

## Future In Subsidies?

# *Housing Crisis Hits Watsonville Area*

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Second of three parts.

Although urbanization and development have matched population stride for stride during the recent growth boom, Watsonville and its surrounding area is undergoing a serious housing crisis.

Like so many other California communities, the cost of housing has spiraled in recent years. In 1976, a three-bedroom house sold for approximately \$41,000. By 1978, the cost for that same house had jumped to \$74,500, according to officials.

Using the basic formula that a family should spend no more than 25 percent of its income on housing, 94 percent of the households in Watsonville cannot afford the monthly housing payment for an average three-bedroom home, according to Watsonville Planning Department figures.

The cost of renting a housing unit also has increased substantially. Median rents for two and three-bedroom units have skyrocketed, some as by as much as 75 percent in a few years.

Using the same 25 percent formula, theoretically less than half (42 percent) of Watsonville households can afford to rent a two-bedroom unit and only a third can rent a three-bedroom unit, Planning Department figures show.

The future doesn't appear to be bright. The problems remain despite a 43 percent increase in the amount of dwelling units in the city from 1970-78. The vacancy rate in the city stands at less than 1 percent. The amount of vacant, buildable land is dwindling quickly and development would slow considerably with a growth management program in Watsonville.

"If there is a cutback in dwelling unit permits, one of the major concerns is going to be the affordability of housing. It is almost out of the range of people now. We are certainly going to have to address the low-to-moderate income housing shortage, especially if there is a cutback in building permits given," explained Watsonville City Manager James Buell.

Not only the needs of the poor, but also those of the elderly and handicapped must be met, who make up 23 percent of the population in Watsonville,

according to a recent planning area report on housing.

"We have some real problems," said Watsonville Planning Director Robert Ellenwood. "We don't have any good answers, but we sure have a lot of good questions."

In addition, 13 percent of the housing units in the city are deemed substandard, and nearly half (47 percent) of the homes in Watsonville were built before 1950.

The housing problem is not a new one. According to the city's 1969 general plan, "...provision of suitable housing for all segments of the population is currently the most important problem in Watsonville. It is essential to afford the low income and Mexican-American population an opportunity to live in decent and well-located housing at a cost which they can afford."

Most of the difficulties can be traced to the city's phenomenal growth pattern of recent years. The eight-year period of 1970-78 saw an increase of four times as many people as the 10-year period preced-

ing it. The majority of this growth has come in persons over 65 years of age and in the Mexican-American or Chicano ethnic group, which, according to Planning Department estimates, makes up over 40 percent of the city's population.

Most of this influx of Mexican-American and Chicano peoples can be traced to what is known as the Fresno Phenomenon, which saw the migrant farm worker army there of 300,000 cut in half in recent years. These people have settled in the Los Angeles basin and on up into the coastal areas of Monterey County and the Pajaro Valley.

The Fresno Phenomenon has hit Watsonville and built up a major cultural shock effect, according to a Planning Commission report. Furthermore, consultants feel that, based on population changes, Spanish-surname and other minority groups will constitute more than 50 percent of the total city population by the early 1980s.

There are two major reasons why housing for farmworkers is singled out as a specialized need in Watsonville, according to the planning report. First, the vast majority of farmworkers are a permanent and stable part of the community. Secondly, farm-

workers historically receive very low wages for their work. A survey in 1975 estimated annual earnings of \$2,840 for the average worker.

"Watsonville's farmworker population is here to stay for as long as there is agriculture and is probably going to keep earning low wages. Therefore, as long as these conditions remain, reasonable housing for farmworkers is going to be a sorely-needed item," the report said.

At the present time the Watsonville City Council is revising its housing element, that part of the general plan which sets housing goals and direction for the future. In the meantime, subsidized housing appears to be the only hope for decent living conditions for many households.

"I don't want to get into government-subsidized housing, but I don't see how else we can do it," said Mayor William "Bill" Johnston, who would prefer to see incentives given builders to develop low-income housing.

Unfortunately, most developers would rather stick to single-family homes, something that they can build, sell and forget about, rather than multi-family rental units that demand future maintenance.

"The problem with low income housing as a project is whether or not it can be viable for the

developer to do it. Right now developers don't want apartments and low-income housing," Ellenwood explained.

Watsonville has a total of 860 subsidized housing units in its planning area, representing half of all subsidized units in Santa Cruz County, despite the fact that the area contains only 19 percent of the county's population. While it is clear that Watsonville needs low-cost, subsidized housing, city officials do not want their area impacted with subsidized housing.

So far a major federal program in the Watsonville area has involved the California Housing Finance Agency, which provides mortgages to first-time homeowners at an interest rate of 7 percent, but only if the cost of the house does not exceed \$63,000. Also in effect is the Housing Rehabilitation Program, which provides loans for fixing up substandard homes and apartments.

The most popular aid appears to be the Section 8 rental program in which families pay 25 percent of their total income for housing with the federal government picking up the remainder. The program has 146 units operating in the Watsonville area and a waiting list of more than 1,300 in Santa Cruz County.