

SANTA CRUZ

City may try plan to keep apartments affordable

Ordinance would let council know when

contracts are up

By **HEATHER BOERNER**

SENTINEL STAFF WRITER

There are 579 apartments in the city protected from the rent increases that have pushed people out of the area in the last few years. And those stand to lose their government subsidies — and the tenants who will lose their low rents — in the next few years.

But the City Council is aiming to change that, with a law that would at least give the city the right to know when the apartments' affordable-housing contracts are up, and give the city the right to buy them and keep them affordable. The council will consider the ordinance at its meeting Tuesday.

"The problem right now is that there is no mechanism for us or for a non-profit to become involved in the preservation of this affordable housing," said Planning Director Gene Arner. "Of course, the property owner is still free to do what he likes with the property, but this at least introduces the constraint that they have to notify us if they're going to leave the government-subsidy program."

There are 14 apartment complexes of four units or more that receive government money in exchange for keeping rents low. Contracts will end by 2006 for 305 apartments in five apartment buildings — Santa Cruz Riverfront, San Lorenzo Park, La Posada, Garfield Park Village and 17 apartments at 203 Laurel St. Extension. The ordinance would apply mostly to large apartment complexes that receive federal funds that require them to keep rents low, such as the St. George apartments downtown or the senior apartment complex La Posada on the Eastside. It also applies to landowners who have made deals with the city to keep the rent at low levels to receive low-interest loans.

Among other things, the ordinance calls for owners of subsidized apartment buildings to warn the city a year before their subsidy contract expires. It also requires the property owner to consider city offers to buy the property. But Arner said the ordinance could mean simply that property owners who have taken out loans with the city in the past may refinance the loan, make more improvements and agree to keep the apartments affordable.

Tenants already receive letters warning them when their apartments leave affordable programs. But cities don't. Mary James, executive director of the Housing Authority of the County of Santa Cruz, said the letters are required when a contract with the federal Housing and Urban Development Department comes up for renewal or ends, even if the landowner intends to renew.

In other housing news, the council will consider spending \$1.02 million to relocate the residents of the Dolphin and Lee apartments in Beach Flats while Mercy Charities Housing builds the new Nueva Vista apartment, child-care and community center complex there. The city is required by the state to provide temporary or permanent relocation for the 42 families who live there.

The council will discuss the affordable-housing preservation ordinance at its 7 p.m. session Tuesday. The relocation ordinance will be considered at the council's 5 p.m. session.

Council meetings are held in the Council Chamber at City Hall, 809 Center St. Council meetings can also be watched on Community TV of Santa Cruz, AT&T Broadband Channel 26.

Contact Heather Boerner at hboerner@santa-cruz.com.