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Santa Cruz City Council
809 Center Street
Santa Cruz, CA 95060

Dear Mayor and City Councilmembers

We write on behalf of Housing Santa Cruz County to express our support for the creation of affordable and workforce housing at 831 Water Street.

We understand that you have a complicated situation in which neighborhood concerns rub up against state law and the pressing need for homes for lower income working families and individuals in our community.

We hope you consider five key issues as you consider Council action on the 831 Water Street proposal.

- 1) You have made a serious – and much-appreciated – commitment to creating more affordable housing opportunities in Santa Cruz. You have approved some important projects that are helping fulfill that commitment. However, you did not say you would advance affordable housing only when it was politically easy. Your commitment was more serious than that. Now you have the chance to stay out of the way and help advance dozens more affordable units even though the politics are more challenging. Please rise to that challenge and approve essential housing for our essential workers.
- 2) The state legislature has made a very clear set of decisions to require local jurisdictions to approve more housing in general and more lower income affordable housing, in particular. Foremost among those is SB 35. Now we have a project that has carefully followed the rules of SB 35, and it seems ready to move forward once your council has acknowledged that the project meets the legal requirements. It is clear to us that it has. Of course, project opponents from the single-family homes in the vicinity have found legal arguments that “might” suggest that this project does not qualify for SB 35. There are very talented attorneys on their team that know how to raise legal uncertainty. They hope this will lead you to shy away from the SB 35 verification. We would simply point out the following language of SB 35 – in case you are tempted to lean toward finding a way around SB 35: “the design review or public oversight shall be objective and shall be strictly focused on assessing compliance with criteria required for streamlined projects” and “**shall not in any way inhibit, chill or preclude the ministerial approval** provided for by this section.” In most decisions you make as a city council, political considerations and neighborhood objections take center stage. It is clear from the legislation that these are not allowed to be a part of your deliberations in this instance.
- 3) In the last few years, Santa Cruz has started doing better than most local jurisdictions in approving housing but has still not met the RHNA targets for low income and very low-income

homes for the essential workers in our community. This project will move Santa Cruz closer to meeting those targets with more than 70 deed-restricted very low- and low-income apartments. Once those targets are met, the city will regain some discretion over projects such as this one. Under SB 35 you are currently denied much of that discretion.

- 4) It is tempting to wish for this project to have fewer stories and less density. However, the very real money constraints of developing affordable apartments require that affordable projects maximize density. It is easy to say, “let’s have a 100 percent affordable project with three stories on this site and we’ll get the affordable housing we need.” However, those that say this are not attempting to finance a project on this site. They are simply engaging in wishful thinking. Wishful thinking does not produce affordable homes for the medical assistants, café workers, teacher’s aides, maintenance workers and store clerks that make our community function. It’s also important to remember that this project and the housing it provides will be able to occur without any City money. As you know, all the affordable housing funds the City has are already committed to other projects, and yet we still need additional affordable housing.
- 5) The City and the Council have made serious and appropriate efforts to address inequity in our community. One manifestation of current inequities in our community is the primacy we have historically placed on “neighborhood integrity” not only within single family home neighborhoods but on the perimeters of those neighborhoods. Those fortunate to own a valuable home in a low-density residential neighborhood have quite frequently been able to prevent higher density affordable housing from occurring nearby, even when those projects are legally within the community-designed regulations already in place. If we are to truly address inequity in our community, we need to adjust our priorities and ensure that poorer people are taken fully into account when making housing decisions. The 831 Water Street project is a key opportunity to address this historic inequity. Some have complained that this project would perpetuate inequity because legal requirements associated with the financing of this project necessitate having two separate buildings right next to each other rather than just having one building. It is simply a political language game to call this “redlining.” This project is actually housing low-income and moderate-income people right next to each other and creating a situation where the families from both buildings share the same amenities and common spaces. The true threat to maintaining a “redlining” type situation is to force all higher density affordable housing downtown—thereby ensuring that very few poorer people live near more affluent single neighborhoods. Again, this project is step in the right direction as we battle against past practices such as redlining, which historically segregated different populations.

The struggle to build a more equitable community with affordable places to live for the people in our community that make it work for all of us is indeed a struggle. It is not easy for neighbors. It is not easy for the City Council. But it is a struggle we must engage in and your support is essential.

Thank you.

Alina Harway Don Lane Gretchen Regenhardt

For the Governing Board of HSCC

[Housing Santa Cruz County \(HSCC\)](#) is made up of individuals, nonprofit and for-profit businesses, service providers, homelessness organizations and advocates, agriculture leaders, faith-based organizations, labor leaders, financial institutions, housing professionals, sustainable community leaders (transportation, environment, health, education and energy professionals) nonprofit and for-profit housing developers, and many other community leaders.