

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
AGENDA OF THE ANNUAL BOARD MEETING
August 24, 2022
11:30 a.m.
TO BE HELD AT:
HOUSING AUTHORITY OFFICES
2160 41st Avenue, Capitola, CA 95010

- Due to the shelter-in-place directive, in lieu of attending the meeting in person, members of the public are invited to submit their comments via email to housing@hacosantacruz.org prior to the meeting or join the Zoom Meeting via this link:

Jenny Panetta is inviting you to a scheduled Zoom meeting.

Topic: Housing Authority of the County of Santa Cruz Board of Commissioners Meeting
Time: Aug 24, 2022 11:30 AM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/82661581899?pwd=ZkowbmY4Yk1DSkZnSkxySmVoYWxlZz09>

Meeting ID: 826 6158 1899

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Meeting ID: 826 6158 1899

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Find your local number: <https://us02web.zoom.us/j/82661581899>

1. Roll Call

HOUSING AUTHORITY BOARD OF COMMISSIONERS:

Chairperson Andy Schiffrin

4 year term expires, March 17, 2023

Vice Chairperson Carol Berg	4 year term expires, May 21, 2025
Commissioner Ligaya Eligio	2 year term expires, October 18, 2022
Commissioner Annette Melendrez	4 year term expires, September 29, 2023
Commissioner Richard Schmale	2 year term expires, May 12, 2023

2. Consideration of Late Additions and Changes to the Agenda

3. Consent Agenda

A. Board of Commissioners Meeting Format

Motion to Adopt Resolution No. 2022-15 Authorizing the Housing Authority Board of Commissioners to Continue the Use of Remote Board Meetings Pursuant to Assembly Bill 361

B. Minutes of the Regular Meeting held June 22, 2022

Motion to Approve as Submitted

Minutes of the Special Meeting held July 25, 2022

Motion to Approve as Submitted

C. Agency Share of Health Insurance Premiums for CY2023

Approve Staff Recommendation for Changes to the Agency's Health Insurance Contribution Levels

D. Extension to the Term of the Land Loan to Merrill Road Associates

Authorize Ten Year Extension to the Term of the Land Loan to Merrill Road Associates

E. Housing Choice Voucher Administrative Plan Update

Approve Update to Housing Choice Voucher Administrative Plan

F. Family Self-Sufficiency Program Renewal Grant

Adopt Resolution No. 2022-16: Authorization of a Grant Application Submittal, the Execution of a Grant Agreement and Any Amendments Thereto, and Any Other Documents Necessary to Secure a U.S. Department of Housing and Urban Development (HUD) Family Self Sufficiency (FSS) Coordinator Renewal Grant

G. Renewal Application for HUD Shelter Plus Care Consolidated Program Grant

Adopt Resolution No. 2022-17: Resolution Authorizing the Submittal of Renewal Grant Applications, the Execution of Renewal Grant Agreements and Any Amendments Thereto, and Any Other Documents Necessary to Secure U.S. Department of Housing and Urban Development (HUD) Shelter Plus Care Consolidated Program Grant

H. Housing Authority Fiscal Year 2021/2022 Goals – Final Report

Receive Report

I. Certificates of Appreciation for Sonja Brunner and Rebecca Garcia

Motion to Approve as Submitted

4. **Oral Communications** (All oral communications must be directed to an item not listed on this agenda and must be within the jurisdiction of the Board. Presentations must not exceed three minutes in length. The Board will not take action or respond immediately to any Oral Communication presented, but may choose to follow up at a later time or schedule item for a subsequent agenda. The Board may limit the total amount of time allowed for oral communication). Anyone addressing the Board of Commissioners is asked to complete a card and leave it with the Board secretary so that their names may be accurately recorded in the Minutes.

5. **Unfinished Business**

6. **New Business**

A. Election of Officers

The Board of Commissioners of the Housing Authority of the County of Santa Cruz to Elect their Chairperson and Vice-Chairperson

B. Initiative Amending City of Santa Cruz General Plan and Downtown Plan to Prohibit Construction of Proposed Downtown Mixed-Use Library and Affordable Housing Project

Receive Presentation

7. **Written Correspondence**

8. **Report of Executive Director**

9. **Reports from Board Members**

(Board members may report on meetings attended, if any, or other items of interest.)

10. **Closed Session**

11. **Report on Closed Session**

12. **Adjournment**

AGENDA ITEM SUMMARY

MEETING DATE: August 24, 2022

ITEM NUMBER: 3A

FROM: Executive Director

SUBJECT: Board of Commissioners Meeting Format

RECOMMENDATION: Adopt Resolution No. 2022-15 Authorizing the Housing Authority Board of Commissioners to Continue the Use of Remote Board Meetings Pursuant to Assembly Bill 361

BACKGROUND SUMMARY:

On September 16, 2021, California Governor Gavin Newsom signed AB 361 into law, amending the Ralph M. Brown Act to include new authorization for remote meetings, including remote public comment, for all local agencies. The new authorization, which largely extends the provisions of the Governor's Executive Order N-29-20 (signed March 17, 2020) and Executive Order N-35-20 (signed March 21, 2020), is effective until January 1, 2024.

Given the continuing COVID-19 state of emergency, AB 361 was introduced to establish clear rules for teleconference meetings during such emergencies, effective immediately and until January 1, 2024. Effective September 16, 2021, new Government Code section 54953(e)(1) allows local agencies to continue to meet via teleconference without complying with the Brown Act's traditional agenda posting, physical access and quorum requirements for teleconferencing, but only during a state of emergency proclaimed by the Governor (in accordance with Government Code section 8625) in which (1) state or local health officials have imposed or recommended measures to promote social distancing, or (2) the legislative body has determined (or is meeting to determine) by majority vote that meeting in person would present imminent risk to the health or safety of the attendees.

This new authority requires local agencies to verify every 30 days that the exemption from traditional teleconference requirements is still necessary. Specifically, the legislative body must redetermine that either i) the state of emergency continues to directly impact the ability of the members to meet safely in person, or ii) state or local officials continue to impose or recommend measures to promote social distancing.

Currently, the Governor's March 4, 2020 proclamation of State of Emergency is still in effect. The California Department of Public Health continues to recommend that all individuals wear masks in indoor public settings. Additionally, the Santa Cruz County Health Officer currently recommends that face coverings be worn in public indoor settings for all individuals in the County.

RECOMMENDATION Adopt Resolution No. 2022-15 Authorizing the Housing Authority Board of Commissioners to Continue the Use of Remote Board Meetings Pursuant to Assembly Bill 361

RESOLUTION NO. 2022-15

On the motion of Commissioner

Duly seconded by Commissioner

The Following Resolution is Adopted:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ REAFFIRMING THAT THE PROCLAMATION OF A STATE OF EMERGENCY BY THE GOVERNOR OF CALIFORNIA ISSUED ON MARCH 4, 2020 RELATING TO THE COVID-19 VIRUS REMAINS IN EFFECT AND LOCAL OFFICIALS CONTINUE TO RECOMMEND SOCIAL DISTANCING MEASURES TO MITIGATE THE SPREAD OF THE COVID-19 VIRUS AND RE-AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODY OF THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ PURSUANT TO BROWN ACT PROVISIONS.

WHEREAS, the Housing Authority of the County of Santa Cruz (“HACSC”) is committed to preserving and nurturing public access and participation in meetings of the Board of Commissioners; and

WHEREAS, all meetings of the HACSC’s legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code §54950 *et seq.*) (“Brown Act”), so that any member of the public may attend, participate, and watch the HACSC’s legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing; and

WHEREAS, the Board of Commissioners previously adopted a Resolution, Number 2022-13 on July 25, 2022 finding that the requisite conditions exist for the legislative body of the HACSC to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, as a condition of extending the use of the provisions found in section 54953(e), the Board of Commissioners must reconsider the circumstances of the state of emergency that exists, and the Board of Commissioners has done so; and

WHEREAS, the State of Emergency proclaimed by the Governor of California on March 4, 2020, due to the outbreak and spread of the COVID-19 virus remains in effect and active in order to be able to prepare, respond, and implement measures to mitigate the spread of the COVID-19 virus; and

WHEREAS, local officials within the State of California and the County of Santa Cruz continue to recommend social distancing measures to mitigate the spread of the COVID-19 virus; and

WHEREAS, as a consequence of the proclaimed state of emergency pursuant to the COVID-19 virus which continues to remain in effect, and local officials continuing to recommend social distancing measures to mitigate the spread of the COVID-19 virus, the Board of Commissioners does hereby find that the legislative bodies of the HACSC shall continue to conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, the meetings of the HACSC's legislative bodies continue to be open to the public, in accordance with the law.

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Reaffirmation of Governor's Proclamation of a State of Emergency. The Board hereby finds that the Governor of the State of California's Proclamation of State of Emergency pursuant to the COVID-19 virus, effective as of its issuance date of March 4, 2020, continues to remain in effect.

Section 3. Reaffirmation of Local Officials Recommendation of Social Distancing Measures. The Board hereby finds that local officials within the State of California and the County of Santa Cruz continue to recommend social distancing measures to mitigate the spread of the COVID-19 virus.

Section 4. Remote Teleconference Meetings. The Executive Director of the HACSC and legislative bodies of the HACSC are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, continuing to conduct open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective for thirty (30) days or until such time the Board of Commissioners adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of the HACSC may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of Santa Cruz, this Twenty Fourth of August 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chairperson of the Authority

ATTEST:

Secretary of the Authority

AGENDA ITEM NO. 1

Roll Call

Chairperson Schiffrin called the meeting to order 11:31 a.m. Members present via Zoom meeting Chairperson Schiffrin, Vice Chairperson Berg, Commissioners Brunner, Eligio, Melendrez and Schmale

Members Absent

Commissioner Garcia (excused)

Staff Present

Jennifer Panetta, Aaron Pomeroy, Thomas Graham and Courtney Byrd of the Housing Authority

AGENDA ITEM NO. 2

Consideration of Late Additions or Changes to the Agenda

None.

AGENDA ITEM NO. 3

Consent Agenda

Chairperson Schiffrin asked for a motion to approve the Consent Agenda.

Commissioner Berg moved for the approval of the Consent Agenda; Commissioner Melendrez seconded the motion and it as passed by the following vote:

AYES: Commissioners Berg, Brunner, Eligio, Melendrez, Schiffrin and Schmale
NOES: None
ABSENT: Commissioner Garcia
ABSTAIN: None

Agenda Item 3A. Approved the Minutes of the Special Meeting held June 1, 2022

Agenda Item 3B. Adopted Resolution No. 2022-12 Authorizing the Housing Authority Board of Commissioners to Continue the Use of Remote Board Meetings Pursuant to Assembly Bill 361

Agenda Item 3C. Approved Special Meeting on July 25, 2022 at 11:30 a.m.

Agenda Item 3D. Approved Revision to Personnel Policies and Procedures

AGENDA ITEM NO. 4

Oral Communications

- Due to the shelter-in-place directive, in lieu of attending the meeting in person, members of the public are invited to submit their comments via email to housing@hacosantacruz.org prior to the meeting or join the Zoom Meeting via this link:

Join Zoom Meeting

<https://us02web.zoom.us/j/88088832746?pwd=MVpSYU81bUpHYm1EaWhsRVVydGFKQT09>

Meeting ID: 880 8883 2746

Passcode: 068002

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HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE REGULAR MEETING JUNE 22, 2022, AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

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+1 301 715 8592 US (Washington DC)

Meeting ID: 880 8883 2746

Passcode: 068002

Find your local number: <https://us02web.zoom.us/j/88088832746>

No emails with comments were submitted. Chairperson Schiffrin asked if there were members of the public in attendance who would like to comment on items not on the agenda. No members of the public in attendance.

AGENDA ITEM NO. 5 Unfinished Business
None.

AGENDA ITEM NO. 6A Audited Financial Statements for Fiscal Year Ending June 30, 2021

Secretary Panetta introduced Finance Director Pomeroy who informed the Board that the agency's new auditor, Novogradac & Company LLP, has issued with an unmodified (clean) opinion for the agency-wide audited financial statements for fiscal year ending June 30, 2021. There were no audit findings. Should the Board of Commissioners approve the audited financial statements, they will be submitted to the appropriate regulatory bodies and be available on the Housing Authority's website for other interested parties. A discussion followed. Secretary Panetta and the Board of Commissioners congratulated Finance Director Pomeroy and Finance Staff for the excellent audit findings.

Commissioner Brunner made a motion to approve the Agency-Wide Audited Financial Statements for Fiscal Year Ending June 30, 2021 as submitted; Commissioner Eligio seconded the motion and it as passed by the following vote:

AYES: Commissioners Berg, Brunner, Eligio, Melendrez, Schiffrin and Schmale
NOES: None
ABSENT: Commissioner Garcia
ABSTAIN: None

Finance Director Pomeroy exited the meeting at 11:36 a.m. with thanks from the Board of Commissioners

AGENDA ITEM NO. 6B

Moving to Work Asset Building Cohort Application

Secretary Panetta reminded the Board of Commissioners that staff and the Board have spoken about the Moving to Work (MTW) demonstration program in the past. Secretary Panetta had mentioned in last month's Executive Director report that staff was looking into a new opportunity to be a MTW agency. Secretary Panetta introduced Director of Operations Graham who gave the Board a staff report on the MTW opportunity and application process.

Director of Operations Graham explained to the Board the three statutory objectives of the MTW program and the five statutory requirements that the participating agencies must meet. The MTW program that the Housing Authority is applying for is the Asset Building Cohort. The Housing Authority selected this escrow savings program for the MTW application, formally titled the Opt-Out Savings Account. When and if selected for the MTW program, the Housing Authority may also elect to adopt additional asset building initiatives. The Housing Authority is in the process of developing the MTW application proposing an initial Opt-Out Savings Account program for 25 HCV, Section 8 households, with a deposit of \$50 per month.

Director of Operations Graham informed the Board that agencies that participate in the MTW program have significant benefits to gain both in funding flexibility and regulatory flexibility. This would include possible biennial reexaminations.

Director of Operations Graham informed the Board that the MTW application process consists of two parts, which includes preparing and submitting the formal application package and engaging in the public process requirements. Director of Operations Graham informed the Board of the timeline for submitting the application including the approval by the Board of Commissioners of the MTW Plan and application package by resolution no less than 15 days after the public hearing. A discussion followed. The Board of Commissioners directed staff to give updates to the Board on the new MTW program if the Housing Authority application is approved on the impact of budgeting, possible budget savings and staffing. Staff will take the Board's direction.

Commissioner Schmale made a motion to approve the Staff Proposal to Proceed with MTW Application Process; Commissioner Berg seconded the motion and it was passed by the following vote:

AYES: Commissioners Berg, Brunner, Eligio, Melendrez, Schiffrin and Schmale
NOES: None
ABSENT: Commissioner Garcia
ABSTAIN: None

Director of Operations Graham exited the meeting at 12:09 p.m. with thanks from Secretary Panetta and the Board of Commissioners

AGENDA ITEM NO. 6C

Housing Authority Annual Agency Goals

Secretary Panetta reminded the Board that each year, the Housing Authority Board of Commissioners establishes annual performance goals. Secretary Panetta informed the Board that the goals in this Board packet were adopted by the Board in June 2021 for the 2021/2022 Fiscal Year. Staff has updated the Board of Commissioners on the progress of these goals quarterly. Also included are the draft Housing Authority Agency Goals for 2022/2023 Fiscal Year. These draft goals are based on goals established in the Agency 5 Year Plan, existing goals for the current fiscal year, as well as recent discussions regarding current priorities and resources. Secretary Panetta informed the Board that there are 5 main draft goals for this upcoming year. Including expanding the Housing Choice Voucher Program, expand the affordable housing supply, improve the quality of housing stock, increase programs and services and improve agency and program management. Secretary Panetta informed the Board the steps the Board and staff can take to reach these goals. A discussion followed. Commissioner Berg requested the below revisions to the Housing Authority Agency Goals:

2. Expand Affordable Housing Supply:

- a. Project Based Vouchers approved for at least 125 additional units, ~~with at least 100 of these units available to top HCV applicants~~ *with a priority for, and at least 50% of these units available to, top HCV applicants.*

3. Improve Quality of Housing Stock:

- a. Modernize at least 20 Housing Authority owned ~~and~~ *or* controlled units upon turn-over, which includes refinishing cabinets, painting, installing new flooring, replacing appliances, and installing new exhaust fans.

Chairperson Schiffrin requested that next year, it would be good to see the progress on last year's Agency Goals and this years proposed Agency Goals side by side for comparison. Secretary Panetta with take this direction.

Commissioner Melendrez made a motion to establish Annual Agency Goals for the Housing Authority as amended; Commissioner Brunner seconded the motion and it as passed by the following vote:

AYES: Commissioners Berg, Brunner, Eligio, Melendrez, Schiffrin and Schmale
NOES: None
ABSENT: Commissioner Garcia
ABSTAIN: None

AGENDA ITEM NO. 7

Written Correspondence

None.

AGENDA ITEM NO. 8

Report of Executive Director

Executive Director Panetta informed the Board that the county received its second Homekey award for a development called Park Haven Plaza in Soquel. The first was Veterans Village in Ben Lomond.

Executive Director Panetta informed the Board that HUD released a press release to announce a significant new source of funding through Continuum of Care grants. HUD also announced new funds to fund 4,000 incremental vouchers.

Executive Director Panetta updated the Board on the proposed legislation to increase PBV cap. Executive Director Panetta informed the Board that she has been working with Congressman Panetta's staff as well as CAHA and will continue to do so as the bill moves forward. Executive Director Panetta will keep the Board updated.

Executive Director Panetta informed the Board that Applied Survey Research has completed the data collection for the FMR study. Executive Director shared the results in the Board.

Executive Director Panetta updated the Board on the new waiting list alerts system the Housing Authority is developing called Affordable Housing Alerts (AHA). Interested community members will be able to sign up to receive notification when any affordable housing program or property opens its waiting list.

AGENDA ITEM NO. 9

Reports from Board Members

None.

AGENDA ITEM NO. 10A

Closed Session

None.

AGENDA ITEM NO. 11

Report on Closed Session

None.

AGENDA ITEM NO. 12

Adjournment

The Board of Commissioners meeting was adjourned at 12: 48 p.m.

I hereby certify that these minutes were approved by the Housing Authority of the County of Santa Cruz, on the Twenty Fourth Day of August, 2022.

Chairperson of the Authority

ATTEST: _____

Secretary

AGENDA ITEM NO. 1

Roll Call

Chairperson Schiffrin called the meeting to order at 11:34 a.m. Members present via Zoom meeting Chairperson Schiffrin, Vice Chairperson Berg, Commissioners Eligio, Melendrez and Schmale

Secretary Panetta informed the Board that both Sonja Brunner and Rebecca Garcia have submitted resignations from the Board of Commissioners. Secretary Panetta informed the Board of the process of appointing new Commissioners to these vacancies Secretary Panetta stated that losing both Ms. Brunner and Ms. Garcia from the Board is a loss to the agency. Ms. Garcia has served from 2015 to 2022. Ms. Brunner served as a tenant Commissioner from 2009 to 2012 and returned to the Board as a county At-large Commissioner from 2015-2022. Staff and the Board will miss their voice and perspective. Chairperson Schiffrin requested that an item be placed on the next month's agenda to recognize and thank Ms. Brunner and Ms. Garcia for their service to the Board. Secretary Panetta will take this direction.

Members Absent

None.

Staff Present

Jennifer Panetta, Tom Graham and Courtney Byrd of the Housing Authority

AGENDA ITEM NO. 2

Consideration of Late Additions or Changes to the Agenda

None.

AGENDA ITEM NO. 3

Consent Agenda

Chairperson Schiffrin asked for a motion to approve the Consent Agenda.

Commissioner Berg moved for the approval of the Consent Agenda; Commissioner Melendrez seconded the motion and it as passed by the following vote:

AYES: Commissioners Berg, Eligio, Melendrez, Schiffrin and Schmale
NOES: None
ABSENT: None
ABSTAIN: None

Agenda Item 3A. Adopted Resolution No. 2022-13 Authorizing the Housing Authority Board of Commissioners to Continue the Use of Remote Board Meetings Pursuant to Assembly Bill 361

Agenda Item 3B. Approved the MTW Plan and Application Package for Submission to HUD to Obtain MTW Designation Through the Asset Building Cohort

AGENDA ITEM NO. 4

Oral Communications

- Due to the shelter-in-place directive, in lieu of attending the meeting in person, members of the public are invited to submit their comments via email to housing@hacosantacruz.org prior to the meeting or join the Zoom Meeting via this link:

Join Zoom Meeting

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Meeting ID: 819 9347 0108

Passcode: 564463

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Passcode: 564463

Find your local number: <https://us02web.zoom.us/j/81993470108?pwd=cURNWXhCTDdzbUpQS2lWRlNnZ3FyZz09>

No emails with comments were submitted. Chairperson Schiffirin asked if there were members of the public in attendance who would like to comment on items not on the agenda. No members of the public in attendance.

AGENDA ITEM NO. 5

Reports from Board Members

None.

AGENDA ITEM NO. 6

Closed Session

A. Executive Director Employee Evaluation

AGENDA ITEM NO. 7

Report on Closed Session

No action taken.

AGENDA ITEM NO. 8

Adjournment

The Board of Commissioners meeting was recessed at 11:41 a.m. (Chairperson Schiffrin called the meeting back to order at 11:49 a.m. The Board entered Closed Session. The Board exited Closed Session at 12:29 p.m.. Meeting adjourned.)

I hereby certify that these minutes were approved by the Housing Authority of the County of Santa Cruz, on the Twenty Fourth of August 2022.

Chairperson of the Authority

ATTEST: _____

Secretary

AGENDA ITEM SUMMARY

MEETING DATE: August 24, 2022

ITEM NUMBER: 3C

FROM: Executive Director

SUBJECT: Agency Share of Health Insurance Premiums for CY2023

RECOMMENDATION: Approve Staff Recommendation for Changes to the Agency's Health Insurance Contribution Levels

BACKGROUND SUMMARY:

The Housing Authority's health insurance plans for staff are provided through CalPERS. CalPERS announces the rates for each of the health insurance plans for the coming calendar year prior to the open enrollment period which begins in September. The open enrollment period allows for staff to modify their health plan selections without being limited to a "qualifying event." The agency contributes towards the cost of the health insurance plans offered through CalPERS as part of the total compensation package provided to staff. Management assesses the extent to which the cost of the health insurance premiums is shared between employer and employee on an annual basis once the new rates are announced. It is ideal for this cost-sharing structure to be re-benchmarked prior to the open enrollment period to ensure staff can make informed decisions on their health plan selection for the coming year.

The premiums for the CalPERS health insurance plans in our region are set to increase or decrease by a wide margin depending on the plan. Over half of all participating staff are enrolled in the Kaiser Permanente plan which will experience a premium increase of 6.6%. This translates into an increase in the monthly employee share of \$57, \$114, and \$148 for single, two party, and family coverage, respectively. Management proposes to increase the agency's contribution towards health insurance by these same amounts in order to offset the cost of the premium increases to staff. Under this proposal effective 1/1/2023, the agency's monthly health insurance contribution levels would be: \$761 (Single), \$1,521 (Two Party), \$1,976 (Family), and \$646 (Cash in Lieu for employees who are covered by their spouse's insurance). A summary of the current employee share of premiums and the proposed share of premiums for the coming year are shown in the attached table along with a summary of the proposed changes to the agency contribution level. The estimated cost to implement these changes is \$62,000 on an annual basis with a \$31,000 impact in the current FY2022-23 budget year.

BACKGROUND SUMMARY:

Approve Staff Recommendation for Changes to the Agency's Health Insurance Contribution Levels.

Health Plan	2022 Employee Share of Monthly Premium	2023 Employee Share of Monthly Premium	Increase in Employee Share of Premium
Single			
PERS Select/Gold (PPO)	0.00	64.61	64.61
Kaiser Permanente (HMO)	153.06	152.74	(0.32)
Anthem Select (HMO)	311.81	367.83	56.02
PERS Choice/Platinum (PPO)	353.01	439.12	86.11
Health Net SmartCare (HMO)	449.00	413.50	(35.50)
Anthem EPO Del Norte (PPO)	353.01	439.12	86.11
Blue Shield Trio (HMO)	194.54	127.94	(66.60)
Blue Shield Access+ (HMO)	412.01	274.21	(137.80)
UnitedHealthcare Alliance (HMO)	316.28	283.07	(33.21)
Anthem Traditional (HMO)	600.00	449.71	(150.29)
2 Party			
PERS Select/Gold (PPO)	0.00	130.22	130.22
Kaiser Permanente (HMO)	307.12	306.48	(0.64)
Anthem Select (HMO)	624.62	736.66	112.04
PERS Choice/Platinum (PPO)	707.02	879.24	172.22
Health Net SmartCare (HMO)	899.00	828.00	(71.00)
Anthem EPO Del Norte (PPO)	707.02	879.24	172.22
Blue Shield Trio (HMO)	390.08	256.88	(133.20)
Blue Shield Access+ (HMO)	825.02	549.42	(275.60)
UnitedHealthcare Alliance (HMO)	633.56	567.14	(66.42)
Anthem Traditional (HMO)	1,201.00	900.42	(300.58)
Family			
PERS Select/Gold (PPO)	0.00	170.59	170.59
Kaiser Permanente (HMO)	400.36	399.72	(0.64)
Anthem Select (HMO)	813.11	958.96	145.85
PERS Choice/Platinum (PPO)	920.23	1,144.31	224.08
Health Net SmartCare (HMO)	1,169.80	1,077.70	(92.10)
Anthem EPO Del Norte (PPO)	920.23	1,144.31	224.08
Blue Shield Trio (HMO)	508.20	335.24	(172.96)
Blue Shield Access+ (HMO)	1,073.63	715.55	(358.08)
UnitedHealthcare Alliance (HMO)	824.73	738.58	(86.15)
Anthem Traditional (HMO)	1,562.40	1,171.85	(390.55)

HA Monthly Contribution	2022	2023	Increase
Single	Up to \$704	Up to \$761	\$57
2 Party	Up to \$1,407	Up to \$1,521	\$114
Family	Up to \$1,828	Up to \$1,976	\$148
Cash in Lieu	\$589	\$646	\$57

AGENDA ITEM SUMMARY

MEETING DATE: August 24, 2022

ITEM NUMBER: 3D

FROM: Executive Director

SUBJECT: Extension to the Term of the Land Loan to Merrill Road Associates

RECOMMENDATION: Authorize Ten Year Extension to the Term of the Land Loan to Merrill Road Associates

BACKGROUND SUMMARY:

On February 11, 1997, the Authority entered into a land loan agreement with Merrill Road Associates (MRA) whereby the Authority loaned to the partnership a sum of \$252,763 for the acquisition of land for the construction of the 15 unit low-income housing development in Aptos. The term of the loan commenced on September 15, 1995 with a 27 year term at a simple interest rate of 3% which matures next month in September 2022. Outstanding principal and interest on the land loan were to be paid by MRA to the extent of available surplus cash by the project at the end of each fiscal year. Surplus cash is determined by a Regulatory Agreement with the State of California Housing & Community Development (HCD).

To date, the original principal balance of \$252,763 remains unpaid and an additional \$128,416 in unpaid interest has also accrued. The rent increases permitted over the years by HCD have not been sufficient to keep pace with rising operational costs and generate surplus cash to repay the loan. Plans are in the works to project base the 15 units at Merrill Road which will increase the total rent to market rate levels. Once this occurs, MRA will generate a considerable amount of surplus cash flow which will allow for an accelerated repayment of outstanding loan obligations.

Staff recommends that the Authority extend the term of the land loan to MRA by an additional 10 years. MRA's current financial position will not enable the partnership to repay the land loan by the original maturity date of September 2022. An extension of 10 years will provide MRA with time to project base all units at the site in a move that will put the Partnership on a firm financial footing, thereby creating sufficient annual surplus cash for repayment of the land loan to the Authority.

RECOMMENDATION:

Authorize Ten Year Extension to the Term of the Land Loan to Merrill Road Associates

AGENDA ITEM SUMMARY

MEETING DATE: August 24, 2022

ITEM NUMBER: 3E

FROM: Executive Director

SUBJECT: Housing Choice Voucher Administrative Plan Update

RECOMMENDATION: Approve Update to Housing Choice Voucher Administrative Plan

BACKGROUND SUMMARY:

The Housing Choice Voucher Administrative Plan includes information about waiting list procedures for the Section 8 Housing Choice Voucher and Project Based Voucher Programs.

Sunrise Senior Apartments – The Housing Authority has a contract for 48 project based units at Sunrise Senior Apartments in Hollister. Originally, the project had a site-based waiting list. When the site-based waiting list was exhausted, the Agency changed the Administrative Plan to fill vacancies with eligible seniors from the San Benito County Housing Choice Voucher waiting list. Unfortunately, due to a lack of current detailed information on the dates of birth of all household members on this waiting list, extensive outreach is required to fill each vacancy, resulting in lengthy delays. The property owner, CHISPA, has requested that we return to our former practice of utilizing a site-based waiting list to ensure outreach is directed towards eligible senior households and fill units more quickly.

Waiting list information for the project-based voucher properties is summarized on a table in the Housing Choice Voucher Administrative Plan. Currently, the table contains the following information for Sunrise Senior Apartments.

<u>Sunrise Senior Apartments</u> 48 PBV units – senior housing	580 Westside Blvd. Hollister	43 PBV units - Date of Placement on 2011 HSJB waiting list and followed by lottery number on 2018 HSJB waiting list. 5 HUD VASH PBV units - referrals from Veterans Administration
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Staff propose to amend the Administrative Plan by making the following change, allowing us to establish a site-based waiting list.

<u>Sunrise Senior Apartments</u> 48 PBV units – senior housing	580 Westside Blvd. Hollister	43 PBV units - Date of Placement on 2011 HSJB waiting list and followed by lottery number on 2018 HSJB waiting list. Sunrise Senior Apartments will use a site-based waiting list. Applications received in the first two weeks of opening will be randomized in a lottery. Subsequent applications will be processed based on date the application is received. 5 HUD VASH PBV units - referrals from Veterans Administration
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The proposed change does not constitute significant changes or substantial deviations to the Plan.

A complete copy of the Administrative Plan, as approved by the Board in March 2022 is available on our website at <https://www.hacosantacruz.org/general-information/agency-plans/>.

RECOMMENDATION: Approve Update to Housing Choice Voucher Administrative Plan

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

AGENDA ITEM SUMMARY

MEETING DATE: August 24, 2022

ITEM NUMBER: 3F

FROM: Executive Director

SUBJECT: Family Self-Sufficiency Program Renewal Grant

RECOMMENDATION: Adopt **Resolution No. 2022-16:** Authorization of a Grant Application Submittal, the Execution of a Grant Agreement and Any Amendments Thereto, and Any Other Documents Necessary to Secure a U.S. Department of Housing and Urban Development (HUD) Family Self Sufficiency (FSS) Coordinator Renewal Grant

BACKGROUND SUMMARY:

The Housing Authority of the County of Santa Cruz has administered a Family Self Sufficiency Program (FSS) for participants in the Santa Cruz County Section 8 Housing Choice Voucher (HCV) Program since 1994. The FSS program assists families who are transitioning from welfare to work. As a family's earned income increases, the family's monthly rent payment increases proportionately. If the family is enrolled in the FSS program, the Housing Authority places an amount equal to the monthly increase in the family's rent into an escrow savings account for the family. The escrow account is administered by the Housing Authority in compliance with FSS program requirements. As a participant in the program, the family meets with an FSS coordinator and establishes goals for becoming welfare-free and increasing financial self-sufficiency. If the family reaches their goals (as stated in a contract they sign with the Housing Authority), the escrow account funds are disbursed to them. While there is no restriction on the use of these funds, many families use these funds to pay for education and some have even used the funds for a down-payment on a home.

The Agency has funding from HUD for 2.0 FTE FSS coordinators. Currently we are serving 59 persons on the program. Forty-seven of our current program participants have positive balances in their escrow accounts. The escrow accounts average balance is \$7,400. This year's application is a request for up to \$475,000 to continue the equivalent of 2.0 FTE positions for a two-year grant period.

RECOMMENDATION: Adopt **Resolution No. 2022-16:** Authorization of a Grant Application Submittal, the Execution of a Grant Agreement and Any Amendments Thereto, and Any Other Documents Necessary to Secure a U.S. Department of Housing and Urban Development (HUD) Family Self Sufficiency (FSS) Coordinator Renewal Grant.

**BEFORE THE HOUSING AUTHORITY OF THE COUNTY
OF SANTA CRUZ, STATE OF CALIFORNIA**

RESOLUTION NO. 2022-16

On the motion of Commissioner
Duly seconded by Commissioner
The following resolution is adopted:

**RESOLUTION AUTHORIZATING THE SUBMITTAL OF A GRANT
APPLICATION, THE EXECUTION OF A GRANT AGREEMENT AND
ANY AMENDMENTS THERETO, AND ANY OTHER DOCUMENTS
NECESSARY TO SECURE A U.S. DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT (HUD) FAMILY SELF SUFFICIENCY
COORDINATOR RENEWAL GRANT**

WHEREAS, the Housing Authority of the County of Santa Cruz (hereinafter referred to as “Applicant”) is a public entity established under the laws of California and empowered to own property, borrow money, and give security for loans; and

WHEREAS, the Department of Housing and Urban Development (HUD) is authorized to make grants under the Housing Choice Voucher and Low Income Public Housing Family Self Sufficiency Programs - Renewal; and

WHEREAS, the Family Self Sufficiency Program helps assisted families transition from welfare to work; and

WHEREAS, the Housing Authority of the County of Santa Cruz has established a voluntary FSS program for Housing Choice Voucher tenants;

WHEREAS, HUD has made funding available for Family Self Sufficiency Coordinators;
and

WHEREAS, the Applicant is eligible to apply for funding not to exceed \$475,000 for 2.0 FTE Family Self Sufficiency Coordinators for a 2-Year grant period.

NOW, THEREFORE, BE IT RESOLVED that the PHA shall be authorized to submit to HUD a grant application for the Family Self Sufficiency Program Renewal; Jennifer Panetta, the Executive Director, is hereby authorized to enter into a grant agreement with HUD; and to execute in the name of the Housing Authority of the County of Santa Cruz, the grant application and the grant agreement, and any other documents necessary to secure the HUD grant.

PASSED AND ADOPTED by the Commissioners of the Housing Authority of the County of Santa Cruz, State of California, this Twenty Fourth Day of August 2022, by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

Chairperson of the Authority

Secretary of the Authority

AGENDA ITEM SUMMARY

MEETING DATE: August 24, 2022

ITEM NUMBER: 3G

FROM: Executive Director

SUBJECT: Renewal Application for HUD Shelter Plus Care Consolidated Program Grant

RECOMMENDATION: Adopt **Resolution No. 2022-17**: Resolution Authorizing the Submittal of Renewal Grant Applications, the Execution of Renewal Grant Agreements and Any Amendments Thereto, and Any Other Documents Necessary to Secure U.S. Department of Housing and Urban Development (HUD) Shelter Plus Care Consolidated Program Grant

BACKGROUND SUMMARY:

The Shelter Plus Care Program (S+C) is designed to provide housing and supportive services on a long-term basis for homeless persons with disabilities who are living in places not intended for human habitation. The program primarily funds housing assistance, with supportive services funded through other sources and provided as a match.

Last year, the Housing Authority received a total of \$1,336,854 in funding for the Shelter Plus Care program to cover the cost of rental assistance and program administration for 50 households. Currently, thirty-three households are receiving rental assistance through the program, and 30 vouchers have been committed for project-based assistance at affordable housing developments in the pipeline. Funding for the renewal is not expected to exceed \$1,750,000.

RECOMMENDATION: Adopt **Resolution No. 2022-17**: Resolution Authorizing the Submittal of Renewal Grant Applications, the Execution of Renewal Grant Agreements and Any Amendments Thereto, and Any Other Documents Necessary to Secure U.S. Department of Housing and Urban Development (HUD) Shelter Plus Care Consolidated Program Grant

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

**BEFORE THE HOUSING AUTHORITY OF THE COUNTY
OF SANTA CRUZ, STATE OF CALIFORNIA**

RESOLUTION NO. 2022-17

On the motion of Commissioner
Duly seconded by Commissioner

The following resolution is adopted:

**RESOLUTION AUTHORIZING THE SUBMITTAL OF RENEWAL
GRANT APPLICATIONS, THE EXECUTION OF RENEWAL GRANT
AGREEMENTS AND ANY AMENDMENTS THERETO, AND ANY
OTHER DOCUMENTS NECESSARY TO SECURE U.S. DEPARTMENT
OF HOUSING AND URBAN DEVELOPMENT (HUD) SHELTER PLUS
CARE CONSOLIDATED PROGRAM GRANT**

WHEREAS, the Housing Authority of the County of Santa Cruz (hereinafter referred to as "Applicant") is a public entity established under the laws of California and empowered to own property, borrow money, and give security for loans; and

WHEREAS, the Department of Housing and Urban Development (referred to as "HUD") is authorized to make grants under the Shelter Plus Care program to providing housing and supportive services to homeless persons and families to move to self sufficiency and permanent housing; including opportunity for renewal grants; and

WHEREAS, the Applicant wishes to obtain from HUD renewal grants for the implementation of such a program to continue to serve the chronically homeless.

NOW, THEREFORE, BE IT RESOLVED THAT

1. The applicant shall submit to HUD applications for renewal grant not to exceed \$1,750,000 to renew the Shelter Plus Care Consolidated program grant.
2. If the renewal grant application is approved, the Applicant is hereby authorized to enter into a grant agreement with HUD for the purposes set forth in the grant application and approved by HUD. The applicant also may execute security and other instructions necessary or required by HUD to evidence and secure the grant.
3. The Applicant is further authorized to request amendments, and to execute any and all documents required by HUD to evidence and secure these amendments.
4. The Applicant authorizes the Executive Director to execute in the name of the Applicant, the grant application and the grant agreement, and security and other

instruments necessary or required by HUD for the making and security of the grant, and any amendments thereto.

PASSED AND ADOPTED by the Commissioners of the Housing Authority of the County of Santa Cruz, State of California, this Twenty Fourth day of August 2022, by the following vote:

AYES:

NOES:

ABSENT:

Chairperson of the Authority

ATTEST:

Secretary of the Authority

MEETING DATE: August 24, 2022

ITEM NUMBER: 3H

FROM: Executive Director

SUBJECT: Housing Authority Fiscal Year 2021/2022 Goals – Final Report

RECOMMENDATION: Receive Report

BACKGROUND SUMMARY:

Each year, the Housing Authority Board of Commissioners establishes annual performance goals. The following goals were established for the period of 7/1/2021 – 6/30/2022. This report demonstrates the progress on these goals the course of the year.

Although the goals were developed prior to the record number of retirements and departures we experienced last year, resulting in ongoing staffing shortages and capacity limitations throughout the reporting period, most goals were either met, or nearly met.

1. Expand Housing Choice Voucher Program:

- a. Achieve/Maintain voucher utilization rates of at least 95% - The award of 263 Emergency Housing Vouchers (EHVs) on 7/1/21 reduced the overall voucher utilization rate to 91.4% at the beginning of the fiscal year increasing to 93.1% by the end of the fiscal year. HUD does not include new voucher allocations in the overall utilization rate for the first year of a new program. Therefore, with EHV vouchers excluded, the utilization rate for the voucher program exceeds the goal, with a current utilization of 95.4%. Next year, EHV vouchers will be included in the overall utilization rate. **Goal met.**

- b. Issue at least 85% of the Emergency Homeless Vouchers (224 vouchers) – EHV vouchers were awarded to the Housing Authority effective 7/1/21. As of 7/1/22, 458 EHV's have been issued, more than doubling our goal for voucher issuance. Of the vouchers issued, 163 (approximately 60% of the vouchers awarded) have successfully leased up. It is critical to “over-issue” vouchers to ensure a high voucher utilization rate, since not everyone who receives a voucher will be successful in leasing up. At this point, we have stopped accepting new EHV referrals from the County, and our County partners are focusing on assisting searching voucher holders with rental search assistance. **Goal met.**

- c. Increase total number of households assisted by at least 150 households. At the beginning of the fiscal year, there were 4,967 households in the voucher program. Over the course of the year, the program size increased by 121 households to 5,088, which represents a significant increase in program size but is short of our goal. **Goal nearly met.**
- d. Increase number of landlords participating in the HCV program by 5% (or 110 landlords). At the beginning of the fiscal year, there were 2,191 landlords participating in the voucher program. By the end of the fiscal year, we had increased our number of landlords by 4.6%, for a total of 2,292 landlords in the program. This increase represents the addition of 101 landlords; or 9 landlords fewer than our original goal. **Goal nearly met.**

2. Expand Project Based Voucher Program:

- a. Project Based Vouchers approved for at least 10% more units over previous year. During the previous fiscal year (7/1/2020 – 6/30/2021), the Housing Authority issued conditional letters of approval for 163 Project Based units. Therefore, to meet the goal of approving at least 10% more Project Based units, we would need to approve at least 179 units in 2021/2022. Over the course of the year, the Housing Authority approved a total of 267 Project Based units, which are listed below. **Goal met.**

Project Based Vouchers Conditionally Awarded 7/1/2021 – 6/30/2022

Project	Jurisdiction	Number of PBVs
831 Water Street	City of Santa Cruz	54 units
Harvey West Studios	City of Santa Cruz	60 units
Veterans Village (Homekey)	County of Santa Cruz	15 units
Park Avenue (Homekey)	County of Santa Cruz	35 units
Rodeway Inn (Homekey)	City of Watsonville	78 units
4401 Capitola Road	City of Capitola	25 units

- a. The priority shall be on supporting new affordable housing developments, with at least 75% of new PBVs approved being committed for new developments. One hundred percent (100%) of the PBVs committed have been for the development of new affordable housing. **Goal met.**

3. **Waiting List Alerts:**

- a. Launch Waiting List Alert system so interested community members can be informed of waiting lists opening through Housing Authority programs as well as waiting lists administered other community partners offering affordable housing. Housing Authority staff conducted a “soft launch” of the waiting list alert system, called Affordable Housing Alerts (AHA) just prior to 7/1/22, publishing the content live on our website and stocking flyers in our lobby, followed by an email blast to Housing Authority email subscribers several weeks later. To date, over 300 people have signed up for waiting list alerts, and two waiting list openings have been promoted through the alert system. **Goal met.**

4. **Development of Natural Bridges:**

- a. Approval of development application by the City of Santa Cruz by 12/31/21. On March 17, 2022, the City of Santa Cruz Planning Commission voted to recommend approval of the planned development permit, design permit, coastal permit, and lot line adjustment to the City Council. The City Council approved the project on April 26, 2022. **Goal met, but not by target date.**
- b. Break ground on construction early spring 2022, with anticipated occupancy by 12/31/22. Over the past year since the project timeline was originally envisioned, there have been delays at multiple junctions, which have cumulatively put the project well behind our original anticipated schedule. While our construction project manager and architectural consultants believed our original timeline to be ambitious but achievable when that timeline was projected, current development trends and market volatility, which includes strong competition for construction contractors and supply chain challenges presented the need to reassess the project timeline. Bill Kempf Architects has made progress on the initial architectural design drawings and is coordinating with the other contractors and engineers on their sections of the drawings. The construction drawings are on track to be submitted by August 25, 2022, for initial review by the Building Department. Based on these dates, the construction schedule has been extended with a start in December 2022 / January 2023, with completion in February 2024, and tenancy in March 2024. **Goal not met.**

5. **Needs Assessment:**

- a. Complete Needs Assessment by 12/31/21. Needs assessment completed prior to 12/31/21 and distributed to Board of Commissioners at the December 2021 meeting. **Goal met.**
- b. Develop plan regarding New Horizons programs and services based on data in assessment by Spring 2022 for consideration in 2022/2023 FY Budget. Plan

approved by New Horizons Board of Commissioners at May 2022 regular meeting.
Goal met.

Staff will begin reporting on quarterly progress for the 2022/2023 goals in October 2022.

RECOMMENDATION: Receive report

AGENDA ITEM SUMMARY

MEETING DATE: August 24, 2022

ITEM NUMBER: 31

FROM: Executive Director

SUBJECT: Certificates of Appreciation for Sonja Brunner and Rebecca Garcia

RECOMMENDATION: Motion to Approve as Submitted

BACKGROUND SUMMARY:

Sonja Brunner served on the Housing Authority Board of Commissioners from 2009 – 2012 as a tenant commissioner representing households residing in the public housing program, resigning from board service after graduating from the program and moving into market rate housing. When an additional Board position became available, Sonja was nominated to return to our Board of Commissioners as a County at large representative, serving from 2015 – 2022 for a combined total of 12 years of service to the Housing Authority. During her second tenure on our Board of Commissioners, Sonja was elected to the Santa Cruz City Council, eventually serving as Mayor of the City of Santa Cruz. Her broad range of experience as former program participant, Director of Operations for the Downtown Association, and Santa Cruz Mayor gave Sonja a unique perspective that made her a strong voice for low-income renters.

Rebecca Garcia served on the Housing Authority Board as a representative of the City of Watsonville from 2015 – 2022, representing eight years of service. As a member of the Watsonville City Council, former Mayor of Watsonville, and former educator, Rebecca has been a powerful voice for South County, and for low-income families countywide.

Both Sonja and Rebecca have served generously over the years, have been tireless supporters for affordable housing, and have played a significant role in shaping the direction of our Agency as we have navigated periods of growth and change including the conversion of our public housing program, establishment of our non-profit affiliate, and the plan to expand into non-housing related programs and services for our residents. Both Sonja and Rebecca's strong commitment to public service and to the mission of the Housing Authority has been evident throughout their many years of service, and they will both be missed.

Staff requests the Board of Commissioners authorize Certificates of Appreciation for their service to the community, our Agency and the Housing Authority Board of Commissioners. The signed certificates will be framed and sent along with flowers and with a letter of thanks from staff.

AGENDA ITEM SUMMARY

MEETING DATE: August 24, 2022

ITEM NUMBER: 6A

FROM: Executive Director

SUBJECT: Election of Officers

RECOMMENDATION: The Board of Commissioners of the Housing Authority of the County of Santa Cruz to Elect their Chairperson and Vice-Chairperson

BACKGROUND SUMMARY:

Each August, the Board of Commissioners elects or re-elects a Chairperson and Vice-Chairperson for the next twelve months. There is no term limit for Board Officers.

RECOMMENDATION: The Board of Commissioners of the Housing Authority of the County of Santa Cruz to Elect their Chairperson and Vice-Chairperson

AGENDA ITEM SUMMARY

MEETING DATE: August 24, 2022

ITEM NUMBER: 6B

FROM: Executive Director

SUBJECT: Initiative Amending City of Santa Cruz General Plan and Downtown Plan to Prohibit Construction of Proposed Downtown Mixed-Use Library and Affordable Housing Project

RECOMMENDATION: Receive Presentation

BACKGROUND SUMMARY:

In June 2020 the Santa Cruz City Council voted to approve the proposed downtown mixed-use library project, which was proposed to include a new modern library and a minimum of 50 affordable housing units to be developed in Parking Lot 4. A group known as Our Downtown Our Future (ODOF) has secured the required number of signatures to place a ballot measure for the November 2022 election. The ballot measure would amend the City of Santa Cruz General Plan and Downtown Plan to prohibit construction of the proposed project. An additional group known as Santa Cruz For Real Library and Housing Solutions, which opposes the ballot measure and supports the downtown mixed-use library and affordable housing project, has approached the Housing Authority, asking that the Board of Commissioners vote to oppose the ballot measure.

The mission of the Housing Authority is to promote access to quality affordable housing, utilize housing as a platform for improving quality of life, and support inclusive, healthy and sustainable communities free from discrimination. Additionally, in our most recent 5-year plan, the Housing Authority Board of Commissioners has established a goal to expand the supply of affordable housing, including the use of project-based vouchers (PBVs) to support affordable housing developments. Eden Housing, selected as the developer for the proposed project, has submitted an application for PBVs for the project.

Historically, the Housing Authority has maintained a position of neutrality on local ballot measures, with one exception, when the Board voted to endorse an affordable housing bond measure (Measure H) in 2018. At the time, the Board emphasized a desire to continue the general practice of neutrality and noted that an exception to this practice to endorse Measure H was being made because Measure H was in complete alignment with the Agency's mission and goals, and that passage of the measure would generate significant resources towards affordable housing which would benefit our Agency and the low-income families that we serve.

Housing Authority staff have consulted with legal counsel to inquire about any possible conflicts associated with taking a position on a ballot measure that is related to a project that has applied for vouchers, and counsel confirmed that the application for vouchers or potential award of vouchers would not present any legal impediments. The Agency may take a position on a ballot measure, provided that the position is taken at an open and public meeting where other perspectives can be offered and provided that no public funds are expended to oppose or support a position regarding the ballot measure.

Representatives from Santa Cruz for Real Library and Housing Solutions and Our Downtown Our Future have been invited to attend the board meeting. Each group will be given ten minutes to present information supporting their position on the ballot measure. A copy of the City Attorney Ballot Title and Summary, as well as the full text of the ballot measure, are attached for your reference, along with materials provided by each group. Additional information from each group, including a complete list of endorsements, is available on the following websites.

- <https://www.santacruz4realsolutions.com>
- <https://www.ourdowntownourfuture.org>

In considering whether or not to oppose the ballot measure that would amend the City of Santa Cruz General Plan and Downtown Plan to prohibit construction of the proposed downtown mixed-use library and affordable housing project, the Board should consider that many community members have strong feelings both in support of, and opposition to the ballot measure, and that taking *any* position on the ballot measure is likely to upset some community members and partners, including landlords. Therefore, there are some risks in further breaking our precedent of neutrality. However, like the affordable housing bond supported by the Housing Authority Board in 2018, the proposed mixed-use library and affordable housing project is in alignment with the Agency's mission and goals, and would add a significant number of affordable housing units to Santa Cruz County, which will directly benefit low-income families served by the Housing Authority.

RECOMMENDATION: Receive Presentation

City Attorney Ballot Title and Summary

INITIATIVE AMENDING THE CITY OF SANTA CRUZ GENERAL PLAN AND DOWNTOWN PLAN TO: (1) PROHIBIT CONSTRUCTION OF PROPOSED DOWNTOWN MIXED-USE LIBRARY PROJECT AND PROHIBIT RELOCATION OF DOWNTOWN FARMERS' MARKET; (2) REQUIRE DEVELOPMENT OF AFFORDABLE HOUSING ON DOWNTOWN CITY-OWNED SURFACE PARKING LOTS; AND (3) DESIGNATE USE OF SURPLUS PARKING DISTRICT REVENUE FOR DOWNTOWN AFFORDABLE HOUSING DEVELOPMENT PROJECTS, ALTERNATIVE TRANSPORTATION PROGRAMS FOR DOWNTOWN WORKERS AND OTHER NON-PARKING RELATED EXPENDITURES.

Background. On June 23, 2020, following a year-long Council subcommittee process, the City Council voted to move forward with the proposed Downtown Mixed-Use Library Project, to be developed on Parking Lot 4, that would include a new modern library, a minimum of 50 affordable housing units, and up to 400 parking spaces, and directed staff to work with the Farmers' Market to develop a design for a permanent Downtown Farmers' Market on City-owned Parking Lot 7 (Cathcart and Front Street), and to initiate a public process to consider reuse options for the current library site, including affordable housing, a community commons or other public uses. The recommendations, including consideration of a future home for the Farmers' Market on the existing library site, can be found on the City's website at <https://www.cityofsantacruz.com/government/city-departments/economic-development/development-projects/mixed-use-library-project>.

General Plan and Downtown Plan Amendments. This initiative petition proposes amendments to the City of Santa Cruz's General Plan to prevent construction of the proposed Downtown Mixed-Use Library Project, discourage non-library related uses of the existing Downtown Branch Library site, and establish Lot 4 as the permanent location for the Downtown Farmers' Market, fairs, and other public events. It would amend the Downtown Plan to require that adequate space remain on Lot 4 for the Downtown Farmers' Market, and to eliminate references in the Downtown Plan that would allow closure of a segment of Pacific Avenue between Cathcart and Lincoln Streets for the weekly Downtown Farmers' Market.

The measure would further amend the General Plan and Downtown Plan to prohibit the construction of additional parking facilities above ground-level and to require, to the "maximum extent feasible," specified downtown-area City-owned surface parking lots to be developed into permanent affordable housing, including Lot 7 (505 Front St.), Lot 8 (710 Cedar St.), Lot 9 (120 Elm St.), Lot 11 (328 Front St.), Lot 14 (224 Church St.), Lot 16 (204 Church St.), Lot 26 (155 Center St. – current SCPD parking lot) and Lot 27 (310 Front St. The measure also authorizes, but does not require, development of affordable housing on Lot 4 (119 Lincoln St.).

The measure would also amend the General Plan to prioritize expenditure of surplus parking revenue from the Downtown Parking District for:

- development of affordable housing;
- providing free bus passes to Downtown workers, and other "transportation demand management" programs;
- renovating the Downtown Branch Library at its current location; and
- improving parking Lot 4 for "public gatherings and recreational purposes," including the Farmers' Market.

**NOTICE OF INTENT TO CIRCULATE PETITION AND
STATEMENT OF REASONS**

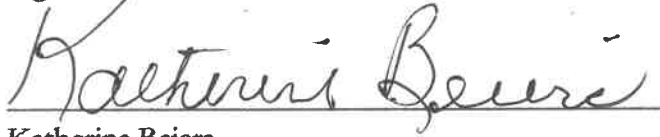
Notice is hereby given by the persons whose names appear hereon of their intention to circulate the petition within the City of Santa Cruz for the purpose of proposing amendments to the City's General Plan and Downtown Plan. A statement of the reasons of the proposed action is as follows: to establish policies:

- (1) to address the City's housing crisis by prioritizing development of affordable housing on specified City-owned properties in Downtown Santa Cruz;
- (2) to maintain the Downtown Farmers' Market and Downtown Library, important community institutions, at their current locations;
- (3) to prevent the construction of a multi-level parking garage Downtown that transportation consultants to the City have concluded is unnecessary. The garage would contribute to increased greenhouse gas emissions.

- (4) to prioritize the expenditure of surplus parking revenue for:
 - (a) promoting development of affordable housing Downtown,
 - (b) supplementing 2016 Bond Measure S funding to renovate and modernize the Downtown Library,
 - (c) making improvements to the public space hosting the Downtown Farmers' Market; and
 - (d) providing funding for transportation demand management programs that reduce vehicle trips and make more parking available to visitors.

This measure further directs City officials to make any further conforming changes to the General Plan, Downtown Plan, Zoning Ordinance, and/or Local Coastal Program that are necessary and appropriate to comply with this Measure and State law.

Signed:



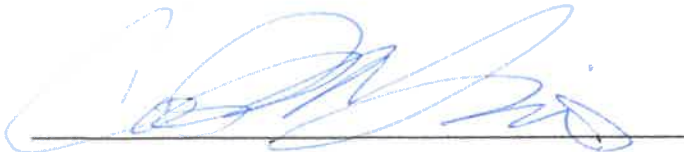
Katherine Beiers
Former Mayor, retired librarian

11/08/21
Date



Pauline Seales
Santa Cruz Climate Action Network

11/8/21
Date



Curt Simmons
Owner, Plaza Lane Optometry

11/8/21
Date

To the City Council of the City of Santa Cruz:

We, the undersigned, registered and qualified voters of the City of Santa Cruz (“City”), present to the City Council this petition and request that the following proposed legislative action (“Measure”) be adopted without alteration or submitted to the registered and qualified voters of the City for their adoption or rejection at the earliest regular election for which it qualifies pursuant to Section 1405 of the California Elections Code.

The full text of the Measure is as follows:

The People of the City of Santa Cruz do hereby ordain as follows:

Section 1. Purposes

The purposes of this Measure are to establish policies: (1)

- (1) to address the City’s housing crisis by prioritizing development of affordable housing on specified City-owned properties in Downtown Santa Cruz;
- (2) to maintain the Downtown Farmers’ Market and Downtown Library, important community institutions, at their current locations;
- (3) to prevent the construction of a multi-level parking garage Downtown that transportation consultants to the City have concluded is unnecessary. The garage would contribute to increased greenhouse gas emissions.
- (4) to prioritize the expenditure of surplus parking revenue for:
 - (a) promoting development of affordable housing Downtown,
 - (b) supplementing 2016 Bond Measure S funding to renovate and modernize the Downtown Library,
 - (c) making improvements to the public space hosting the Downtown Farmers’ Market; and
 - (d) providing funding for transportation demand management programs that reduce vehicle trips and make more parking available to visitors.

This measure further directs City officials to make any further conforming changes to the General Plan, Downtown Plan, Zoning Ordinance, and/or Local Coastal Program that are necessary and appropriate to comply with this Measure and State law.

Section 2. Findings

The people of City of Santa Cruz find and declare:

1. Action is needed to maintain Downtown as a place where a broad diversity of people can meet their needs in a Complete Neighborhood.

The Santa Cruz 2030 General Plan explicitly values “Complete Neighborhoods.” These are neighborhoods where people can live, work, access goods and services, recreate, learn, and socialize. Complete Neighborhoods include housing for a diversity of income levels. The General Plan adds to the definition of Complete Neighborhoods: “Residents need access to parks, open space, and other places where they can relax and socialize.” Planning for a Downtown that includes affordable housing prioritized on City-owned underutilized property, an improved Downtown Farmers’ Market and event space, and a renovated and modernized Downtown Library at its historic location across from City

Hall will enhance Downtown as a Complete Neighborhood. The experience of cities across the world is that Complete Neighborhoods reduce demand for auto transportation and parking.

2. Housing Affordability Is a Pressing Need.

A. According to the National Low Income Housing Coalition report (2019), Santa Cruz is the least affordable small city in the US. The limited supply of housing and especially affordable housing relative to demand causes stress and disruption of our community.

B. In Downtown locations where parking demand can be met, conversion of specified City-owned surface parking lots for development of affordable multi-family dwellings can add at least twice as many and potentially three times as many affordable housing units as currently proposed for City Lot 4, the current site of the Downtown Farmers' Market on Cedar Street, including 120 to 200 units on Lot 7, a City-owned lot on Front Street, and additional units on other City parking lots specified for affordable housing development in this Measure. Public parking continuing on the ground levels of these and other structures can meet localized parking demand.

C. The Housing Crisis Act of 2019 ("SB 330") calls for the expansion of residential development opportunities throughout the City, including opportunities for affordable housing development. Consistent with this State law, this Measure prioritizes affordable housing development on certain designated City-owned parcels that are now used as surface parking lots.

3. Farmers' Market Open Space is a Community Priority.

A. As more housing is developed Downtown, the need for public space for residents becomes more acute. As the City's General Plan provision calling for Complete Neighborhoods states, "Residents need access to parks, open space, and other places where they can relax and socialize."

B. Retaining the Downtown Farmers' Market where it has been for over two decades, at 119 Lincoln Street on the City-owned parcel known as Lot 4, will further the policies and goals of the City's General Plan that provides for "establishing a sense of place and walkability of the City," and of the Downtown Plan that provides that: "Open spaces within downtown Santa Cruz should have value and meaning; they should be carefully located where people want to be and in locations that take advantage of the unique resources, heritage, and traditions of the community." The proposed move of the Downtown Farmers' Market from its current location to the smaller Lot 7 on traffic-congested Front St. at Cathcart St. or another location would inhibit adherence to these policies and achievement of these goals, and is inconsistent with the Downtown Plan.

4. The Downtown Library, thoroughly modernized at its current location, can serve the public well and enhance the Civic Center.

A. Measure S, passed in 2016, provides bond funds for the Santa Cruz Libraries Facilities Financing Authority to "modernize, upgrade and repair local libraries in Santa Cruz [and other locations] – replace failing roofs, outdated bathrooms, electrical systems/ structurally damaged facilities; support growing use by children, seniors, veterans and others; expand access to modern technology; and construct/ expand facilities where necessary."

B. City consultants Jayson Architecture have proposed plans to use a portion of the City's share of Measure S bond funds to thoroughly renovate the existing Downtown Library to create a 21st-century

facility with new plumbing, electrical, HVAC, shelving, carpeting, lighting, and elevators, and adjacent handicapped and other parking. The proposal includes study rooms, a teen space, and a greatly increased children's area and large community room, both with outdoor patios.

C. Creating a state-of-the-art Downtown Library at its present site builds on the 117-year tradition of having the Library in the city's Civic Center.

5. Parking competes with and reduces opportunities for affordable housing.

A. Parking competes with housing for space. According to Urban Planning Partners, reporting to the Santa Cruz City Planning Commission on January 7, 2021, the space required to park two cars (including circulation space) is equivalent to the space required for a two-bedroom housing unit.

B. Parking competes with affordable housing for City funds. Tens of millions of dollars saved from not building a new garage can be used to support development of affordable housing Downtown.

C. Based on parking supply/demand projections and financial considerations, professional parking consultants have advised the City that a new parking garage is unnecessary. Nelson\Nygaard's "Economics of Parking: Santa Cruz Strategic Parking Plan" (2019), produced for the City of Santa Cruz, states, "The most fiscally prudent approach to accommodating additional demand: Modernize parking management and better align parking prices to the cost of building and maintaining the system." This report further states that "In aggregate almost thirty percent of off-street parking in the Downtown remains empty even at the peak of the peak times.... Oversupplying parking in a space-constrained area like a downtown can fragment the built environment, creating a less desirable place to work, live, visit, and walk around."

6. The City's Climate Action Goals can be advanced by this Measure.

A. Prioritizing a public space for the Downtown Farmers' Market on Lot 4, Cedar St., will permit the preservation of Heritage trees and preserve the parcel for possible future development as a public space, park, or commons, thereby advancing the City's Climate Action Goals, rather than undermining them.

B. Expansion of auto infrastructure undermines the ability of the City to reduce automobile dependency, the largest local contributor to global warming. The City failed to achieve its Climate Action Plan (2012) goal of reducing vehicle trips within town by 10% by 2020.

C. Increasing the City's supply of affordable and market-rate housing can enable more workers to live close to their jobs in Downtown Santa Cruz, reducing vehicle miles traveled.

D. Prioritizing Lot 4 for the Downtown Farmers' Market and other fairs and public events will allow use of 2016 Measure S Bond funds to renovate and modernize the Downtown Library at its existing location, thereby reducing the production of greenhouse gases required for the construction of a new library as part of a mixed-use project on Lot 4. As the 2021 winners of the prestigious Pritzker Architecture Prize assert: "Never demolish, never remove – always add, transform and reuse."

7. Surplus parking revenue can support Downtown as a Complete Neighborhood.

The City can avoid building a new garage by following consultant recommendations to make better use of existing parking resources. Savings from not building a garage can be invested in affordable housing and improvements to the Downtown Library and Downtown Farmers' Market infrastructure, as well as incentives for workers Downtown to commute by means other than single-occupant autos.

Section 3. Definitions

As used in this measure:

“Affordable housing” means residential dwelling units which are affordable to extremely low, very low, low, median, or moderate income households as defined by the Affordable Housing Provisions of the Santa Cruz Municipal Code (Chapter 24.16), or by any federal or state housing program and are subject to rental, sale, or resale provisions to maintain affordability.

“Downtown Plan” means the City of Santa Cruz *Downtown Plan* (September 1991) As Amended through January 28, 2020 and the date of approval of this measure by the voters of the City of Santa Cruz.

“General Plan” means the City of Santa Cruz 2030 General Plan, as amended through the date of approval of this Measure by the voters of the City of Santa Cruz.

“Lot 4” means the City-owned parcel at 119 Lincoln Street on the east side of Cedar Street between Lincoln and Cathcart Streets (APN 005-141-21), as shown on **EXHIBIT B**.

“Measure” means this Initiative measure, including its statement of reasons and full text.

“SB 330” means the Housing Crisis Act of 2019, as approved by the Governor on October 9, 2019 and subsequently codified in the California Government Code.

“Surplus parking revenue” means revenue determined by the City Council to be in excess of what is required in order to maintain, improve or expand existing parking facilities or create new parking facilities in the Downtown Parking District.

“Zoning Code” means Title 24, Zoning, of the Santa Cruz Municipal Code.

Section 4. General Plan Amendments

A. The voters hereby amend the City of Santa Cruz 2030 General Plan, Chapter 5 (Mobility), to add the following new General Plan Policy (addition in underline text):

M1.5.7 Prioritize, in a manner consistent with State law, the expenditure of surplus parking revenue from the Downtown Parking District for use in: 1) supporting the development of affordable housing for people who work Downtown; 2) establishing transportation demand management programs for people who work Downtown, including free transit passes; 3) supporting two Complete Neighborhoods projects – renovation and modernization of the Santa Cruz Public Libraries' Downtown Branch at 224 Church Street and improvements to Lot 4, to enhance the use of the space for public gatherings and recreation, including the Downtown Farmers' Market.

B. The voters hereby amend the City of Santa Cruz 2030 General Plan, Chapter 4, Land Use, to add the following new General Plan Policy LU3.7.2 under existing Policy LU3.7 as shown below (additions in underline text):

RESIDENTIAL USES

LU3.7 Encourage higher-intensity residential uses and maximum densities in accordance with the General Plan Land Use designations. Cf. LU4.1.

LU3.7.1 Allow and encourage development that meets the high end of the General Plan Land Use designation density unless constraints associated with site characteristics and zoning development standards require a lower density. Cf. LU1.3

LU3.7.2 Require, to the maximum extent feasible, that certain designated parcels situated within the City of Santa Cruz Downtown Plan area, as shown in EXHIBIT A, and with the APNs as shown, that are City-owned parcels as of the date the voters approve this Measure, shall be developed with permanently affordable housing, with parking permissible on the ground level and not permissible on floors above the ground level, and public park space permissible, where appropriate. For Lots 14 and 16, library facilities and library-associated functions shall also be permissible on floors above the ground level. This Policy shall apply notwithstanding any subsequent sale or transfer of any City-owned parcels to private parties after the date the voters approve this Measure.

C. The voters hereby amend the City of Santa Cruz 2030 General Plan, Chapter 4, Land Use, to add the following new General Plan Policy LU1.1.6 under existing Policy LU1.1 as shown below (additions in underline text):

LU1.1.6 Recognize as a policy priority that the City-owned parcel at 119 Lincoln Street known as Lot 4 (APN 005-141-21) is the preferred long-term location of the Downtown Farmers' Market as well as other fairs and public events, with other ground-level uses incompatible with this priority strongly discouraged. This policy priority shall specifically not preclude the development of affordable housing and associated uses on Lot 4 above the ground level. Parking and other uses not associated with affordable housing are prohibited in any development on Lot 4 on floors above ground level.

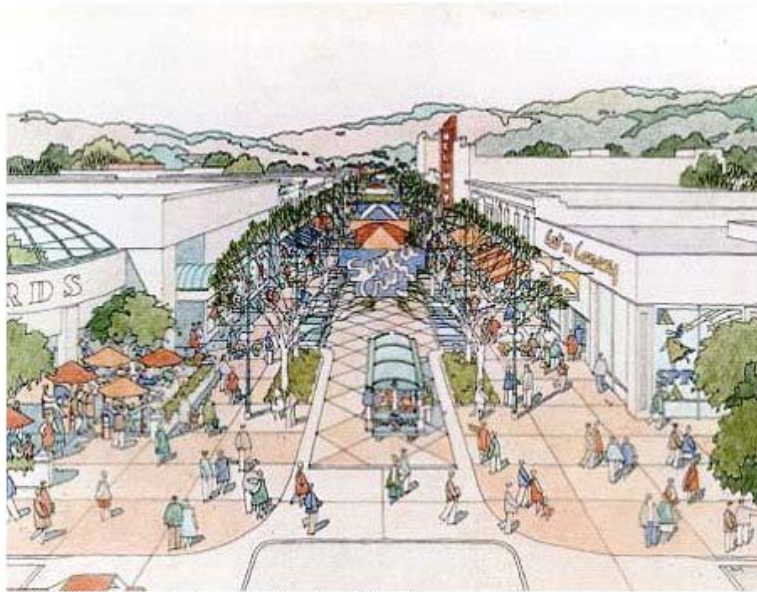
D. The voters hereby amend the City of Santa Cruz 2030 General Plan, Chapter 4, Land Use, to add the following new General Plan Policy LU1.1.7 under existing Policy LU1.1 as shown below (additions in underline text):

LU1.1.7 Recognize as a policy priority that the current location of the Santa Cruz Public Libraries' Downtown Branch at 224 Church Street is the preferred long-term location of this important community institution, with other uses incompatible with this priority strongly discouraged.

Section 5. Downtown Plan Amendments

A. The voters hereby amend the Downtown Plan, Chapter 1, Introduction, *Executive Summary*, pp. 10-11, to amend text as shown below (additions in underline text, deletions in ~~strike through~~ text):

[continued on next page]



Pacific Avenue between Cathcart and Lincoln...



~~... will be transformed once a week into a Farmers Market.~~ ... can be transformed for special occasions and events.

Reinforcing the Pedestrian-Oriented Environment

Downtown Santa Cruz should be a place where pedestrians feel comfortable throughout the day and nighttime hours. Great pedestrian places are those that always feel full and active, with people promenading, window shopping or watching other people, people

sitting in cafes with friends, people passing by on bicycles, or people enjoying a spontaneous street performance. The public spaces and streets of downtown Santa Cruz must be appropriately scaled to ensure that a comfortable pedestrian environment is created. As the major open space within the downtown, streets should be designed to respond to the cyclical nature and needs of the community. The ability to have larger pedestrian spaces when they are needed and more intimate and active places at other times will give the streets a life and character of their own. For instance, an annual parade or festival may warrant the temporary closure of all of Pacific Avenue to automobiles; ~~whereas a weekly farmer's market could be accommodated on a particular street segment (e.g., between Cathcart and Lincoln).~~ Similarly, traffic could be closed on other streets within the downtown (e.g., Cooper Street between Pacific and Front or Front Street between Water and River Streets) for special events.

B. The Downtown Plan, Chapter 1, Introduction, *Executive Summary*, p. 14 is amended as shown below (additions in underline text):

Housing Feasibility and Affordability

A comprehensive housing implementation strategy should be developed by the City to establish a feasible program for the creation of market-rate and affordable housing, including developer incentives, land write-downs, public participation in financing, parking reductions, etc. The Downtown Plan does not recommend the imposition of exactions on commercial developers for the creation of residential development. However, the Downtown Plan requires, to the extent feasible, that certain designated parcels situated within the City of Santa Cruz Downtown Plan area as shown in Exhibit A, and with the APNs as shown, that are City-owned parcels as of the date the voters approve this Measure, shall be developed with permanently affordable housing, with parking permissible on the ground level and not permissible on floors above the ground level, and public park space permissible, where appropriate.

C. The Downtown Plan, Chapter 3, Land Use Plan, *The Cedar Street Village Corridor*, p. 29, is amended as follows (additions in underline text):

The land use plan and the standards and guidelines strive to preserve and enhance the informal “village” qualities of the Cedar Street Corridor. Unlike the Pacific Avenue district, permitted ground-level uses include office in addition to retail, and residential uses are allowed at the ground level along the east-west streets and Center Street. No strict “build-to” lines are established, and the height of development is purposely stepped down to a maximum of 35 feet, or three floors. The land use plan further strives to preserve adequate space for the Downtown Farmers’ Market on Lot 4, the City-owned parking lot at 119 Lincoln Street, the east side of Cedar Street between Lincoln and Cathcart Streets (APN 005-141-21).

D. The Downtown Plan, Chapter 4, Development Standards and Guidelines, *Additional Regulations – Upper Floor Uses*, p. 44, is amended as follows:

(2) Multi-family Housing. Development projects containing up to 60 units in size are principally permitted uses. Residential uses shall incorporate sound attenuation space planning designs and construction materials and methods such that noise from nearby commercial activities do not unduly disturb occupants of new dwelling units. Residential

development exceeding 60 units will be considered with a Special Use Permit if it can be demonstrated that such a development includes a mixture of unit types (e.g., variety of unit sizes) that will be attractive to a wide range of potential residents. Single-Room Occupancy projects require approval of an AUP and are subject to 24.12.1000 et seq. Single-Room Occupancy projects exceeding 60 units require approval of City Council. For properties east of Front Street between Soquel Avenue and Laurel Street, housing is a priority use and shall be at least 60% of the total floor area of the project. This requirement does not apply to properties within 75 feet of Laurel Street or Soquel Avenue. Parking shall be a prohibited use above the ground floor of any future development of the City-owned parcels referenced in Policy LU3.7.2 and shown in EXHIBIT A thereto, where upper level affordable housing development is prioritized.

E. The Downtown Plan, Chapter 6, Streetscape and Open Space Plan, *Pacific Avenue: Cathcart to Lincoln*, p. 105, first paragraph, is amended as follows (additions in underline text, deletions in ~~striketrough~~ text):

Pacific Avenue: Cathcart to Lincoln

The segment of Pacific Avenue between Cathcart and Lincoln Streets has a right-of-way width of approximately 80 feet. The area is characterized by a significant number of vacant parcels resulting from the earthquake. These sites include the Ford's Department Store property at Cathcart and Pacific, Plaza and Logos Books, and the Good Times and Gularte properties on the east side of Pacific Avenue. In spite of this devastation, the area is also characterized by several strong destinations including the Del Mar Theater, the Plaza Books Annex, and the Cat 'n' Canary clothing store, ~~and the weekly farmer's market on the Ford's property.~~ Redevelopment efforts are fairly advanced in the area, with three approved projects: two retail/residential developments on the Gularte and Good Times sites, and a retail/office development that will replace Logos Books.

F. The Downtown Plan, Chapter 6, Streetscape and Open Space Plan, *Pacific Avenue: Cathcart to Lincoln*, p. 106, second paragraph, is amended as follows (deletions in ~~striketrough~~ text):

The redevelopment of the Ford's and Plaza Books site will be critical to the achievement of a strong pedestrian environment in this area. The Plan recommends the consolidation of these two properties for the creation of a major retail anchor that could reinforce this portion of the downtown as a strong retailing destination. At the corner of Cathcart and Pacific, a setback of approximately 800 square feet is proposed as an entry plaza and cafe for this anchor use, to activate the street and to create a strong gateway to the downtown. Major storefront displays within the retail development would also serve to enliven the street and build off the creative windows across the street at Cat 'n' Canary. ~~The Plan also recommends that this segment of the street be closed on a weekly basis to accommodate the farmer's market.~~

G. The Downtown Plan, Chapter 7, Implementation and Management Strategy, *Downtown Management Strategy*, p. 130, is amended to delete text as follows (deletions in ~~striketrough~~ text):

Farmer's Market

- ~~The CRM [Cooperative Retail Management entity] would assist in the coordination and administration of the weekly farmer's market on the City-owned parcel at 119 Lincoln Street, including issuance of permits, control over individual vendors, and logistics related to setup, trash control, storage of stalls and vehicles, and street cleanup.~~
- ~~The CRM would also coordinate with adjacent property owners and retailers to ensure that the farmer's market continues to be compatible with their merchandising.~~

Section 6. Implementation

A. Effective Date. Upon the effective date of the approval of this Measure by the voters of the City of Santa Cruz, the provisions of Section 4 of the Measure **concerning parcels that do not lie within the Coastal Zone** are hereby inserted into the City of Santa Cruz General Plan, and the provisions of Section 5 of the Measure are hereby inserted into the City of Santa Cruz Downtown Plan; except that if the four amendments of the mandatory elements of the General Plan permitted by state law for any given calendar year have already been utilized in the year in which the Measure becomes effective, this General Plan amendment shall be the first amendment inserted into the City of Santa Cruz General Plan on January 1 of the next year. At such time as the provisions of Section 4 of the Measure are inserted into the City of Santa Cruz General Plan, and the provisions of Section 5 of the Measure are inserted into the City of Santa Cruz Downtown Plan, any provisions of the City of Santa Cruz Zoning Code, as reflected in the Zoning Code itself or in the City of Santa Cruz Zoning Map, that are inconsistent with the provisions of Section 4 and/or Section 5 of this Measure shall not be enforced. **The exception to the effective date is the Measure's application to parcels within the Coastal Zone. Parcels within the Coastal Zone require a Local Coastal Program amendment. The City Council is directed to submit an amended Local Coastal Program to the Coastal Commission within 6 months of voter approval, incorporating the provisions of Section 4 of this Measure. If the Coastal Commission denies the amendment, this Measure's application to parcels within the Coastal Zone will be void. If the Coastal Commission requires a modification of the amendment, the City Council will have 4 months to approve the modification or withdraw the amendment. For parcels within the Coastal Zone, the provisions of this Measure shall go into effect immediately upon Coastal Commission approval of an amended Local Coastal Program. No voter approval is necessary for the City Council to agree to a modification of the Local Coastal Program required by the Coastal Commission.**

B. Interim Amendments. The date that the notice of intention to circulate this Initiative was submitted to the City elections official is referenced herein as the "Submittal Date." The City of Santa Cruz General Plan in effect on the Submittal Date as amended by this Measure is required by state law to comprise an integrated, internally consistent, and compatible statement of policies for the City of Santa Cruz. In order to ensure that nothing in this Measure would prevent the General Plan from being an integrated, internally consistent, and compatible statement of the policies of the county, as required by State law, and to ensure that the actions of the voters in enacting this Measure are given effect, any amendment or update to the General Plan that is adopted between the Submittal Date and the date that the General Plan is amended by this Measure shall, to the extent that such interim-enacted provision is inconsistent with the General Plan provisions adopted by this Measure, be amended as soon as possible to ensure consistency between the provisions adopted by this Measure and other provisions of the General Plan.

C. Compliance with SB 330. The City of Santa Cruz and its City Council are hereby authorized and directed to amend the Santa Cruz General Plan, Downtown Plan, all specific plans, the Zoning Ordinance, the Zoning Map, Land Use Maps, and any other ordinances and policies affected by this

Measure as soon as possible and in the manner and time required by any applicable state law, to ensure consistency between the policies adopted in this Measure and any governing provisions of SB 330.

D. Other City Ordinances and Policies. The City of Santa Cruz and its City Council are hereby authorized and directed to amend the Santa Cruz General Plan, Downtown Plan, all specific plans, the Zoning Ordinance, the Zoning Map, Land Use Maps, and any other ordinances and policies affected by this Measure as soon as possible and in the manner and time required by any applicable state law, to ensure consistency between the policies adopted in this Measure and other elements of the General Plan, Downtown Plan, all specific plans, the Zoning Ordinance, the Zoning Map, Land Use Maps, and other City ordinances and policies.

Section 7. Severability and Interpretation

A. This Measure shall be interpreted so as to be consistent with all federal and state laws, rules, and regulations. If any section, sub-section, sentence, clause, phrase, part, or portion of this Measure is held to be invalid or unconstitutional by a final judgment of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Measure. The voters hereby declare that this Measure, and each section, sub-section, sentence, clause, phrase, part, or portion thereof would have been adopted or passed even if one or more sections, sub-sections, sentences, clauses, phrases, parts, or portions are declared invalid or unconstitutional. If any provision of this Measure is held invalid as applied to any person or circumstance, such invalidity shall not affect any application of this Measure that can be given effect without the invalid application. This Measure shall be broadly construed in order to achieve the purposes stated in this Measure.

B. If any portion of this Measure is held by a court of competent jurisdiction to be invalid, the voters hereby declare their strong desire that: (i) the City Council use its best efforts to sustain and re-enact that portion, and (ii) the City Council implement this Measure by taking all steps possible to cure any inadequacies or deficiencies identified by the court in a manner consistent with the express and implied intent of this Measure, including adopting or reenacting any such portion in a manner consistent with this Measure.

C. Should the City Council determine that it is impossible to comply with the requirements of state law without amending the General Plan and/or Zoning Code in a manner inconsistent with the purposes, intent, or operative provisions of this Measure, it shall first seek voter approval of any proposed inconsistent amendments, and should the voters reject such amendments the City Council shall thereafter seek a judicial declaration or similar relief from a court of competent jurisdiction as to the existence and extent of the proposed amendments' inconsistencies with this Measure.

Section 8. No Unconstitutional Taking

This initiative is not intended, and shall not be applied or construed, to authorize the City to exercise its powers in a manner which will take private property for public use without the payment of just compensation, but shall be interpreted, applied and implemented so as to accomplish its purposes to the maximum constitutionally permissible extent. If application of this initiative to a specific property of record as of its effective date would create a taking, then the City Council may allow additional uses on said property, upon findings that the level of additional development permitted is the minimum necessary to avoid a taking, and no lesser level of development would be sufficient to avoid a taking.

Section 9. Amendment or Repeal

Except as otherwise provided herein, this Measure, including the General Plan Amendments and Downtown Plan Amendments enacted hereby, may be amended or repealed only by a majority of the voters of the City of Santa Cruz.

Section 10. Effective Date and Duration

- A. The provisions of this initiative shall remain in effect through the year 2050.
- B. This initiative shall take effect 10 days after the city council declares the results of the election approving this measure.

Section 11. Conflicting Ballot Measures

In the event that this Measure and another measure or measures relating to the same or similar subject matter shall appear on the same election ballot, the provisions of the other measures shall be deemed in conflict with this Measure. In the event that this Measure shall receive a greater number of affirmative votes, the provisions of this Measure shall prevail in their entirety, and the provisions of the other measure or measures shall be null and void.

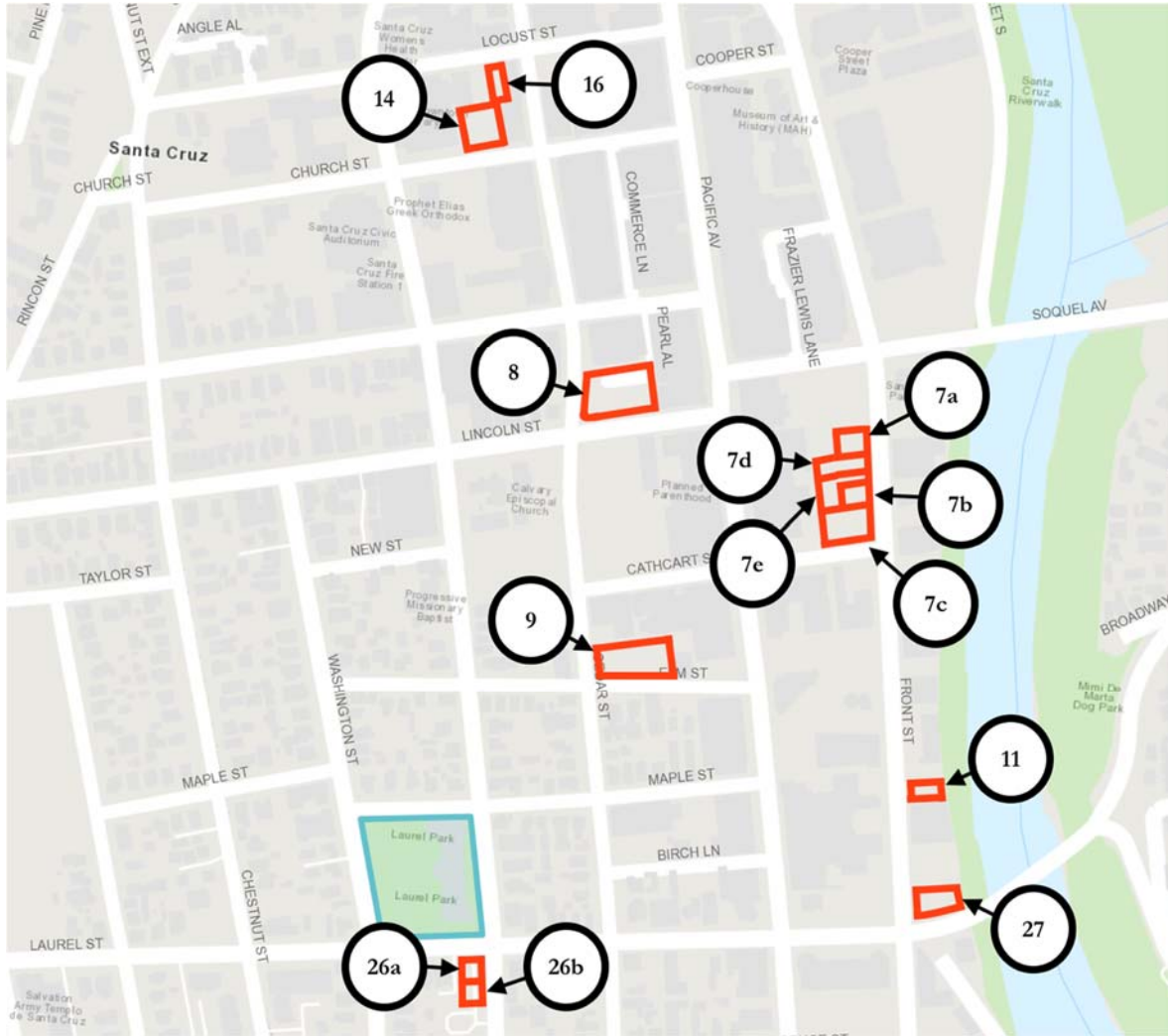
Exhibit List

EXHIBIT A. Map depicting City-owned parcels in the Downtown Plan area currently used as surface parking lots, to be prioritized for affordable housing development, as designated in this Measure (APN Nos. 005-048-11; 005-048-12; 005-075-12; 005-142-09; **005-151-35; 005-151-48**; 005-153-03; 005-153-05; 005-153-17; 005-153-28; 005-153-29; **007-012-01; 007-012-02**).

EXHIBIT B. City Parking Lot 4. Map showing Santa Cruz City-owned parcel at 119 Lincoln Street on the east side of Cedar Street between Lincoln and Cathcart Streets (APN 005-141-21).

EXHIBIT A

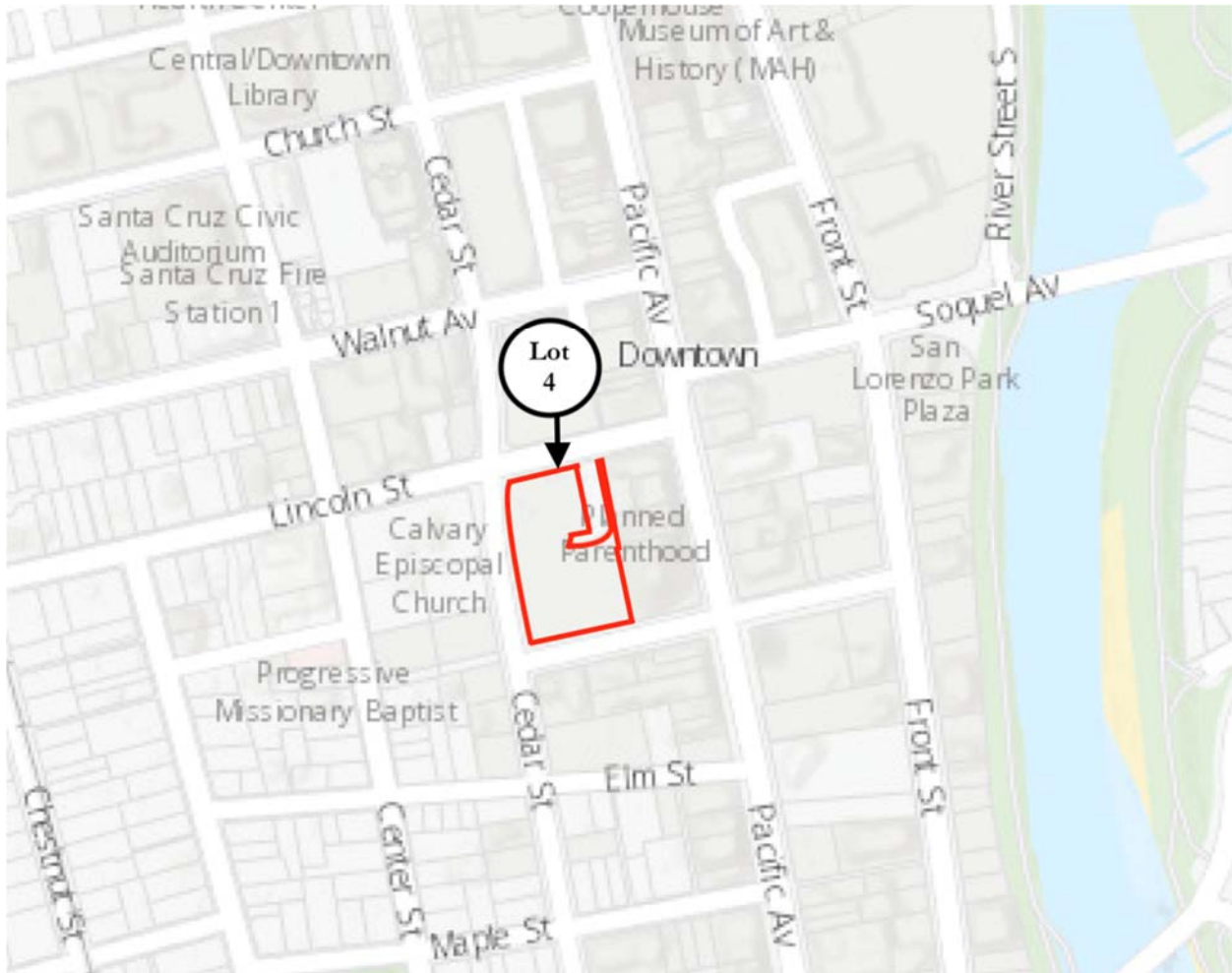
Map depicting City-owned parcels situated within the Downtown Plan area, currently used as surface parking lots, to be prioritized for affordable housing development, as designated in this Measure.



Location on Map	City Parking Lot	APN	Street Location
7a	7	005-153-03	Front Street
7b	7	005-153-05	Front Street
7c	7	005-153-17	Front Street at corner of Cathcart Street
7d	7	005-153-28	Front Street
7e	7	005-153-29	Front Street
8	8	005-075-12	Cedar Street at corner of Lincoln Street
9	9	005-142-09	Cedar Street at corner of Elm Street
11	11	005-151-35	Front Street
14	14	005-048-11	Locust Street
16	16	005-048-12	Church Street
26a	26	007-012-01	Center Street at corner of Laurel Street
26b	26	007-012-02	Center Street
27	27	005-151-48	Front Street at corner of Laurel Street

EXHIBIT B

City Parking Lot 4. Map showing Santa Cruz City-owned parcel at 119 Lincoln Street on the east side of Cedar Street between Lincoln and Cathcart Streets (APN 005-141-21).





For A Better Way

November 8, 2021

Tony Condotti, Esq.
City Attorney, City of Santa Cruz
333 Church Street
Santa Cruz, CA 95060

Dear Tony,

Thank you for providing the ballot title and summary for Our Downtown, Our Future's ballot measure on the basis of our October 18, 2021 submission. We especially appreciate your bringing to our attention some unintended language in our measure, which we've revised, as explained below.

Based on your title and summary, we are here doing two things. First, we are formally resubmitting the ballot measure with minor revisions, attached. Second, we are requesting revisions to your title and summary, both to reflect the changes in our resubmitted initiative and to ensure that the title and summary "shall give a true and impartial statement of the purpose of the proposed measure in such language that the ballot title shall neither be an argument, nor be likely to create prejudice, for or against the proposed measure" (California Election Code §9203).

For your convenience in providing a revised title and summary, we are attaching both a "clean" copy of the revised measure and a copy with highlighting of the modified text. In addition, for your reference, we attach a list of the changes made to the measure, with brief explanations.

Concerning the title and summary, it is crucial that they not make inferences about the measure, that they avoid inaccurate language, and that they avoid discussion of topics that are not part of the measure itself, and thus outside the function of providing a title and summary. We are including Word files with suggested revisions to the title and summary that will avoid these difficulties, both in "track changes" and "clean" versions, and attaching a list explaining changes.

Please email us (longinotti@baymoon.com and jrhall103@mac.com) if you have any questions, and we look forward to receiving the new title and summary based on the revisions in the measure and our proposed revisions of the title and summary that you provided.

Sincerely,

Rick Longinotti and John Hall

cc: Mark Wolfe, attorney-at-law

List of 11/8/2021 revisions to the Our Downtown, Our Future measure, with brief explanations.

Findings, #1. The following sentence is add to the end: “The experience of cities across the world is that Complete Neighborhoods reduce demand for auto transportation and parking.”

The sentence is added to emphasize the connection between transportation and parking issues and the character of Complete Neighborhoods.

Findings, #6, deletion concerning Heritage trees. The phrase, “Prioritizing a public space for the Downtown Farmers’ Market on Lot 4, Cedar St., will permit the preservation of 10 Heritage trees...” has been changed to “Prioritizing a public space for the Downtown Farmers’ Market on Lot 4, Cedar St., will permit the preservation of Heritage trees....”

Given that a permanent structure for the Farmers’ Market and affordable housing may be constructed on Lot 4, it is inaccurate to specify the number of Heritage trees that will be preserved. Therefore, the number “10” has been deleted.

Clarification concerning use of Parking District Funds. The November 3, 2021, proposed title and summary point to a contradiction between the measure’s Section 3 definitions and the wording in Section 4.A modifying General Plan section 5, M1.5.7 concerning the use of Parking District funds.

We have amended the definition of “surplus parking revenue” in Section 3, Definitions, and amended Section 4.A. concerning M1.5.7 to affirm that parking district funds can be used to create new parking facilities, as was our original intention.

List of proposed revisions to the November 3, 2021, Title and Summary, with brief explanations.

Correction of numbering in title. Per Tony Condotti email, November 4, 2021 at 6.52 AM, the number of items in the measure title has been corrected.

Deletion of inaccurate title statement. (1) PROHIBIT CONSTRUCTION OF PROPOSED DOWNTOWN MIXED-USE LIBRARY PROJECT AND PROHIBIT RELOCATION OF DOWNTOWN FARMERS' MARKET;

The only mention of the Lot 4 mixed-use project is in the measure's findings, which assert that renovating the Library will reduce "the production of greenhouse gases required for the construction of a new library as part of a mixed-use project on Lot 4." Nowhere do the proposed amendments to the General Plan and the Downtown Plan prohibit construction of the Library or prohibit relocation of the Farmers' Market. The measure's amendments instead "recognize policy priorities" concerning Library renovation and the location of the Farmers' Market. Thus, the referenced and deleted title phrase is factually and legally incorrect.

Correction of title wording, #1. "ALL DOWNTOWN CITY-OWNED SURFACE PARKING LOTS" is factually and legally incorrect. It is appropriate to substitute "SPECIFIED" FOR "ALL." See below for details.

Correction of title wording for accuracy and due to revision of ballot measure. The phrase, "DESIGNATE USE OF SURPLUS PARKING DISTRICT REVENUE FOR DOWNTOWN AFFORDABLE HOUSING DEVELOPMENT PROJECTS, ALTERNATIVE TRANSPORTATION PROGRAMS FOR DOWNTOWN WORKERS AND OTHER NON-PARKING RELATED EXPENDITURES" has been revised to read, "DESIGNATE USE OF SURPLUS PARKING DISTRICT REVENUE FOR DOWNTOWN AFFORDABLE HOUSING DEVELOPMENT PROJECTS, ALTERNATIVE TRANSPORTATION PROGRAMS FOR DOWNTOWN WORKERS, AND SUPPLEMENTING FUNDING FOR FARMERS' MARKET FACILITIES ON LOT 4 AND RENOVATION OF THE DOWNTOWN LIBRARY."

Specifically, the phrase, "AND OTHER NON-PARKING RELATED EXPENDITURES" is deleted and replaced by ", AND SUPPLEMENTING FUNDING FOR FARMERS' MARKET FACILITIES ON LOT 4 AND RENOVATION OF THE DOWNTOWN LIBRARY".

Because the title already lists two other of the measure's proposed uses for surplus Downtown Parking District revenue, the substituted wording completes the summary of all uses by stating, ", AND SUPPLEMENTING FUNDING FOR FARMERS' MARKET FACILITIES ON LOT 4 AND RENOVATION OF THE DOWNTOWN LIBRARY".

The deleted wording "OTHER NON-PARKING RELATED EXPENDITURES" may result from an assessment that renovation of the library and improvements to the lot hosting the Downtown Farmers Market are unrelated to parking. Both expenditures are

Complete Neighborhoods projects discussed in our Findings. We add the following to that Finding: “The experience of cities across the world is that Complete Neighborhoods reduce demand for auto transportation and parking.” We request that the ballot title reflect this connection.

Deletion of paragraph with subject heading, “Background.” This paragraph is not germane to the ballot measure. It does not summarize the measure or its background. Instead, it discusses the history of the proposed Lot 4 mixed-use project, and it does so in a manner that, to quote the California Elections Code cited above, is “likely to create prejudice” against the measure. A short, non-prejudicial background statement would be difficult to include in the summary within the Elections Code-specified word limit. Such a background statement would need to be balanced in various ways, for example, by including reference to the Santa Cruz Parking Strategic Plan by Nelson\Nygaard and webpage links to Don’t Bury the Library, Downtown Commons Advocates, and Campaign for Sustainable Transportation websites.

General Plan and Downtown plan paragraph, #1. Deleted concerning the General Plan: “preclude construction of the proposed Downtown Mixed-Use Library Project, discourage non-library related uses of the existing Downtown Branch Library site”, substituting, “prioritize the current location of the Downtown Library Branch as its preferred long-term location while discouraging uses incompatible with the Library”.

The clause in the November 3, 2021, version does not objectively describe the measure’s amendments of the General Plan. The measure amendments to the General Plan do not make any statements about the Lot 4 mixed-use project. Neither does the amendment “discourage non-library related uses.” Instead, it establishes the library’s present location as its preferred long-term location and discourages “other uses incompatible with this priority,” while allowing for “library facilities and library-associated functions” on Lots 14 and 16 above the ground level. There is a significant difference. The proposed alternative to the deleted phrase is legally accurate and objective.

General Plan and Downtown plan paragraph, #2. For wording concerning the Farmers’ Market: the wording “preferred long-term” is substituted for “permanent”.

There is a substantial difference between the two wordings. Factual and legal accuracy require this change.

General Plan and Downtown plan paragraph, #3. Deleted concerning the Downtown Plan: “, and to eliminate references in the Downtown Plan that allow for closure of a segment of Pacific Avenue between Cathcart and Lincoln Streets for the weekly Downtown Farmers’ Market”.

This phrase describes a “housekeeping” change in the Downtown Plan that was substantially out of date by decades with the City’s own practice and that the City itself should have corrected years ago. The phrase is unnecessary to a ballot measure summary and distracting from the substantive content of the measure.

General Plan and Downtown plan paragraph, #4. Substitution concerning parking lots: in the phrase “all downtown-area City-owned surface parking lots”, “specified” is substituted for “all”.

The word “all” is legally and factually inaccurate. The website <https://downtownsantacruz.com/visit/parking> identifies a number of downtown City-owned lots that are not included in the measure.

General Plan and Downtown plan paragraph, #5. Deletion of parking lot included as “City-owned surface parking lots to be developed into permanent affordable housing”: “Lots 4 (119 Lincoln St.)” is deleted from the list.

The measure does not “require” development of affordable housing on Lot 4, as that lot is not listed in Exhibit A. It is factually and legally incorrect to include Lot 4 in the list.

General Plan and Downtown plan paragraph, #6. Insertion of sentence concerning affordable housing on Lot 4: The inserted sentence reads, “The measure specifically does not preclude development of affordable housing on Lot 4 (119 Lincoln St.)”

The inserted sentence corrects for the legally and factually incorrect inclusion in the ballot summary of Lot 4 in the list of City-owned parking lots where affordable housing development is required. The inserted sentence accurately summarizes the legal character of the measure’s amendment concerning affordable housing on Lot 4.

General Plan and Downtown plan paragraph, #7. Change in introductory clause of last paragraph of summary. The sentence “It would also amend the General Plan to prioritize expenditure of funds received by the Downtown Parking District in excess of those needed to maintain existing parking spaces and facilities:” is changed to read, “The measure would also amend the General Plan to prioritize expenditure of funds received by the Downtown Parking District in excess of those needed to maintain existing parking spaces and facilities and create new parking facilities, with excess funds to be used for:”

The title and summary provided on November 3, 2021, point to a contradiction between the measure’s Section 3 definitions and the wording in Section 4.A modifying General Plan section 5, M1.5.7 concerning the use of Parking District funds. In the present resubmission, these passages in the measure have been clarified to affirm that Parking District funds can be used for the creation of new parking facilities. Therefore, with these changes, the deleted phrase is no longer accurate.

General Plan and Downtown plan paragraph, #8. Substitution of phrase “supporting downtown affordable housing development;” for the phrase “other downtown projects including affordable housing development;”.

The measure as of this resubmission now clearly limits the expenditure of excess parking district funds to affordable housing, transportation demand management, and supplementing funding for Downtown Library renovation and improvements to Lot 4.

Therefore, the phrase “other downtown projects including” is now superfluous and inaccurate in legal terms.

General Plan and Downtown plan paragraph, #9. Deletion of phrase concerning unspecified projects. The phrase, “; and other unspecified downtown projects” has been deleted.

That phrase’s inclusion is based on the wording, “supporting Complete Neighborhoods projects, including...” in the measure as submitted on October 18, 2021, revising the General Plan, M.1.5.7. Because that phrase in the measure is indeterminate in its meaning, we have deleted the word, “including” from the measure as now submitted. With the deletion of the measure wording, the phrase “; and other unspecified downtown projects” is no longer legally accurate.

General Plan and Downtown plan paragraph, #10. Deletion concerning additional parking facilities. The revised summary deletes the sentence, “The measure would preclude use of Parking District funds for additional parking facilities.”

The title and summary provided on November 3, 2021, point to a contradiction between the measure’s Section 3 definitions and the wording in Section 4.A modifying General Plan section 5, M1.5.7 concerning the use of Parking District funds. In the present resubmission, these passages in the measure have been clarified to affirm that Parking District funds can be used for the creation of new parking facilities. Therefore, with these changes, the deleted sentence is no longer legally accurate.

The Following
Materials Provided By:
Santa Cruz for Real Library and Housing
Solutions



Measure O is OPPOSED by the following organizations

Affordable Housing Now
Arts Council of Santa Cruz County Board
Cabrillo College Board of Trustees
College Democrats at UCSC
Democratic Party of Santa Cruz Co.
Democratic Women's Club of Santa Cruz County
Dientes Community Dental
Downtown Association of Santa Cruz Board
Downtown Management Corporation
First 5 Santa Cruz County
Friends of the Santa Cruz Public Libraries
Housing Santa Cruz County
Milestone Housing Group
Monterey Bay Economic Partnership
New Way Homes
Pacific Union Housing Group
Santa Cruz Chamber of Commerce
Santa Cruz Community Health Centers
Santa Cruz County Business Council
Santa Cruz Public Library Advisory Commission
Santa Cruz YIMBY
SC Cedar Street Apartments
Student Housing Coalition at UCSC

For more info or to add your support
SantaCruz4RealSolutions.com
sc4realsolutions@gmail.com
343 Soquel Ave #171
Santa Cruz CA 95062

August 15, 2022

To: Housing Authority of Santa Cruz County Board of Directors

Re: **Request to Support the Library/Affordable Housing project currently planned for Downtown Santa Cruz, and OPPOSE Measure O.**

As board members of the Housing Authority, you know first-hand the depth of the housing crisis that affects our community. You know how difficult it is to find safe, secure affordable housing for those who need it, including thousands of your own voucher holders and those on your waiting list.

The City of Santa Cruz, in collaboration with the county-wide public library system and respected regional affordable housing providers, is currently deep into the design phase of an exciting project that can make a major contribution to key priorities for our community: a new Downtown Library/Affordable Housing Project at a key downtown location, close to transit, services and amenities.

This project encompasses a new, expanded, fully modern downtown library serving a wide variety of needs and populations; 124 units of permanently affordable housing; a quality childcare facility serving downtown residents and workers alike; and parking resources serving all downtown uses through a shared parking model.

By adopting the mixed-use approach, this project offers superior results and significant cost savings, and brings much-needed complementary projects together to support a thriving downtown into the future. It also supports needs of residents in other affordable housing projects currently under construction downtown.

Discussion and planning for this project has been going on for several years now, involving extensive technical assessments, robust community outreach, and repeated City Council direction to move forward. The plans are currently in the design development phase, pre-approval discussions are being held with the planning department, and groundbreaking is anticipated in 2023.

This is a REAL project -- an exceptional opportunity that holds great promise for our community and is attracting attention from communities around the country . **It is an opportunity we cannot afford to squander!**

Now a group of people opposed to this plan have qualified an initiative for the November 2022 ballot in the City of Santa Cruz, Measure O, under the misleading name of "Our Downtown Our Future" (ODOF.) With a complicated mix of requirements, restrictions and poorly-conceived changes to city documents, this measure was written with the intention of killing the Library/Affordable Housing Project. It makes numerous claims about other ways to achieve library and housing goals, but they are unsupported by facts or reality.

The Library/Affordable Housing Project aligns directly with Housing Authority programs and mission. It is a REAL project. There is a clear nexus between the completion of this project and the Housing Authority's goal of expanding affordable housing resources that are accessible to voucher holders. If Measure O succeeds, this project is dead, and it will send a devastating message to potential partners in future developments. We urge you to support the project, and oppose Measure O.

Sincerely,
Cynthia Mathews, Matt Farrell, Don Lane
Co-chairs



**DON'T BE
FOOLED**

**vote
NO**

**“Our
Downtown
Our
Future”**

Save the Downtown Affordable Housing & Library Project

A group called Our Downtown Our Future (ODOF) has collected signatures to put a measure on our Santa Cruz City election ballot—and that initiative measure will be a disaster for our community and our Downtown.

There are many reasons to say **NO**:

**Say
NO**

- to eliminating real affordable housing downtown
- to missing out on a great new library
- to undermining the Farmers' Market's plans
- to wasting limited public funds
- to phony “experts” shaping our community's future in private meetings
- to inefficient parking plans
- to long distance commuting
- to sabotaging efforts to improve our Downtown

and most of all...

Say NO to yet another misguided ballot measure pretending to be something it's not

A **NO** vote means **YES** to educated, informed kids, healthier families, a stronger downtown, smart parking plans, Farmer's Market self-determination, green buildings, new public space, and a wise use of our tax dollars.

Learn more | Take action | Add your support!
santacruz4realsolutions.com

Paid for by Santa Cruz For Real Library and Housing Solutions FPPC# 1448534
343 Soquel Ave #171, Santa Cruz CA 95062 Contact: sc4realsolutions@gmail.com

Our coalition includes the following, with more names being added regularly:

Individuals:

Caroline Lamb
Bob Lamonica
Tracy Larrabee
Erin Lee
Geri Lieby
Sean Livingston
Hollie Locatelli
Laura Marcus
Joan Gilbert Martin
Tera Martin
Connie Maschan
John McKelvey
Ryan Meckel
Jim Mekis
Mark Mesiti-Miller
Kathryn Miller
Valerie Mishkin
Chelsea Muller
Donna Murphy
Janis O'Driscoll
Cameron Ohlson
Tyler Olson
Matt Orbach
Lisa Ortiz
Kathy Pakzad
Kathy Pearson
Deborah Peronto
Carol Polhamus
Magdalena Ramie
Coco Raner-Walter
Clay Ripma
Satish Rishi
Janine Roeth
Vivian Rogers
Joop Rubens
Andrew Schiffrin
Karen Scott
Nina Simon
Sibley Simon
Robert Singleton
Diane Sipkin MD
Jordan Taylor
Andrew Trapani
Matt Tunney
Jeltje Van Baren
Judy Warner
Justin White
Liz White
Mark Wiese
Tim Willoughby
Laura Albrecht
Kamala Allison
Naomi Bayer
Casey Bayer
Johanna E Bowen
Benjamin Breen

Tom Brezsny
Dan Brumbaugh
Sofia Brumbaugh
Marianne Callahan
David Campbell
Toni Campbell
Dan Chen
Amelia Conlen
Sara Cordell
Bruce Cotter
Robert de Freitas
Akhil Desai
Martha Dexter
Corrina Dilloughery
Kelly Dilloughery
Masao Drexel
Rena Dubin
Maggie Duncan-Merrell
Deborah Elston
Gail Evans
Heather Fisher
Dante-Luc Falconer
Katie Fortney
David Foster
Carol Fuller
Richard Gallo
Gina Garcia
Gloria Garcia
Christopher Garwood
Andrew Goldenkranz
Mike Golder
Vince Golder
Martin Gomez
Dennis Hagen
Emily Ham
Patrick Haywood
Howard Heevner
Rae Hill
Kyle Hirayama
Lacie Hirayama
Robin Holland
Henry Hooker
Roberta Hunter
Robin Imlay
Trevor Jones
Lisa Joseph
Consuelo Juarez
Kyle Kelley
Pete Kennedy
Linda Kerner
Casey KirkHart DO
Alyssa Kroeger

Elected & Former Elected Officials:

Sonja Brunner, Santa Cruz City Council Member

Cynthia Chase, Former Santa Cruz City Mayor & City Council Member

Sheila Coonerty, Santa Cruz City Schools Board Member

Jack Dilles, Scotts Valley Council Member

Matt Farrell, Former Santa Cruz City Schools Trustee

Reed Geisreiter, Santa Cruz Port District Commission Chair

Renee Golder, Santa Cruz City Council Member

Shebreh Kalantari-Johnson, Santa Cruz City Council Member

Don Lane, Former Santa Cruz City Mayor & City Council Member

Cynthia Mathews, Former Santa Cruz City Mayor & City Council Member

Bruce McPherson, Santa Cruz County Supervisor, 5th District

Donna Meyers, Santa Cruz City Council Member & Former Santa Cruz City Mayor

Richelle Noroyan, Former Santa Cruz City Council Member

Jimmy Panetta, Congress Member, 20th District

Jim Reed, Scotts Valley Council Member

Mike Rotkin, Former Santa Cruz City Mayor & City Council Member

Derek Timm, Scotts Valley Council Member

Deb Tracy-Proulx, Santa Cruz City Schools Board President

Martine Watkins, Santa Cruz City Council Member

Michael Watkins, Former Santa Cruz County Superintendent of Schools

Organizations:

Affordable Housing Now
Arts Council of Santa Cruz County
Cabrillo College Board of Trustees
College Democrats at UCSC
Democratic Party of Santa Cruz County
Democratic Women's Club of Santa Cruz County
Dientes Community Dental
Downtown Association of Santa Cruz
Downtown Management Corporation
First 5 Santa Cruz County
Friends of the Santa Cruz Public Libraries
Housing Santa Cruz County
Milestone Construction Group
Milestone Housing Group
Monterey Bay Economic Partnership
New Way Homes
Pacific Union Housing Group
Pacific Union Partners Inc
Santa Cruz Chamber of Commerce
Santa Cruz Community Health Centers
Santa Cruz County Business Council
Santa Cruz Public Library Advisory Commission
Santa Cruz YIMBY
SC Cedar Street Apartments

Learn more | Take action | Add your support!
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343 Soquel Ave #171, Santa Cruz CA 95062 Contact: sc4realsolutions@gmail.com

Jayson Architecture comments on the New Downtown Library

On Value:

"The combination of housing, parking, and commercial uses in the same structure as the library offers a wonderful synergy that benefits the library both financially and functionally. From a functional standpoint the adjacency of the parking will provide easy access for the public, the relationship to the housing will create a built-in community, and the combination with commercial uses will contribute to a vibrant downtown. From a budgetary standpoint, the economy of scale allows for a larger and higher quality library than would be possible if the library was an independent structure. The estimated budget of this project is approximately \$42 million, significantly less than the cost of a standalone building which would be in the range of \$70 million. The combination of uses into a single building offers significant value to the community."

On Space for the Community:

"To meet budgetary requirements, a renovation of the existing library would necessitate demolition of more than a quarter of the existing building, reducing space available to both the community and the library staff, and limiting the ability to meet programmatic goals for the downtown library. The new library allows for nearly 30% more square footage than the renovation, plus a programmable roof deck equivalent to roughly another 10% of the library size. This additional square footage allows for improvements such as more group study rooms, a dedicated local history special collections room, and a more functional staff area for the main library, which serves as the hub of the system."



Jayson Architecture comments on the New Downtown Library

On Quality:

"While a renovation of the existing library would address critical deficiencies of code, performance, and functionality, due to budgetary limitations the quality of architectural finishes and amenities would only be brought to a low to medium level for a renovated library, comparable to other similar facilities in the Bay Area. The new library, benefiting from the economy of scale created by a larger project, and the benefits of new construction, will be able to achieve a high level of quality for finishes, amenities, and special features that will make the building unique."

On Sustainability:

"A renovation of the old library would provide modest improvements to the sustainability of the existing building, including new code compliant windows, lighting, and insulation, however no significant green achievements are possible due to budgetary limitations and building constraints. The new library, on the other hand, provides significant and ambitious sustainability features. First and foremost, the new library will be an all-electric Zero Net Energy building. This means there will be no gas serving the building, and rooftop solar panels will generate an amount of power equivalent to power consumption over the course of the year. In addition, an approximately 12,000sf green roof will provide native habitat for birds and insects, and reduce the urban heat island effect. The project has set a minimum target of LEED Silver for certification, and a rating as high as Gold is being explored."





A NEW CHAPTER

Cities Are Tackling the Housing Crunch—
by Building Above the Library

By Kathleen McCormick

IN EARLY 2019, THE TOWN OF CORNELIUS, OREGON, celebrated the opening of a new mixed-use development called Cornelius Place. Situated on the town's main thoroughfare, the building features a 13,650-square-foot public library that replaces one at City Hall that was only one-quarter that size. It also includes a café, a courtyard that will host concerts and a farmers' market, and a 2,900-square-foot YMCA recreation and fitness center. "Our town didn't have a senior, youth, or community center, so our library is a lot more than a repository for books—it's a multi-purpose community space as well," says Library Director Karen Hill, who shepherded the project.

Cornelius Place offers something else for the community: above the library are 45 apartments intended to be affordable for seniors with household incomes of up to 60 percent of area median income (AMI). Eleven apartments are part of the Section 8 program, making them more deeply affordable by requiring households to pay no more than 30 percent of their income in rent.

Cornelius, a city of 12,400 in metro Portland, anticipates growing by more than one-third in the next five years. Cornelius Place is its first three-story building, first mixed-use building, and an anchor for a new walkable-downtown master plan, says Ryan Wells, community development director. Combining a new public library with affordable senior housing made both projects possible. "There is cost sharing to construction when you mix those uses," says Wells. "We could not have built the library on its own."

Despite predictions that they would die in the digital age, public libraries in many U.S. communities are in fact busier and more loved than ever. Increasingly viewed as community hubs, the nation's 16,568 public libraries are places where visitors peruse the stacks, focus on laptops, upgrade job skills, study English, try out "maker" equipment, connect with social workers on staff,

and more. But many libraries are struggling to meet this demand with facilities that are small, outdated, and in need of repair—or in need of major upgrades to offer the collaborative areas, flexible workspaces, and cutting-edge technology that patrons increasingly expect.

As public libraries look to rebuild, however, they often face financial challenges. Land values and construction costs in many cities are on the rise, making such projects increasingly costly and frequently requiring special tax levies or capital campaigns. Meanwhile, cities seeking new solutions to the affordable housing crisis are eyeing some desirable real estate: the air space above those typically low-lying public libraries. Joining forces makes it possible to invest public dollars in—and leverage additional funds for—projects that serve the community in multiple ways.

"The evolution of public libraries in U.S. cities generally has followed the evolution of community needs, and in a growing number of cities, that now means combining new libraries with affordable housing," says Loida Garcia-Febo, a library consultant and 2018–2019 president of the American Library Association. "Most libraries see their value in how they integrate and respond to the community, and it's clear that in tight real estate markets, libraries can leverage their physical assets to increase the value they provide to the community."

"Most libraries see their value in how they integrate and respond to the community, and it's clear that in tight real estate markets, libraries can leverage their physical assets to increase the value they provide."

View from a residential balcony at Independence Branch Library and Apartments, Chicago. Credit: James Florio, courtesy of John Ronan Architects.



Cornelius Place, a mixed-use development in Cornelius, Oregon, combines a ground-floor library with affordable senior housing that is walkable to the downtown area. An apartment interior is shown at right. Credits (l-r): Courtesy of Washington County, Oregon; Christopher Oertell, staff photographer, *Hillsboro Tribune/Forest Grove News-Times*.

Living at the Library

Combining libraries with apartments is “part of a trend away from single-use zoning and back to mixed uses,” says Robin Hacke, executive director of the Center for Community Investment at the Lincoln Institute, which helps disadvantaged communities harness investment to achieve their economic, social, and environmental priorities. Hacke added that the trend also reflects a recognition of the importance of libraries as “third places for civic engagement and social cohesion.”

One of the nation’s first examples of a library and affordable housing sharing space took shape in San Francisco in 2006. As part of the 50-acre Mission Bay redevelopment, the city partnered with Catellus Development Corporation and Mercy Housing, a nonprofit affordable housing developer, to add a 7,500-square-foot branch library as a civic anchor. The building that houses the library includes a community meeting hall, an adult day health center, a coffee shop, and Mission Creek Senior Housing, with 140 apartments for low-income seniors.

Though it has been successful, this project so far has been a one-off for the city. At least one public official has asked the city’s acting librarian to explore whether future library renovations might be combined with affordable housing. “We are in an affordability crisis and we need to maximize our existing public land for 100 percent affordable housing,” wrote Sandra Lee Fewer, a member of the city’s Board of Supervisors, in an email response to Next City (Brey 2018). “It would be a missed opportunity to not pursue adding affordable housing above newly renovated public resources like our libraries.”

Although San Francisco has been slow to replicate the Mission Bay model, other cities have taken up the idea, including Chicago. Under Mayor Rahm Emanuel’s leadership from 2011 to 2019, the city made more than \$300 million in new investments to renovate or build 30 public libraries in the city’s network of 80 libraries, which serves 10 million visitors annually. The “Branching Out: Building Libraries, Building Communities” initiative has focused on investing in libraries as community anchors with high-quality civic architecture and programming.

Since 2011, six new libraries have been built, and 14 branches have seen significant updates. By the end of 2019, construction of five additional libraries will be finished, with four existing libraries renovated.

Three of the new libraries are co-located with housing in world-class examples of modern architecture. In 2016, the city announced a partnership between the Chicago Public Library (CPL) and Chicago Housing Authority (CHA) that would cut costs, increase library patrons, and invest in attractive, sustainable buildings that provide the kinds of services the city needs. A city-run competition attracted submissions from 32 architecture firms, and three award-winning, Chicago-based firms were selected to design the projects:

- The six-story, \$33.4 million Independence Branch Library and Apartments in Irving Park on the Northwest Side, designed by John Ronan Architects and developed by Evergreen Real Estate Group, has a two-level library featuring a music studio and makers' workshop, topped by 44 subsidized apartments for seniors.

- The \$34 million Northtown Public Library and Affordable Apartments in West Ridge, a four-story, curvilinear structure designed by Perkins and Will, also was developed by Evergreen Real Estate Group. The bright, 16,000-square-foot library has a garden and a rooftop terrace shared with tenants. The upper floors include 44 apartments for seniors, with 30 CHA public housing and 14 affordable apartments.
- The seven-story, \$41 million Little Italy Branch Library and Taylor Street Apartments on the Near West Side, designed by Skidmore, Owings & Merrill (SOM) and developed by Related Midwest, includes a single-level, open-floor-plan library and six floors with 73 apartments above, including 37 CHA public housing, 29 affordable, and seven market-rate apartments.

Besides traditional library programs, such as book clubs for seniors and intergenerational educational and cultural programming, each branch offers early-learning playspaces and facilities for teens to explore digital design, music, and recording technology with help from skilled mentors. They also provide high-tech



Interior of an affordable apartment at Chicago's Northtown Public Library. Credit: James Steinkamp, courtesy of Perkins and Will.

programming such as 3D printing, virtual reality, and robotics, as well as dedicated workforce development support and technology tutors.

In West Ridge and Irving Park, “these projects enabled CHA to deliver new housing units and expand affordable housing opportunities in two communities where CHA had not previously had much of a presence,” says Molly Sullivan, CHA senior director of communications. “This helped meet a demand for affordable senior housing in those communities.” The library system also had been seeking ways to bring modern facilities and services to these communities, says Sullivan, so combining housing with libraries made sense.

“Co-locating libraries with affordable housing provides housing and learning centers where they are needed—and makes communities more resilient and sustainable,” says Sullivan. “We know that housing is vital to our neighborhoods, but strong, healthy communities also require anchors that provide resources for lifelong learning.”

Critiquing the three projects in *The New York Times*, architecture critic Michael Kimmelman characterized the libraries as “just plain good urban planning.” He praised Emanuel for promoting the idea that “distinguished civic buildings in underserved neighborhoods constituted their own brand of equity” (Kimmelman 2019).

In June, Smart Growth America named the Taylor Street library its Project of the Year. “We knew when we embarked on this unique project and partnership that we were building more than a new building,” said former Chicago Housing Authority CEO Eugene E. Jones, Jr., when the award was announced. “We were creating a community anchor and asset that will have a lasting impact on residents and this neighborhood” (CHA 2019).

A Branch Grows in Brooklyn

Brooklyn is also leveraging opportunities to improve library infrastructure with housing, using aging branches as sites for redevelopment projects that combine new libraries with affordable apartments, or, in one case, sleek new tower architecture with market-rate luxury condominiums.

The Brooklyn Public Library (BPL) is an independent library system that serves the 2.5 million residents of the borough. BPL is the fifth-largest library system in the U.S., with 59 neighborhood libraries and 7.9 million annual visits. That might sound like a lot of capacity, but many of the system’s buildings are crowded, worn, and inadequate for modern use. In total, New York City libraries have some \$1.1 billion in unfunded capital needs, mostly repairs, with \$271 million needed just in Brooklyn, according to a 2014 report by the Center for an Urban Future, an independent nonprofit research and policy organization (Giles 2014). The report recommends ways to bolster libraries as community centers, including incorporating affordable housing.

“We see libraries performing a much bigger role in New York,” says Eli Dvorkin, editorial and policy director for the Center. “We have never relied on libraries as we do today.” He says libraries “are the single resource of first resort for immigrants, teenagers, seniors. They are the 21st-century settlement house, building the social infrastructure of our cities, but we haven’t invested in their infrastructure.”

That is changing with projects like Brooklyn’s Sunset Park Public Library redevelopment. Built in the 1970s, the popular Sunset Park branch was too small to meet the needs of a community whose population increased 34 percent between 1990 and 2014, double the citywide growth rate. Housing costs were also surging, with a state report indicating that median rent increases in the area had far outpaced median income growth between 2002 and 2014. In 2017, the city issued a competitive



The unassuming, single-story Sunset Park Public Library in Brooklyn, New York (left), has been reimagined as an eight-story, mixed-use building (right). Credits (l-r): Edward Blake, Brooklyn Public Library.

“The City of New York isn’t creating more land, but our population is growing, and resources are in demand for both libraries and affordable housing . . . We wanted to create the model so it can be replicated and we can have more of these win-win-win situations for libraries, for people who need affordable housing, and for taxpayers.”

RFP and selected the Fifth Avenue Committee (FAC), a Brooklyn-based nonprofit affordable housing developer and social justice organization, as a partner in revamping the library. FAC proposed a 21,000-square-foot library—double the original size—with 49 units of permanently affordable housing on top.

Located on the first two floors of the eight-story building, the library will be outfitted with collections, technology, and flexible space. Above that, the apartments are slated for low- and middle-income households ranging from formerly homeless residents with no income to those earning between 30 and 80 percent of AMI. Apartments in the building, which is expected to open in 2020, will rent for well below the current market rents in the neighborhood.

“The City of New York isn’t creating more land, but our population is growing, and resources are in demand for both libraries and affordable housing,” says Michelle de la Uz, executive director of FAC and a New York City planning commissioner. The city has a long history of combining civic uses with other development, she noted, but those projects haven’t included 100 percent affordable housing. “We wanted to create the model so it can be replicated and we can have more of these win-win-win situations for libraries, for people who need affordable housing, and for taxpayers” to achieve the greatest benefit possible from public land.

The Sunset Park branch is one of several library-housing hybrids in New York. The three-story, 26,000-square-foot Inwood Public

Library in Upper Manhattan, now under construction, anchors a 14-story mixed-use building called the Eliza, which has 175 deeply affordable apartments, universal pre-K classrooms, a social services delivery center, and amenities including a children’s playground, gym, and roof garden.

The Inwood site was rezoned to allow for a sizeable increase in height and density, notes de la Uz, while “at Sunset Park, we built as-of-right and didn’t have to rezone—the height was allowed.” She agrees with a recommendation from the Center for an Urban Future that rezoning, where appropriate, would make many more of these projects feasible (see sidebar page 31). “We’ve done many projects in partnership with government, and giving land at a reduced rate is how you make affordable housing happen,” she says. “The project has to be a certain size” to support the cost of construction, she notes, and rezoning and revaluing the land on which libraries sit to allow for higher buildings and greater density “would allow for many more affordable units above libraries and greater public benefit to be realized.”

Not Always Affordable

Not all of the city’s library-housing projects offer affordable housing, and some have inspired controversy. The 28,000-square-foot 53rd Street Library across from the Museum of Modern Art in Midtown Manhattan, which opened in 2016, provides a three-story base for the 50-story luxury Bacarat hotel and apartment tower. And a rebuild of BPL’s Brooklyn Heights branch saw the original 1962 building demolished and the site reenvisioned as One Clinton, a mixed-used, 38-story condominium tower with a new library, STEM learning center, and retail space at its base. Due to be completed in 2020, the tower’s 133 market-rate condominiums are listed for between \$1 million and \$6.4 million.

The Brooklyn Heights branch would have required over \$9 million for renovations and upgrades. Instead, Hudson Companies paid \$52 million for the old branch library site. That money is providing funding for BPL’s capital needs, including \$12 million to fit out the new One Clinton library—and \$10 million for the Sunset Park branch.

One Clinton, center, houses the Brooklyn Heights library—and more than 130 market-rate condominiums listed for \$1 million to \$6.4 million. Proceeds from the sale of the original library site helped fund the library’s renovation, as well as other improvements in the Brooklyn Public Library system. Credit: Noe and Associates/The Boundary.





Opening day at Milwaukee's Mitchell Street Branch in October 2017. The development is one of several in the city that combine libraries with affordable or market-rate housing. Credit: Adam Carr.

Critics of One Clinton have been outspoken about the dangers of “privatizing” public land and property, the plan to scrap the old library rather than renovating it, and the new project’s lack of on-site affordable housing. As part of the deal, Hudson Companies is building 114 units of permanently affordable workforce apartments nearby, at no cost to the city. Off-site development of affordable housing within the same community district is allowed under the city’s mandatory inclusionary housing program. The apartments are intended for households earning from 60 to 125 percent of AMI, with half reserved for local residents.

Milwaukee is also combining a mix of market-rate and affordable housing with libraries. Milwaukee Public Library (MPL) has partnered with developers to build four new mixed-use branches that cost the library system a total of \$18 million. They include the Mitchell Street Branch Library and Alexander Lofts, which opened in 2017 in the South Side historic commercial district. With 23,000 square feet on two floors that feature a large community room, recording studio, makerspace with kitchen, and a reading area with a fireplace, Mitchell Street is

now the city’s largest branch library. The \$21 million project—\$6 million for the library and \$15 million for market-rate housing—involved the restoration of a historic building that once housed a department store. The new development has 52 market-rate apartments and eight adjacent townhouses.

The housing for these four projects varies from affordable to market-rate, a decision left to the developer, says Sam McGovern-Rowen, MPL project manager. “The library board and the city have expressed a preference for mixed-use housing developments, but we do not dictate the affordability aspect,” he says. “The developers propose projects through our RFP process, and we have selected projects that cover the full spectrum of affordability.”

Co-locating libraries with at least some market-rate housing “means that the library can play a role in community economic development,” McGovern-Rowen points out. “We take formerly untaxed property and put it on the tax rolls, generating hundreds of thousands of dollars in tax base so far.” The libraries have also been “a shot in the arm to the neighborhoods and business districts where we build these projects,” he says, as thousands of library visitors and new residents patronize local businesses.

Unlocking the Value of Land

Co-locating libraries and affordable housing “seems to fit into a broader trend of unlocking the value of land,” says Rick Jacobus, principal of Street Level Advisors in Oakland, California, and author of a Lincoln Institute report, *Inclusionary Housing: Creating and Maintaining Equitable Communities* (Jacobus 2015). “Libraries also are an obvious and synergistic pairing with affordable housing, which needs a ground-floor activation that is not housing.”

“A common challenge in mixed-use buildings, especially with developers of affordable housing, is they run into difficulty locating the right

institution or organization to partner with for ground-floor development, and banks then have trouble financing the projects,” confirmed Hacke of the Center for Community Investment. Incorporating a library, Hacke says, “can contribute to financial viability for a building, but also to the well-being of people who live in the building. When you can bake that into the design of the project, it serves the financials as well as the residents.”

Are co-located libraries and affordable housing any more difficult to finance than separate projects? Yes and no. Generally a city’s public library division pays for the library, and the housing developer, whether it’s the local housing authority, a nonprofit, or a private for-profit developer, works separately to secure financing. The affordable housing component, and often the library, typically have to seek multiple funding partners. But co-location can provide a core and shell for the library building, some shared space, and a catalyst for additional funding. “Mixed-use development and shared costs make the building of new libraries affordable,” says ALA’s Garcia-Febo.

The \$20 million Cornelius Place project in Oregon, developed by the national nonprofit BRIDGE Housing with local service provider Bienestar, was 12 years in the planning and required more than a dozen financial partners.

After a library levy failed to pass, the library conceived of introducing senior housing as a feasibility step. The library cobbled together its \$5.8 million share of construction costs from sources such as local businesses, individuals, and county, state, and federal funds, including a \$500,000 grant from the National Endowment for the Humanities. The city owns the land, and the building is owned by BRIDGE Housing, with the library paying a nominal leasing fee for its space.

Mixed-use projects, especially those with an affordable housing component, can also offset construction costs by taking advantage of low-income housing tax credits or state tax credits. In 2009, the Miami-Dade Public Library System joined forces with the county’s Homeless Trust and Carrfour Supportive Housing to build the Hispanic Branch Library and, above it, the Villa Aurora Apartments. The project included 76 units of permanently affordable housing: 39 for formerly homeless families and 37 for low-income families. The new 12,000-square-foot branch library quickly became a community destination. Carrfour, a nonprofit affordable housing provider, built the complex on the site of a former Salvation Army shelter and leases the first-floor space to the library system. Funding sources for the \$29 million project included the Enterprise Social Investment Corporation’s tax credit equity, an incentive loan from the Florida



Left: Loida Garcia-Febo, past president of the American Library Association, celebrates the community-building role of libraries during a February 2019 visit to the Miami area. Credit: American Library Association. Right: Miami’s Hispanic Branch Library occupies the ground floor of the Villa Aurora Apartments. Credit: Carrfour Supportive Housing.



A mix of sources covered the cost to build the award-winning Little Italy Branch Library and Taylor Street Apartments in Chicago, including federal funds, tax credits, and TIF revenue. Credit: Courtesy of Chicago Housing Authority.

Housing Finance Corporation, deferred developer fees, and city, county, and federal funds. The cost to the library system was \$3 million.

The City of Chicago worked to persuade federal officials that public libraries could be co-located with public housing without putting federal housing subsidies at risk, noted Kimmelman in *The New York Times*. The three Chicago projects had different funding packages. Financing for the Little Italy branch, for example, included U.S. Department of Housing and Urban Development (HUD) funds, federal tax credits, revenue from two tax-increment financing districts, and another housing fund. By adding the housing component to the library, the project qualified for federal tax credits and government housing funds, including from HUD, that provided almost half the needed funds. Thus, the construction of the building was underwritten significantly by co-location.

In Brooklyn, FAC is leveraging eight sources to finance the \$35.8 million Sunset Park library, which breaks down to \$7.8 million for the “core and shell” of the library and \$28 million for the residential portion. Funding sources include over \$10 million in state and federal affordable housing tax credits and \$8.75 million from the New York City Department of Housing Preservation and Development. The developer is constructing the building at no cost to BPL, which will fit out the new library for \$10 million—half the cost of demolishing the library and building a new one—derived from the sale of air rights to the old Brooklyn Heights library site. The city turned the property over to FAC during development, but when construction is completed, the city will own the library in perpetuity, with both its portion and the housing units treated as condominiums. FAC will own and manage the apartments.

By adding the housing component to the library, the project qualified for federal tax credits and government housing funds . . . that provided almost half the needed funds. Thus, the construction of the building was underwritten significantly by co-location.

One new resident of the Northtown Public Library and Affordable Apartments told the *Chicago Tribune* how much she appreciated the services on the ground floor: “The library was a blessing.” Credit: Perkins and Will.



For the Common Good

Smart rezonings could allow dozens more libraries to be upgraded and more co-located library and affordable housing projects to be built. The Center for an Urban Future worked with the architecture firm Marble Fairbanks to identify at least 25 libraries in New York City with surplus development rights that they could leverage for affordable housing or other uses, depending on the community’s needs.

“Cities are trying to lean more heavily into the production of affordable housing, and what’s relevant here is the land,” says Jacobus. “If you have an asset like urban land, you might as well use it to its fullest potential. This could happen in many cities with one- or two-story libraries in places that could be denser. By building a building that is denser, they’re able to unlock the value of the land to subsidize affordable housing, and that extra value is a public asset.”

Even projects with market-rate rather than affordable housing can provide significant public value, says Jacobus. The One Clinton project in Brooklyn Heights, for example, provides the library, housing to ease a tight market, and a fair amount of capital to underwrite improvements to other new libraries, while the developer also provides affordable housing nearby. “They were able to use the value of an asset to leverage affordable housing,” Jacobus says. “It’s a smart move and there’s a trend there that seems promising.”

Pairing libraries and affordable housing helps cities meet other goals such as financial management and neighborhood development, he notes. “The bigger issue is that you get obvious public benefit out of the project, which helps with public acceptance of affordable housing,” often a target for community opposition. While Jacobus doesn’t see mixed-use housing and library projects as a widespread trend—in part because libraries still require additional public funding to build and operate—he does see cities becoming more entrepreneurial and using all the resources they can to create more affordable housing.

Garcia-Febo of the ALA is more optimistic. As a wise use of public land that provides value to the community, co-location of libraries with housing “is a great new opportunity to distribute services across neighborhoods, and I think we’ll see many more of them,” she said. “It’s difficult to equate the value of libraries with the land or air space they occupy, but for many library leaders, this is an opportunity to reinforce the value of libraries for access, education, lifelong learning, and the civic commons.” □

Kathleen McCormick, principal of Fountainhead Communications in Boulder, Colorado, is a contributing editor for *Land Lines*. She writes frequently about sustainable, healthy, and resilient communities.

CO-LOCATION CONSIDERATIONS

For a mixed-use library and housing project to succeed, planners must consider many factors, including the following:

Zoning. Zoning should allow for mixed uses combining residential with public institutions (and perhaps other uses), and for the height and density required to build a critical mass of housing over library space. A 2018 neighborhood rezoning decision by the New York City Council allowed for mixed uses and additional building height to achieve goals such as developing affordable apartments and encouraging economic development that benefits the local community. The decision paved the way for the 14-story Eliza building, which combines the new Inwood Library with 175 affordable apartments.

Air Rights. Development rights generally refer to the maximum amount of floor area permissible on a lot. When the actual built floor area is less than the maximum permitted floor area, the difference is referred to as “unused development rights,” or “air rights.” The value of air rights, which can be sold to adjacent property owners or others, can vary by location and can depend on factors such as zoning restrictions, the height and density of adjacent buildings, and proximity to public transit and services.

Financing. Libraries generally are funded by a city’s capital budget or by special tax levies. Market-rate housing generally is financed privately or through commercial banks. Private developers of affordable housing can take advantage of low-income housing tax credits. Municipal housing authorities can access funds from local, state, and federal sources to develop subsidized public housing for low-income households. Depending on the needs of the community and developers’ plans, co-location can include a mix of publicly subsidized, affordable, and market-rate housing; the latter can help underwrite development of the more affordable units.

Tax Implications. Market-rate housing that shares space with libraries is almost always taxable, so these projects can help expand a community’s tax base. In contrast, affordable housing is usually tax-exempt, at least when it is owned by a housing authority or land trust. The best housing option depends on a community’s needs—fiscally stressed cities may prioritize their tax base, while hot-market cities prioritize affordable housing. In general, reducing costs for the construction of libraries and public housing will benefit taxpayers.

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SANTA CRUZ
**DOWNTOWN LIBRARY
MIXED USE PROJECT**

AFFORDABLE HOUSING TO ADDRESS THE HOUSING CRISIS

LIBRARY * AFFORDABLE HOUSING * CHILD CARE
CONSOLIDATED PARKING * AND MORE

Creating new housing supply is a critical need in our community. The Mixed-Use Library Project will build much needed housing.

The Project implements the City Council's goal of consolidating parking into structures to free up land for the development of new housing.

- 120-125 units - All units 100% affordable at 50-60% area medium income or lower
- 5 floors of residential including approximately 12 studios, roughly 450-460 sq ft, 49 1-bed units up to 465 sq ft, 31 2-bed units up to 900 sq ft and 31 3-bed units up to 967 sq ft
- Over 1/3 of an acre of residential open space including:
 - "Tot Lot" with play structure and separate teen courtyard including ping pong tables and shuffleboard
 - 2 separate community gathering spaces
 - Podium garden
 - Raised vegetable garden for residents
 - Numerous patios, walkways and private courtyards for residents
- 261 spaces of bike parking for residents, including secured spaces on site and reserved in parking structure for residents
- Housing will be LEED-certified, all-electric, including solar

Trusted housing partners associated with this project are **Eden Housing** and **For The Future Housing**, both with years of experience and numerous successful projects in our community.

Quality, affordable childcare is essential to the social and economic stability of working families. The Childcare Center in this project will have its own separate entrance and enclosed outdoor play area, and can serve any downtown residents or workers.

DID YOU KNOW?

The City Council directed that the project have a minimum of 50 affordable housing units. Following the selection of the affordable housing developer team, the City announced the number of units would be at least 100-125, with the majority to be reserved for extremely low and very-low income residents.



cityofsantacruz.com/mixeduselibrary



SANTA CRUZ DOWNTOWN LIBRARY MIXED USE PROJECT

WHAT YOU NEED TO KNOW

**LIBRARY
AFFORDABLE HOUSING
CONSOLIDATED PARKING
CHILD CARE
AND MORE**



LOCATION

Downtown Santa Cruz at a city-owned surface parking lot (Lot 4), bounded by Cathcart, Cedar and Lincoln Streets.

THE DOWNTOWN FARMERS' MARKET

The weekly Wednesday Downtown Farmers' Market that is currently located at the project site will move to a permanent home in Downtown Santa Cruz, featuring new amenities established in partnership with nonprofit operator Santa Cruz Community Farmers' Markets.

KEY ELEMENTS OF THIS CITY COUNCIL-APPROVED PROJECT

- A modern library with resources for all
- A child care facility
- At least 120-125 units of very low income housing
- Parking that includes ~310 spaces (reduced from 400 previously) and consolidates current surface parking lots and results in a net-zero increase in parking spaces in Downtown Santa Cruz

LIBRARY FUNDING

The new modern library portion of the project will be funded by voter-approved Measure S. No new tax is needed to fund the project.

Learn more about the project:
cityofsantacruz.com/mixeduselibrary





SANTA CRUZ DOWNTOWN LIBRARY MIXED USE PROJECT

GET TO KNOW THE NEW, MODERN LIBRARY FOR ALL!

LIBRARY * AFFORDABLE HOUSING * CHILD CARE
CONSOLIDATED PARKING * AND MORE

Santa Cruz deserves a 21st century modern library with amenities and resources for all: teens, children, veterans, persons experiencing homelessness, job seekers, genealogists and more.

BENEFITS OF THE MIXED-USE APPROACH:

Physical Structure

- Additional 5,000 square feet for library services
- Additional community program and study rooms
- More space for books and print materials

Equity and Inclusion

- Increased ADA accessibility
- Engaging children's spaces, technology-rich teen area
- Additional adult services, including genealogy services and life literacy

Environmental

- Improved building efficiency (electrical, HVAC and lighting)
- Building structure can support solar
- Durability and lifespan

Cost Savings

- Expanded financing sources and grant opportunities from the larger project
- Avoids disruption of library operations
- Maintenance savings



DID YOU KNOW?

Using a mixed-use approach (library + affordable housing + parking + a childcare facility) enables the project to provide the most square footage for the Measure S funding available, as compared to other approaches. Mixed-use is also the most fiscally responsible, equitable and sustainable approach the City can take to steward precious resources, especially during tough times.



Learn more about the project:
cityofsantacruz.com/mixeduselibrary

The Following
Materials Provided By:
Our Downtown Our Future



August 15, 2022

Board of Commissioners
Housing Authority of Santa Cruz County

Dear Commissioners:

In anticipation of presenting and discussing the City of Santa Cruz Measure O for Our Downtown, Our Future at your zoom meeting on August 24th, we want to provide you with the following materials, attached:

1. Measure O extracts that specifically concern housing (the complete measure is accessible at <https://www.cityofsantacruz.com/home/showpublisheddocument/87132/637740279256570000>). The extracts specifically include:
 - 1.1. Parking lots designated for development of 100% affordable housing.
 - 1.2. A special condition concerning the two parking lots adjacent to the Downtown Library.
 - 1.3. Permitted development of affordable housing on Santa Cruz City Parking Lot 4.
 - 1.4. Maps showing the locations of the designated parking lots and their parcel numbers.
2. A pdf of an article relevant to the approach to housing proposed in Measure O, "Use of publicly owned property for affordable housing," by Local Housing Solutions, a website developed through the National Community of Practice on Local Housing Policy, a joint project of the [NYU Furman Center](https://localhousingsolutions.org/housing-policy-library/use-of-publicly-owned-property-for-affordable-housing/) and [Abt Associates](https://localhousingsolutions.org/housing-policy-library/use-of-publicly-owned-property-for-affordable-housing/) <<https://localhousingsolutions.org/housing-policy-library/use-of-publicly-owned-property-for-affordable-housing/>>.

We very much look forward to discussion of Measure O.

Sincerely,

John Hall
Lira Filippini
Co-chairs

Yes on Measure O for Our Downtown, Our Future
ourdowntownourfuture.org
849 Almar Street Suite C 134, Santa Cruz CA 95060
California FPPC #1441073

Measure O, Our Downtown, Our Future Ballot Measure
November 8, 2022 Election
City of Santa Cruz

Extracts of Measure O amendments to the General Plan
Relevant to Housing

Section 3. Definitions

As used in this measure:

“Affordable housing” means residential dwelling units which are affordable to extremely low, very low, low, median, or moderate income households as defined by the Affordable Housing Provisions of the Santa Cruz Municipal Code (Chapter 24.16), or by any federal or state housing program and are subject to rental, sale, or resale provisions to maintain affordability.

Section 4. General Plan Amendments

B. The voters hereby amend the City of Santa Cruz 2030 General Plan, Chapter 4, Land Use, to add the following new General Plan Policy LU3.7.2 under existing Policy LU3.7 as shown below (additions in underline text):

RESIDENTIAL USES

LU3.7.2 Require, to the maximum extent feasible, that certain designated parcels situated within the City of Santa Cruz Downtown Plan area, as shown in EXHIBIT A, and with the APNs as shown, that are City-owned parcels as of the date the voters approve this Measure, shall be developed with permanently affordable housing, with parking permissible on the ground level and not permissible on floors above the ground level, and public park space permissible, where appropriate.

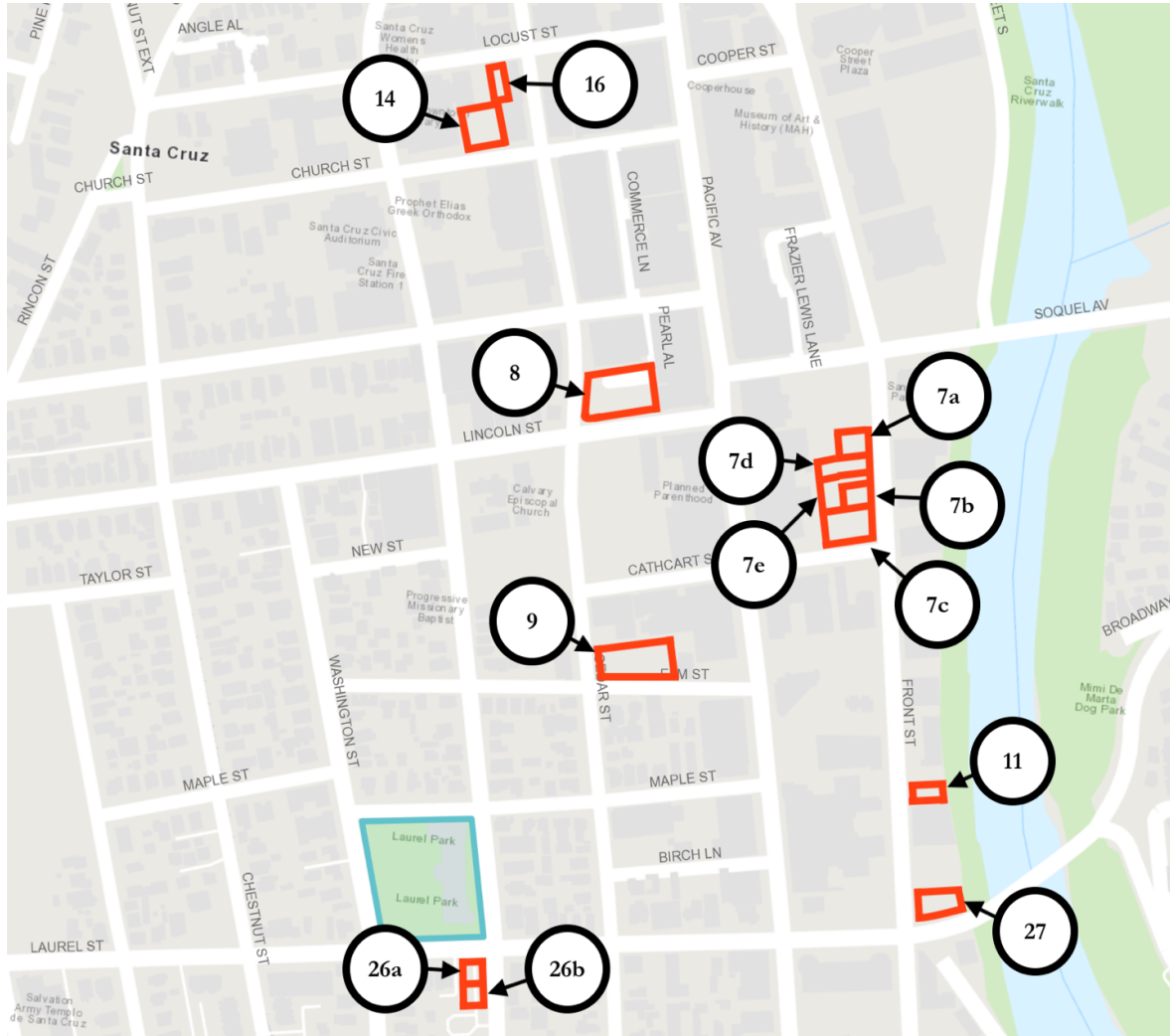
For Lots 14 and 16, library facilities and library-associated functions shall also be permissible on floors above the ground level. This Policy shall apply notwithstanding any subsequent sale or transfer of any City-owned parcels to private parties after the date the voters approve this Measure.

C. The voters hereby amend the City of Santa Cruz 2030 General Plan, Chapter 4, Land Use, to add the following new General Plan Policy LU1.1.6 under existing Policy LU1.1 as shown below (additions in underline text):

LU1.1.6 Recognize as a policy priority that the City-owned parcel at 119 Lincoln Street known as Lot 4 (APN 005-141-21) is the preferred long-term location of the Downtown Farmers’ Market as well as other fairs and public events, with other ground-level uses incompatible with this priority strongly discouraged. This policy priority shall specifically not preclude the development of affordable housing and associated uses on Lot 4 above the ground level. Parking and other uses not associated with affordable housing are prohibited in any development on Lot 4 on floors above ground level.

EXHIBIT A

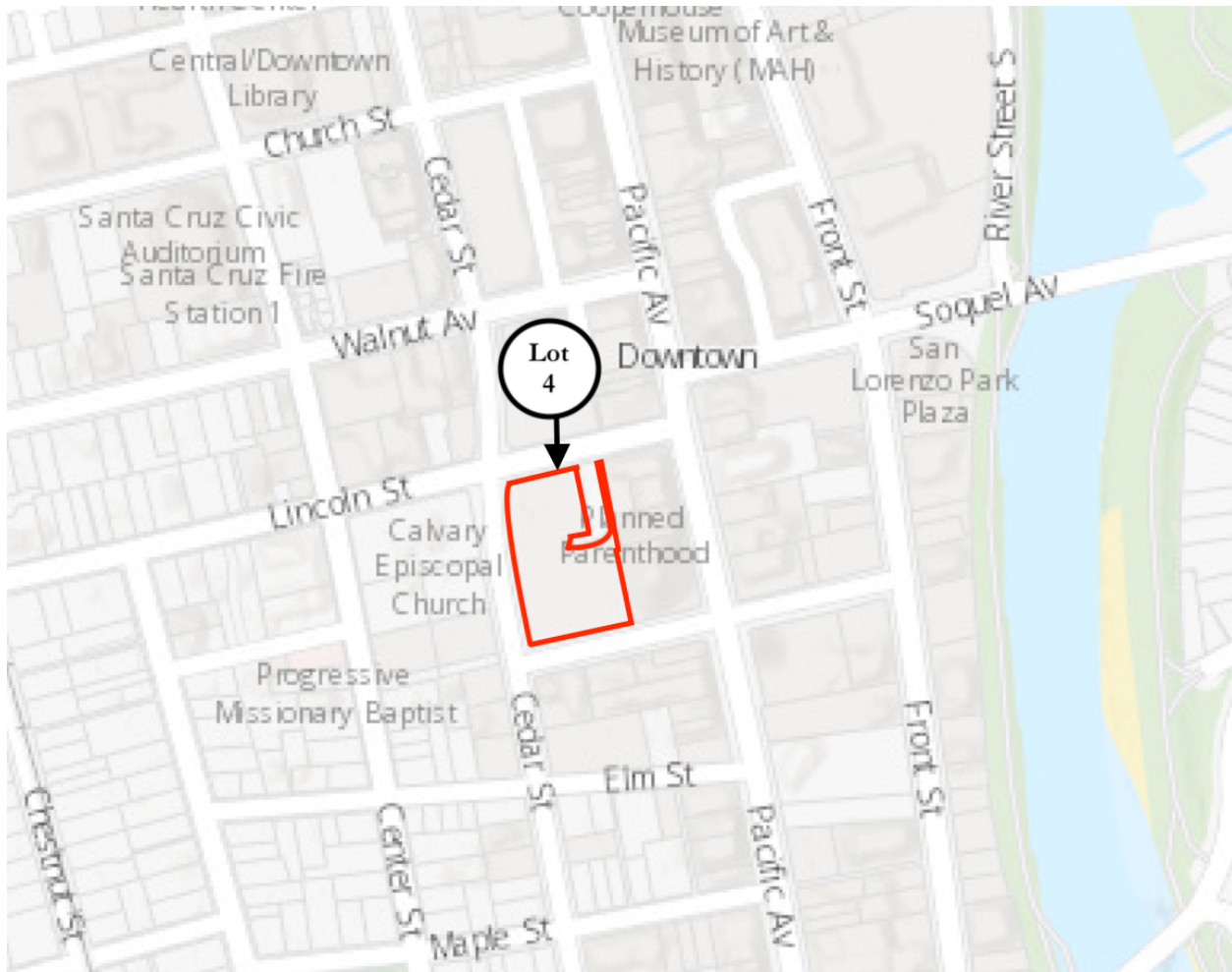
Map depicting City-owned parcels situated within the Downtown Plan area, currently used as surface parking lots, to be prioritized for affordable housing development, as designated in this Measure.



Location on Map	City Parking Lot	APN	Street Location
7a	7	005-153-03	Front Street
7b	7	005-153-05	Front Street
7c	7	005-153-17	Front Street at corner of Cathcart Street
7d	7	005-153-28	Front Street
7e	7	005-153-29	Front Street
8	8	005-075-12	Cedar Street at corner of Lincoln Street
9	9	005-142-09	Cedar Street at corner of Elm Street
11	11	005-151-35	Front Street
14	14	005-048-11	Locust Street
16	16	005-048-12	Church Street
26a	26	007-012-01	Center Street at corner of Laurel Street
26b	26	007-012-02	Center Street
27	27	005-151-48	Front Street at corner of Laurel Street

EXHIBIT B

City Parking Lot 4. Map showing Santa Cruz City-owned parcel at 119 Lincoln Street on the east side of Cedar Street between Lincoln and Cathcart Streets (APN 005-141-21).



On this page

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Related resources



Use of publicly owned property for affordable housing

This brief is appropriate for:

Housing Market Condition: Soft Markets, Strong Markets

Administering Agency: Department of Housing and/or Community Development, Department of Planning

Overview

By making publicly-owned land and buildings available for the development of affordable housing, cities, towns and counties can help to ensure that there is an adequate supply of lower-cost homes in areas with high land costs and limited development opportunities.

Even in strong markets with little or no undeveloped land capable of supporting residential development, the local government may own properties that include buildings that are vacant, underutilized, or no longer useful for their original purpose. These properties (or development rights on these properties) could be made available at no (or a reduced) cost to developers that commit to specific

affordability requirements or redeveloped in a way that combines a governmental use (e.g., a school or a community center) with affordable housing.

This policy tool can be used effectively in all communities and is particularly important in communities where vacant land appropriate for residential use is scarce.

Approach

Particularly in high-value, amenity-rich locations, high land costs can make it extremely difficult to create new affordable housing for low- or moderate-income households. Local jurisdictions can help to overcome this obstacle by identifying public property that can be repurposed for residential use, and making it available to developers who commit to creating and maintaining ongoing affordability. Development opportunities may be found on surplus or underutilized publicly-owned land, through the redevelopment of vacant municipal buildings, or on the same lot or even within public buildings that are still actively used for other purposes. The property may be offered at fair market value, at a discount, or even at no cost.

To set the stage for the use of publicly-owned property to create additional affordable homes, some communities adopt a policy that requires public agencies to first make surplus or underutilized public land or buildings available to developers who commit to creating affordable or mixed-income housing. Once a designated period (e.g., 60 or 90 days) has passed with no buyers who have purchased the property for affordable housing, the property can be opened up for sale or lease for other purposes. In some cases, states have already taken this step – in California, for example, the Surplus Land Act requires public entities to give first priority to organizations that will create residential developments where at least 25 percent of the units are affordable to low-income households. Where this is the case, cities may be able to adopt stronger affordability requirements in accordance with local goals.

Rather than adopting a policy, local jurisdictions can also build consideration for affordable housing into the disposition process for surplus land and buildings. Under this approach, local jurisdictions consider each site on a case-by-case basis when determining whether to prioritize it for affordable housing or for another purpose. These decisions should be based on clear criteria for what makes a site a good candidate for affordable housing – for example, proximity to high-performing schools, jobs, public transit, and other services and amenities – as well as characteristics that might make development for this purpose especially undesirable or difficult. Housing staff may determine that contaminated sites, those with steep grades, those located within or near a wetland, and parcels located in areas of concentrated poverty are poor candidates for affordable housing and prioritize their use for other purposes.

Beyond identifying and prioritizing surplus properties for the creation of affordable housing, cities should consider other opportunities for new residential development on publicly-owned land. This approach may include looking at existing sites that will continue to be used for their current purpose but could be developed more intensively—such as low density buildings where additional floors could be added or surface parking lots adjacent to public buildings that could be redeveloped as housing that includes structured parking for both the residents and the adjacent public building—as well as new public projects where affordable housing units could be incorporated. For example, some cities have had success developing affordable housing on top of fire stations or public libraries. Others co-locate affordable housing and healthcare facilities; a strategy that may be particularly helpful for units targeting high-needs populations.

Once available sites have been identified, the department of housing typically issues a request for proposals (RFP). The RFP should clearly state approximate or anticipated density and unit count, affordability expectations including the income level(s) to be served and the required duration of the affordability period,

preferences for serving special populations (e.g., seniors, families, formerly homeless individuals, etc.), and any other terms under which the property, or development rights, are offered.

In some cases, cities give affordable housing developers priority access at a fair market price, without any additional incentives or discounts. This approach helps non-profit and mission-driven developers avoid competition with for-profit developers who are able to bid up the price, but in many high cost cities that may not be enough to make affordable housing economically viable, particularly if the housing is targeted for very low-income families. To overcome this challenge, many cities offer surplus or underutilized property at a discounted price or with access to low-cost financing when used for affordable housing, allowing the swift development of high-quality affordable housing units with less initial financial burden.

Where a site has been determined to be inappropriate for residential use, or where the city places a priority on receiving fair market value for a parcel of land (or is required to do so by local or state law), there are still opportunities to support affordable housing. City policy can stipulate that a share of the proceeds from the sale of any publicly-owned land that will be re-developed for non-residential purposes be used to support affordable housing activities.

Coverage

Ideally, all public agencies with a real estate portfolio will participate in efforts to identify opportunities for residential development through the identification of surplus or vacant land and buildings, or properties still in use that could be used more intensively. In some communities, the school district is the largest public landholder; in others, the transit agency may hold a large amount of property as staging ground while a new station or transit line is built. As community needs change or projects are completed, these agencies should be active participants in identifying land and buildings that are no longer needed or where affordable housing could be added.

As a starting point, cities can create and maintain a surplus land inventory with key attributes of available parcels, making it easier to quickly identify sites that might be good candidates for affordable housing. Periodic audits of each city department can help to uncover parcels that can be added to the inventory, which may be available to the public or reserved for internal use only. Local jurisdictions are encouraged to go beyond assessments of surplus land to look creatively at additional locations that could be repurposed for residential development—such as surface parking lots and low-density community centers in an area where densities have increased. Communities can also facilitate identification of available sites by convening regular interagency meetings. These meetings may be led by the department housing or community development or another agency.

Eligibility

Cities that create a program encouraging the use of publicly owned land for affordable housing development will need to determine if eligibility is limited to non-profit organizations or open to all developers who agree to commit to affordability requirements. Cities may also require project sponsors to demonstrate a track record of successful development and management of affordable or mixed-income housing. In addition to eligibility requirements for the developer, the policy will need to specify requirements for eligible developments – with respect to housing type, the affordability level served, and the duration of affordability required. Eligibility may also be contingent on a commitment to deliver the proposed project within a specified time period (e.g., 5 years). See related briefs: *Balancing increases in affordable housing in resource-rich areas with investments in low-income neighborhoods* (<https://www.localhousingsolutions.org/refine/balancing-increases-in-affordable-housing-in-resource-rich-areas-with-investments-in-low-income-neighborhoods/>); *Determine the duration of required affordability for dedicated affordable housing* (<https://www.localhousingsolutions.org/refine/determining-the-duration-of-required-affordability-for-dedicated-affordable-housing/>); *Setting*

income eligibility levels for local housing programs

(<https://www.localhousingsolutions.org/refine/setting-income-eligibility-levels-for-local-housing-programs/>).

Other considerations

Streamlined approvals

In some communities, developers of affordable housing on former publicly-owned land are automatically eligible for an [expedited permitting process](/housing-policy-library/expedited-permitting-for-qualifying-projects/) (</housing-policy-library/expedited-permitting-for-qualifying-projects/>). Access to a streamlined process helps to further reduce development costs and shorten the timeline within which homes can be delivered.

Effects on revenue

In some localities, the revenue proceeds from the sale of public property may be included in budget projections or allocated toward other projects. To effectively develop an affordable housing strategy using publicly-owned land, it is important to collaborate with other agencies and stakeholders to understand the short and long term impacts of a sales process which may reduce or eliminate sources of anticipated revenue.

Examples

Montgomery County, MD has since the 1980s actively supported the development of mixed-income housing on county-owned land. Legislation passed in 2013 (Bill 37-12) [↗](#) requires the County to evaluate the feasibility of including a “significant amount” of affordable housing in proposed capital improvement projects, including an assessment of the site’s proximity to public transit and other community services. Projects covered by the legislation as targets for co-location of affordable housing include public facilities such as libraries, recreation centers, and transit stations. In 2016, for example, a new mixed-use, mixed-income development with affordable senior housing opened adjacent to a new County library.

Ordinance 12394 [↗](#), passed by **King County, WA** in 1996, requires any surplus parcels determined to be appropriate for residential development be sold or leased for development of affordable housing. The County's Facilities Management division maintains a property inventory of all County-owned sites, including the department that has jurisdiction over the land, the estimated value, and potential uses. Departments are required to provide status reports on all sites on an annual basis; properties that are designated as "surplus" are then subject to further inquiries to determine whether they should be transferred to another department or can be considered for affordable housing. Factors considered when determining viability for affordable housing development include the site's natural features, the underlying zoning designation, and existing linkages to utilities.


Washington, DC's Disposition of District Land for Affordable Housing Amendment Act [↗](#) requires developers of multifamily housing built on surplus city-owned land to reserve at least 20 to 30 percent of units for low-income households. The specific share of affordable units required is determined on a case-by-case basis, based on the development's proximity to public transit service. (Parcels that are within one-half mile of a Metrorail station or one-quarter mile of a streetcar line or high-traffic bus route are subject to the 30 percent requirement; outside of these areas, 20 percent of units must meet eligibility requirements.) The Act applies to rental housing and homeownership units, with rental units targeted on low-income and very low-income households (with incomes between 30 and 50 percent of area median income (AMI) and equal to or less to 30 percent of AMI, respectively) and homeownership units targeted on moderate-income households (with incomes between 50 and 80 percent of AMI) and low-income households.

Related resources



Implementation

- Public Benefit from Publicly Owned Parcels: Effective Practices in Affordable Housing Development [↗](#), Enterprise Community Partners (June 2017) – This

report offers best practices principles for use of publicly owned land at different types of sites, including small sites, suburban areas, infill development, and large or master-planned sites.

- [Public Land & Affordable Housing in the Washington DC Region: Best Practices and Recommendations](#) , Urban Land Institute and National Housing Conference (February 2015) – This report uses case studies of three recent affordable housing developments in Washington, DC as a lens to identify eight key promising practices for developing publicly owned land for affordable housing. The report also describes several local programs that prioritize the use of publicly-owned land for affordable housing.

Local examples

- [Downtown Land Disposition Strategy \(/wp-content/uploads/2021/05/DowntownLandDispositionHRandAFinalReport.pdf\)](#), HR&A Advisors (July 2017) – Prepared for the City of Raleigh, North Carolina, this report describes the results of a stakeholder engagement process focused on the use of public land and then details consideration for the use of specific sites. While affordable housing is only one of the uses contemplated, this report provides insights into the public engagement process and characteristics to consider when determining whether a site is appropriate for residential use.
- [Leveraging Public Land for Affordable Housing in Northern Virginia: A Primer](#) , Northern Virginia Affordable Housing Alliance (2014) – While focused on how jurisdictions in Northern Virginia can use surplus public land to create more affordable housing, this report has guidance on key issues that are likely to be useful to all communities. The report includes examples of developments in the region.
- [Prioritizing Public Lands for Affordable Housing and Other Public Benefits](#) , Family Housing Fund, September 2018 – This report provides model ordinances and best practices for providing affordable housing on public land. The report outlines the current state and local ordinances regulating surplus land and provides a model on how to write an ordinance.

AGENDA ITEM SUMMARY

MEETING DATE: August 24, 2022

ITEM NUMBER: 8

FROM: Executive Director

SUBJECT: Executive Director's Report – August 24, 2022

RECOMMENDATION: Receive Report

BACKGROUND SUMMARY:

Please call or e-mail me with questions you might have on any of the Agenda Items for the August 24, 2022 meeting. My direct phone number is (831) 454-5931 and my email address is jennyp@hacosantacruz.org.

Proposed Legislation to Increase PBV Program Cap – On July 27th, Congressman Panetta introduced the Housing Access Improvement Act, which would increase the cap on Project Based Vouchers from 20% to 50%, allowing housing authorities to continue to dedicate vouchers to support the development of affordable housing in communities nationwide. Housing Authority staff worked closely with congressional staff to draft the bill and to secure key endorsements and cosponsors. As a member of the legislative committee of the California Association of Housing Authorities (CAHA) I was able to secure CAHA endorsement, and our staff developed CAHA's endorsement paper which is being used by congressional staff in additional education and outreach. I am working with colleagues to pursue National Association of Housing and Redevelopment Officials (NAHRO) endorsement of the bill, which must be approved by NAHRO's Housing Committee and Board of Governors before official NAHRO endorsement.

NAHRO Summer Symposium and Virtual "Hill Day" – Early this month, NAHRO held their annual summer symposium, with sessions on successful approaches to addressing homelessness as well as housing supply challenges. The symposium concludes with a virtual "hill day" where NAHRO delegates across the country attend meeting with members of congress or their staff to advocate for NAHRO's legislative and funding priorities. This year I was honored to participate alongside NAHRO's President in meetings with Congressman Panetta's office, Congresswoman Barbara Lee's office, Congresswoman Jackie Speier's office, Senator Padilla's office, and Senator Feinstein's office. In addition to promoting NAHRO's legislative priorities, we emphasized the California Association of Housing Authorities (CAHA)'s priorities, and specifically promoted Congressman Panetta's bill to increase the cap on Project Based Vouchers.

Natural Bridges Update - The Housing Authority is in the process of finalizing the construction documents for the first submission to the Building Department at the City of Santa Cruz. The submission is expected no later than Friday, August 25, and we anticipate comments on the first-round submission by early October 2022. We have allocated time for a second and third round of submissions of these documents

if needed. The potential award of PBVs to this property requires that we engage in the NEPA process which is being conducted in coordination with the City of Santa Cruz. Lastly, staff are in the process of preparing the General Contractor RFQ documents which will include two phases, the first phase is to establish a “short-list” based on experience and qualifications, and the second phases consist of an interview and the evaluation of fee proposals. The selected General Contractor will be the highest scoring applicant from Phase I and Phase II combined. The plan is to present the recommended selected General Contractor for approval by the Board of Commissioners during the November meeting.

Second Least Affordable Place to Live – Santa Cruz County has recently been ranked as the second least affordable place to live in the nation, according to an annual report titled “Out of Reach” published by the National Low Income Housing Coalition. Seven of the ten least affordable counties nationally are in California. The study compares median incomes with the rental costs, estimates that an hourly wage of over \$60 per hour (over \$124,000 annually) is needed to be able to afford an average two bedroom apartment without spending more than 30% of income on housing. More information, and a copy of the full report, is available at www.nilhc.org/oor.

Legislative Update – HUD received a \$4 billion increase in proposed funding for the upcoming fiscal year in draft legislation released by the Senate Appropriations Committee. The funding increase would accommodate at least level funding for nearly all HUD programs in the upcoming fiscal year. Final spending decisions still need to be negotiated between House and Senate leadership, a process that is not expected to begin until after the midterm elections. Notably, the Senate proposed \$2.8 billion for Section 8 Administrative Fees, which is \$45 million higher than the House had proposed. Unfortunately, the Senate bill only includes \$50 million for new general-purpose vouchers, which is significantly less than the House-passed \$1.1 billion. The Senate does not plan to take additional action on appropriations until an overall agreement on funding levels can be reached following the midterm elections. This guarantees that a continuing resolution will be necessary to continue government operations past the end of the fiscal year on Sept. 30.