

Achieving Near Term Impacts on Housing Production and Preservation in Santa Cruz County



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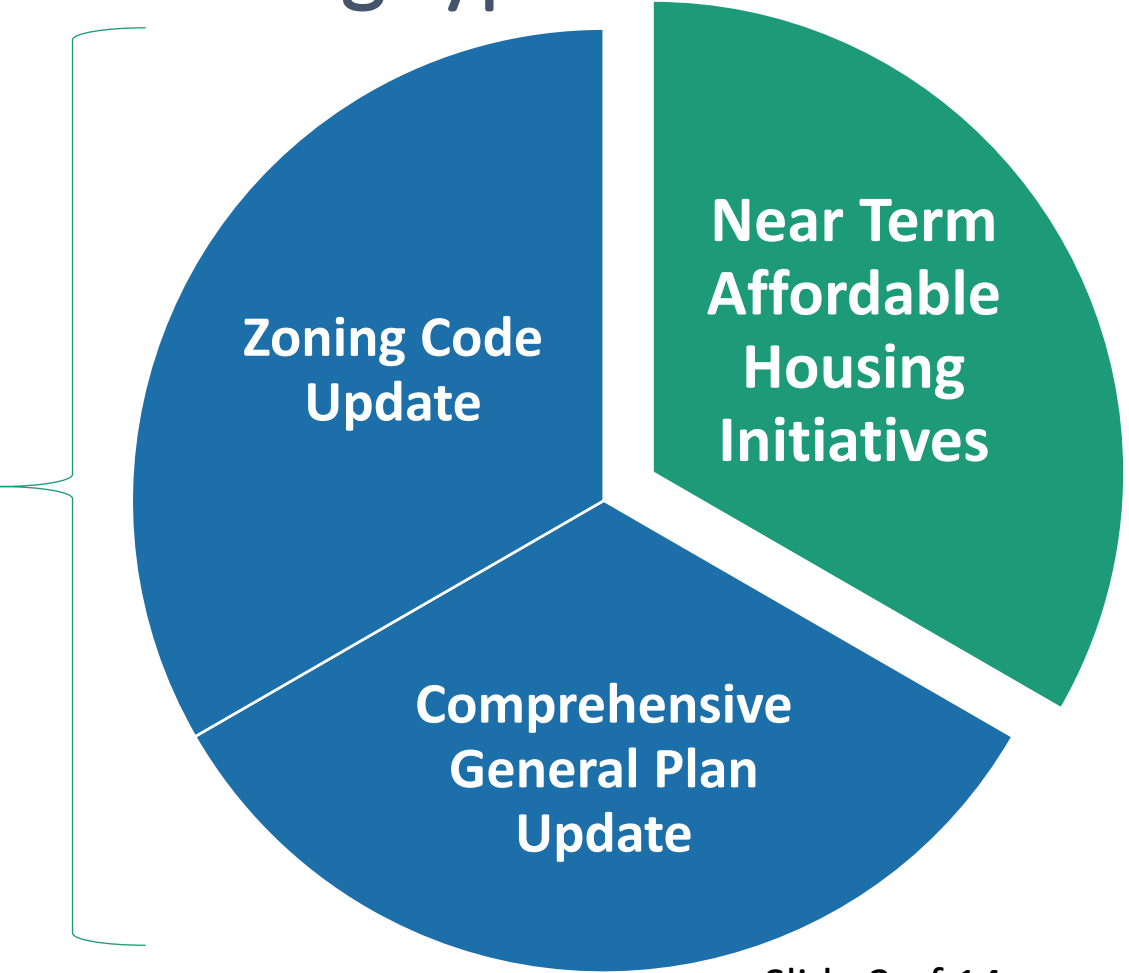
Santa Cruz County is experiencing a HOUSING CRISIS

- Rents and for-sale home prices have escalated as people continue to move here and seek housing
- New housing development lags behind demand, and State growth requirements
- Housing for Low- and Very Low-Income residents particularly at risk , particularly with the loss of redevelopment funds



What tools can the County use to address this crisis? How can we encourage *creation* and *preservation* of a variety of housing types?

Santa Cruz County Sustainability Update (2019-2021)



Near Term Affordable Housing Initiatives

➤ Accessory Dwelling Unit Regulations and Fees

➤ Inclusionary Housing Rules

➤ Enhanced Density Bonus

➤ Safe Structures Program

➤ Permanent Room Housing Combining Zone District

➤ Farmworker Housing Solutions

➤ Housing on Public Facilities Land

Accessory Dwelling Units

Update and simplify County Code to ease restrictions on ADUs and comply with state law

The Planning Department has developed resources to help property owners plan, design, build and finance ADUs



A collage of three resource book covers from Santa Cruz County:

- Top Cover:** "SANTA CRUZ COUNTY ACCESSORY DWELLING UNIT ADU BASICS". It features three photos of different ADU styles: a modern blue house, a traditional wooden house, and a grey house with a garage.
- Middle Cover:** "SANTA CRUZ COUNTY ACCESSORY DWELLING UNIT DESIGN GUIDE". It features three photos of different ADU styles: a modern blue house, a traditional wooden house, and a grey house with a garage.
- Bottom Cover:** "SANTA CRUZ COUNTY ACCESSORY DWELLING UNIT COST AND FINANCING GUIDE". It features three photos of different ADU styles: a modern blue house, a traditional wooden house, and a grey house with a garage. The date "APRIL 2018" is visible at the bottom right.

Accessory Dwelling Units

Web Resources for staff and applicants: <http://www.sccoplanning.com/ADU>

County ADU Programs:

- **My House My Home: Partnership with Habitat for Humanity** to help Senior homeowners build ADUs
- **ADU Forgivable Loan Program**: \$40,000 deferred loan, forgiven after 20 years.
- **Waive planning and permitting fees for small ADUs (640 sf or less), average savings of \$4,100 per project.**

Project Costs		Cash Flow	
Item	Amount	Monthly	Annually
ADU Household Size	1		
ADU Project Cost	\$38,882		
Down Payment	\$8,900		
Loan Amount	\$30,052		
Loan Term (years)	5		
Annual Interest Rate	3.00%		
Monthly Payments	\$540.00		
Monthly Maintenance Costs (optional)	\$1,000.00		
Monthly Rental Income	\$1,800.00	\$1,800.00	\$21,600.00
ADU Rental Income		\$1,000.00	\$12,000.00
Mortgage payments		-\$559.99	-\$6,719.87
Insurance		-\$40.00	-\$480.00
Maintenance		-\$100.00	-\$1,200.00
CASH FLOW		\$290.01	\$4,680.13

Household Income	1 person	2 person	3 person	4 person	5 person	6 person
Target income	\$7,500	\$8,100	\$8,100	\$8,100	\$11,250	\$11,250
10%	\$750	\$810	\$810	\$810	\$1,125	\$1,125
20%	\$1,500	\$1,620	\$1,620	\$1,620	\$2,250	\$2,250
30%	\$2,250	\$2,430	\$2,430	\$2,430	\$3,375	\$3,375
40%	\$3,000	\$3,240	\$3,240	\$3,240	\$4,500	\$4,500
50%	\$3,750	\$4,050	\$4,050	\$4,050	\$5,625	\$5,625

Inclusionary Housing Rules

Affordable Housing Impact Fee... everybody pays

AHIF for Residential Ownership Projects			
	1 Unit Projects and additions over 500 SF	2-4 Unit Projects	5+ Unit Projects
Up to 2,000 SF	\$2	\$7	\$15
2,001-2,500 SF	\$3	\$8	\$15
2,501-3,000 SF	\$5	\$10	\$15
3,001-4,000 SF	\$10	\$12	\$15
4,001 + SF square feet and up	\$15	\$15	\$15

AHIF for Commercial Development	
Industrial, Office, Hotel, Retail	\$2 per square foot
Agricultural structures e.g. greenhouses and processing facilities	\$1 per square foot



Enhanced Density Bonus

- **Existing Condition**: Residential densities allowed in Santa Cruz County are fairly low, which creates barrier for developers to afford to build lower-income housing
- **County Code** already allowed a density bonus up to **35%** on a sliding scale based on number of affordable units provided.
- **New Enhanced Density Bonus Rules (2019)**:
 - Applicants qualify for enhanced density bonus up to **50%** on depending on number of affordable units provided.
 - Qualified applicants are eligible for:
 - **Reduced Parking Ratios**
 - **Incentives/Concessions**
 - **Waivers of Development Standards**
 - 100% affordable housing projects qualify for bonus of **75%** up to a maximum of 30 d/u/a.

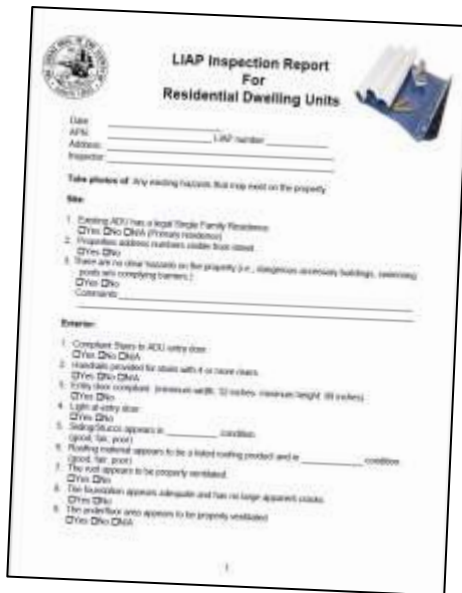


The Farm, MidPen Housing, County of Santa Cruz Redevelopment Agency.

Safe Structures Program

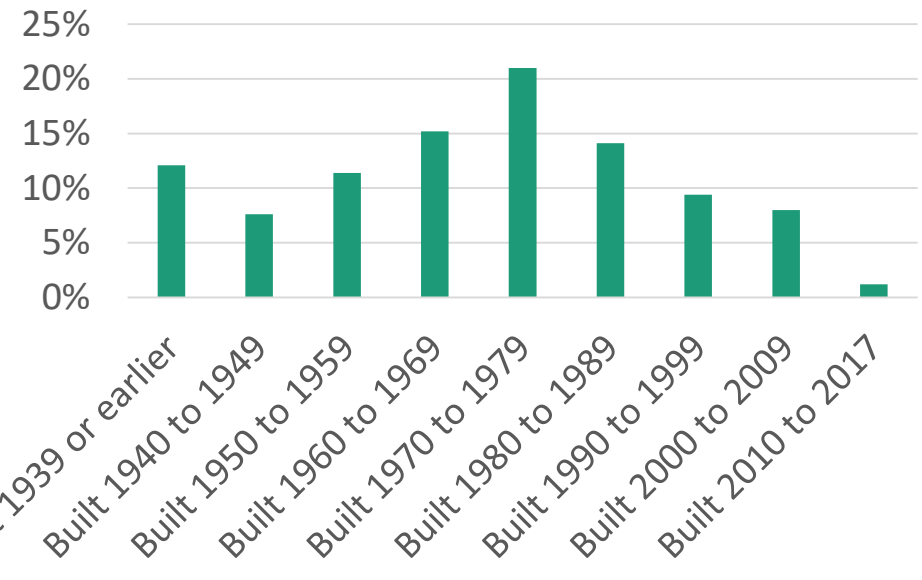
Vision: Conduct inspections and require safety upgrades to existing unpermitted structures to ensure they are safe and habitable.

Eligible Structures: Any structures (including ADUs!) with unpermitted construction that occurred prior to 2014 that cannot feasibly meet current building or zoning code.



The image shows a 'LIAP Inspection Report For Residential Dwelling Units' form. It includes fields for Date, ADU#, Address, LIAP number, and Inspector. Below these are instructions to take photos of any existing factors that may exist on the property. The form is divided into 'Site' and 'Elevation' sections, each with a list of inspection criteria and checkboxes for 'Yes' or 'No'.

Santa Cruz County Housing Stock: Year Built



Program Benefits:

- Security for property owners from code enforcement
- Decreased Safety and Legal Risk
- Decreased Cost (waived/reduced permit and code fees)
- Preservation of existing housing stock

Permanent Room Housing Combining Zone

Housing Element Program 4.5: “Explore regulatory options for recognizing and legalizing hotels/motels that have over time been converted to permanent occupancy”

- **The Permanent Room Housing “PRH” Combining District WOULD:**
 - Add “permanent Room housing” as an allowed use on properties that are zoned into the district and obtain a use permit for this use
 - Recognize and legalize permanent residential status of existing obsolete visitor accommodation and care facilities.
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- **The Combining District WOULD NOT:**
 - Convert active visitor accommodations and care facilities to housing.
 - Resolve unrelated code enforcement cases.
 - Legalize structures built without permits (Safe Structures Program)



Former vacation cabins, Boulder Creek



Former motel, Soquel

Farmworker Housing Solutions

Vision: Facilitate the development of Farmworker Housing while protecting farmland

2018: Regional collaborative study of farmworker housing needs in Pajaro and Salinas Valleys

- Farmworker housing is severely overcrowded
- Biggest need is permanent family housing units
- Goal: 5,300 permanent affordable farmworker housing units in the region within five years

County Policy Action Items (2019 – 2024)

- Improve coordination between Departments
- Make it easier for farmers to create housing
- Update Code to clarify consistency with Employee Housing Act (EHA)
- Create discretionary path for affordable farmworker rental projects



Housing in the Public Facilities Zone District

- Public Facility sites may have land available for housing
- PF sites are generally developed at somewhat robust intensities for offices, hospitals, schools, churches and other facilities
- Rental housing for low-income residents and school employees provides a *public benefit*. THEREFORE, housing for school employees is appropriate for PF-zoned sites.

Policy Objective:

A path to create employer sponsored multi-family rental housing projects on public facilities sites



Leland High School, San Jose. The City is considering allowing teacher housing on these school sites.



Casa del Maestro is a 70-unit residential development providing apartments affordable to teachers of Santa Clara unified school district.

Questions?



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Permanent Room Housing Combining Zone

Permanent Room Housing Unit means an independent dwelling space intended for long-term (≥ 30 days) rental occupancy as separate living quarters, with direct access from outside the building or through a common hall, meeting specific development standards:

- **Unit Size** (120-500 sf, larger units grandfathered in)
- **Density** (maintain existing + more if underlying zoning allows)
- **Kitchens** (individual or shared, food preparation OK)
- **Bathrooms** (individual or shared full baths)
- **Parking** (minimum 1 space/unit)
- **Bike parking and storage** (encouraged)
- **Health and Safety Standards** (HUD Housing Quality Checklist)
- **Short-term rentals/visitor accommodation** (only allowed on commercially-zoned parcels)
- **Affordability: No deed restriction requirement (affordable by design)**



Former motel, Felton

 **Permanent Room Housing Inspection Checklist**

Building Inspector Instructions: Print and fill out section 1 and Inspector's Notes for the WHOLE BUILDING or DWELLING GROUP. Print and fill out sections 2 and 3 for EACH UNIT.

ADDRESS: _____

APN: _____

Number of PRH Units: _____

Date of Inspection: _____

1. Site and Exterior:

1.1. Is the property address number visible from the street and are the individual units identified? Yes No

1.2. Are there any clear hazards on the property (i.e., dangerous accessory buildings, swimming pools w/o complying barriers.) Yes No

1.3. Is the foundation sound and free from hazards? Yes No

1.4. Are the exterior stairs, rails and porches sound and free from hazards? Yes No

1.5. Are the roof, gutters, and downspouts sound and free from hazards? Yes No

1.6. Are exterior surfaces providing sound weatherproofing and free from hazards? Yes No

1.7. Is the chimney sound and free from hazards? Yes No N/A

1.8. Do the number and configuration of units match the plans? Yes No