plan and the collaboration with Encompass, some of the interviewees noted the lack of step-down facilities, and the consequent need for BHD to repeat treatment because the patient relapses.^{[101][102][103]} Behavioral Health’s Draft Three Year Plan notes that for people with serious mental illness, a lack of enough beds in higher-level care facilities can lead to a “revolving door of insecurity, including jail and street life.”^[3] The chronic and severe shortage of in-patient psychiatric capacity has been described above.^[76] Some patients are sent to other California counties, which, as noted previously, is expensive.^[102] Others are released from in-patient psychiatric care with no follow-up care.^{[101][104]}

Mental Health and Homelessness

BHD's clients come from low income people, and about 37% of them are homeless.^[105] Santa Cruz has a high rate of homeless individuals, at about 0.8% of the population.^{[4] [106] [107]} There were 2,167 people unhoused in Santa Cruz County in 2019 and 2,299 people unhoused in 2022.^{[5] [108]} Nationally, 26% of homeless people self-identify as severely mentally ill.^[109] Locally, 67% are experiencing chronic substance abuse.^[110] Just being homeless is associated with declines in mental and physical health. Homeless persons experience high rates of HIV infection, tuberculosis, and other conditions as well as the mental illness and SUD that contributed to their homelessness. A homeless person may enter mental health treatment, but have nowhere to live upon completion if an inpatient, or during treatment if an outpatient.

Being homeless is a full time job; just getting food, shelter, bathroom access, medical and dental care, and access to whatever limited services local government or non-profit organizations provide is all consuming.^{[104] [111] [112] [113] [114] [115]} A person needs secure housing before they can be expected to take an active role in dealing with their mental health. There is a huge need for permanent supportive housing. In their Draft Three Year Plan, BHD reports that "some of those with the least financial resources are those who need services the most."^[116] They identify "unhoused populations" among their service gaps.^[117]

Continuing Care for Inmates Being Released from Jail

Some 43% of BHD substance use patients are involved with the criminal justice system.^[105] About 40% of jail inmates have been diagnosed with mental illness.^{[118] [118]} The jail provides some discharge care for released inmates^[119] and may coordinate with BHD if the inmate was formerly a patient of theirs.^[120] The 6 - 7 month wait for a bed in the state mental health system means an inmate needing in-patient care is out of luck.^[121] The Public Defender's Office runs some programs to help inmates get the services they need. They also coordinate with BHD, but the effort is severely underfunded.^{[122] [123]} In their Draft Three Year Plan, BHD identifies "Incarcerated or formerly incarcerated people with mental health needs" among their service gaps.^[117] They further state that there is a lack of coordination with other county systems, such as law enforcement or the jail, and a lack of warm handoff to outpatient providers and ensuring a sufficient amount of medication until a pharmacy is open. This is in spite of the "mental health liaison program to local law enforcement" and "Jail mental health program" they claim on their website. (A warm handoff means that jail staff introduces the inmate to the outpatient provider rather than just providing a referral.^[3]) A lack of warm handoff to therapists, outpatient providers, and ensuring sufficient medications can pose challenges to clients' continuity of care.

This year's Civil Grand Jury is also investigating Santa Cruz County's jails.^[124] The report describes the high recidivism rate - around 60% - for individuals released from jail. Released inmates with mental illness or SUD have much higher recidivism rates than those without these diagnoses. Many released inmates get in trouble with the law again and go right back into the criminal justice system because that is the only easy

option for them. Anti recidivism programs do work, but are underfunded and inadequate. The Jail report goes on to recommend increased funding for anti recidivism programs, including increasing funding for Behavioral Health to support released inmates.

Latino/a Utilization of Mental Health Services

Populations of lower socioeconomic status have been found to have a higher incidence of mental health disorders.^{[125] [126]} Latinos/as in South County Santa Cruz have experienced mental health problems due to lower incomes, housing uncertainty, documentation status, language barriers, and cultural differences.^[127] Nevertheless, according to Medi-Cal data, the percentage of Latinos/as in Santa Cruz County seeking mental health services is less than any other ethnic group^[128] and lower than the state average for this ethnic population.^{[129] [130]} There are probably multiple factors involved, but historically, investment in South County has been less than in North County. South County previously used a converted building with no private space for treatment. However, an outpatient building for mental health services in Watsonville was opened in 2018.^[131] The new Sí Se Puede Behavioral Health Center in Watsonville, described earlier in this report, will make the distribution of mental health facilities across the County more equitable.

Outreach to the Latino/a community has historically been less successful than to other populations.^{[132] [133]} While outreach efforts have improved for South County in the recent past, there is still more that could be done. The limited availability of bilingual and bicultural services is the main issue.^{[134] [135] [136] [137]} Cultural competency, as well as language, is important in encouraging people to seek and undergo needed mental health treatment.

Currently, the County provides an increase in pay of \$1.00 per hour for Level One bilingual services and \$1.35 per hour for Level Two bilingual services.^[138] Level One is the ability to converse in the second language and to translate English into the second language. Level Two is the ability to converse in the second language, to read the second language, to translate the second language orally into English, and to write in the second language.^[139] At the present time this bilingual pay differential is only available for Spanish.^[140] Unfortunately, in spite of this pay incentive, the County has a shortage of practitioners who are bilingual Spanish speakers. To complicate matters, some of the farmworkers are indigenous immigrants from southern Mexico. A number of them speak an indigenous language, Mixteco, which is different from Spanish. The Grand Jury understands that covering all languages is impossible but more qualified interpreters are needed. In North County homelessness plays a big role in the services needed, while in South county the focus is more likely to be on youths and families.^{[141] [142]} Understanding the family unit is important in providing mental health services, especially in South county. This emphasizes the importance of bicultural awareness beyond bilingual services.

Conclusion

The longstanding and serious staffing shortage at the Behavioral Health Division is a contributing factor to all the issues discussed in this report, such as lack of step-down capability, services for marginalized groups including homeless persons, those involved with the criminal justice system and racial minorities. Until the staffing level is significantly improved, expecting improved service in any of these areas is unreasonable. The Grand Jury typically recommends an increase in funding when an agency has more responsibilities than budget, even while understanding that if there were funding available to increase the budget, this would already have been done. In this case, however, not only are County residents not getting adequate mental health services, the cost to the County is also higher because patients sometimes need to repeat treatment.

Findings

Findings about the Staffing Shortage

- F1.** The chronic understaffing in the Behavioral Health Division (BHD) and their contractors is negatively impacting the department's ability to meet goals and to provide services in a timely and effective manner.
- F2.** The County Personnel Department has been slow to respond to the chronic understaffing in the Behavioral Health Division. It has not put measures into place to speed up the hiring process or to create competitive salaries and incentives for the non-medical personnel who staff the BHD positions. Nor have they created connections with nearby universities to groom a clinical workforce. This causes unnecessary delays in hiring mental health professionals.
- F3.** Both the Personnel Department and the Behavioral Health Division do not have enough analysts to allow an adequate review of their programs and systems, including analyzing the County's hiring process. This makes it difficult for them to improve services.

Findings about the Crisis Stabilization Program

- F4.** The Crisis Stabilization Program (CSP) has been diverting patients experiencing a mental health crisis to hospital emergency departments too frequently, delaying diagnosis, delaying treatment, and placing an extra burden on the emergency departments, which are already overcrowded. The emergency departments then become responsible for finding an inpatient facility for patients who cannot be safely discharged to outpatient care, which further stretches limited resources.
- F5.** The limited hours that the Mobile Emergency Response Team and Mobile Emergency Response Team for Youth operate interfere with a timely assessment of patients in a mental health crisis, negatively impacting patient care.

- F6.** An inadequate number of beds at the Psychiatric Healthcare Facility (PHF) results in the practice of sending patients out of county, which negatively impacts the patient’s care, and is expensive for the Behavioral Health Division.
- F7.** The County plans to close the current Crisis Stabilization Program (CSP) to patients under 18 after June 30, 2023, and the new CSP/PHF in Live Oak will not be open until late 2024 or early 2025 compromising crisis care to minors for 18 months or more.

Finding about High Cost Beneficiaries

- F8.** The large number of high cost beneficiaries results in additional demands on an already overloaded behavioral health system.

Finding about the new Watsonville facility

- F9.** The new Sí Se Puede Behavioral Health Center in Watsonville is a big step in the right direction, and will provide significantly increased service capacity, but it is still not enough.

Findings about Step-Down, Homelessness, and Jail Inmates

- F10.** The lack of step-down care for patients completing both inpatient and outpatient treatment often results in patients relapsing and needing retreatment, which is bad for the patient and increases costs for the Behavioral Health Division.
- F11.** The high rate of homelessness and Substance Use Disorder in the County results in the Behavioral Health Division’s clients that are especially demanding and difficult to treat.
- F12.** The Behavioral Health Division is insufficiently funded and staffed to provide adequate step-down care for their patients, many of whom are homeless, and/or recently released from jail, and thus have a need for support.

Findings about services to Latino/as

- F13.** Outreach to the Latino/a community is insufficient because of the lack of bilingual and bicultural staff contributing to disproportionate underutilization of mental health services within the Latino/a community.
- F14.** The current pay differential for bilingual staff is insufficient to attract and retain suitably qualified staff making adequate outreach to the Latino/a community difficult.

Recommendations

Recommendations about the Staffing Shortage

- R1.** Competitive salaries and hiring incentives should be put in place for all vacant Behavioral Health Division (BHD) positions that don't already have them. The BHD should consider the salaries and hiring incentives offered by Santa Clara County as a guide - such as hiring bonuses, loan repayment, public service loan repayment, and workforce tuition. The Personnel Department must plan for increases in salary and incentives by the end of 2023 with the goal of including them in the next budget cycle. (F1, F2, F8)
- R2.** The County Personnel Department should plan to do an analysis of the hiring process for BHD positions and put measures into place to reduce the time it takes to hire by at least half. They should streamline the process and make use of up to date automated processes by the end of 2023. (F1, F2, F3)
- R3.** The County Personnel Department should institute an annual competitive analysis for all open BHD positions that includes consideration of the extraordinarily high cost of living in Santa Cruz, benefits and incentives. This should be completed by the end of 2023. (F2, F3)
- R4.** The County Personnel Department should develop connections and internships with nearby universities that have Psychology and Social Work programs to groom a clinical workforce. A plan for this should be completed by the end of 2023. (F1, F2)

Recommendations about the Crisis Stabilization Program

- R5.** To eliminate the frequent offloading of the Behavioral Health Division (BHD) clients to local hospital emergency departments, the Board of Supervisors and BHD should evaluate ways to increase the number of Crisis Stabilization Program chairs and psychiatric beds available, which may include planning for another adult Psychiatric Healthcare Facility. This evaluation and planning process should be completed by the end of 2023. (F5, F7)
- R6.** The Behavioral Health Division should improve the services provided by the Mobile Emergency Response Team and the Mobile Emergency Response Team for Youth by improving staffing and expanding coverage to 24/7. This should be completed by the end of 2023. (F6)
- R7.** The Behavioral Health Division should ensure that there is a smooth transition plan and back up plan for the treatment of children and youths from the current Crisis Stabilization Program to the planned new facility in Live Oak other than diverting them to emergency departments. This should be completed by September 30, 2023. (F8)

Recommendation about Step-Down, Homelessness, and Jail Inmates

- R8.** The Behavioral Health Division should request sufficient funding from the County to provide adequate step-down care so patients do not relapse and need yet more care. This request should be in place by the end of 2023. (F8, F10 – F12)

Recommendations about Latino/a Utilization of Mental Health Services

- R9.** The Behavioral Health Division should continue to improve bilingual/bicultural outreach to the Latino/a population, including whether any language besides Spanish reaches the threshold to warrant offering the bilingual pay differential. Improvements should be in place by the end of 2023. (F13, F14)
- R10.** The Behavioral Health Division should review the recruitment and retention of bilingual staff, including an increase to the current bilingual pay differential, in an effort to improve bilingual services. This should be completed by the end of 2023. (F13, F14)

Commendations

- C1.** The Grand Jury commends the Behavioral Health Division for development of a Psychiatric Healthcare Facility for children and youths which will provide much needed mental health services for this population.
- C2.** The Grand Jury commends the Behavioral Health Division's efforts to develop a wide range of crisis care services that are not routinely offered in similar sized counties, including Mobile Emergency Response Teams for adults and youth, a Crisis Services Program, and a Psychiatric Health Facility.

Required Responses

<i>Respondent</i>	<i>Findings</i>	<i>Recommendations</i>	<i>Respond Within/ Respond By</i>
Board of Supervisors	F1 – F14	R1 – R10	90 Days September 11, 2023

Invited Responses

<i>Respondent</i>	<i>Findings</i>	<i>Recommendations</i>	<i>Respond Within/ Respond By</i>
Carlos Palacios, County Administrative Officer	F1 – F14	R1 – R10	90 Days September 11, 2023
Mental Health Advisory Board	F1 – F14	R1 – R10	90 Days September 11, 2023
Tiffany Cantrell-Warren, Director, Behavioral Health Division	F1 – F14	R1 – R10	90 Days September 11, 2023
Monica Morales, Director, Health Services Agency	F1 – F14	R1 – R10	90 Days September 11, 2023
Ajita Patel, Santa Cruz County Director of Personnel	F1 – F3	R1 – R4	90 Days September 11, 2023

Definitions

- **5150:** A 72 hour involuntary psychiatric hospitalization for adults.
- **5585:** A 72 hour involuntary psychiatric hospitalization for minors.
- **BoS:** Board of Supervisors
- **BHD:** Behavioral Health Division
- **CSP:** Crisis Stabilization Program
- **ED:** Emergency Department
- **HCB:** High Cost Beneficiary
- **HSA:** Health Services Agency
- **MERT:** Mobile Emergency Response Team
- **MERTY:** Mobile Emergency Response Team for Youths
- **MHPEQR:** Mental Health Plan External Quality Review
- **PHF:** Psychiatric Healthcare Facility
- **RFP:** Request for Proposal
- **SCC:** Santa Cruz County
- **Step-Down:** The transition from locked to unlocked psychiatric care.
- **SUD:** Substance Use Disorder

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Site Visits

Mental Health Advisory Board Meetings

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Surveillance State in Santa Cruz County

Who surveils those who surveil us?

Summary

In a world where people are subjected to ongoing and widespread use of surveillance by public and private actors, there is a need for increased transparency in law enforcement surveillance. The Grand Jury recommends increasing the Sheriff's Office public accountability for any acquisition and use of surveillance technologies.

In reporting on this investigation, the Grand Jury attempts to recognize the appropriate balance between the required secrecy of law enforcement investigations and public transparency. Increasing safeguards for all residents, especially the most vulnerable, is a form of democracy in action. Just becoming aware of the potential dangers of over-surveillance empowers the public. The simple act of publishing information on drone deployments or disclosing use of Amazon Ring cameras helps to allay public fears of over-surveillance.

Just as it is critical to know how and when surveillance tools will be used, it is equally important to understand the limits of surveillance, and hold authorities accountable to those limitations. The Grand Jury recommends the Sheriff's Office:

- Publish information on retention, and specify disposal or deletion dates for the increasing volume of non-evidentiary data, such as public event drone recordings.
- Consider using the state mandated Military Equipment Inventory as a template for providing the public with information on surveillance equipment proposed or acquired through Federal Homeland Security Urban Area Security Initiative grants, as well as future surveillance tools budgeted through County funding.

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Background

In 2021, the Santa Cruz County Criminal Justice Council (CJC) issued a first of a kind Santa Cruz County regional public safety agency policy review. This review provided a transparent look at policies and offered a starting point for evaluation by local law enforcement, elected leaders and the communities they serve. All local agencies participated voluntarily, openly, and transparently. The CJC report indicated the jurisdictions included in the review had dissimilar or incomplete policies specific to the acquisition and use of technology for the purposes of law enforcement surveillance. In compiling their report, the Criminal Justice Council sent surveys to Police Chiefs of Santa Cruz, Scotts Valley, Capitola, Watsonville, and to the Santa Cruz County Sheriff.^[1]

Prompted by the CJC report and the development of Privacy and Surveillance ordinances in several Counties and Cities in California,^{[2][3][4]} the Grand Jury wanted to understand how law enforcement uses surveillance technologies and how the public might instill more transparency on the use of these technologies, while keeping in mind the investigative needs of law enforcement.

This Grand Jury suggests the need for public oversight of surveillance technologies is clearly demonstrated in findings from a 2019 State of California audit of local law enforcement agencies' use of automated license plate readers (ALPR). The audit found the Los Angeles Police Department (LAPD) and three other California law enforcement agencies were not providing sufficient privacy protections for the hundreds of millions of images collected by automated license plate readers and shared with other jurisdictions.

The audit found that 99.9 percent of the 320 million images the LAPD stored came from vehicles that were not on a criminal investigation list when the ALPR image was made. At the time of the audit, none of the agencies had an ALPR usage and privacy policy that implemented all the legally mandated—since 2016—requirements. This example of just one surveillance technology illustrates shortcomings in data security, vendor oversight, data sharing, and data retention.^[5]

In a democratic society, there is a necessary and healthy tension between transparency (the public's right to know about activities of their government) and the need for secrecy in national security and law enforcement contexts. Every democratic society has provisions for such secrecy, and this secrecy does not at all imply unethical collection or use of data. There simply needs to be a recognition of the appropriate balance between secrecy and transparency policies that ensure ethical conduct, and rigorous, independent oversight.^[6]

Scope and Methodology

The Grand Jury chose to focus on the Santa Cruz County Sheriff's Office as the subject of this investigation because of the agency's broad reach throughout the county, and a somewhat complex supervisory structure. The Grand Jury limits the scope because, while surveillance technologies are used by law enforcement throughout the county, the Santa Cruz County Board of Supervisors is limited in its supervisory capacity over the Sheriff's

Office. California Government Code Section 25303 prevents the Board of Supervisors from impeding the “investigative function of the sheriff.” Instead, the California Attorney General has direct supervision over sheriffs when they enforce state law.^[7]

The Grand Jury’s focus on the Santa Cruz County Sheriff’s Office does not imply less need for transparency or public oversight in our cities. Rather, the Grand Jury encourages the city councils and the public to evaluate surveillance technology in use by city police, in light of the findings. In undertaking this investigation, the Grand Jury attempts to recognize the appropriate balance between secrecy and transparency as it endeavors to ensure ethical conduct through independent oversight.

The investigation included:

- Interviewing privacy board members in other California jurisdictions
- Attending privacy board meetings in other jurisdictions
- Interviewing Santa Cruz County staff and elected officials
- Santa Cruz County site visits
- Reviewing reports, audits, contracts, and plans related to surveillance technologies
- Researching proposed and enacted California city, county, and state ordinances/legislation
- Seeking out best practices in privacy and surveillance technology management
- Evaluating options for improving transparency
- Examining the risks associated with too much available information

Investigation

Setting certain expectations in writing with regard to surveillance technology usage and privacy controls helps to ensure the Sheriff’s Office operates in a manner that protects individuals’ privacy. The Grand Jury requested written documentation on the following:

1. Amazon Ring: Neighbors Public Safety Service (NPSS)
2. Automated License Plate Readers (ALPR)
3. Body Worn Cameras and Portable Audio Video Recorders
4. Mobile Device Forensic Tools (MDFT)
5. Drones, Robots and In-car Dash Recordings
6. Security Alarm/Neighborhood Video Partnership
7. Inmate Tablet Devices and Inmate Telephone Access

Amazon Ring: Neighbors Public Safety Service

Amazon Ring law enforcement partnerships are growing and include the Santa Cruz County Sheriff’s Office. In a July 1, 2022 written response to a request for information from Senator Edward J. Markey (D-Mass.), Amazon Ring reported a more than five-fold increase in law enforcement partnerships on its platform since November 2019. Ring reported 2,161 law enforcement agencies on its NPSS, a platform on which participating agencies can request footage from Ring users.^[8] According to Amazon Ring:

- The consumer facing application is called Neighbors App. This application does not share the addresses at which devices are located unless a subscriber posts it to the Neighbors App or they share a video recording in response to a Request for Assistance post from the Sheriff's Office. Once shared, the street address (the address associated with the Ring device), and the email address associated with the account are shared with the public safety user who created the Request for Assistance post.^[9]
- Of note in the response to Senator Markey's request for information, Amazon Ring:
 - Failed to clarify the distance from which Ring products can capture audio recordings.
 - Refused to commit to eliminate Ring doorbells' default setting of automatically recording audio.
 - Provided videos to law enforcement in response to an emergency request, through a process that does not require the consent of the device owner.^[8]

The Santa Cruz County Sheriff's Office became one of the partnering agencies in 2020. In January 2023 correspondence to the Santa Cruz Civil Grand Jury, the Santa Cruz County Sheriff's Office reports the **Ring Neighbors Portal has been used less than 10 times since 2020 to assist with the investigation of significant crimes.**

The Sheriff's Office indicates evidentiary videos recovered through the Neighbors Ring Portal are booked to the Digital Evidence server and retained pursuant to Digital Evidence Policy 801. No information was provided on the disposal of non-evidentiary recordings. Additionally, the Sheriff's Office identifies the Neighbors Portal as a social platform and its use directed by Policy 343 Department Use of Social Media.^{[10][11]}

Automated License Plate Readers (ALPR)

Any entity in California, including public agencies, deploying readers or accessing ALPR data must post a privacy and usage policy online under a state law that went into effect on Jan. 1, 2016.^[12] The Santa Cruz County Sheriff reports no use of this surveillance technology.^{[11][13]}

Body Worn Cameras and Portable Audio Video Recorders

The Sheriff's Office completed the rollout of body worn cameras in January 2017.^{[14][15]} A 2021 research paper released by a University Crime Lab and Council on Criminal Justice's Task Force on Policing describes body worn cameras as both beneficial and cost effective.^[16]

The Grand Jury recognizes the value of this surveillance technology for both Sheriff's Officers and the public; however, body worn cameras are listed in both Sheriff's Office Policies 422 and 423.^[17] Within the Body Worn Camera policy, two different dates are listed for minimum retention of non-evidentiary data.

- **Policy 423 Body Worn Cameras** indicates all non-evidentiary data will be maintained for no less than 90 days, and references Government Code Section 26202(a). However, code 26202.6 (a) states, “the head of a county department, public safety communications center or the head of a special district may, after 100 days, destroy recordings of telephone and radio communications maintained by the department or special district.”^{[17][18]}
- **Policy 422 Portable Audio/Video Recorders**, which also includes body worn devices, indicates a retention of no less than 180 days.^[17]

Neither policy 422 nor 423 offers a definitive date for the disposal of non-evidentiary data. The conflicting information on record retention within a policy, as well as between two policies referencing body worn devices may create confusion.

Mobile Device Forensic Tools (MDFT)

On December 13, 2022, the Board of Supervisors approved the purchase of a Cellebrite Universal Forensic Extraction Device, as recommended by the Sheriff’s Office. This technology allows law enforcement to extract data from a smartphone. Funds for this purchase were obtained from the Urban Area Security Initiative (UASI).^{[11][19]} This Federal Homeland Security UASI program provides financial assistance to address multi-discipline planning, organization, equipment, training, and exercise needs of high-threat, high-density Urban Areas.^[20]

Use of MDFTs is widespread in the United States, with every one of the 50 largest local police departments using these tools, according to a Washington nonprofit that investigates how police use the technology.^[21]

Concurrent with the rapid growth in MDFTs, the share of Americans owning a smartphone is at least 85 percent, up from just 35 percent in 2011, according to a 2021 Pew Research report shown in Figure 1 below.

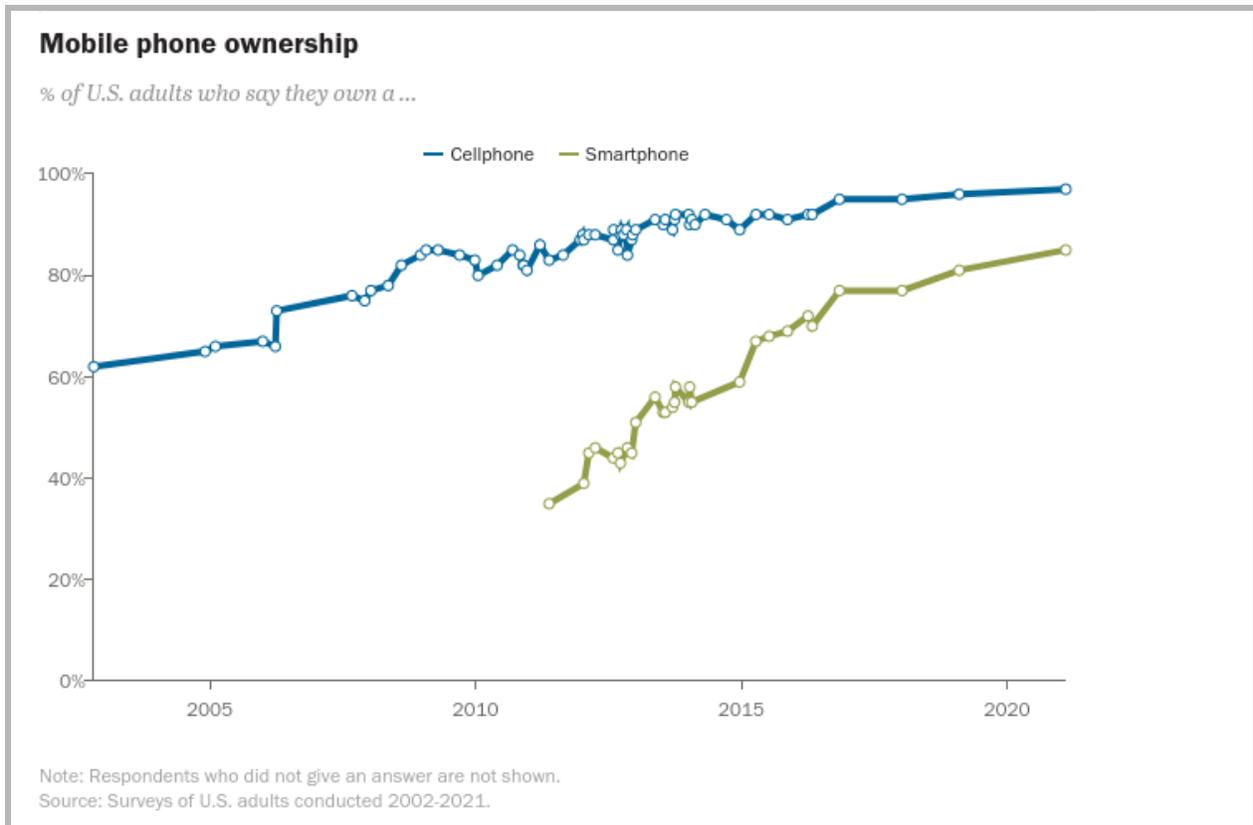


Figure 1. Mobile phone ownership over time.^[22]

In 2014, the U.S. Supreme Court ruled in *Riley v. California* that warrantless search and seizure of the digital contents of a mobile phone during an arrest is unconstitutional under the Fourth Amendment.^[23] Under *Riley v. California*, there are exceptions for the requirement of a warrant to search a mobile phone, and these are in exigent circumstances, or when the owner gives consent.^[24]

According to the Cellebrite website, the tools can access locked devices bypassing pattern, password, or PIN locks. They can overcome encryption, as well as retrieve cloud tokens and select app data.^[25] In other words, there are few limitations to access.

The Sheriff's Office provided no MDFT specific documentation or equipment delivery date in response to the Jury's request. Instead, Policy 800 Property and Evidence and Policy 801 Computers and Digital Evidence were provided.^[13]

As digital forensic tools become more sophisticated, reaching into deleted messages, time-stamped geographic location information, and beyond the physical device into cloud-based data, more questions arise in how these tools are used. This Grand Jury acknowledges additional documentation may be forthcoming when the Sheriff's Office updates its annual Military Equipment Inventory, provided tools acquired through the UASI Federal Homeland Security Grant are inventoried.^[26]

Drones, Robots and In-car Dash Recordings

The Sheriff's Office reports no In-car Dash Cams.^[13] However, the Sheriff's Military Equipment Inventory required under California AB-481 lists multiple surveillance devices capable of being deployed from many of the inventoried vehicles. State law AB-481 requires every law enforcement agency to disclose which military-style gear it has, and to adopt specific policies on how it is used. This law also requires ongoing annual reports including information about any complaints received from the public.^[26] In a first inventory, the Sheriff's Office listed items related to surveillance, including:

- Robots with camera attachment and/or two-way communications;
- Unmanned aerial vehicles with camera and/or communications attachments;
- Mobile command vehicles either capable of transporting, or with embedded communications technologies.^[27]

The Sheriff's Office first ever Military Equipment Inventory reflects the idea that the required accountability of law to local government—and to the community it serves—is meant to continue into the future. That said, the Jury notes inconsistencies and omissions within the document that will likely be corrected in subsequent inventories. For example, there were no ongoing costs or fiscal impacts documented for several inventoried items reviewed for this report, and there were some missing references to Sheriff's Office Policy. For example, Item 1 (Category 1) Robots has no Sheriff's Office policy cited, and lists no fiscal impact.

Importantly, AB-481 allows for additional inventory items under line, "(15) Any other equipment as determined by a governing body or a state agency to require additional oversight."^[26]

It should be noted that the Sheriff's Office second annual AB-481 Military Equipment Inventory was published during the review process for this Grand Jury report but was not used as a source for this investigation. The Grand Jury acknowledges improvements in reporting and looks forward to continued progress in subsequent AB-481 reporting.

In addition to publishing the Military Equipment Inventory, the Sheriff's Office issues an annual Unmanned Aerial System (i.e., drone) report entitled, "Usage of the Santa Cruz County Sheriff's Office Unmanned Aerial System (UAS) Team." Drone usage metrics are included in the "Sheriff's Office Annual Report."

The UAS Team consists of 15 members of the Sheriff's Office who are certified under Code of Federal Regulations Title 14 part 107 to fly drones in a commercial capacity. In 2022, UAS were deployed 32 times, up from 21 times in 2019, as shown in Figure 2 below. The deployments included missing person search, search and rescue operations, suspect searches, crime scene documentation, high risk incidents, and search warrants.^{[28] [29] [30] [31] [32]}

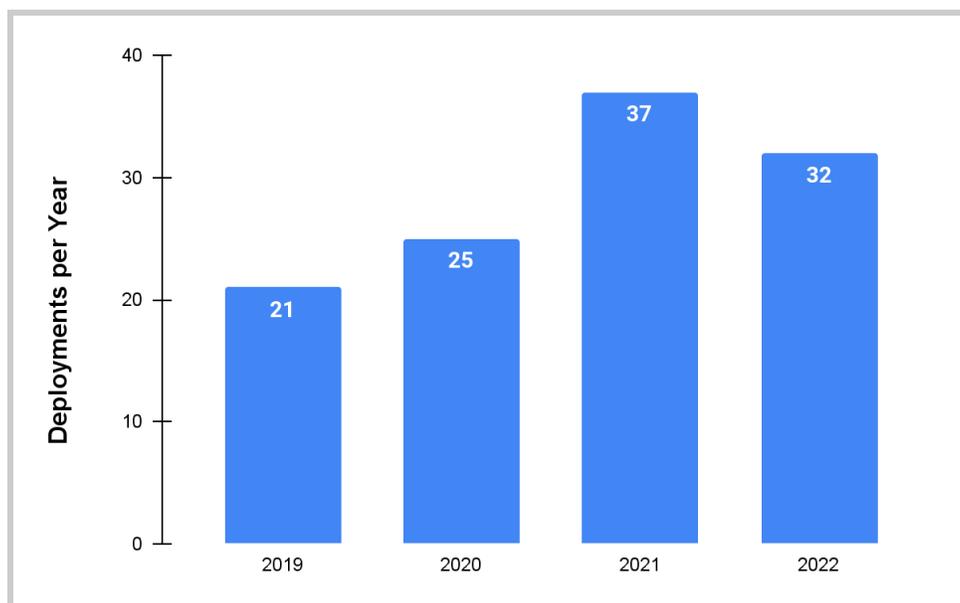


Figure 2. Unmanned Aerial System Annual Report 2019-2022. ^[29] ^[30] ^[31] ^[32]

Security Alarm/Neighborhood Video Partnership

The Board of Supervisors enacted ordinances related to alarm systems and false alarms titled as County Code Chapter 7.84, Security Alarm Systems, and subsequently approved a vendor contract for services on September 15, 2021. ^[33]

The approved vendor is CryWolf Services, part of a Florida based for-profit company called CentralSquare. CryWolf provides an integrated suite of software applications, designed to assist false alarm reduction managers and planners in accessing information relevant to false alarms. ^[34] The Grand Jury examined the CryWolf Santa Cruz County portal and noticed a video surveillance registry as seen in Figure 3:

HOME

False Alarm Reduction and Administration

Online Registration You **MUST** complete the **Alarmed Location** and **Mailing Information** sections before submitting.

Alarmed Location Information * * refers to address where the alarm system is installed.

Location Type: Video Surveillance Registration Fee: \$0.00

Last Name:

First Name:

Suite (if applicable): Numbers and/or letters only (e.g. 'A2' or '5')

Street Name: Street Num: Street Name:

City: State: CA Zip Code:

Main Phone: 123-456-7890

Other Phone: 123-456-7890

Email Address:

Multiple email addresses must be separated with a comma.
By providing your email, you consent to receiving emails regarding your account in the future.

Figure 3. Screen Capture False Alarm Reduction and Administration.^[34]

While the Video Surveillance category is available to those who wish to register on the CryWolf False Alarm and Administration online registration, the Santa Cruz County Sheriff's Office reports no use of this video registry for surveillance.^{[11] [35]} The ability to register video surveillance on a web page created solely for Santa Cruz security alarm registry may be confusing to subscribers.

Inmate Tablet Devices and Inmate Telephone Access

The Sheriff's Office first partnered with Smart Communications, a for-profit Florida-based company, in late 2021.^{[36] [37] [38]} The Sheriff's office reports approximately one tablet available for every six or seven inmates. These tablets provide several features and use two-way electronic messaging software specifically designed for use in correctional institutions for communications by inmates, and monitoring capabilities for Sheriff Deputies.^{[37] [38] [39]} Any physical mail addressed to inmates at a Santa Cruz County jail, except letters from their legal counsel, are sent to Florida for scanning and digitization. Inmates can read their mail on tablets, and hard copies are destroyed.^[40]

Importantly, a March, 2023 lawsuit filed in San Mateo County calls into question the wide scope of tablet surveillance, including; "those presumed innocent, and of the many individuals who send mail to those incarcerated people." Additionally, this court filing suggests the Florida based company stores a digital copy of scanned mail for seven years.^[41]

This Grand Jury wanted to review any documentation specific to Inmate Tablet Monitoring, including dates related to retention and disposal of data, any processes specific to evidentiary and non-evidentiary data, as well as data collected for an individual released with a case status of, "no file."^[42] In response to this request and a

request for documentation related to inmate telephone monitoring, the Sheriff's Office provided Sheriff's Office Corrections Policy 1005 related to Inmate Telephone access.^[43] Of note in a review of the Sheriff's Office Correction's Policy 1005 related to Inmate Telephone Access, is the lack of any documented process for the inadvertent recording of privileged information (e.g., communications by an inmate to legal counsel). A breach of confidentiality could expose the County to costly legal liability, as observed in a complaint filed in San Mateo County.^{[43] [44] [45]}

Every year, the Santa Cruz County Civil Grand Jury examines detention facilities within the County, including the Main Jail, the Blaine Street Women's Jail, and the Rountree Men's Medium Security Facility. During this year's tours, the jury learned about chronic staff shortages.^[46] Inconsistent staff scheduling and an overworked staff at detention facilities may impede the resolution of unforeseen issues such as the inadvertent recording of privileged communications.

Board of Supervisors Creates Office of Inspector General

On December 13, 2022, the Board of Supervisors adopted Government Code Section 25303.7 authorizing the Board to establish an Office of the Inspector General (OIG), appointed by the Board, to assist the Board with its duties that relate to the Sheriff. The ordinance establishes the OIG as an independent contractor and outlines the purpose and duties of the OIG.^[47] The creation of an OIG offers additional possibilities for oversight and recommendations regarding the policies, usage and operations of surveillance technology in the Sheriff's Office See [Appendix A](#) for more information.

Conclusion: Who Surveils Those Who Surveil Us?

While law enforcement surveillance technology can be effective for maintaining public safety and crime prevention, its use also poses several challenges and concerns. Policymakers, the public, and law enforcement agencies like the Santa Cruz County Sheriff's Office, must carefully consider the potential risks and benefits of surveillance, and ensure that its use is proportionate, transparent, and subject to appropriate safeguards and oversight. This report asks whether the Santa Cruz County Sheriff Office provides the public with the appropriate balance between the required secrecy of law enforcement investigations and public transparency.

The Santa Cruz County Grand Jury finds a need for increased transparency in surveillance use and public accountability as new surveillance technologies are introduced.

Findings

- F1.** The Sheriff's Office documenting minimal use of Amazon Ring, and informing the public of use specifically to assist with the investigation of significant crimes, assures the public this tool is not in constant use or frequently surveilling specific neighborhoods.
- F2.** The Sheriff's Office indicating no use of automated license plate readers updates the public with current information consistent with findings from the 2021 Criminal Justice Council Report.
- F3.** Conflicting information on records retention within Policy 423 (Body Worn Cameras), as well as between Policies 422 (Portable Audio/Video Recorders) and 423, creates confusion and doubt for the public, and may present lack of certainty on proper records retention and disposal for Sheriff's Office personnel.
- F4.** The Sheriff's Office's lack of documentation specific to the Cellebrite Mobile Device Forensics Tool leaves the public without critical information on how this tool will be used, and more importantly, when it will not be used.
- F5.** The Sheriff's Office first annual Military Equipment Inventory for the surveillance tools reviewed by the Grand Jury lacks details such as impact cost and specific linkages to Sheriff's Office policy as required under California AB-481. This lack of detail leaves the public without clarity on aspects of cost and accountability measures.
- F6.** The ability to register video surveillance on a web page created specifically for security alarm registration within Santa Cruz County may be confusing to the registered subscribers, as well as those considering adding security services to their home or business.
- F7.** The Sheriff's Office of Corrections' lack of clear documentation specific to inmate tablet use leaves the public without critical information on how the information collected is used, how this information is retained, and more importantly, when disposal occurs for non-evidentiary records.
- F8.** The Sheriff's Office of Corrections' lack of a documented process for handling inadvertent recording of privileged communications (e.g., communications by an inmate to legal counsel), is a concern since a breach of confidentiality could expose the County to costly legal liability.

Recommendations

- R1.** As Ring installations become more widespread, the Sheriff's Office should include statistics on Amazon Ring Neighbors Portal usage in its annual report to the public by March 30, 2024. (F1)
- R2.** The Sheriff's Office should consider using its 2024 annual Military Equipment Inventory public meeting as its forum to inform the public of intent to acquire or use any Automated License Plate Reader equipment. (F2)

- R3.** The Sheriff's Office Policy Manual should review and propose potential revisions specific to confusing language in Policies 422 (Portable Audio/Video Recorders) and 423 (Body Worn Cameras) by December 31, 2023. (F3)
- R4.** The Sheriff's Office should inform the public on whether Mobile Device Forensic Tools are used for consent searches specifically, and define and announce disposal dates for non-evidentiary data by December 31, 2023. (F4)
- R5.** The Sheriff's Office may wish to recommend to the County Administration Office that clarifying language be added to the False Alarm and Administration online registration. (F6)
- R6.** Where possible, the Sheriff's Office should publicly provide information on retention and specify disposal dates for all surveillance technologies non-evidentiary data by December 31, 2023. (F3, F4, F5, F7)
- R7.** The Sheriff's Office should consider regular public reporting on the intended acquisition and ongoing use of surveillance technologies not already publicly reported as required under state or county law. The Sheriff's Office should consider using portions of the Military Equipment Inventory as a template for providing the public with pertinent information on any surveillance equipment proposed, or acquired through federal grants, or other funding rather than creating yet another reporting format by December 31, 2023. (F2, F4)
- R8.** The Sheriff's Office should review its Military Equipment Inventory to ensure compliance with AB-481. Where documentation is missing, the Sheriff's Office should draft clarifying text either to share with the public for review, or for inclusion in the annual update by May 31, 2024. (F5)
- R9.** The Sheriff's Office of Corrections should consider a documented process for handling the inadvertent recording of privileged communications, including inmate tablet use by September 30, 2023. (F7, F8)

Commendation

- C1.** The Sheriff's Office Annual Report is easy to read, well organized, and provides useful information to the public. This publication offers thoughtful views of equipment, events, and Sheriff's Office personnel.

Required Responses

<i>Respondent</i>	<i>Findings</i>	<i>Recommendations</i>	<i>Respond Within/ Respond By</i>
Santa Cruz County Sheriff	F1 – F8	R1 – R9	60 Days August 21, 2023

Invited Responses

<i>Respondent</i>	<i>Findings</i>	<i>Recommendations</i>	<i>Respond Within/ Respond By</i>
Santa Cruz County Public Defender	F8	R9	90 Days September 18, 2023
Santa Cruz County Administrative Officer	F6	R5	90 Days September 18, 2023

Definitions

- **Automated License Plate Readers (ALPR):** Include both mobile and fixed cameras that photograph license plates and assemble the data into a searchable database.
- **Military Equipment in Assembly Bill 481 includes:** Unmanned, remotely piloted, powered aerial or ground vehicles. Command and control vehicles. (6) Weaponized aircraft, vessels, or vehicles of any kind. (7) Battering rams, slugs, and breaching apparatuses. (8) Firearms of .50 caliber or greater. (9) Ammunition of .50 caliber or greater. (10) Specialized firearms and ammunition of less than .50 caliber, including assault weapons. (11) Any firearm or firearm accessory that is designed to launch explosive projectiles. (12) “Flashbang” grenades and explosive breaching tools, “tear gas,” and “pepper balls.” (13) Taser Shockwave, microwave weapons, water cannons, and the Long Range Acoustic Device (LRAD). (14) The 40mm projectile launchers, “bean bag,” rubber bullet, and specialty impact munition (SIM) weapons. (15) Any other equipment as determined by a governing body or a state agency to require additional oversight.
- **Mobile Device Forensic Tools (MDFTs):** A technology allowing law enforcement to extract a full copy of data from a smartphone — all emails, texts, photos, location, contact, app data, location data, timestamps, etc., which can be programmatically searched and analyzed.
- **Neighbors Public Safety Service (NPSS):** An Amazon Ring platform on which participating agencies can request recorded video footage from Ring users.
- **Surveillance Technology/Tool:** Encompasses any digital device, software or system that gathers information on an individuals' activities or communications.

- **Urban Areas Security Initiative (UASI):** This Homeland Security Federal Grant program assists high-threat, high-density Urban Areas in efforts to build and sustain the capabilities necessary to prevent, protect against, mitigate, respond to, and recover from acts of terrorism. The UASI program provides financial assistance to address the unique multi-discipline planning, organization, equipment, training, and exercise needs of high-threat, high-density Urban Areas, and to assist these areas in building and sustaining capabilities to prevent, protect against, mitigate, respond to, and recover from threats or acts of terrorism using the Whole Community approach.

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Site Visits

Santa Cruz County Sheriff’s Office

Santa Cruz County Main Jail

Santa Cruz County Rountree Detention Facility

Appendix A. Office of Inspector General Contract

The OIG contract was awarded to OIR Group of Playa Del Ray, CA at the December 9, 2022 Board meeting, with the contract period beginning in March, 2023 (Contract #23C4696).^[48]

One example of the type of work OIR Group completed with potential benefit to oversight in Santa Cruz County is providing Santa Clara County with an assessment of their Sheriff's Office Military Equipment Inventory in compliance with California AB-481. For example, the completed assessment suggests consideration of policy language which explicitly states that the Sheriff's Office operationally directs and manages the use of military equipment in mutual aid scenarios, while also requiring that other agencies adhere to their own policies.^[49]

The newly created Inspector General will have similar investigatory powers to the Grand Jury, such as the power of subpoena, but with both significant differences and additional advantages:

- It will not cease to exist, and need to start fresh with a new group of citizens.
- It may act as an advocate for the Sheriff's needs for resources before the Board of Supervisors.
- It may issue periodic reports calling attention to issues of public interest concerning the operation of the Sheriff's Office, such as surveillance.
- It may provide the public with greater transparency of the Sheriff's Office operations.^[50]



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Code Compliance Division – Out of Compliance

It's not easy, but it shouldn't be impossible

Summary

The Code Compliance Division of the Santa Cruz County Planning Department is responsible for investigating homeowners and businesses including those operating short-term rentals who may not be following applicable county codes. In response to a citizen complaint about potential conflict of interest and overreach by the department, this investigation found that the Code Compliance Division, while earnest and well meaning in carrying out their mission, was extremely short staffed, had an enormous backlog of cases, and lacked basic professional organizational procedures, practices, and policies. Because of these issues the employees are unable to carry out their work in a timely and consistent manner and are less accountable for their work. This causes mistrust from the public, inconsistencies in their work, and an inability to analyze and identify areas for improvement. It is the position of the Grand Jury that the department should run transparently, productively and efficiently.

This report highlights the areas where the department is especially lacking: documentation, procedures and policies, employee training and education, and quality assurance. In addition, the report identifies problematic issues of the Planning Department as a whole that impact the Code Compliance Division's performance.

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Background

The Santa Cruz County Civil Grand Jury received a complaint from a citizen concerning a possible conflict of interest issue and overreach by a Code Compliance Investigator (CCI) from the Planning Department. In the course of investigating this complaint the Jury found a number of issues that were problematic.

The Code Compliance Division (CCD) is responsible for the investigation and enforcement of situations involving building, environmental, and zoning violations, including work without permits, as well as enforcing regulations of the vacation and hosted rental ordinances. In addition, the division offers staff and administrative support for Neglected Property and Dangerous Building/Site Abatement Programs. The division also works closely with the Cannabis Licensing Office where illegal cultivation or manufacturing includes violations of building or zoning regulations in addition to violations of the cannabis ordinance.^[1] The department currently is staffed by four Code Compliance Investigators (CCI) and one Technical Assistant (Tech), and is managed by a supervisor who currently oversees two divisions.^[2]

These departments generally operate in response to citizen complaints of alleged code violations or from referrals from other public agencies, but at times investigations are initiated by department staff for issues such as unpermitted construction underway, situations of life-safety hazards, or severe nuisance activities. Cases are investigated and if appropriate, administrative citations and warning and/or violation notices are issued. Double fees are sometimes assigned to permits resulting from "Stop Work" and code compliance cases. These actions may be followed by additional legal sanctions, such as recordation, fines, or civil penalties. The overall objective of the code enforcement process is to motivate the property owner to discontinue the illegal use or activity and/or to obtain the required permits.^[1]

In 2021, in an effort to improve customer service, streamline project management, and achieve county goals in attainable housing, reliable transportation, and sustainable environment, the Santa Cruz County Board of Supervisors (BOS) directed the the departments of Public Works and Planning to integrate into a single department named the Community Development and Infrastructure Department Management.^{[3] [4]} The Code Compliance Division of the Planning Department is housed within this new framework.

A perception that Code Compliance Investigators overstep their authority led this Grand Jury to conduct an investigation into the Code Enforcement Division.^[5] The objective of this investigation was to determine if the problems were pervasive, if there were systemic issues that might be exacerbating the perception, and if there were solutions that could mitigate the issues.^{[6] [7]}

Scope and Methodology

The Jury interviewed managers, supervisors, and staff from the County Planning Department Code Compliance Division, resident clients involved with the Planning Department, and land use consultants who assist resident clients and developers in their interactions with the Planning Department. In addition the Jury interviewed a member of the Santa Cruz County Board of Supervisors.

The Grand Jury sought answers to the following questions:

- What are the county policies on investigations, how they are conducted, when they are needed, and how they engage with residents?
- Does the department perform background research to understand an issue, review previous permits, and validate a complaint before they respond?
- Does the department have effective data management so they can locate previous approvals and complaints to inform their responses?
- How does the department track, monitor, and respond to complaints about inspections?
- Who provides quality control? What are the quality control standards?
- Do residents have an opportunity to question inspections and receive a timely response?
- How does the department handle potential conflicts of interest and monitor and enforce the policy?
- Are staff adequately trained on appropriate inspections and their jurisdiction?
- Does the staff acknowledge their errors and adjust their interactions with residents accordingly? What are the policies and procedures for identifying errors?
- What is the department's standardization of process? Are answers to clients' questions from staff consistent?
- What is the scope of public complaints against the Planning Department, and how are they tracked?
- Is there Board of Supervisors oversight of the Planning Department?

The Grand Jury investigation began with a review of a document entitled "Responses to Public Comments Received at Winter 2010/2011 Community Forums and Focus Groups."^[8] From November 2010 to February 2011, the Planning Department conducted several community forums and focus groups throughout the unincorporated area in order to provide an overview of the functions and services provided by the department; and to obtain public comments and input about any aspect of those services.

Additional Planning Department documents reviewed included:

- Policies and procedures regarding conflicts of interest.
- Policies and procedures regarding complaints and disputed decisions.
- Policies and procedures manual for the Code Compliance Division.
- Policies and procedures manual for the Planning Department.
- Code Compliance records of in-house training specific to job requirements and interactions with residents/clients.
- Organizational chart of the overall Planning Department.
- Records of complaints and resolutions for the past two years.
- "Applicants Bill of Rights."
- List of backlogged cases.
- Evaluation Performance Reviews.
- Personnel log of CCI education classes taken.

INVESTIGATION

Policies and Procedures

A properly written and maintained policies and procedures manual provides ease of access, cost effectiveness, responsiveness, and accountability.^[9] Policies and procedures are needed for a variety of purposes, including but not limited to, compliance with regulations, internal controls, operating requirements, risk management, and ongoing efficiencies.^[10] Effective policies and procedures are living documents that must grow and adapt with an organization. While the core elements may stay the same, the details should change according to industry standards, organizational needs, or legal requirements.^[11] This investigation found that the CCD and Planning Department do not have updated policies and procedures.

During review of policies and procedures manuals for the Planning Department and the CCD, the Jury found the documents to be largely undated, long out of date, or with no identifiable update history. In addition, there are policies in place that are not followed. Some examples of this include:

1. Phone calls and messages from the public are not returned within one business day.^{[12] [13] [14] [15]}
2. A county resident reported to the Jury that they were directed by a Code Compliance Investigator to contact the County Assessor's Office to report unpaid taxes on a hot tub, which is contrary to policy.^[16]
3. Names of cardiopulmonary resuscitation (CPR) qualified staff members from 1995 who are no longer employed in the Department are listed in the policies and procedures manual.^[17]
4. A vaguely worded policy regarding conflicts of interest did not address personal relationship conflicts.^{[18] [19]} Management and staff indicated that they were not aware of a policy regarding conflict of interest in the manuals, and stated, "the issue is handled with common sense".^{[20] [21]}
5. There are no written policies or procedures for managing complaints from the public concerning the conduct of CCIs.^[22]
6. The Planning Department policies and procedures manual states that the manual is to be revised semiannually on the first Tuesday after April 30 and October 30.^[23] This is not being done and documented.
7. While the CCD has a rough outline for conducting investigations and an established flow chart in the three ring binder that serves as their policies and procedures manual (see Figure 1), the outline was last updated in 2010, the flow chart is undated, and there are no timelines specified for completing the work.^{[24] [25]}

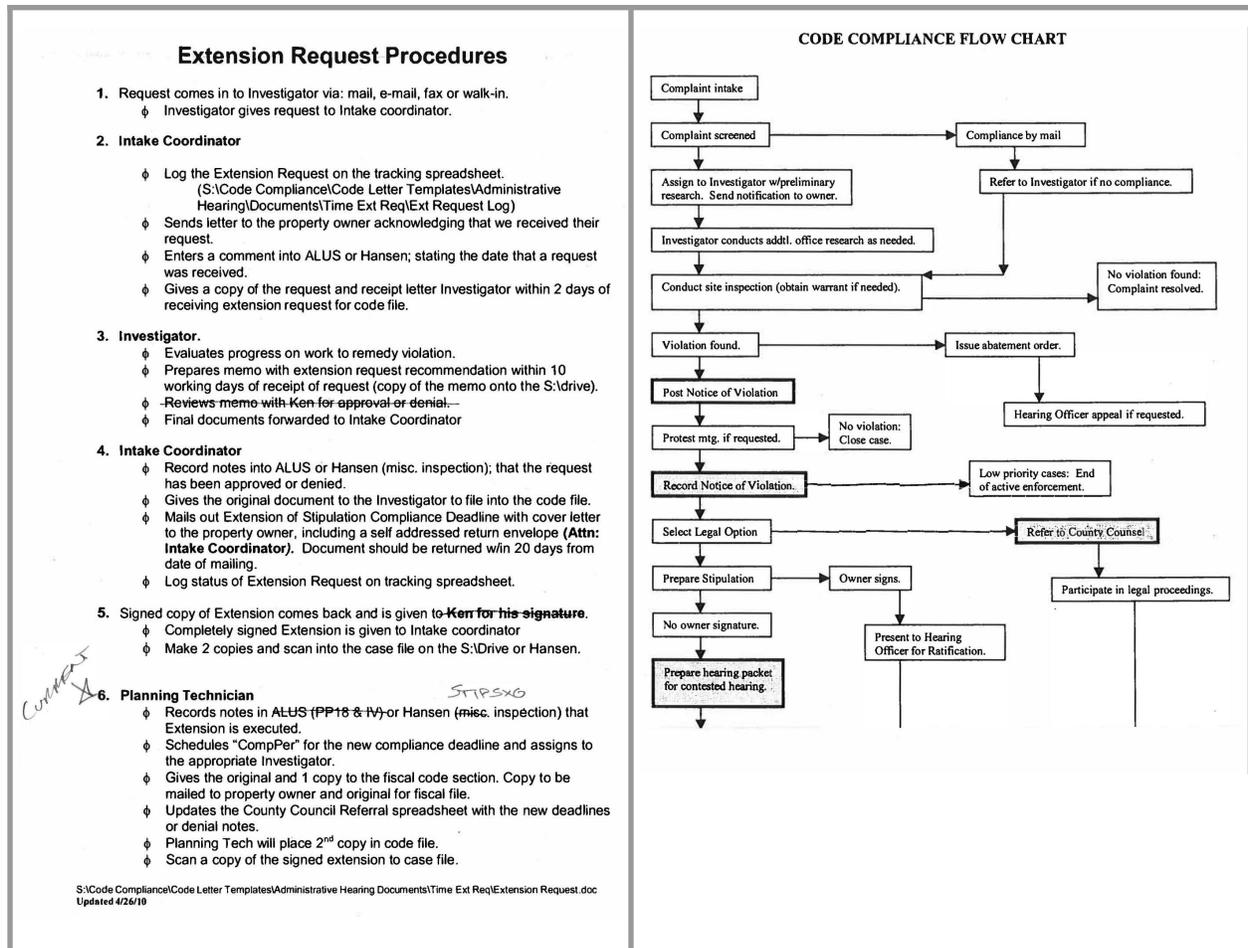


Figure 1. Pages 2 and 16 from the CCD Policy & Procedure Binder. [24] [25]

Record Keeping and Documentation

Multiple interviewees reported that it is unclear whether information shared with a resident at the desk is logged. Clients from the public can get different answers to their questions depending on which staff member they speak with. [26] [27] [28] In addition, residents and consultants report that unless they request something in writing, conversations with staff at the counter or on the phone have no value. [27] This leads to “answer shopping,” misunderstandings, time delays, and added cost. [26] [29] An example of this is that one resident reported that they were told by a Planning Department staff member at the front desk that they did not need a permit for a fence they planned to build. They were later cited and fined for failure to get a permit. However, there was no record of the conversation so neither side had any evidence of what the conversation actually contained. [29]

Within the CCD, this investigation discovered that there is no requirement for CCI’s to maintain a contact log for their interactions with the public. Each CCI maintains their own system of tracking calls and messages. [30]

Staffing Down, Caseload Up

Staffing levels are problematic throughout the Santa Cruz County Government agencies. Overall Santa Cruz County staffing is down approximately 20 to 30 percent, or 500 employees in the past 10 years.^[31] In the CCD, the staffing is down by 50 percent over the past 10 years.^[32] The population served by the CCD is approximately 130,000.^[33] Staff workload is impacted by the size of the population served. There are currently only four Code Compliance Investigators.

Interviewees reported that a lack of staffing is partly responsible for a backlog of unresolved cases.^[34] There is a backlog of over 1,500 unresolved red tags that date back to 1980.^{[35] [36]} The Grand Jury acknowledges that there are various and complex reasons for the backlog of cases, some of which are out of control of the CCIs. CCIs have an average of 75 to 80 active cases at this time. Phone calls from the public are often not returned within one business day, which is Planning Department policy.^{[37] [38]} This seems to be the result of staff not having sufficient time due to their heavy workload. Interviewees reported that with the inability to fully staff, each CCI is doing the work of two to three people.^[39]

Unfilled positions are also impacting the work of the CCD. For example, the department requires the support of a Tech. The former Tech has been promoted to a CCI position but cannot perform those duties until the Tech position is filled.^[40] In addition, the team is currently unofficially supervised by a fellow CCI.^[41] The department intends to officially promote him to supervisor pending a reclassification of the position, a long process.^[42]

The addition of proactive investigations of the Short-Term Rental Program to the CCD caseload was ordered by the BOS in 2022. This took CCI's away from their regular investigations for several months.^{[34] [43] [44]} Fortunately, the BOS authorized a new CCI position in March 2023 specifically for short term rental compliance which, once filled, should allow CCIs to focus on their regular investigations.^[45]

Insufficient staffing levels prevent CCI's from being able to close old cases^[46]. An unfilled fiscal staff position and the current CCD staffing matrix does not account for time needed to clear backlogged cases.^{[32] [47]} With over 1,500 open cases, it would take one to two extra staff to resolve this backlog in a two year time frame.^[48] These old open cases represent properties that are not compliant in some manner. They could represent fire danger, health hazards, environmental hazards, misuse of property, property that might be used in a higher and better manner, and of course, uncollected civil penalties.

Staff Training & Development

Staff development and training is not mandatory in the CCD. A state organization, California Association Of Code Enforcement Officers (CACEO), provides a certification program and an annual seminar for code compliance investigators. Currently, all CCI's are CACEO certified, but the CCD does not require certification to do the job. Interviewees reported that initial training is mostly on-the-job.^[49] In addition, there is no requirement for ongoing staff development of CCIs, and no documentation of employee staff development is maintained in staff files.^[50] Moreover, the CCD does not currently conduct regular staff meetings, which would be a useful means of training and information sharing among investigators.^[51]

Dearth of Performance Improvement & Quality Assurance

In 2023, the County adopted the Performance Measurement Initiative as part of the SCC Strategic Plan, which aims to guide county departments to be more accountable to the public through the use of data transparency, an important part of building trust with the community.^[52] And yet no apparent procedures or policies for quality assurance or performance improvement appear in the Planning Department and CCD policies and procedure manuals.^{[53] [54]} Interviewees were not aware of a published CCD customer service policy or philosophy, nor a documented procedure for handling complaints about the CCD. One interviewee reported that there is a customer service survey, but it has not been utilized for quite awhile.^[55] In spite of reports from interviewees of dissatisfaction with the CCI's, only one formal complaint about the department was documented regarding the CCD for 2022.^[22] When asked if there was an internal system for tracking complaints about the CCD, the Grand Jury was told that those complaints were referred to the department manager who handled each of them individually.^{[56] [57]}

Collection of data concerning training and residents feedback could provide management with information for performance improvement. Because the CCD caseload is large, the department could also benefit from improvements to time management for which there is no system of collecting data.^[53]

Before the Board of Supervisors required the Code Compliance team to proactively investigate short-term rentals, it wasn't being done.^[58] Upon completion of the mandated investigation the CCD found that 25 percent of the short-term rentals in operation were un-permitted.^[59] If the CCD had processes for evaluating their own caseloads for trends and rising issues, they would be able to proactively address new problems.

Culture

Culture may be defined as "the set of shared attitudes, values, goals, and practices that characterize an institution or organization." An organization's culture represents its public image and reputation. People make assumptions about an organization based on their interactions within and outside of the organization.^[60]

The CCD shares the organizational culture of the Planning Department. For years, the culture has been noted for the slowness of the permitting process, for inconsistent

interpretation of code, and for its limited accessibility to the public.^{[8] [28]} This investigation found that it is difficult to get access to planners even for consultants who have considerable history working with the Planning Department.^{[61] [62]} Interviewees report general discontent with inconsistent interpretations of code, increased fees, and poor customer service.^{[8] [63] [64]} Currently, the general information desk is only open to the public from 8 am to 12 pm, Monday through Thursday, and all appointments must be scheduled between 8 am and 11:30 am Monday through Thursday.^[65] A current state dashboard reveals that long timeframes for permit processing continue up to the present. This status was confirmed by interviewees and prior Grand Juries.^{[66] [67] [68]}

The Board of Supervisors directed the Planning Department to adopt an Applicants Rights Resolution (see Appendix A) in 1978 and revisited it in 2012. The resolution established policies to aggressively reform permit processing to make the process clearer and easier to understand. Although it was well intentioned, it has not had the desired result. In response to years of resident complaints about the “mountains of red tape,”^[69] the department in 2022 created the Unified Permit Center. The intended focus is on customer service, pre-application clearances, and real-time plan checking. Interviewees have not yet noticed improved access or consistent interpretation of codes.^{[3] [70]} The effect of these issues is continued reluctance of the public to go through the permitting process creating a greater caseload for the CCD.

Conclusion

By enforcing violations of building and environmental codes, the CCD bears an important role in the health and safety of our county. This investigation found that the CCD employees work hard to carry out their mission in a professional manner. Unfortunately, the division suffers from chronic understaffing, inadequate management, and a lack of basic organizational practices and procedures. This report highlights the areas where it is especially lacking—documentation, procedures and policies, employee training and education, and quality assurance. Because the division is resolving violations of planning and building codes, they work within the larger culture of the Planning Department that is noted for its slowness, inaccessibility to the public, and inconsistent implementation, which makes the CCD’s work even more challenging. As a result, the CCD has a huge backlog of unresolved violations, and public confidence in both the CCD and the Planning Department is low.

This Grand Jury recommends that the CCD division quickly increase staffing and improve processes to enable it to resolve the backlog of cases that represent potential community safety and environmental hazards, lost revenue, and county liability. In addition, the CCD needs to urgently overhaul its organizational procedures and practices to improve consistency and to increase transparency and accountability. Moreover, the Grand Jury recommends that the Planning Department increase its accessibility to the public and document all interactions with the public.

Findings

- F1.** Understaffing over a long period of time in the Code Compliance Department means that Code Compliance Investigators are unable to complete cases in a timely manner, causing a huge backlog of cases some of which are up to 40 years old.
- F2.** The Code Compliance Department and the Planning Department do not routinely revise and update their departmental procedures and policies, which leads to lack of accountability to the public and inconsistent implementation and interpretation of findings in investigations.
- F3.** The Code Compliance Department of the Planning Department does not have quality assurance systems in place to evaluate their own performance and effectiveness, which contributes to lack of accountability and lack of credibility and public confidence.
- F4.** At the present time the Planning Department has limited access for the public. It is frustrating to the public to be unable to readily communicate with the staff required to assist in dealings with building, planning, and code compliance matters.
- F5.** There is a persistent public perception of inconsistent interpretation of code. The building and other various codes are complex and difficult to understand. When misinformation is communicated and portions of projects must be redone, it leads to time and money loss as well as frustration.
- F6.** The Conflict of Interest policy does not include conflicts regarding family, friends, or prior relationships of a personal nature. This omission, and the optics in some situations, lead to misunderstanding and mistrust between the public and the Code Compliance Department as well as increasing the risk of liability to the County.
- F7.** The Planning Department is by its nature supposed to be a customer-focused department, yet it operates in ways that discourage communications, undermining the public's trust in the department.

Recommendations

- R1.** The Planning Department should fill vacant code compliance positions by the end of the calendar year 2023. (F1)
- R2.** The Personnel Department should reclassify the job description and requirements for the Code Compliance Supervisor to allow the de-facto supervisor to become the department supervisor by the end of this calendar year 2023. (F1)
- R3.** The Planning Department should, by the end of 2023, determine what steps and staff are needed to close out the backlog of code compliance cases within a two year time frame. (Consider including the County Auditing Department to assist with this process.) (F1)

- R4.** The policies and procedures manuals for the Planning Department and Code Compliance Department should be completely reviewed, updated as prescribed in the policy and procedures manual, and digitized. Each section should be dated, and all future revisions should include date markings for any changes. This process should be completed by the end of 2023. (F2)
- R5.** The Code Compliance Department should create a log system that ensures that all Planning Department and Code Compliance desk interactions, phone calls, emails, text messages, complaints, and any other interactions with the public are entered into a searchable database by the end of 2023. (F3)
- R6.** Data regarding public complaints about Code Compliance Investigators actions should be discussed at staff meetings. Data collected by the log system should be reviewed by Code Compliance Department management no less than quarterly. This should be instituted by October 1, 2023. (F3)
- R7.** The Code Compliance Department should institute monthly staff meetings by October 1, 2023. Meetings should include relevant educational materials, data regarding monthly activity, new challenges such as policy changes, and resolution of or issues regarding active complaints about the department. (F2)
- R8.** The Code Compliance Department should formalize training and staff development requirements of Code Compliance Investigators through CACEO, use staff meetings to encourage cross training and continuing education, document staff development in employee files, and formalize it in the employee evaluation protocol by October 1, 2023. (F2)
- R9.** The Planning Department should increase the hours that are open to the public and enforce their 24 hour policy of returning phone calls from the public by the end of 2023 (F4)
- R10.** The Code Compliance Department should add recommended time frames for the Flow Chart described in the policy and procedure manual by the end of 2023. (F4)
- R11.** Conflict of Interest policy should be rewritten to include relationships of a personal nature by the end of 2023. Use the counties of Mendocino and San Bernardino policies as a reference. (F6)
- R12.** The Board of Supervisors and Community Development and Infrastructure Department Management should focus on the organizational culture within the planning department and refocus the culture in a way that fosters public trust. (F7)

Required Responses

<i>Respondent</i>	<i>Findings</i>	<i>Recommendations</i>	<i>Respond Within/ Respond By</i>
Santa Cruz County Board of Supervisors	F1 – F7	R1 – R12	90 Days September 21, 2023

Invited Responses

<i>Respondent</i>	<i>Findings</i>	<i>Recommendations</i>	<i>Respond Within/ Respond By</i>
Santa Cruz County Principal Planner	F1 – F7	R1 – R12	90 Days September 21, 2023
Santa Cruz County Director of Community Development and Infrastructure	F1 – F7	R1 – R12	90 Days September 21, 2023
Santa Cruz County Assistant Planning Director, Policy, Housing & Code Compliance	F1 – F7	R1 – R12	90 Days September 21, 2023
Santa Cruz County Code Compliance Investigator IV	F1 – F7	R1 – R12	90 Days September 21, 2023

Definitions

- BOS: Board of Supervisors
- CC: Code Compliance
- CACEO: California Association Of Code Enforcement Officers
- CCD: Code Compliance Division
- CCI: Code Compliance Investigator
- P&P: Policy and Procedure

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Appendix A – Applicant’s Rights^[71]



COUNTY OF SANTA CRUZ

PLANNING DEPARTMENT

701 OCEAN STREET, 4TH FLOOR, SANTA CRUZ, CA 95060
(831) 454-2580 FAX: (831) 454-2131 TDD: (831) 454-2123

Applicant’s Rights

Resolution Establishing County Policies for Permit Processing

WHEREAS, the people of the County of Santa Cruz Adopted by vote in 1978, a comprehensive growth management and environmental protection system; and

WHEREAS, the Board of Supervisors has implemented such a growth management system through a variety of ordinances, regulations, and policies; and

WHEREAS, the concepts of growth management and environmental protection continue to be critically important for and broadly supported by our community; and

WHEREAS, it is equally important that the permit processing system which, in part, implements growth management and environmental protection policies, be as broadly supported as the policies themselves; and

WHEREAS, the Board of Supervisors has undertaken an aggressive program of reforming the permit processing system of the Santa Cruz County Planning Department; and

WHEREAS, the permit processing reform effort has resulted in measurable improvements in the system; and

WHEREAS, more progress needs to be made concerning permit processing reform, and the Board of Supervisors is taking actions to achieve such progress; and

WHEREAS, an essential element of a meaningful permit processing reform effort is for the County to provide clear and helpful information to applicants for permits; and

WHEREAS, it is in the best interests of the people of the County of Santa Cruz to now set forth policies for the processing of permit applications by the County of Santa Cruz in a manner which will have the effect of upholding all of the policies of growth management and environmental protection, while, at the same time establishing a reliable set of permit processing guidelines;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Santa Cruz that the following policies are hereby adopted for the processing of permit applications by the County of Santa Cruz:

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1. An applicant is to be provided with complete information concerning the process which will be followed regarding the application, including specific steps in the process and estimated time frames for each step;
2. An applicant is to receive at the earliest possible time all of the elements required by the County of Santa Cruz which would constitute a complete application;
3. An applicant is to be provided with clear and specific criteria which will be used by the County of Santa Cruz in making decisions pertaining to the application;
4. An applicant is to be provided with information concerning any and all appeals processes available concerning decisions made by the County of Santa Cruz which relate to the application;
5. An applicant is to be entitled to request and be provided with a "single point of contact" for processing the application;
6. An applicant is to be provided, at the earliest possible time, with notice regarding any delays in processing the application beyond the time frames established by the County of Santa Cruz for processing the permit.

Permit Streamlining Act

The Permit Streamlining Act (PSA) is a state law that the legislature enacted in 1977.

To review the PSA click here: (Gov Code Sec. 65920 et seq.)

http://leginfo.legislature.ca.gov/faces/codes_displayexpandedbranch.xhtml

For more details, you may search the "California Home" page for information on government permit processes at:

http://www.ceres.ca.gov/planning/pub_notice/part2.html

Activity/Accessibility Announcement

The County of Santa Cruz Planning Department does not discriminate on the basis of a disability, and no person shall, by reason of a disability, be denied the benefits of its services, programs or activities. The Planning Department is located in an accessible facility. If you wish to participate in any Planning program or activity, or wish to receive any Planning service, and you require special assistance, please contact us at least 72 hours in advance in order to make arrangements: **Phone # 831-454-3137 (TTY phone # 831-454-2123 or 831-763-8123 from Watsonville).**

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