



SANTA CRUZ
COUNTY
GRAND JURY

Grand Jury <grandjury@scgrandjury.org>

Civil Grand Jury Required Responses: (1) Housing for Whom & (2) Preventing Rape & Domestic Violence

Gina Liebig <gliebig@santacruzca.gov>

Mon, Oct 14, 2024 at 9:17 AM

To: Santa Cruz Grand Jury <grandjury@scgrandjury.org>, Matt Huffaker <mhuffaker@santacruzca.gov>

Hello Santa Cruz Grand Jury,

At the Santa Cruz City Council meeting on October 8, 2024, the attached two reports/responses were approved by the Council:

1. Housing for Whom
2. Preventing Rape and Domestic Violence

Thank you, Gina



Gina Liebig

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2 attachments



Housing for Whom.pdf
257K



Preventing Rape and Domestic Violence.pdf
333K



The 2023–2024 Santa Cruz County Civil Grand Jury
Requires the

Santa Cruz City Council

to Respond by September 19, 2024

to the Findings and Recommendations listed below
which were assigned to them in the report titled

Housing For Whom?

An Investigation of Inclusionary Housing
in the City of Santa Cruz

Responses are **required** from elected officials, elected agency or department heads, and elected boards, councils, and committees which are investigated by the Grand Jury. The California Penal Code (PC) [§933\(c\)](#) requires you to respond as specified below and to keep your response on file.

Your response will be considered **compliant** under [PC §933.05](#) if it contains an appropriate comment on **all** findings and recommendations **which were assigned to you** in this report.

Please follow the instructions below when preparing your response.

Instructions for Respondents

Your assigned [Findings](#) and [Recommendations](#) are listed on the following pages with check boxes and an expandable space for summaries, timeframes, and explanations. Please follow these instructions, which paraphrase [PC §933.05](#):

1. **For the Findings, mark one of the following responses with an “X” and provide the required additional information:**
 - a. **AGREE with the Finding**, or
 - b. **PARTIALLY DISAGREE with the Finding** – specify the portion of the Finding that is disputed and include an explanation of the reasons why, or
 - c. **DISAGREE with the Finding** – provide an explanation of the reasons why.
2. **For the Recommendations, mark one of the following actions with an “X” and provide the required additional information:**
 - a. **HAS BEEN IMPLEMENTED** – provide a summary of the action taken, or
 - b. **HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE** – provide a timeframe or expected date for completion, or
 - c. **REQUIRES FURTHER ANALYSIS** – provide an explanation, scope, and parameters of an analysis to be completed within six months, or
 - d. **WILL NOT BE IMPLEMENTED** – provide an explanation of why it is not warranted or not reasonable.
3. **Please confirm the date on which you approved the assigned responses:**

We approved these responses in a regular public meeting as shown
in our minutes dated _____.

4. **When your responses are complete, please email your completed Response Request as a PDF file attachment to both**

The Honorable Katherine Hansen, Grand Jury Supervising Judge
Katherine.Hansen@santacruzcourt.org and

The Santa Cruz County Grand Jury grandjury@scgrandjury.org.

If you have questions about this request form, please contact the Grand Jury by calling 831-454-2099 or by sending an email to grandjury@scgrandjury.org.

Findings

F1. The contradictory entries on the City’s website and in the City’s legal documents on whether Inclusionary Housing is restricted to Low, Very Low and Extremely Low-income levels or whether it includes the Moderate-income level is a major discrepancy with consequences about who is eligible for and who obtains Inclusionary Housing.

AGREE

PARTIALLY DISAGREE

DISAGREE

Response explanation (required for a response other than **Agree**):

The process for determining income eligibility depends on the governing resolution that was approved by the City Council at the specific point in time that the affordable housing agreement between the City and the Developer was executed. This does not change over time for units in a specific project, so a project approved in 2007 would have different requirements and governing resolutions than a project approved in 2024. On the City’s Measure O Resolutions and Ordinances web page, eight resolutions are posted that govern the calculation of income eligibility for Inclusionary Housing /Measure O units in the City of Santa Cruz. Measure O is a voter-approved initiative originally adopted in 1979 that requires developers of residential projects to provide a certain percentage of the total number of units as affordable to income eligible households. The City’s Inclusionary Ordinance (Municipal Code Chapter 24.16, Part One) codifies the requirements of Measure O. Each resolution was approved by Santa Cruz City Council at different times to establish the income, monthly housing cost guidelines, and asset limits for the inclusionary units throughout the City of Santa Cruz. Additionally, each project has specific requirements related to the affordability threshold depending on the project type. The applicable resolution for an available Inclusionary Unit is noted when a unit is available either under the “AVAILABLE MEASURE O UNITS FOR PURCHASE” or “AVAILABLE MEASURE O UNITS FOR RENT” lists respectively.

F2. The City has no data on whether Inclusionary Housing is occupied by income-verified local residents and local workers. Both groups are given preference for housing as required by Ordinance. Without data, neither the City nor the community can be assured that such housing is meeting its intended purpose.

AGREE

PARTIALLY DISAGREE

DISAGREE

Response explanation (required for a response other than **Agree**):

Generally, the intended purpose for inclusionary housing is to serve low-income households (with exceptions allowing moderate-income housing for some projects). Local preferences are not required by Measure O; they were initially adopted in October 2006, and some projects are not subject to the preferences.

Our annual compliance monitoring verifies income eligibility of occupants of rental inclusionary housing. We also confirm eligibility of homebuyers when a for-sale unit is purchased. The Santa Cruz Housing Authority reviews the actual applications and confirms income eligibility for Measure O units, and the City reviews the Housing Authority's determination and associated documentation. However, in 100 percent affordable projects, the City's agreements generally allow the property manager to review and certify tenant applications, because those projects are subject to the requirements of multiple funding sources and then the property manager sends this reporting to the City for annual review and verification. In some cases, conditions placed on federal, or state funds may not be consistent with the City's preferences. However, at initial lease-up, where permitted, typically the developer establishes a lottery system with rankings based on the required preferences.

Staff has recently initiated a new compliance form for developers/property managers to sign prior to Temporary Certificate of Occupancy, when the units are getting ready to be leased up or sold, verifying that the developer or property manager is complying with the City's local preference policy. In addition, the affordable housing agreements entered into between the City and the Developer at the time of building permit issuance require the Developer to comply with the City's local preferences, and these agreements are recorded on title.

The City believes that the mechanisms in place effectively enforce the City's preferences to the extent possible given existing agreements and state and federal laws, while avoiding excessive administrative burdens on property managers.

F3. The City has no data on the percentage of units in Inclusionary and 100% Affordable Housing projects that are rented to UCSC students. This leaves the City and the public unable to assess the impact of UCSC on the local affordable housing supply. Such data is important for the City's ongoing negotiations with UCSC to build more on-campus housing.

AGREE

PARTIALLY DISAGREE

DISAGREE

Response explanation (required for a response other than **Agree**):

The City does not currently track the percentage of UCSC students occupying Inclusionary Units or 100% affordable housing projects. The City does recommend that UCSC track where their students live. The impact of UCSC students on the availability of inclusionary units is likely fairly limited as the income eligibility requirements would disqualify UCSC students who are claimed as dependents by their parents.

At this time, the City is unaware of UCSC students renting inclusionary units. Most undergraduate students (nearly 90% of USCS students) are likely to be claimed as dependents. If the students are dependents, then the entire household's income must be shown on the Measure O application and all household members must reside in the unit as their principal place of residence. This likely excludes most students from being deemed eligible for inclusionary housing. The City recommends that UCSC track where their students live, which would allow the City to determine if they are residing in inclusionary unit

Recommendations

R1. The Grand Jury recommends that the Santa Cruz City Council state exactly which HCD Income Levels are covered by the City’s Inclusionary Housing Ordinance and Resolutions, and make that information public by December 31, 2024. (F1)

- HAS BEEN IMPLEMENTED** – summarize what has been done
- HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE** – summarize what will be done and the timeframe
- REQUIRES FURTHER ANALYSIS** – explain the scope and timeframe (not to exceed six months)
- WILL NOT BE IMPLEMENTED** – explain why

Required response explanation, summary, and timeframe:

The HCD income is listed in each linked resolution on the City’s Measure O Rents and Incomes webpage. Please note that State HCD updates the income limits annually and these are the incomes that the City uses to determine the City’s Measure O calculations as specified by each resolution.

Additionally, the specific resolution for an available inclusionary unit is noted when a unit is available either under the “AVAILABLE MEASURE O UNITS FOR PURCHASE” or “AVAILABLE MEASURE O UNITS FOR RENT” lists respectively.

The chart below summarizes the number of units monitored by affordability level in the City of Santa Cruz since 1964. Staff will post a more comprehensive breakdown by project to the City’s website during the current calendar year.

	Total Units	Afford. Units	Ex Low	Very Low	Low	Mod
TOTALS:	5769	2642	117	1275	996	254

R2. The Grand Jury recommends that the Santa Cruz City Council develop an ongoing system to track, document and verify within 30 days of occupancy whether a unit is occupied by an income-verified local resident or local worker as required by the Ordinance, specifying which category the renter fulfills, and have such a system in place by January 31, 2025. (F2)

- HAS BEEN IMPLEMENTED** – summarize what has been done
- HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE** – summarize what will be done and the timeframe
- REQUIRES FURTHER ANALYSIS** – explain the scope and timeframe (not to exceed six months)
- WILL NOT BE IMPLEMENTED** – explain why

Required response explanation, summary, and timeframe:

The City local preference only applies to the following resolutions: NS-29,463, NS-27,885, NS-27,629, and NS-27,383; the earliest resolution was adopted in October 2006. The City’s practice is generally not to reveal personally identifiable information for residents of inclusionary units and so does not provide preference information for a specific unit address that is rented or sold. Please refer to the City’s response to Finding #2 for more information on the City’s compliance monitoring.

Please note per the previous response which included the breakdown of affordable units by affordability level that staff will post a comprehensive breakdown of affordable units by project to the City’s website during the current calendar year.

R3. The Grand Jury recommends that the Santa Cruz City Council document the percentage of the City's Inclusionary and 100% Affordable Housing units that are rented to UCSC students, making that data public by February 28, 2025 with annual updates. (F3)

- HAS BEEN IMPLEMENTED** – summarize what has been done
- HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE** – summarize what will be done and the timeframe
- REQUIRES FURTHER ANALYSIS** – explain the scope and timeframe (not to exceed six months)
- WILL NOT BE IMPLEMENTED** – explain why

Required response explanation, summary, and timeframe:

As previously stated in the response for F3, at this time, the City is unaware of UCSC students renting inclusionary units. Most undergraduate students (nearly 90% of UCSC students) are likely to be claimed as dependents. If the students are dependents, then the entire household's income must be shown on the Measure O application and all household members must reside in the unit as their principal place of residence. This likely excludes most students from being deemed eligible for inclusionary housing. The City recommends that UCSC track where their students live, which would allow the City to determine if they are residing in inclusionary units.

R4. The Grand Jury recommends that the Santa Cruz City Council create an Inclusionary Housing public dashboard that covers the data called for in this report by February 28, 2025. (F1, F2, F3)

- _x_ HAS BEEN IMPLEMENTED** – summarize what has been done
- HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE** – summarize what will be done and the timeframe
- REQUIRES FURTHER ANALYSIS** – explain the scope and timeframe (not to exceed six months)
- WILL NOT BE IMPLEMENTED** – explain why

Required response explanation, summary, and timeframe:

The City does not want to stigmatize tenants of Inclusionary/Measure O units by publicly releasing their addresses. Specific units available for rent or sale are listed on the City’s Measure O website. The City currently curates an interactive map, which notes the inclusionary requirement for larger projects, but does not directly display which specific units are affordable. Please refer to the website link here: <https://www.choosesantacruz.com/resources/affordable-housing-projects-map>