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Housing Santa Cruz County

Our community thrives when all of our community members have access to safe, stable, affordable homes.

September 2021 Newsletter

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HSCC Governing Board News

We continue what has become a very challenging search for an executive

...continues to search for an exciting leader to lead and staff our growing organization. We continue to explore many avenues to identify the right person for the job...and welcome your help!!

In our most recent advocacy action, our Action Network tool helped us generate more than 30 letters to elected officials in support of the affordable apartments planned for 831 Water Street in Santa Cruz. (More info below.)

We were excited to learn last week that **Facebook**, which is active in affordable housing work around the Bay Area, has recognized our work and made a substantial grant to support the efforts of Housing Santa Cruz County. We also are pleased to welcome the affordable housing pros at **For the Future of Housing** to our sponsor team.

We invite you to [meet the terrific members of our governing board](#)...working hard to create affordable homes for the diverse population of Santa Cruz County and help our people thrive.

--Don Lane, HSCC Interim Governing Board Chair

HSCC Endorses 831 Water Street Apartments

HSCC supports the 831 Water Street apartment project in the city of Santa Cruz. The project will create 77 deed restricted very-low and low-income affordable housing units (30 to 80% AMI), two and a half times more than the city would normally require, and 72 market rate units designed to rent at moderate income (80% to 120% AMI). The apartments are located on a major corridor which currently houses a mini-mart, car wash, laundromat and a massage parlor. The development consists of two LEED certified buildings, one four stories and the other five. This is taller than nearby structures but the building height is allowable under current zoning/regulations. Because it has significant affordable housing, it uses the state SB 35 process that exempts it from some local approval steps. Neighbors have organized against it primarily over the building heights. HSCC has endorsed this project and we urge city council to move this project forward. [WE INVITE YOU TO USE THIS LINK TO SEND A LETTER TO THE CITY COUNCIL](#). [Read our full statement in support HERE](#).

2023 -2031 Regional Housing Need Determination

The Department of Housing and Community Development (HCD) has provided the Association of Monterey Bay Area Governments (AMBAG) with a Final Regional Housing Need Determination for 2023 - 2031. Cities and other jurisdictions in Santa Cruz and Monterey counties will be expected to permit at least 33,274 housing units across four income categories from June 30, 2023 through December 31, 2031. Most of these homes will be required to be affordable for people with low incomes. In the next few months, AMBAG will develop a plan that distributes the housing production goals to our local cities and counties. The plan is expected to be drafted by January 2022 and approved by June 2022. Under the current 2014 - 2023 Housing Element cycle, the number of expected permits is 10,430.

New state laws have broadened how state leaders define housing needs. Previous housing production target focused on needs related to predicted population growth. The new housing target includes existing needs such as households who live in crowded homes or who pay a large portion of income to rent. State law now allows streamlined approval of some housing projects when jurisdictions do not make adequate progress on their housing production goals. Cities and counties then have limited power to deny or modify projects.

New State Laws Will Help Jurisdictions Meet Housing Goals

Governor Signs SB 9 & SB 10!

These laws will expand housing construction, streamline housing permitting, and increase density to create more inclusive and vibrant neighborhoods. The legislation gives jurisdictions powerful tools to address the critical need for more housing by expanding housing options for people of all incomes.

- SB 9 gives homeowners additional tools to add critically needed new housing and help ease the state's housing shortage.
- SB 10 establishes a voluntary, streamlined process for cities to zone for multi-unit housing making it easier and faster to construct housing.

Housing Crisis Act of 2019: AB 8 extends the Housing Crisis Act of 2019 through 2030 to ~~imn~~ start more housing production. The law accelerates the

through 2025 to jump start more housing production. The law accelerates the approval process for housing projects, curtails local governments' ability to downzone and limits fee increases on housing applications.

California Come Back Plan will lead to the production of 84,000 new housing units and includes the new California Housing Accelerator, a \$1.75 billion investment to expedite construction of an estimated 6,500 shovel-ready affordable multi-family units in projects stalled due to constraints on the supply of tax-exempt bonds and low-income housing tax credits.

Governor Newsom also signed AB 1174, an urgency measure that makes changes to the existing streamlined, ministerial approval process for housing development in jurisdictions that have not yet made enough progress towards their regional housing need allocations.

Senate Bill 35 & Density Bonus

State legislation since 2017 focused on overcoming local propensities to curb growth, especially low-income projects. These bills have created ways for developers to bypass some local obstacles that stall projects and increase their costs. In addition, bills created bonus density rules that incentivize builders to create more affordable housing units -- allowing them to build larger projects along or near major transit corridors if they include more affordable housing units. Projects with homes for very-low income households are the most rewarded.

As a result, in Santa Cruz County rental apartment construction proposals have gone from almost none to many with the most action in the City of Santa Cruz. There, five inclusionary projects with a total of 144 affordable housing units are in the works. All but 8 are either very-low or low-income units.

SB 35 and the density bonus laws are producing results and with the new housing legislation signed by the Governor in September communities will see additional affordable housing progress.

Capitola Changes Housing Ordinance

At its September 9th City Council meeting, Capitola approved changes to the

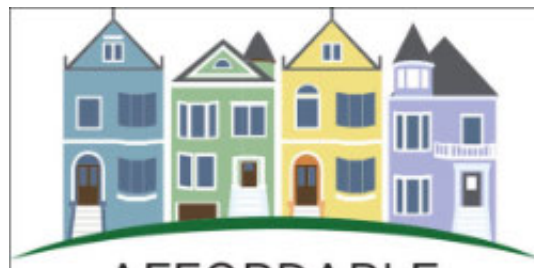
At its September 9th City Council meeting, Capitola approved changes to the city's Inclusionary housing ordinance to expedite the creation of more affordable housing. The city has a severe shortfall in affordable housing, but the high cost of land and the city's Inclusionary program requirement to provide 15% affordable housing for for-sale projects has made it difficult for developers to make projects pencil out resulting in very few housing proposals moving forward in the city.

The new rules allow developers to opt out of building affordable units and instead pay an in lieu fee of \$25 per square foot for for-sale projects. The city has a \$6 per square foot fee for rental projects. There is no inclusionary requirement for new rental developments. The in lieu fees are sent to a fund that will allow Capitola to work with a nonprofit and construct projects that could be up to 100% affordable.

Empty Home Tax Campaign Moves Forward

A group of community members have launched a campaign to put an Empty Home Tax on the November 2022 ballot for the City of Santa Cruz. This community-driven effort would levy a parcel tax on empty homes to fund the creation of permanent deed-restricted affordable housing. The tax would incentivize owners to not leave housing vacant during a time of urgent need for housing. We applaud the effort to create a new local revenue source for affordable housing (one of our organization's top goals) and, at the same time, we would encourage more work be done to generate well-supported revenue estimates and City costs for oversight and tax revenue collection. It is important to know the real impacts of this measure.

At present, HSCC has not taken a position on the Empty Home Tax initiative.



AFFORDABLE HOUSING

Some exciting news about tracking affordable housing

projects... Housing Santa Cruz County is making an effort to track all the affordable housing projects “in the pipeline” in the five local government jurisdictions of our county. Real projects are being worked on every day...and we invite you to [follow these projects with this LINK](#) and weigh in on them at appropriate times. Please feel free to email us if you know of a project that should be included.

Project Updates

City of Santa Cruz

831 Water Street - Project Update

The developer for the 831 Water Street project is using SB 35 and bonus density law to increase the number of affordable housing units. SB 35 only requires a ministerial review by the city but the project must meet all of the city's objective standards. On September 14th, the City Council denied the project because the application was not consistent with all city objective standards. The developer has submitted a revised application which will be reviewed by staff and brought back to the City Council on October 12.

City of Scotts Valley

4104 Scotts Valley Drive

The three-story housing project will include 16 two-bedroom, two bath fully accessible condominiums. "The Encore at 4104" subdivision is located across the street from the Scotts Valley Middle School and is about 800 feet from Mount Hermon Road. Normally the residential density for the size of this project site would be 13 housing units but the developer, Chris Perry of Apple Homes Development, is including two low-income affordable units so under both state law and the Municipal Code a density bonus is allowed.

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have access to safe, stable, affordable homes.*

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- \$5,000 Sponsor
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- \$25 - Limited Income
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- \$500 - Advocate
- \$1,000 - Champion

Visit www.housingsantacruzcounty.com/join-us to securely submit your donation or mail check to Housing Santa Cruz County, 132 Van Ness Avenue, Santa Cruz, CA 95060. All donations are tax deductible.

Contact Us: admin@housingsantacruzcounty.com