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Low-Cost Housing Ordinance Clarified

County supervisors Tuesday took steps to clarify its affordable housing ordinance.

In unanimously approving amendments to the ordinance, supervisors clarified certain practices that have already been county policy but that have caused confusion by not being in ordinance form, Supervisor Joe Cucchiara explained. The board also made other minor changes to the ordinance.

The amendments, for instance, give developers a clear picture of how they can transfer affordable housing credits from one project to another. In other words, developers are allowed to construct more low-cost units than required in one project, and then reduce the number of low-cost units in the next project.

First (Seaside) District Supervisor Gary Patton prepared the transfer of credits policy that ultimately was approved by the board.

In discussing transfer of credits, First (Live Oak) District Supervisor Dan Forbus claimed that his district has received more than its share of low-cost units.

His move, however, to require that transfers cannot take place from one supervisorial district to another failed, with only Forbus and Supervisor E. Wayne Moore in support.

Patton's policy does state that "the transfer of credit must not result in a serious impaction of affordable units in any particular neighborhood or planning area of the county."

And, the policy also makes it possible now for a developer who has received government funding to transfer up to 50 percent of his affordable housing credits. In the past, a developer only was able to transfer about a third of his credits.

It also brings about a change in county practices by stating that affordable units for which credit is transferred must be occupied concurrently with, or prior to, occupancy of units sold at the market rate.

This requirement was added so that affordable units don't remain vacant while market rate units are sold or rented.

Supervisors, at Cucchiara's suggestion, also added a statement to the ordinance allowing the county to collect any windfall profits from the sale of an affordable unit.

The ordinance, as proposed by the county planning staff, allowed the county to collect any profits if a unit were sold due to foreclosure or if it were destroyed and insurance proceeds were paid.

But Cucchiara also wanted the county to be able to collect the windfall profit in all instances, including when the unit is first sold after the 30-year mortgage is paid.

This prevents a person from buying an affordable housing unit that has been subsidized with taxpayers' money and then eventually selling the unit and money and then profiting from the sale of the unit, Cucchiara explained.

While Forbus and Moore both voted for the ordinance amendments as a whole, Forbus was against Patton's suggestions on transfer of credits and Moore was opposed to Cucchiara's suggested changes.

All the amendments to the affordable housing ordinance were approved "in concept" and will be returned to supervisors next Tuesday for final consideration.