



Santa Cruz County Business Council

November 7, 2014

As quoted in the narrative of the staff report, “Our community is experiencing a housing shortage and it is important that policies not impede development.” The recommendations below come from developers that have decades of experience building housing for Santa Cruz County residents. The following will not solve our crisis, but will allow for the needle to move in a positive direction for our community.

Recommendations based upon review of Planning Commission staff report for 11/12 meeting:

1. Single-Family Development
 - a. Development projects under 3 units should not be subjected to impact fees.
2. Accessory Dwelling Units
 - a. ADUs should count toward the 15% affordable housing mandate. A \$2 fee on ADUs should not be applied at this time. If public input/comment given during the upcoming Housing Element revisions shows merit for this, it should be considered at that time.
3. Impact Fee Option
 - a. Developers should be able to choose, at their discretion, an impact fee option instead of abiding by the 15% inclusionary mandate for certain projects. Allowing for this option will pave the way for more market-rate (through private investment) and affordable housing (through leveraging impact fees).
4. Impact Fee Structure
 - a. The graduated rate that is proposed for 3-4 units should be applied to 5+ unit projects. An across-the-board, uniform policy will add clarity and cut down on any confusion related to projects of different sizes.
 - i. A revision of the proposed graduated fee scale:
 1. \$2 for units < 1,000 sq. ft.
 2. \$5 for units 1,001 - 2,000 sq. ft.
 3. \$10 for units 2,000 - 3,250 sq. ft.
 4. \$15 for units > 3,251 sq. ft.

Rationale

- Since 1978, an average of only 14 affordable units have been built each year.
- Recent data presented for the County’s 2015 Growth Projection discussion showed that we are growing at a modest rate, but without an adequate number of new housing units, both market-rate and affordable.
- We are not going to make Santa Cruz County an affordable place to live, but, by constructing policy that will encourage housing development by both the public- and private-sectors, we can achieve a change in the status-quo. The previous two bullet points illustrate the status-quo.