

Affordable housing problem continues to plague board

By BUD O'BRIEN

Santa Cruz County supervisors have been talking — fighting, actually — about how to build affordable housing in the county for more than two years. They fought about the issue again Tuesday.

Meanwhile, during those two years, there have been only three housing units built that qualify under county regulations affordable to people of average or below average incomes.

Obviously, the county has fallen short of the mandates of Measure J — the growth management measure approved by voters in 1978 — that “at least 15 percent of all new housing” built in the unincorporated areas of the county be affordable to people of average or below average income.

But things are looking up, planning director Kris Schenk has been telling the board for the past couple of months. The county now has a good chance of meeting the affordable housing goals if the governing board approves the machinery for doing so, Schenk told supervisors Tuesday.

According to Schenk's figures, building permits for 74 affordable units have already been issued this year (though the homes haven't been built yet) and the prospects for increased production of such units look good, provided supervisors take the appropriate action.

But the supervisors, with their sharp ideological divisions, aren't likely to agree with any unanimity on what action is appropriate. The conservative majority — composed of Chairman Pat Liberty, Dan Forbus and Marilyn Liddicoat — don't like Measure J in general and dislike the affordable housing provision particularly.

Even if they were of one mind, however, the problem would be formidable in this era of stratospheric housing costs, compounded in desirable Santa Cruz County by stratospheric land costs.

In the first two years of Measure J's existence, the main device for producing affordable housing has been “inclusionary zoning,” under which developers of large projects are required to “include” in their projects a specified number of affordable units. While this produced few units in the first couple of years, it is beginning to pay off, though by no means in sufficient quantity to meet the county's goals.

Earlier this year the board authorized the establishment of machinery to sell up to \$80 million in revenue bonds for the purpose of providing mortgage loans to qualified people at below market interest rates. But the payoff on that is still in the indefinite future. (These “revenue bonds” would not cost the taxpayer any money, but would be paid for as

the mortgages were paid off.)

Other affordable housing units have been built by state and federal programs and a small number of “owner-built” houses have also qualified as affordable under the provisions of the law.

All those programs together, Schenk told the board at its last hearing on the matter, would still fall an estimated 100 units short of meeting the mandated goals of Measure J. So Tuesday the County Administrative Officer presented the board with recommendations for attaining the full goal.

CAO George Newell recommended that the board:

—Reactivate the housing development loan fund and earmark \$150,000 in general fund contingency money for it.

—Authorize staff to work with state and federal housing authorities as well as local developers on specific proposals for using the loan fund for affordable housing.

—Direct staff to study the possibility of selling “surplus parcels” of land owned by the county with the money to go into the loan fund.

But the board didn't even get into a discussion of Newell's recommendations because by the time members of the audience got through presenting THEIR recommendations it was six o'clock and Supervisorial tempers were so frayed that the meeting just sort of dissolved.

E.W. Davis, a lawyer for McKeon Construction Co., a developer of a number of big housing developments in the county, urged the board to scrap the whole approach it's been taking under the guidance of its planning staff and start all over. Davis said that the board ought to adopt an ordinance along the lines suggested by his company, one of the main provisions of which is that land costs of the inclusionary (affordable) units be paid for by public funds.

Davis called the planning department's estimates of the amount of affordable housing that could be built under its proposals “pie in the sky” and said if that approach remains in effect it would actually result in fewer affordable units because it would have “a serious dampening effect on construction” in the county.

Davis said Measure J's mandates could only be met if the community as a whole helped pay for it, which is to say if county tax money is used.

This raised Chairman Liberty's hackles. Mrs. Liberty has insisted from the beginning that the people had not authorized public money to be spent on housing by virtue of having approved Measure J, the affordable housing provision therein notwith-

standing. She repeated that opinion forcefully again Tuesday.

Another approach to the problem was suggested by Bruce Reed, a builder and president of the county Builder's Exchange, an organization of builders and their suppliers. Reed had some kind words for Supervisor Gary Patton, the author and prime supporter of Measure J and its housing provisions, for his efforts to reach a common meeting ground with the building industry on methods of producing affordable housing.

Reed said he agreed with much of what Patton suggested, but said it was unnecessarily complicated. Reed urged the board to adopt a program that would essentially spread out the methods of producing the housing along four different approaches which included authorizing “guest homes,” prefabricated housing and the stimulation of the construction of mobile home parks.

Inundated by this flood of recommendations, with the hour growing late and with another hearing scheduled, Chairman Liberty suggested putting off any action for at least a week. But Supervisor Patton reacted with asperity to that, saying that the board had dawdled long enough with the issue.

“Let me count the times,” Patton sighed, “we have refused to deal with the housing issue.”

He said he was prepared to start making motions right away. But Mrs. Liberty, noting she had said earlier in the day that she had a six o'clock appointment, snapped that she was going to keep that appointment — which happened to be a meeting of the San Lorenzo Valley Business and Professional Women's Association where she was to be honored as one of its “outstanding women of the year.” She added a parting comment before turning the gavel over to vice chairman Marilyn Liddicoat:

“Furthermore, I'm absolutely stunned that the development community (an apparent reference to Reed's comments) could agree with anything that you (Patton) proposed. I'm going to have to study it carefully.”

With only four board members left, the two conservatives (Mrs. Liddicoat and Dan Forbus) and the two liberals (Patton and Chris Matthews) squabbled over whether to continue the matter or start voting on motions. With no agreement the matter just sort of died. Patton said he would get it back on the agenda next week.

After all that, the board then agreed to continue a public hearing on the Aptos Village Traffic Plan, which had been scheduled for 1:30 p.m., until next Tuesday at 4 p.m.