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

• Presenter:
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CALIFORNIA STATE ASSOCIATION OF COUNTIES
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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 is 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?

**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

Santa Cruz County Sustainability Update (2019-2021)
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
Accessory Dwelling Units
Web Resources for staff and applicants: http://www.sccopplanning.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.
Inclusionary Housing Rules

Affordable Housing Impact Fee... everybody pays

<table>
<thead>
<tr>
<th>AHIF for Residential Ownership Projects</th>
<th>1 Unit Projects and additions over 500 SF</th>
<th>2-4 Unit Projects</th>
<th>5+ Unit Projects</th>
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<tbody>
<tr>
<td>Up to 2,000 SF</td>
<td>$2</td>
<td>$7</td>
<td>$15</td>
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<tr>
<td>2,001-2,500 SF</td>
<td>$3</td>
<td>$8</td>
<td>$15</td>
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<tr>
<td>2,501-3,000 SF</td>
<td>$5</td>
<td>$10</td>
<td>$15</td>
</tr>
<tr>
<td>3,001-4,000 SF</td>
<td>$10</td>
<td>$12</td>
<td>$15</td>
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<tr>
<td>4,001 + SF square feet and up</td>
<td>$15</td>
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<td>$15</td>
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<table>
<thead>
<tr>
<th>AHIF for Commercial Development</th>
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<tbody>
<tr>
<td>Industrial, Office, Hotel, Retail</td>
<td>$2 per square foot</td>
<td></td>
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<tr>
<td>Agricultural structures e.g. greenhouses and processing facilities</td>
<td>$1 per square foot</td>
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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.

- 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.
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.

**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.

- **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
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
Questions?

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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)