

AFFORDABLE HOUSING

Private Agencies and Non-profits Work with All Levels of Government to Meet the Housing Needs of Lower Income Residents.

by Joel Moreno

Ramona Beattie considers herself lucky. She doesn't have much money, and now that she is retired, she doesn't expect that will change. If it weren't for the assistance she receives for housing, she said she's not sure where she could afford to live.

"I came over here and was working on trying to find a studio I could afford. I was going to have to draw my Social Security check at 62 instead of 65 to afford rent," Beattie said, adding that she wanted to move as soon as she could. "I was living in a place that didn't have any heat."

Beattie applied for housing assistance, but it took nearly two years before she could be helped. Now she is living in a subsidized unit at Via Pacifica Gardens in Aptos, an affordable housing project for seniors funded by federal dollars.

Darrel Johnson, the administrator for Via Pacifica, said residents pay 30 percent of their income for rent. The rest comes from government programs that assist the county in meeting California's affordable housing requirements.



Teya

continued next page

HOUSING

continued from page 5

"That's the only reason we are here, because of the county's affordable housing ordinances," Johnson said.

Via Pacifica Gardens was completed in 1987 with the help of Arnie Fischman, the executive director of the Santa Cruz Community Housing Corporation.

Fischman's agency currently administers 10 completed projects, which represents about 450 units of affordable housing, he said. Most of those are family housing.

"What we specialize in is cooperative ownership. It's a third approach, a kind of a blend of conventional rental housing with for sale ownership housing," he said.

Fischman said that although the housing is operated by a non-profit corporation, it is controlled by the residents who live in the complex.

The need for housing is about the same as it was when Fischman said he began as the CHC's executive director in 1986, but then again, he says the need has always been "extreme."

"There are surveys that are done regularly nationwide on the 'affordability' of both for sale housing and rental housing. Santa Cruz County is always in the top five in the United States for the least affordable," Fischman said.

What Fischman didn't note was that the national survey actually calculates the ratio between the average family income to the average home price in a community. In Santa Cruz County, average incomes remain lower, while housing prices remain higher.

MCP JAN 26 FEB 6 1985
Local Housing Programs

Many senior citizens and other groups with fixed monthly incomes can't afford the price of a studio or one bedroom apartment in the county. Mary James, the executive director of the Santa Cruz County Housing Authority, said that one third of the families receiving assistance are elderly. If seniors are excluded from the total, then approximately 60 percent of the families receiving assistance are two-head households, she said.

"We are here to assist low and moderate income families with their housing," said James of the Housing Authority. "We can do that by financing private developers. We can do it by building them ourselves. Our largest program is the section eight rental program in which the tenant actually finds their own units and we send part of the rent to the landlord each month."

The Housing Authority can help about 2,500 families in any given month, although the waiting list can span for several years. Once applicants qualify and are accepted to the program, they can remain on so long as their incomes remain low.

To qualify for assistance through the Housing Authority, applicants must earn below the county's median income.

The most a family of four could make and still qualify is \$27,000 a year, James said.

She added that 64 percent of the families in the housing assistance program work, yet are still unable to meet the cost of housing.

James first became the Santa

continued on page 7

COVER STORY

HOUSING
continued from page 6

Cruz County Housing Authority's executive director in 1981. Prior to that she worked at the Santa Clara County Housing Authority. She said the Housing Authority generally concentrates on new units rather than fixing up existing units.

"We do a lot of rehab, but it's generally more expensive than new units. With older buildings in particular, there is so much retrofitting that it's very expensive to do," she said.

The federal government also forbids relocation, so the people living in the building being retrofitted have to be given priority as to whether they want to take it.

The Community Housing

Corporation has the Heiner House, which is a renovation of a single family home. They have helped the residents of three different mobile home parks acquire their parks by securing the financing and then operating them as cooperatives. The CHC also has some new construction.

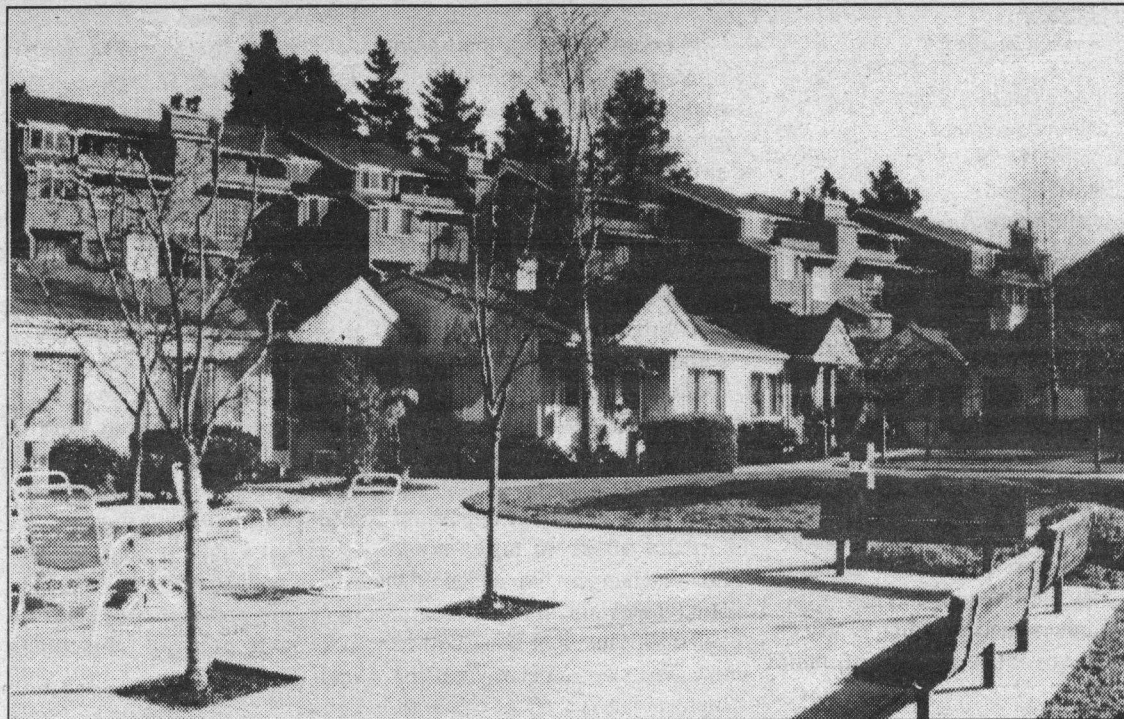
Non-profit housing agencies like the Housing Authority and the Community Housing Corporation typically maintain two budgets. One covers the general operating costs to maintain the organization; the other is for project development costs, which includes state and federal subsidies, along with financing from banks and private investors.

The Housing Authority works with an annual budget of about \$37 million. Approximately \$11 million comes from section eight funding. The CHC works with about \$600,000 for operating expenses, but Fischman said the development funds fluctuate so greatly from year to year that it was hard to give a reasonable average.

"The heyday of funding for housing and the war on poverty is going to end," James said. "The cutbacks for funding has been going on a long time."

Waiting Lists Grow

Waiting lists have grown in recent years because of the lack of subsidy coming from the federal government, and the competition for the remaining resources appears intense. All kinds of restrictions go along with federal money, such as income limits,



Via Pacifica is an apartment complex for low income elderly residents

stipulations on how people are to be selected, and so forth.

More and more, local money has needed to be well-leveraged to attract outside dollars for affordable housing projects. James said it's worth all the effort, because once the money comes in the programs work great.

One of the obstacles in deregulating the government programs and improving their efficiency are incorrect public perceptions about the kinds of people who need housing assistance.

"What the Housing Corporation is doing right now is educating the public on our approach to urban housing development," Fischman said. "It is very much about helping people achieve eco-

nomie independence in their lives, especially through the cooperative ownership structure that we use."

Misguided Reform?

Fischman said the CHC's emphasis on self-governing communities helps people achieve more independence in their lives so they can get out of that stereotypical welfare-dependency model.

But the public doesn't always see these kinds of efforts, and recent talk at the level of the federal government has focused on establishing a cut-off date for housing assistance recipients. James thinks this is a misguided effort.

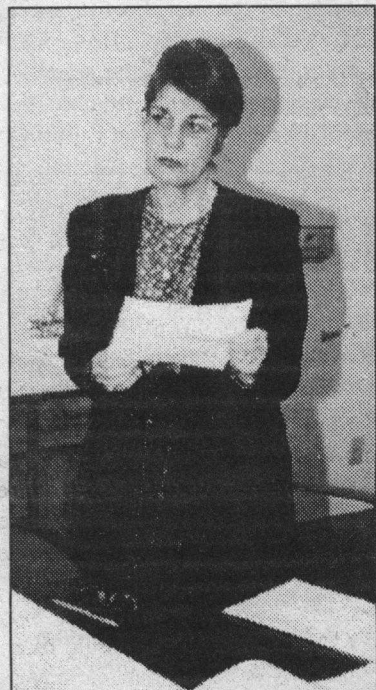
"There is an assumption that

people on housing programs don't move off, but we've got people moving off the program all the time," James said. "The housing program is very different from the welfare program.

"My concern about an arbitrary cut-off date is that it has nothing to do with the market," James explained. "If you take people off the program, then they can't afford their rent. Then they lose their jobs, then they'll end up on welfare and the government will end up paying for them anyway."

James does see problems with public assistance programs, such as the built-in disincentives for people on housing programs to try to earn more money.

continued next page



Mary James

COVER STORY

HOUSING
continued from page 7

For example, when a housing assistance recipient has a job, the Housing Authority is required to raise that person's rent when they start earning more. They start having more taxes taken out of their paychecks, maybe they have to pay for baby sitting, and on top of that they have their rent adjusted so they are still contributing 30 percent of their total income.

A working person on the program ends up with more money out-of-pocket than somebody on welfare, James said, and it turns out to be a wise financial decision to stay home and take care of the children rather than to go to work, pay for a sitter, and end up with

less money.

"We need to change the system so it rewards the right behavior instead of punishing people. We ought to change the system so they don't get a dollar deducted for every dollar earned," James said. "We need to provide for some graduated way for allowing people to go to work and eventually pay more for rent, because you have to get established in the work force first."

James suggests a gradual easing-off of housing assistance rather than a sharp cut-off, so people are rewarded for going to work. She sees a lot of opportunity in the future to make these kinds of changes, but so much is being bandied about at the federal level right now that it is hard to know what will emerge from the

current rounds of talks.

"The federal government is telling us that if they cut our money they are going to cut our regulations, although that remains to be seen," James said. "If they deregulate the way they say they are going to, we can actually run a more efficient program."

In regards to the changes being discussed at the federal level, Fischman also said that at this stage, things are still too unpredictable to know what kind of rules the federal government will decide to operate under in the affordable housing market.

"What I hope is going to happen is people will come together more and create a consensus on affordable housing," Fischman said. □