



# County of Santa Cruz<sup>0025</sup>

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## COUNTY ADMINISTRATIVE OFFICE

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June 15, 2001

Agenda: June 26, 2001

Board of Supervisors  
County of Santa Cruz  
701 Ocean Street  
Santa Cruz, California 95060

### **Affordable Housing Activities and Workshop**

Dear Members of the Board:

On May 22, 2001, your Board discussed a number of issues pertaining to affordable housing in response to recent deliberations that took place at a joint meeting between the Cities of Watsonville and Santa Cruz on the topic of housing issues. At that time, your Board requested the CAO coordinate the preparation of a report on the County's efforts in the affordable housing area that could be made available to other jurisdictions as well as the public at large. In addition, your Board continued consideration of items related to the impact of the proposed "Fair Share" housing needs allocation as well as a report on land use, housing and water issues associated with the City of Watsonville's water policy effecting portions of the unincorporated County. Your Board also directed staff to submit to your Board a proposed agenda for an affordable housing workshop and further directed that a workshop be scheduled for later this year.

### **Affordable Housing Report**

In response to your request to provide a report on the County's efforts to address affordable housing issues, we are pleased to forward your Board that attached report entitled "A Survey of Santa Cruz County's Housing Activities and Accomplishments". The report, which is an update of a report presented to your Board last Spring, encompasses activities that span a multitude of County Departments, including Planning, Redevelopment, the Human Resources Agency and the Health Services Agency.

This report illustrates that the County has a well-balanced housing program which includes a wide range of projects such as

- √ new construction and rehabilitation of existing housing
- √ for sale units, rental projects and limited equity cooperatives

- √ mobile homes, single family dwellings and apartment projects
- √ projects for seniors, families and farm workers
- √ supportive housing programs offering housing and supportive services to special need populations
- √ a multitude of housing assistance programs for both renters and homebuyers

The report covers a wide variety of areas relating to the development of new units, the preservation of existing units and the wide variety of housing assistance programs available in our community. The report specifically deals with the following issues:

- Local conditions and the availability of land suitable for residential development.
- Local legislative initiatives and other programs designed to encourage new construction activities as well as utilizing existing housing resources.
- Affordable housing projects which have been recently developed in the County. This section includes a discussion of RDA financing and provides a response to your Board's direction that we include information about financial resources currently available to assist affordable housing activities.
- Housing Programs authorized by your Board and available to County residents
- Supportive housing activities that provides for a variety of programs and services for special needs individuals
- Market rate housing project activity.

#### **Financial Resources Currently Available to Assist Affordable Housing Activities**

The County's funding to support affordable housing projects comes from a variety of sources. The most significant funding comes from the Redevelopment Agency's Low and Moderate Income Housing Fund, which funds projects under limitations established by State Redevelopment Law. County funding comes from the In-Lieu Housing Fund, created by developer's choosing to meet their inclusionary housing obligations through this arrangement.

# **A Survey of Santa Cruz County's Housing Activities and Accomplishments**

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- ▶ Local Conditions
  - ▶ Local Legislative Initiatives
  - ▶ Affordable Housing Projects
  - ▶ Housing Programs
  - ▶ Supportive Housing Projects
  - ▶ Market-Rate Housing Development
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Prepared by the County of Santa Cruz

June 26, 2001

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## INTRODUCTION

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This report provides an overview of recent housing activities undertaken by various departments and agencies of the County of Santa Cruz. These activities and accomplishments continue the County's long history of progressive and innovative housing programs and policies that began with the passage of Measure J. This 1978 voter initiative established a growth management program whose principles are echoed by many of today's smart and sustainable growth advocates. Urban development should be directed to existing urbanized areas, which have the necessary infrastructure. Rural areas and their environmental, agricultural and recreational resources should be preserved.

Measure J also included one of California's first inclusionary housing programs — at least 15% of all housing built in Santa Cruz County must be affordable. Since the early 1980's hundreds of County residents have received housing assistance in one form or another. More than 800 units of permanently affordable have been created in the County as a result of these programs and policies. In addition, the County has developed an impressive array of supportive housing programs and services for psychiatrically disabled adults and other special populations.

As illustrated in this report, the County has a well-balanced program which includes the following types of projects:

- new construction and rehabilitation of existing housing;
- for sale units, rental projects and limited equity cooperatives;
- mobile homes, single family dwellings and apartment projects;
- projects for seniors, families, and farm workers; and
- supportive housing programs offering housing and support services to special-need populations.

Despite these efforts, Santa Cruz County shares the high housing costs of California's other coastal communities that are faced with balancing outside growth pressures and preserving a fragile environment and agricultural economic base. These outside pressures have resulted in the National Association of Home Builders (NAHB) ranking Santa Cruz as the second least affordable housing market in the United States. Santa Cruz was also ranked the nation's seventh most expensive rental housing market by the National Low income Housing Coalition (NLIHC).

# LOCAL CONDITIONS

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- Land Use, Acreage and Constraints



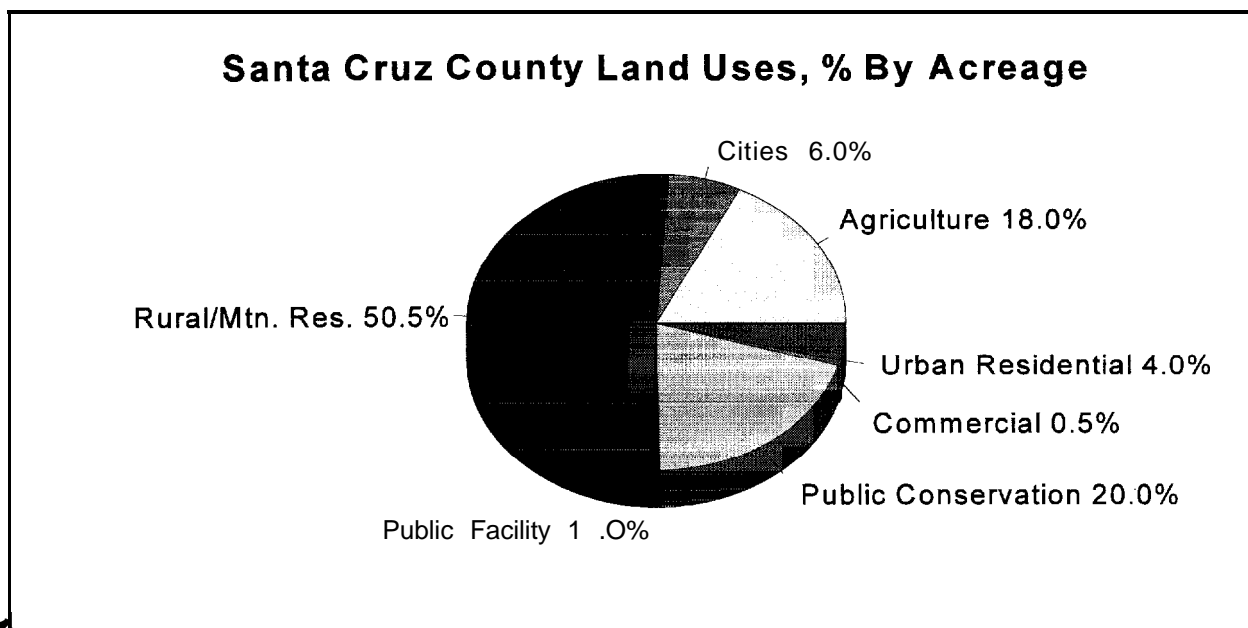
## Land Use, Acreage and Constraints

Santa Cruz County sits at the top of Monterey Bay, one of the world's most significant aquatic resources. The County extends just 20 miles from Monterey Bay's scenic coastline to the rugged crest of the redwood covered Santa Cruz Mountains. The County's parklands attract visitors from around the State, nation and world. The fertile Pajaro Valley is the center of production and distribution for a significant percentage of the world's commercial strawberry crop. The preservation of prime agricultural land, is not only a local concern, but a high priority for the State and Federal governments.

With a land mass of only 441 square miles, Santa Cruz is the second smallest county in California. Within this small area, the diverse geography and topography results in relatively little land outside of the incorporated cities of Santa Cruz, Watsonville, Scotts Valley and Capitola being available or suitable for urban development. The major land uses in the County include:

- **Agriculture:** provides for active farming, which is central to our local economy;
- **Rural/Mountain Residential:** often mountainous land on steeper terrain without access to sewer lines and often in geologic hazard areas, this land generally accommodates low density housing and timber uses;
- **Public Facilities:** includes schools and government buildings;
- **Public Conservation:** includes federal and state lands, state parks and open space;
- **Urban Residential:** property within the urban areas considered to be appropriate for more dense residential development;
- **Commercial:** areas generally within the urban area and appropriate for commercial/industrial development;
- **Cities:** property located within the incorporated areas of Capitola, Santa Cruz, Watsonville and Scotts Valley.

The chart below illustrates the distribution of land uses in the County, and shows that less than 4% of the acreage in the unincorporated County has an urban residential General Plan designation, with a large portion of this residentially zoned land already built out.



# LOCAL LEGISLATIVE INITIATIVES

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- Revised Second Unit Ordinance
- Farmworker Housing Reconstruction Program
- County's Inclusionary Housing Program: In lieu fees and affordable housing partnerships
- Preservation and Rehabilitation of Residential Nonconforming Uses
- Conversion of Temporary Trailer Parks to Permanent Affordable Housing
- Emergency Relocation Protocol - "Last Resort" Housing Assistance



Given these diverse land uses, the County has embarked on an aggressive affordable housing program which involves legislative initiatives, and other programs designed to encourage new construction activities as well as utilizing existing housing resources. In addition, market forces continue to generate a sizeable amount of new market rate construction.

During the past few years, the County has embarked on a number of local legislative proposals to encourage housing production and preservation of existing housing resources. A discussion of these activities follows.

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### **Revised Second Unit Ordinance**

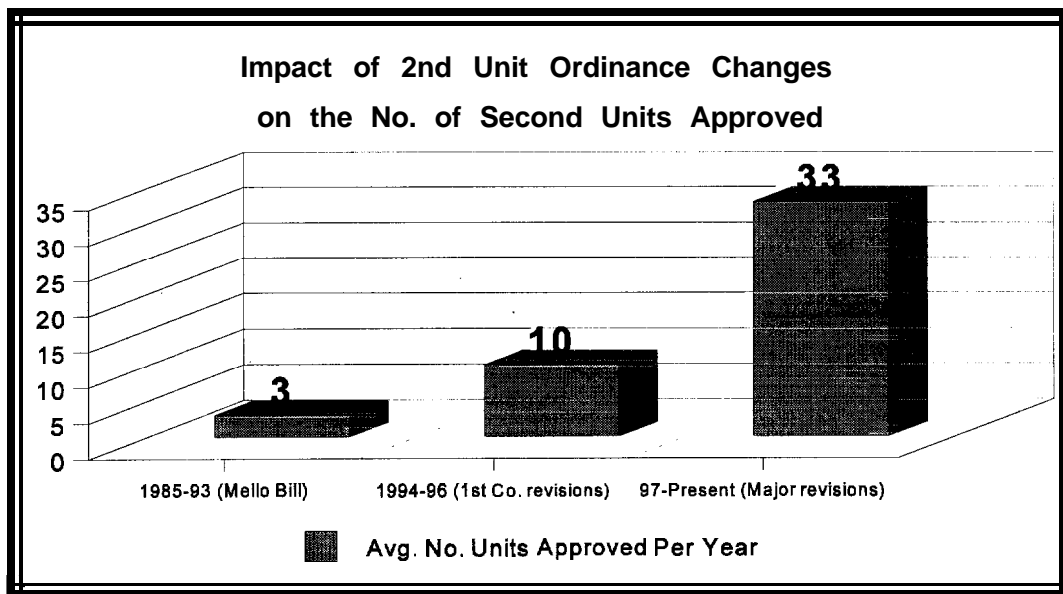
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In 1997, the Board of Supervisors revised the County's second unit ordinance to facilitate the construction of new second units. Since the adoption of the revised ordinance, the County has actively promoted its second unit program through workshops, seminars and a variety of efforts with realtors and property owners.

The amended ordinance provides for:

- expedited project review
- up to 50% increase in square footage of second units on larger lots
- greater flexibility for siting and design of second units

As indicated in the chart below, the number of second units approved since 1997 (under the revised ordinance) far surpasses second unit approvals in prior years.



In addition, the County is exploring the possibility of reducing development fees and other fees charged for building second units as a means of encouraging greater utilization of this program.

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## **Farmworker Housing Reconstruction Program**

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In an effort to encourage the reconstruction of farm labor housing projects, the Board developed a new ordinance which would allow for the reconstruction or rehabilitation of existing, legal, non conforming farm labor camps. This ordinance provides for incentives to property owners to maintain and upgrade existing facilities which currently provide hundreds of units of affordable housing throughout the County. One project -- the 43 unit San Andreas Farm Labor Camp -- has already been constructed under this program and is ready for occupancy. (See the Affordable Housing Project section of this report for more details.)

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## **County Inclusionary Housing Program: In Lieu Fees and Affordable Housing Partnerships**

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Santa Cruz County was one of the first jurisdictions in the United States to adopt an Inclusionary Housing Program. Since 1979, at least 15% of the housing units produced each year must be affordable to very low, low and/or moderate income households.’ In 1998, 21.5% of the units produced were affordable, for 1999, 16.5% were affordable, and in the year 2000, 33% of the new units built were affordable. Some 1,500 permanent affordable units have been produced in Santa Cruz County since Measure J was passed in 1978.

In order to provide for greater flexibility in addressing the County’s Housing Program regulations, the Board has adopted a number of program revisions that facilitate the construction of market rate housing as well as provide for a more cost-effective approach to market rate developers meeting the County’s inclusionary requirements.

By providing developers with options and establishing a more streamlined and less costly approach to meeting the County’s Housing Program requirements, these changes encourage both market rate construction as well as affordable housing development activities. The primary changes adopted by the Board over the past 18 months include:

- **In-Lieu Fee:** an in-lieu program was established as an alternative to the construction of inclusionary units. The proceeds of the in-lieu fee are to be used to assist in the development of low and very-low income housing. Because inclusionary units tend to serve moderate income households, this program revision provides for a greater level of affordability than would otherwise occur through the construction of inclusionary housing.
- **Affordable Housing Partnershin Program:** This program also provides for a more cost-effective way for developers to satisfy their inclusionary housing requirements. The Affordable Housing Partnership Program utilizes Redevelopment Funding to facilitate the construction of partnership projects where non-profit developers work

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‘Affordable housing is a term which applies to a broad spectrum of housing. “Very low” income housing refers to housing that is affordable to households earning up to 50% of the County median income; “low income” housing refers to households earning between 50%-80% of the County median; and “moderate income” refers to households earning between 80% and 120% of the County median. All income figures are adjusted for household size.

with market rate developers and the County to provide low and very low income housing projects as an alternative to constructing inclusionary units.

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### **Preservation & Rehabilitation of Residential Non Conforming Uses**

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Previously, given the non-conforming use status of many residential structures, efforts to upgrade or maintain residential buildings were often impeded by the County's non-conforming use ordinance which prohibited structural alterations to non-conforming buildings. This prevented homeowners with multiple units on their properties from performing normal maintenance which required structural modifications such as foundation upgrades, roof replacements and structural termite repairs. In order to preserve this housing stock, the Board of Supervisors amended the residential non-conforming use ordinance to encourage the maintenance, repair and rehabilitation of residential non-conforming structures.

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### **Conversion of Temporary Trailer Parks to Permanent Affordable Housing**

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Last year, the Board of Supervisors approved an ordinance which would authorize the conversion of temporary trailer parks to permanent housing. This program allows certain existing trailer parks located in the unincorporated area of the County (outside the Coastal Zone and outside the Urban Services Line) which have land use permits for temporary use to obtain a land use permit to operate as permanent housing. Two existing trailer parks, Marmo's and Golden Torch, are currently in the planning stages for conversion in accordance with this ordinance.

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### **Emergency Relocation Protocol - "Last Resort" Housing Assistance**

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In April 2000, the Board adopted a series of steps to provide enhanced relocation services to income eligible households displaced by fire or other emergency incidents.

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# AFFORDABLE HOUSING PROJECTS

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- Redevelopment Agency and the Low and Moderate Income Housing Fund
- List of RDA-Funded Affordable Housing Projects
- Recent Affordable Housing Projects:
  - Murphy's Farmworker Housing Rehabilitation Project
  - McIntosh Mobile Home Park Reconstruction Project
  - San Andreas Farm Labor Camp Reconstruction Project
  - Vista Verde 76-unit Affordable Housing Project
  - Above-The-Line Residential Youth Facility
  - Pajaro Lane County/Watsonville Collaborative Project

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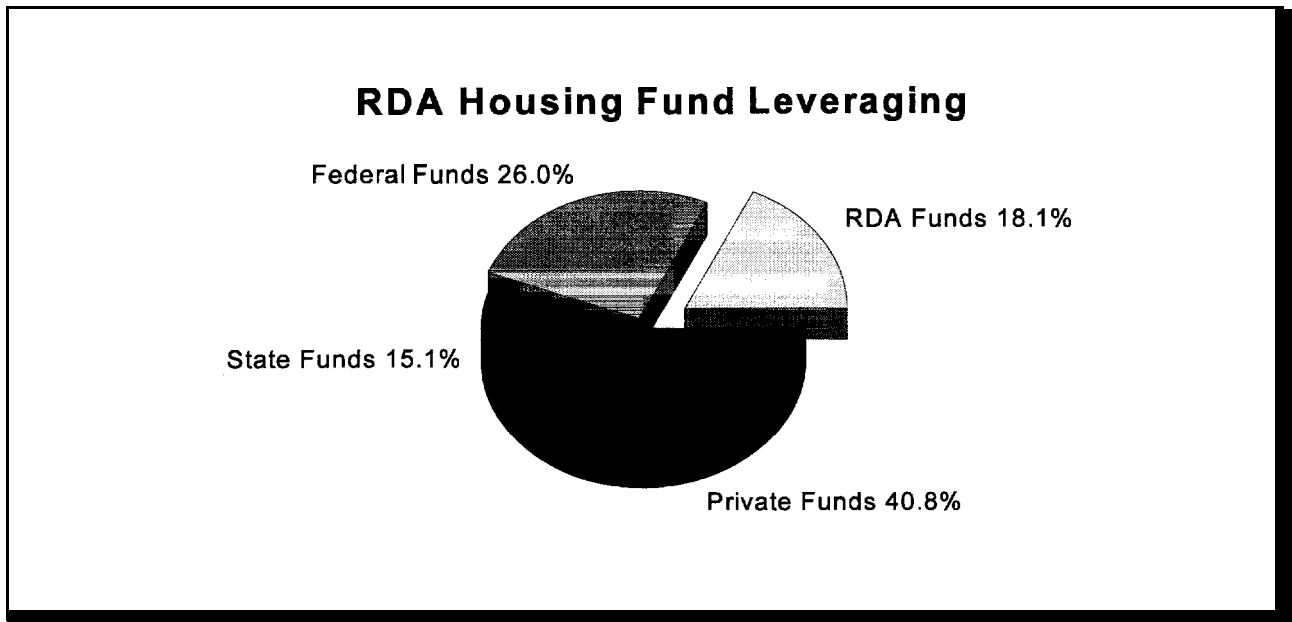
## Redevelopment Agency and the Use of the Low and Moderate Income Housing Fund

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The County's Redevelopment Agency has been active in supporting and financing a variety of affordable housing projects. RDA assisted projects include:

- Over 900 affordable housing units throughout the unincorporated County
  - ▶ Mobile home projects
  - ▶ Farmworker housing facilities
  - ▶ Family and Senior rental apartments
  - ▶ Special needs projects
  - ▶ Habitat for Humanity single family homes

A detailed listing of the assisted projects can be found on the next page. Though partnerships with non-profit and for-profit developers, the Agency has become the premier instigator of affordable housing projects in Santa Cruz County. Through creative and aggressive use of its Low and Moderate-Income Housing Fund, the Agency leveraged more than \$5 in federal, state and private funds for every \$1 contribution of Agency funds. In total, almost \$18.6 million of Agency funding committed to date attracted over \$83 million of outside funds. The variety of funding sources are summarized below.



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### Listing of Redevelopment Agency Funded Affordable Housing Projects

Project	Description	Developer	No. Units	Status
Habitat for Humanity (scattered sites)	New construction: single family houses for sale to very low income	Habitat for Humanity	6	Completed
Pacific Family Mobile Home Park	Conversion of mobile home park to limited equity co-op; low income coach owners	Santa Cruz Community Housing Corp.	34	Completed
VOA Senior Housing	New construction apt. units; very low income seniors	Volunteers of America	75	Completed
Lagoon Beach Cooperative	Apt. conversion to limited equity cooperative; very low income	Santa Cruz Community Housing Corp.	31	Completed
Stepping Out	New construction apartments; very low income disabled adults	Stepping Out Housing, Inc.	18	Completed
Cunnison Lane/Farm	New units and child care for very low income families	Mid-Peninsula Housing Coalition	39	Completed
Brommer Street	Apt. purchase/rehab.; transitional housing formerly homeless families	Housing Authority	6	Completed
Woodland Heights	Preserve affordability of low income senior rental project	Vosti Properties	68	Completed
Arroyo Verde	Enhance affordability of very low and low income ownership project	Housing Authority	101	Completed
Merrill Road	New construction; v. low income families	Housing Authority	15	Completed
Casa Linda	New construction; apartments for very low income disabled adults	Housing for Indep. People	21	Completed
Beachcomber Mobile Home Park	Conversion of mobile home park to limited equity co-op; low income coach owners	Santa Cruz Community Housing Corp.	73	Completed
CDBG Housing Rehabilitation	Rehabilitation of single family, apartments and mobile homes. low income	Various	16	Completed
Murphy's Crossing	Rehabilitation and purchase of farm labor camp; low and very low income	Mid Peninsula Housing Coalition	18	Completed
Sorrento Oaks	Private mobile home park conversion; loans to low income park residents	Private Cooperative	13	Completed
Tierra Alta	Sanitation improvements for low and very low income farm worker housing	Housing Authority	36	Completed
Cliffwood Estates Mobile Home Park	Private mobile home park conversion; loans to low income park residents	Private Cooperative	9	Completed
Willowbrook Assisted Care Housing	Assisted living housing and affordable rental units	Willowbrook LLC	40 beds + 4 units	Completed
Above the Line	Transitional housing for formerly homeless teens & affordable rental units	Mercy Housing	20 beds + 7 units	Completed
McIntosh Mobile Home Park	Preserve, expand, and upgrade mobile home park; low income	, Mercy Housing	28	Completed

Vista Verde Apartments	New units and child care for very low income families	South County Housing	76	Completed
San Andreas Farm Labor Housing	Reconstruction of dilapidated farmworker housing	Mid Peninsula Housing Coalition	43	Completed
Seascape	Property deeded to County for affordable housing	Not yet identified	Currently Unknown	In Progress
McGregor Apartments	New apartments for low and very low income families	Not yet identified	Currently Unknown	In Progress
Pajaro Lane	New apartment and for sale units — mixed income	South County Housing	99	In Progress
Foster Care Transitional Housing	Transitional housing for minors aging out of foster care	Santa Cruz Community Counseling Center	6 beds	Completed
RV Park Conversions	Legalization and improvement of RV Parks	Mid Peninsula Housing Coalition	2 projects pending	In Progress
First Time Homebuyer Program	Loans to low and very low income households to purchase homes	RDA	42 (to date)	On going
Mobile Home Rehab. Program	Loans to low and very low income mobile home owners for coach upgrades	RDA	18 (to date)	On going
Last/Deposit Program	Loan program to low income households to avoid homelessness	Housing Authority (contract w/ RDA)	91 (to date)	On going
Measure J	Measure J preservation; low and moderate income homeowners	RDA	3 (to date)	On going

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## **Recent Affordable Housing Projects**

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### **Murphy's Farmworker Housing Rehabilitation Projects:**

For over 10 years, the County was engaged in litigation against the owner of the Murphy's Crossing Farm Labor Camp in Pajaro Valley. Originally built as barracks in the 1950's, the camp provided housing to almost 100 low income farmworkers, yet health and safety violations plagued the facility for many years. In fact, in 1978, there was a resident fatality due to poor electrical wiring.

In 1996, the County and the Legal Aid Society persuaded the court to appoint a receiver to manage the property. Subsequently, the County enlisted the involvement of Mid Peninsula Housing Coalition (MPHC) to rehabilitate the property. The resulting legal settlement involved transfer of property ownership to the MPHC and County approval to rehabilitate the facility. MPHC assembled a complex funding package, including tax credits, RDA funds, private grant funds and State Farmworker grant funds. In 1997, the project was completed, and renamed the Jardines del Valle. It is now home to about 100 low income people and the project has received several awards.

### **McIntosh Mobile Home Park Reconstruction Project**

Mobile homes are an important part of the County's housing stock. While they provide much needed housing for seniors, often on fixed incomes, they are becoming a key home ownership and rental opportunity for families in our high cost housing market. With this in mind, the Redevelopment Agency purchased the McIntosh Mobile Home Park. This park originally contained 18 mobile home units and one house. Unfortunately, the previous owners let the park deteriorate to the point where the park's infrastructure is near failure. This site also provided the opportunity to expand the number of coaches in the park. Since the purchase by the Agency, the Agency entered into a partnership with Mercy Housing, and plans were developed and approved by the County calling for a complete park renovation. The renovation has now been completed, and Mercy Housing owns and operates the park for affordable rental units. The effect of the project is the preservation and improvement of 19 units and the addition of 9 new units to the site. HOME funds and RDA funds are the two major financing sources for this project.

### **San Andreas Farm Labor Camp Reconstruction Project**

For many years, the County has been engaged in litigation against the owner of the 43-unit San Andreas Farm Labor Camp concerning a variety of land use and health and safety code issues. Concurrently, the California Rural Legal Assistance Foundation (CRLA) represented the tenants in their litigation concerning habitability issues. Over the years, the camp population had fluctuated between 200-300 people, depending on the time of year.

In 1997, the County and CRLA persuaded the court to appoint a receiver to manage the property. In September, 1998, the court ordered the camp closed, effective March 1, 1999. Meanwhile, the County and the Receiver have been working with MPHC to acquire the property from the owner and develop plans to reconstruct the property under the terms of the newly adopted



Farm Worker Reconstruction program (described in the Planning Initiative section). On December 8, 1998, the Board of Supervisors unanimously approved the project with 43 apartment units designed to accommodate approximately 200 people. The project is completed.

In an effort to minimize displacement of project residents, Families in Transition (FIT) provided financial assistance and helped arrange for alternative housing. Residents in good standing will be given first priority to return to the newly rebuilt facility.

Financing for the new project involves County RDA funding, State HOME funds, Tax Credits and other funding sources.

**Vista Verde 76-unit Affordable Housing Project**

Vista Verde is an affordable housing project located at 1934 Freedom Blvd. at the end of both Quinn and Steward Avenues. The project contains 76 rental units affordable to low and very low-income households and the construction of a day care center. South County Housing Corporation developed the project with partial financing from the Santa Cruz County Redevelopment Agency. The Vista Verde Project is completed and received its Certificate of Occupancy at the end of April 2001. The project is now and is preparing for lease up.

**Above-The-Line Residential Youth Facility**

The Above-the-Line project is located on Freedom Blvd., 1/4 mile east of the intersection with Corralitos Rd. The project provides residential and supportive services to at risk youth, and seven rental cottages to low and very low income households. The project opened for residential occupancy in the Fall, 2000.

The project developer is Mercy Housing California, a non-profit housing developer based in San Francisco. Mercy will handle the property renovations and maintain a master lease with Above the Line for the residential youth portion of the project. Mercy Housing will rent the seven cottages to low income households. The primary financier for the project was the County Redevelopment Agency.

**Pajaro Lane County/Watsonville Collaborative Project**

Pajaro Lane is an affordable housing project located near Corralitos Creek on the east side of Airport Boulevard at the intersection of Pajaro Lane and Airport Blvd. The 10-acre project site will contain 64 multi-family residences affordable to very low and low-income households and 35 for-sale, town homes affordable to low and moderate-income households. South County Housing Corporation is developing the project. In addition to the housing opportunities, the project will contain a community center, laundry facilities, group picnic areas, tot-lots, children’s playground, multi-purpose play court, turf areas, pedestrian paths and a par course. The County of Santa Cruz Redevelopment Agency has committed \$3,387,000 to the Pajaro Lane site.

# **H**OUSING

# **P**ROGRAMS

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- First Time Homebuyer Program
- Mobile Home Rehabilitation Program
- Mobile Home Park Resident Purchase Program
- “At Risk” Housing Program
- Paloma Del Mar Rental Subsidy Program
- Last Month’s Rent and Deposit Program
- Families in Transition Housing Subsidy Program
- Housing Scholarship Program
- Transitional Housing for Foster Care Youth and Recently Emancipated Young Adults
- Relocation Assistance Program

The following housing programs illustrate the County's commitment to maintain and expand affordable housing opportunities. These programs are available throughout the unincorporated area of the County and are administered by RDA.

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### **First Time Homebuyer Program**

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This program provides income eligible first time home buyers with silent second loans of up to \$50,000. The Program is available to mobile homes, condos/townhouses and single family homes and is targeted to households earning 80% -110% of the County median income.

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### **Mobile Home Rehabilitation Program**

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This program provides income eligible mobile home coach owners with silent second rehabilitation loans of up to 90% of the value of the unit. The program is targeted to households earning 50% or less of the County median income, and homes must be located in the unincorporated County.

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### **Mobile Home Park Resident Purchase Program**

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Ten out of 66 mobile home parks in Cruz County currently are resident or non-profit owned, representing 15% of the mobile home parks in the unincorporated County. The percentage of resident owned parks in Santa Cruz County is among the highest in the State of California. The County's Mobile Home Park Resident Purchase Program assists in resident or non-profit acquisition of mobile home parks. This program helps provide permanent and long term affordability to mobile home parks.

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### **"At Risk" Housing Program**

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The County currently has an inventory of over 500 units of privately owned housing with long-term affordability restrictions. In addition, there are over 15 projects which contain a total of 2,000 units which currently have ongoing rental subsidies through various federal programs (section 8, 221(d)3, 221(d)4, 236, etc). Under certain circumstances, the affordability of the privately owned and/or federally subsidized projects could be threatened. If privately owned units are foreclosed upon, the affordability restrictions are lifted. In the case of federally subsidized projects with expiring contracts, on-going federal subsidies are no longer guaranteed. In either case, the existing affordable units may revert to market rate units, potentially displacing low income occupants and removing the units from the County's affordable housing stock. The County's "At Risk" program enables the County to provide financial and other resources necessary to preserve units which are at risk of losing their affordability status due to foreclosure or expiring subsidies. Over 70 units have been preserved through this program.

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### **Paloma Del Mar Rental Subsidy Program**

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The Paloma Del Mar housing project is a 75-unit project for low income seniors. The project was built in 1995 and is located on Pajaro Lane, near the intersection of Green Valley Road and Freedom Blvd. Under a unique arrangement with various market rate developers, the developers provide rental subsidies to enable very low income seniors to reside in the Paloma Del Mar project. Each month, approximately 40 households receive \$100 per month in rental assistance; without monthly rental assistance to these seniors, unit prices would be unaffordable to the very low income seniors now served by the project.

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### **Last Month Rent and Deposit Program**

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This program, handled by the Redevelopment Agency through the Housing Authority, provides grants and guarantees for the last month's rent and deposits. With a focus on lower-income households, this program assists families who can afford monthly rent, but cannot save the substantial sum required to move into a rental unit. The County is currently assessing ways to broaden tenant and landlord participation in the program.

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### **Families in Transition Housing Subsidy Program**

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The Families in Transition (FIT) program provides rental subsidies and case management services to families at risk of becoming homeless. The FIT program offers temporary housing subsidies which are phased out over 24 months, in an effort to transition families into market rate housing stock. The program is funded by federal HUD funds, private grants and matching funds provided by the RDA.

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### **Transitional Housing for Foster Care Youth and Recently Emancipated Young Adults**

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This past year, two transitional housing facilities were opened in collaboration with community based organizations. These facilities provide for a supportive environmental and specialized services to assist youth in the transition to an independent adult life. One of the facilities serves youth between 17- 18 who are transitioning out of the foster care system. A second facility has been established for former foster care youth between the ages of 18-21. In 2001/02, the County will be seeking to acquire a third facility to provide for this critical need in the community.

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### **Housing Scholarship Program**

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This \$300,000 pilot program was established in February, 2000 and utilizes CalWorks single allocation funds to provide short-term, rental assistance to CalWorks participants to enable them to complete the training necessary for liveable wage jobs. This program is operated by FIT.

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**Relocation Assistance Program**

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County Code Section 8.45 requires landlords to provide three months rent to tenants displaced due to unsafe living conditions or the illegal use of the structure. The County is currently looking at ways to improve access to this program by eligible tenants.

# **SUPPORTIVE HOUSING PROJECTS**

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- Housing Issues and Special Needs Individuals
- County-Sponsored Supportive Housing
- Public Health Housing Programs
- County-Innovations and Recent Accomplishments

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## Housing Issues and Special Needs Individuals

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Individuals with psychiatric disabilities and/or other special needs face enormous obstacles to finding housing in Santa Cruz County. Given the limited housing resources and high cost of housing, it is particularly difficult for persons coping with mental illness or other limitations to find a place to live. These individuals are particularly dependent on assistance from the County's Health Services Agency and the Human Resources Agency.

Without adequate housing, individuals with disabilities frequently become homeless, become acutely ill requiring hospitalization, or become involved in the criminal justice system. For this vulnerable population, the combined lack of affordable housing and lack of appropriate support services results in financial consequences for the County and the community in the form of increased hospital, criminal justice and homeless program costs. A recent study by the nonprofit Corporation for Supportive Housing found that the cost of treatment and housing more than doubled when an individual had no home base with on-premises or nearby supportive services. With supportive housing, individuals will have a far greater chance of benefitting from treatment and training because of the lack of pressure that comes with having to find a place to sleep and protect oneself each night.

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## County-Sponsored Supportive Housing

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Since 1987, the County Mental Health program has worked to add new resources or to secure existing housing which is available to disabled individuals. Support from the Board of Supervisors has been critical to the success of the program in ensuring availability of these housing resources. County efforts have involved partnering with local non-profit agencies and public sector partners, including, the cities of Watsonville and Santa Cruz.

As shown in the chart below, County-supported mental health facilities provide 326 beds to psychiatrically-disabled adults. These beds are geographically distributed throughout the County.

<b>Supportive Housing Services under contract with the County</b>		
Housing Type	Location	No. Beds/Units
Emergency Shelter	City of Santa Cruz	32
Crisis Residential Treatment	County	15
Residential Care - Willowbrook	Ben Lomond	47
Residential Care - Front St	City of Santa Cruz	40
Residential Care - Rose Acres	Felton	25
Residential Care - Merrill	Watsonville	16
Residential Treatment - Transition House	County	10
Residential Treatment - Westbranch	San Jose	6
Residential Treatment - Kamson	County	6
Residential Treatment - Opal Cliff	Capitola	15
Dual Diagnosis Residential	Watsonville	12
Independent Units*	countywide	102
<b>Total</b>		<b>326</b>
* Various properties scattered throughout the County which are owned and/or rented by the Santa Cruz Community Counseling Center and Front Street, Inc. that exclusively serve mental health clients.		

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## **Public Health Housing Programs**

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The County has a variety of housing programs operated in conjunction with the Public Health division of the Health Services Agency:

- Temporary Housing for Persons with Tuberculosis works with a local non-profit organization to provide housing assistance to ensure that eligible TB patients have stable housing at the critical period during the active phase of the illness.
- The Homeless Persons Health Project works with a local non-profit organization to provide temporary housing for persons who are homeless and recently discharged from the hospital, persons with HIV and/or other severe illnesses.
- Housing Opportunities for People with AIDS (HOPWA) is a state grant awarded to the County and contracted through a local non-profit to provide temporary shelter and case management services to assist HIV clients in finding and retaining housing.

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## **County-innovations and recent accomplishments**

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The County Mental Health Program, in conjunction with its community partners, has achieved several important successes in the past two years:

- The County was awarded a grant by the State Department of Mental Health for housing support to fund a wide range of mental health services to be provided through Santa Cruz Community Counseling Center and Community Connections.
- The County Mental Health is working with the RDA and local providers to explore the possible purchase and renovate a 40-bed residential care facility in Felton that is faced with imminent foreclosure which could result in these units no longer being available to mental health clients.
- This past year, a 12-bed dual diagnosis residential program was opened in Watsonville. The program provides rehabilitation and treatment and assists with the transition into permanent housing.
- Twenty units of existing, independent housing are being converted to clean and sober housing.
- A 6-bed residential treatment program for adolescents with drug problems will be opened in La Selva Beach in Spring, 2000.
- The Human Resources Agency (HRA), the Health Services Agency (HSA) and the RDA are working with community partners to establish a

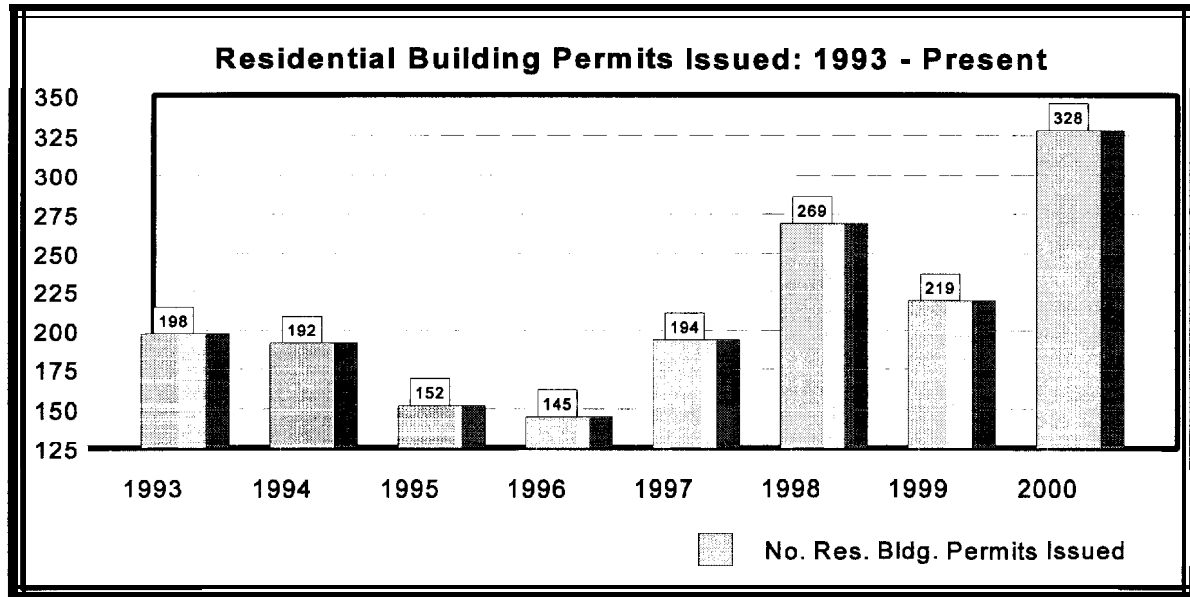


transitional housing program for youth emancipating from foster care.

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- Five additional transitional housing units were added in Watsonville.
- RDA worked with County Mental Health to provide financing and other improvements to upgrade the 47-bed Willowbrook Residential Board and Care facility in Ben Lomand.
- Community Mental Health is working with the Santa Cruz Community Counseling Center to purchase existing properties for mental health clients with a \$1 million HUD grant.
- In December 2000, County Mental Health was awarded a three-year State grant which is focused on housing individuals who are homeless and psychiatrically disabled. This includes funds for a housing coordinator position and rental and purchase subsidies. Santa Cruz Count has contracted with the Santa Cruz Community Counseling Center for identification of housing resources for clients.
- Through the Long Term Integration Coalition, efforts are underway to identify new residential care resources for seniors at risk of skilled nursing care.

The County has experienced an upsurge in development permit activity the last few years. As shown in the chart below, the rate of development the past few years greatly outpaces development activity in the early 1990's. Clearly, economic forces within and outside the County continue to foster development activity throughout the region.



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**Major Development Projects**

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A sampling of large scale market rate projects under construction or scheduled for construction later this year follows.

**Seascape Uplands 107 Unit Subdivision Project**

Location: San Andreas Road, Aptos

Developer: Holcomb Corporation

Project Description: 107 single family dwellings

Status: Under Construction

**Diamond Estates 52 Lot Subdivision**

Location: Paulsen Rd., Pajaro Valley

Developer: Robert Pendo

Project Description: 52 single family lots

Status: Completed and Sold Out

**Tan Heights 30-Lot Subdivision**

Location: Soquel

Developer: Tan Heights Associates

Project Description: 30 single family lots

Status: Under Construction

**Santos 16-lot Subdivision**

Location : Live Oak

Developer: Bill Brooks

Project Description: 13 market rate, 3 affordable Habitat for Humanity homes

Status: construction summer 2001

**Atherton Place**

Location : Soquel

Developer: Atherton Place Development LLC

Project Description: initial proposal 58 units; current undergoing redesign

Status: Tentative Map pending

**The Grove**

Location : Live Oak

Developer: Atherton Place Development LLC

Project Description: 16 single family lots

Status: Under construction

**Windward**

Location : Live Oak

Developer: Bill Brooks

Project Description: 16 single family lots

Status: Under construction

**Capitola Gardens**

Location : Live Oak

Developer: Marsha Mason

Project Description: 18 single family lots

Status: Under construction

**Hilltop Subdivision**

Location : Soquel

Project Description: 10 single family lots

Developer: Silvana DeBernardo

Status: Under construction

**Calabria Estates**

Location : Aptos

Developer: Silvana DeBernardo

Project Description: 12 lots

Status: Under construction

**Dover Place**

Location : Live Oak

Developer: Dean Kingston

Project Description: 8 lots

Status: Under construction

**Gross Road Subdivision**

Location : Live Oak

Developer: Holcomb/Ray

Project Description: 14 lots

Status: Under construction

**Portola Subdivision**

Location : Live Oak

Developer: Castle Construction

Project Description: 10 lots

Status: Tentative Map pending

**Seventh Ave Subdivision**

Location : Live Oak

Developer: Bill Brooks

Project Description: 11 lots

Status: Tentative Map pending

# **A Survey of Santa Cruz County's Housing Activities and Accomplishments**

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**For more information, contact the following departments:**

County Administrator's Office  
Planning Department  
Health Services Agency  
Redevelopment Agency  
Human Resources Agency