

# City mulls relocation plan for Beach Flats

*Beach Flats*  
Council plans to defray expenses for residents' temporary housing

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SANTA CRUZ — With a pocket full of cash and a desire to improve the Beach Flats neighborhood, the Santa Cruz City Council is moving closer to an affordable housing project there.

At an estimated cost of \$12 million, the city wants to build a complex with 49 to 58 apartment units, a community center and child-care facilities on a 1.3-acre site between Park Place and Leibbrandt Avenue.

Some 200 people now live there in 48 units considered substandard.

City Council members say they plan to provide the residents with relocation expenses for temporary housing while the new complex is being built and the first chance to move into the new units.

The council tonight is scheduled to consider hiring a consultant to work on relocation plans. The council also will consider developing a plan to work with affordable housing developer Mercy Charities Housing.

City officials have talked for decades about improving the blighted neighborhood near the Boardwalk, but little has been accomplished.

The Beach and South of Laurel Area Plan, the biggest attempt at redevelopment in the area, included a proposal to demolish 20 housing units and replace them with affordable new units.

But after considerable debate, the council greatly scaled back the plan in October 1998, eliminating the housing.

With 1,200 residents, Beach Flats remains the city's most densely populated neighborhood. Small houses and motels converted to permanent housing make up much of the 350 homes in the 9-acre area, according to city planners.

The property being eyed by the city includes housing owned by Terry McElroy and Vernon Lee. The city also wants to use land owned by the Santa Cruz Seaside Co., which owns the Boardwalk, and 15 units that have been vacant for years.

Property costs are expected to be about \$2.2 million.

Like most property owners in Beach Flats, McElroy and Lee live outside the city. In the entire Beach Flats neighborhood, 14 landlords own 60 percent of the property, almost all of which are rentals, according to city planners.

The developer that builds the project could get a city subsidy of almost \$5 million from the Redevelopment Agency's housing fund.

"It's about time we do something," said Councilman Michael Hernandez, who lives in the Beach Flats area. "We've been talking about it for 20 years. Families live down there in deplorable situations. If we don't do this now, then when will we?"

City officials said that residents of the affected units now pay rent of \$400 to \$600 per month. Under the city's affordable housing standards,

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they would pay \$250 for a one-bedroom unit and up to \$988 for four bedrooms.

One concern raised by residents and council members is that some existing residents could be kept out of the new units because of their immigration status.

Hernandez said there are ways around that.

"Don't ask, don't tell," he said. "They are here, and we have to help. It's really none of our business."

Phil Baer, a Beach Flats land owner and resident, said the city is wrong to replace the current housing. He said he and other Beach

Flats residents don't trust the city will make good on its promises.

"It will displace low income with wealthier people," Baer said. "It (relocation and replacement housing) will never happen in a million years. That's an impossible fantasy, and I think the council is naive if they think they can pull it off."

Baer, who also opposed the Beach Area Plan, disputes the city's contention that the housing at the site or elsewhere in Beach Flats is substandard.

Councilman Tim Fitzmaurice has conducted several information-gathering walks and talks with residents of Beach Flats. He said they want what everyone else wants.

"I heard from them they wanted better living conditions at affordable prices," Fitzmaurice said. "There are passions on both sides and valid concerns, but at the same time it's about what this community will look like in 10 years. If we leave it to the free market, I believe the community will be displaced ... rudely displaced."