

Guest Commentary | How to bring new housing to Santa Cruz?

By Ronnie D. Lipschutz

Like the swallows returning to Capistrano, the students are back. Once again, we are reminded of the scarcity and high cost of housing and the lack of affordable accommodations for students, service workers and professionals.

The housing crisis is visible up and down the West Coast, although Santa Cruz, recently advertised as the third most expensive American city in which to live, seems to stand out. Median rents for a one-bedroom apartment are close to \$2,500 and some pay \$1,000 for a small bedroom in a shared house—if they can afford it, as many cannot.

A complicating factor in building new housing is the high cost of land along the California coast. Based on tax assessments of recent home purchases, land can comprise up to 75% of the price of a new, single family dwelling. Given our topography, parks, green belts and legal restrictions, there is not much space for new housing in the city of Santa Cruz. But there is plenty of room in homeowners' backyards!

A recent survey of residential lots in Santa Cruz, conducted by the Sustainable Systems Research Foundation (SSRF), identified more than 5,000 backyard spaces in which accessory dwelling units (ADUs, aka “granny” or “in-law flats”) could be built.

An ADU is defined by the city as an additional, self-contained housing unit that is secondary to the main residence, with a floor area of 800 square feet or less. ADUs can be free-standing, additions to existing houses or “over-the-garage” units. Whatever the type and wherever they are, ADUs offer the following advantages:

- There is no land cost, since the property is already owned.
- The construction impact is more localized and time-limited than for new structures.
- Utilities are readily available from the primary structure on the property.
- Neighborhood opposition to low-profile ADUs is likely to be minimal.
- ADUs offer alternatives to homeowners and seniors seeking to downsize but “trapped” in their houses by Proposition 13.
- If construction costs can be held down, monthly rents could be far less than the median for Santa Cruz.

Under a mandate from the state, Santa Cruz, along with many other California cities, has loosened its rules for ADUs. In its most recent session, the California Legislature passed several bills to make it easier to build ADUs. The legislature may soon pass a bill requiring the state to develop a “small building” construction code less onerous than the existing one. But building a backyard ADU remains a time-consuming and costly process, something that many homeowners are reluctant to face. What if the whole process could be made easier?

SSRF is developing a program—“Accessory Dwelling Units in Our Backyards,” or “ADUBs”—intended to make the task of building an ADU relatively painless by managing the entire process. The program will offer pre-approved designs to speed up the permitting process, utilize manufactured components including built-in utilities and finishing to keep down costs, identify and facilitate financing, and even manage properties for homeowners.

Our target price for a completed ADU is \$100,000 to \$125,000, far less than the cost of more conventional ADUs. Those 5,000 backyards could become affordable to as many as 10,000 residents, allowing service workers, professionals and young adults to live where they work, study and play, in Santa Cruz.

We are not alone with this vision; cities all over California are seeking to encourage new ADUs. To succeed here, first adopters will be critically important: As a few homeowners build ADUBs, they will encourage others. Eventually, ADU tenants will be as normal as, say, parking a car in front of your house.

Ronnie D. Lipschutz is professor of Politics at UCSC and co-founder of the Sustainable Systems Research Foundation (SSRF). Find out more about SSRF at <https://sustainablesystemsresearch.org/> or by writing to sustainablesystemsresearch@gmail.com.