

Rent Control Mentioned

Housing

# Soaring Rents Create Regulation Demand

Third of five parts.

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Sentinel

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Soaring rents are creating a demand in Santa Cruz County for governmental regulation, and that demand could lead to the placement of a rent control measure on the November general election ballot.

In April the county Housing Authority surveyed rentals advertised in the two county daily newspapers.

The median rental prices asked in the north county were: Studio - \$180; one-bedroom - \$225; two-bedroom - \$300; three-bedroom - \$400; four-bedroom - \$450.

Unfurnished and repeat listings were not counted, according to Rod Pulley, the Housing Authority's executive director.

The listings covered 35 studios, 72 one-bedroom units, 246 two-bedroom units, 84 three-bedroom units, 14 four-bedroom units: or a total of 471 units.

Top rental of \$600 monthly was asked for two, two-bedroom units, five three-bedroom units and two four-bedroom units.

In the south county the same medians prevailed, with listings of 30 studios, 27 one-bedroom units, 94 two-bedroom units, 41 three-bedroom units, six four-bedroom units, or a total of 198 units.

Doubtless there is some duplication of the offerings in the two dailies, so the grand total of 669 offerings in April should be considered only an indication of the types of units available for different median monthly rentals.

The county Community Re-

sources Agency estimates in its housing report for the county growth management program that a total of 68,701 dwelling units (homes and rentals) existed in the county in October of 1977. It was estimated that 23,147, or 33.5 percent, were renter occupied and that 37,001, or 54.1 percent were owner occupied, that the rest were vacant, with many not available for sale or rent.

The number of housing units has increased, of course, since the special census in 1976, upon which most available housing data are based. Figures kept by The Sentinel, for example, show that since Jan. 1, 1976, a total of 5,276 permits for housing units were issued countywide (to March 31, 1978), with not all necessarily built.

Nevertheless the vacancy rates for renters are astonishingly low, with Pulley putting it at under 1 percent countywide for the year as a whole.

Pulley is careful to stress that the vacancy rate he gives is for the year as a whole, and he states that in the May-June period annually the vacancy rate is somewhat higher.

The Santa Cruz Housing Action Committee, a citizens group troubled by the rental situation here, states the housing situation for renters is a

housing crisis, and it is engaged in a petition drive to determine if a rent control initiative can be put on the November ballot for a vote.

SCHAC states that rents have tripled here since 1968, that a two-bedroom house that might have rented for \$93 per month that year now costs \$300.

SCHAC contends that in 1976 51 percent of the people in the city of Santa Cruz made less than \$8,000 per year, that only 21.5 percent earned \$15,000 or more annually.

SCHAC's own investigations bear out the CRA estimates that many here are paying well over 25 percent of their gross income for housing.

And from this is devolved the statement released in flyers countywide: "The housing shortage is most severe for low and middle income people and for people on fixed incomes."

A particularly infuriating fact to many renters is the condition of the housing units many are constrained to accept. The city Planning Department said in a recent report to the federal Department of Housing and Urban Development that there are 15,528 occupied dwelling units in the city, that slightly more than half of the occupied units are rentals and that of all the city's substandard housing units, three-fourths are substandard rental units.

Bill Nunes, the city of Santa Cruz chief building official, said that since the last survey made by The Sentinel in early 1976 "the condition of the rental units hasn't improved much. We get fewer complaints, but it seems to us people are either getting used to the conditions or are afraid to complain because they might lose what they have. Most of the complaints we get now come from renters who have found other places and are reporting their previous landlords."

When you speak of substan-

dard units in the city, according to the city report, you are talking about some 2,960 units. These represent about 19 percent of the city's total housing stock. And much of that housing stock is rented by persons who must pay as much money for some units as they would if they were actually buying a house.

Why do they rent, rather than buy?

As Don Burklo and Brad Macdonald of the Board of Realtors observed in a previous article, many young people are unable to make the huge down payments that are now asked. Remember the median priced \$70,000 home in the city of Santa Cruz? To make the minimum 20 percent down payment costs \$14,000, then you need another \$2,000 for closing costs.

Another problem is qualifying for a loan at all, for gross incomes are in many cases such as to preclude home buying.

But you don't have to worry about down payments or financing if you rent. Generally you pay the first and last months' rent, put down a deposit, and there you are. If you can't pay the rent after a few months, you move out to a place you can afford.

Countywide the rental situation is quite as grim for lower income people. A CRA survey indicates that median rents have increased 148 percent countywide from 1970 to 1977 while median household incomes have risen only 55 percent.

"Since rental housing prices lag behind market sales prices by several years," the CRA reports, "the increase in rent levels can be expected to ac-

celerate."

A big cause of rent increases is, naturally, inflation. But there are other factors, such as rising demand and shrinking supply, speculation for quick profits in what some term a "healthy" housing market, increased property taxes and other expenses.

SCHAC points out that people with good incomes have no problem finding good rentals in the county. But that has always been true in an area that has been catering to the tourist and the retired for many years.

It is not quite true, however, that for some categories of renters the rental picture is all that harrowing.

University students, for instance, are not taking advantage of on-campus housing built for them. Of 2,766 units for single students, according to Rob Crisler of the UCSC housing office, 750 are currently empty. On average, 400 units are usually available.

For married students the UCSC housing situation is as grim on campus as elsewhere in the county. There are 200 of these units, there are 250 families waiting to move in to pay \$170 monthly for a 2,000 square-foot, two-bedroom apartment.

Rents go up by \$15 in July and some students are "striking" because of this.

Throughout the county renters are jamming into homes and apartments to lower their housing costs, with five, eight, 10 or more pooling resources and thus paying less per capita than would be necessary were they living alone.

But as rents continue to climb, like the cost of houses, the call is broadening for subsidized housing programs, rent control, growth management

and other measures to insure that life here will be possible for other than the relatively affluent.

But more about this in Thursday's article.

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