

than the growth rates of the four incorporated cities. The 1.5 percent growth rate is well below the 2.0 percent growth rate (County-wide) which occurred during the 1980-1990 decade, and the much higher growth rates of previous decades. This growth rate is also less than the 1.8 percent growth rate for the State for the last year.

Growth Impacts: The most significant development impact on resources in the County consists of the potential and actual water supply short-falls county-wide.. As discussed in the attached report, water agencies county-wide are addressing these concerns. Urban service impacts of existing and new development are being addressed by a number of County initiatives to plan, finance and construct capital improvements.

Housing Goals: Over the last nineteen years, 14.2 percent of the new residential development in the unincorporated area has been constructed as affordable housing. Since the September 22, 1998 report to your Board, affordable housing production in 1998 has increased from 14.9 percent to 15.3 percent, a great improvement over last year's 3.1 percent.

GROWTH GOAL SETTING

The 1999 Growth Goal Report recommends a continuance of the 1.0 percent growth goal which has been in effect for the past eleven years. Based on this population growth goal, an allocation of total building permits to be issued in 1999 is determined based on considerations of County population, household size and vacancy rates. The allocation is proposed to be distributed in a different manner next year, to accommodate the building permit applications anticipated in the Urban 5+ category (see the Growth Goals Report for further discussion).

Your Board expressed a concern that the County's overall growth rate of 2%, which includes the four incorporated cities, exceeded the 1.8% State growth rate. Since it is beyond the purview of the Board of Supervisors to influence the growth rates of the cities, growth for the County as a whole could be partially curtailed by not authorizing use of the carryover in 1999. Possible restructuring of the carryover could range from not authorizing any use of the carryover whatsoever; or limit the use to projects with an affordable housing component; or to only those projects approved in a previous year.

The number of previously approved Urban 5+ projects and the large projects that are now pending approval equals more than the proposed Urban 5+ allocation for 1999. The result is that some Urban 5+ projects may not be able to obtain permits in 1999 and would, therefore, not build their affordable components if the carryover is not utilized. Impeding this affordable unit construction would not meet the goals of the adopted Housing Element and Measure J. No such shortfall is anticipated in the Urban 1-4 and Rural categories; however, it is always possible that demand could exceed staffs estimates. Therefore, the attached 1999 Growth Goals Report recommends, as has been done in previous years, that the unused market rate allocations from 1998 be carried over and made available, if needed, to allow attainment of housing construction goals.

ENVIRONMENTAL REVIEW

On March 24, 1987, your Board, as part of final actions for setting a 1987 Growth Rate, certified a Final Environmental Impact Report (ETR) for the project. That ETR was written and circulated as a program EIR; in other words, it was developed for use in reviewing the environmental impacts of future growth rate decisions. Since that EIR reviewed the impacts of the growth rate presented in the attached report, no additional environmental evaluation is necessary to meet California Environmental Quality Act (CEQA) requirements. The County has initiated and continues to pursue the various mitigation measures as outlined in the EIR. A Notice of Determination with necessary CEQA findings and monitoring program is attached for your consideration (Attachment 2).

RECOMMENDATION

The 1999 Growth Goal Report recommends a 1.0 percent growth goal for 1999, the carryover of unused 1998 market rate housing allocations to be utilized, if necessary, and a distribution of housing allocations by project location, type and size as indicated in the Growth Goals Report.

It is, therefore, RECOMMENDED that your Board take the following action:

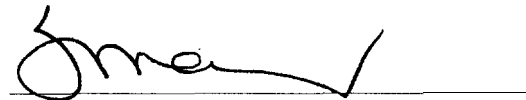
1. Adopt the attached Resolution (Attachment 1) establishing a 1999 Growth Goal of 1.0% for the unincorporated portion of the County, with associated findings and implementing actions and certification of the Environmental Determination (Attachment 2).

Sincerely,



Alvin D. James
Planning Director

RECOMMENDED:



SUSAN A. MAURTELLO
County Administrative Officer

- Attachments:
1. Growth Goals Resolution
 2. Certification of the EIR/Notice of Determination
 3. 1999 Growth Goals Report
 4. Minute Order of September 22, 1998
 5. Planning Commission Minutes of October 28, 1998
 6. Letter of the Sierra Club dated October 28, 1998

cc: Building Official
County Counsel

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

RESOLUTION NO. _____

On the motion of Supervisor
duly seconded by Supervisor
the following is adopted:

BOARD OF SUPERVISORS RESOLUTION ADOPTING
ANNUAL POPULATION GROWTH GOALS FOR 1999

WHEREAS, the County of Santa Cruz has considered the effect of its Ordinances adopted pursuant to Title 7, Planning and Land Use, Division 1, Planning and Zoning, Chapter 4, Zoning Regulations (Commencing at Section 65800) of the Government Code of the State of California on the housing needs of the region in which the County of Santa Cruz is situated and has balanced those needs against the public service needs of its residents and available fiscal and environmental resources: and

WHEREAS the County of Santa Cruz has considered the 1986 Growth Impact Study composed of various components, including the Growth Trends Report, the Housing Report, and the Draft and Final Environmental Impact Reports which study was prepared by various consultants and Planning staff; and

WHEREAS, the County of Santa Cruz has considered staff reports and information presented at public hearings on the 1986 Growth Impact Study and 1999 Growth Goal Report; and

WHEREAS, the County of Santa Cruz has certified the Growth Management Environmental Impact Report as complete, adequate and complying with CEQA and made appropriate findings with respect to significant effects identified therein; and

WHEREAS, the County of Santa Cruz has adopted the Growth Impact Study Implementation Program; and

WHEREAS, the County of Santa Cruz is in the process of implementing a capital improvements plan to provide public facilities (and address deficiencies therein) to accommodate future development; and

WHEREAS, the Growth Management System of the County of Santa Cruz is inclusionary of the needs of low and moderate income persons and provides housing opportunities for low and moderate income persons, including minorities, which would not otherwise exist; and

WHEREAS, the County of Santa Cruz has exempted Building Permits for housing units which are affordable to average (moderate) or below average (lower) income households as defined in Chapter 17.10 of the County Code from the requirement to obtain a residential Building Permit allocation; and

WHEREAS, the County of Santa Cruz has a carry-over of unused market rate Building Permit allocation from the past year available for use in 1999; and

WHEREAS, rapid population growth and development could cause extremely serious adverse environmental and economic effects, some of which are specified below:

1. The County possesses significant agricultural lands, including prime agricultural lands, and agricultural lands which, while not defined as “prime” are economically productive or potentially economically productive. Such agricultural lands are a local, state and national resource, which should be preserved. These agricultural lands are being lost to development, and the continued viability of commercial agriculture in Santa Cruz County is threatened by rapid population growth and misplaced development.
2. Rapid population growth and development also threaten the timber harvesting and mineral industries which are significant factors in the County’s economy.
3. The County has other important natural resources, including wildlife, anadromous fish, and unique plant communities, which should be preserved; these are endangered by rapid growth and inappropriate development.
4. Coastal lagoons and marine habitats which should be preserved for their economic and biologic value could be degraded and destroyed by rapid population growth and inappropriate development.
5. Rapid population growth and development threaten the degradation of Santa Cruz County’s **air** and water quality and thereby threaten the health and well-being of present and future residents.
6. The scenic and aesthetic qualities of Santa Cruz County would be destroyed by inappropriately placed development.
7. The “safe yield” capacity of natural surface and groundwater sources is being exceeded in many areas of the County, causing water supply and water quality problems which will be irreversible or extremely expensive to correct and may threaten future agricultural **water** supply and, consequently, Santa Cruz County’s commercial agriculture;

and

WHEREAS, population growth and development has expanded the demand for governmentally-provided services beyond the ability of the public to pay for and provide such services. Specifically, in many parts of the county the public is unable to pay for, provide, or maintain adequately the following services required by new development:

1. An adequate number of elementary and secondary school classrooms and teachers;
2. Adequate law enforcement and fire protection;
3. Adequate roads, sewers, and water; and

WHEREAS, school overcrowding, traffic congestion, higher crime rates, and increasingly inadequate water supplies, roads, and sewage facilities will be the result of rapid population growth and development. These problems are greatly aggravated when new development takes place in rural areas rather than in areas where urban services can be provided at less cost to taxpayers; and

WHEREAS, adoption of a 1.0 percent growth rate for 1999 combined with the carry-over of the unused 1998 market rate permit allocation and a continuing exemption of affordable units from the need for permit allocations will accommodate the historic rate of housing development and will not restrict the production of housing in the County; and

WHEREAS, the Association of Monterey Bay Area Governments (AMBAG) has adopted a population projection for Santa Cruz County as part of the regional population projections utilized for regional planning for air quality, traffic modeling, transportation improvements, and water quality and supply; and

WHEREAS, the population growth in Santa Cruz County for the 1990 decade has been consistent with the AMBAG population projection; and

WHEREAS, the adopted General Plans of the cities and the County can accommodate the projected AMBAG population growth through 2005.

NOW, THEREFORE, BE IT RESOLVED that the Santa Cruz County Board of Supervisors adopts the following 1999 Growth Goal and Distribution of Building Permit Allocations:

1. A population growth goal of 1% be established for 1999; and
2. Reservation of 15% of the Building Permits for affordable units; and
3. A distribution of the remaining Building Permit allocations be established as shown on Exhibit A, and based on the following criteria:

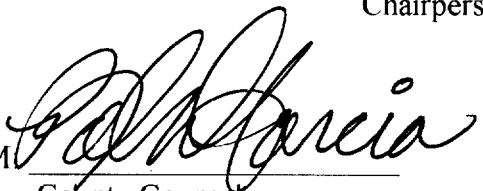
- Division of the 1999 growth between urban and rural portions of the unincorporated County on a 75-25 ratio;
 - Allocation of rural permits without regard to project size or affordability;
 - Allocation of 35% of the urban permits to the 1-4 unit category;
 - Allocation of 65% of the urban permits to the 5 and more unit category; and
4. The carry-over of the unused 1998 market rate permit allocation for use in 1999 to allow attainment of the housing goals in the County Housing Element; and
5. The continued exemption pursuant to County Code Section 12.02.020 of new affordable units from the requirement to obtain a Building Permit allocation under the County's growth management regulations in order to allow attainment of the housing goals in the County Housing Element.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this ____ day of _____, 1998, by the following vote:

AYES: SUPERVISORS
 NOES SUPERVISORS
 ABSENT SUPERVISORS
 ABSTAIN: SUPERVISORS

ATTEST: _____
Clerk of the Board

Janet K. Beutz
Chairperson

APPROVED AS TO FORM 

 County Counsel

 PLANNING DEPARTMENT

GOVERNMENTAL CENTER



 COUNTY OF SANTA CRUZ

701 OCEAN STREET
FAX (408) 454.2131SANTA CRUZ, CALIFORNIA 95060
(408) 454-2580

November 6, 1998

Agenda: November 24, 1998

Board of Supervisors
 County of Santa Cruz
 701 Ocean Street
 Santa Cruz, California 95060

SUBJECT: CONTINUED PUBLIC HEARING TO ESTABLISH THE 1999 GROWTH GOAL

Members of the Board:

Each year the County is required, through implementation of the Growth Management System, to set an annual growth goal for the upcoming year. As part of that process, staff prepares a Growth Goal Report for consideration by the Planning Commission and the Board of Supervisors. The 1999 Growth Goal Report is attached (Attachment 3) for your continued public hearing and consideration.

Your Board held a public hearing on the 1999 Growth Goal on September 22, 1998, and referred the matter to the Planning Commission for consideration and recommendation with a directive that the Commission consider additional policies that might ensure that County growth rates will not exceed State growth rates (see Attachment 4). On October 28, 1998, the Planning Commission held a public hearing and, after extensive discussion, voted to send no recommendation to your Board (see Attachment 5). Your Board continued the public hearing on the Growth Goal to this date to consider the Commission's recommendation, and to take final action on the growth rate and the environmental documentation.

GROWTH GOAL ISSUES

The accompanying report on 1999 Growth Goals (Attachment 3) provides a discussion of a series of factors critical in establishing the annual growth goal for the County. Your Board directed that additional information be provided regarding unpermitted growth and a review of the 1991 arguments regarding the carryover of unused market rate allocations. This information has been added to the Growth Goals Report since the September 22, 1998 hearing and is shown in italics. The report contains a number of findings including the following:

Population Department of Finance (DOF) estimates that during the last year (1997), the County's unincorporated population grew at a rate of 1.5 percent, the same rate as in 1996. This rate is higher than the adopted 1.0 percent growth goal for the year, but is much lower

SANTA CRUZ COUNTY
 CERTIFICATION OF EIR & NOTTCE OF DETERMINATION

TO: _____ Clerk of the Board, County of Santa Cruz, 701 Ocean Street, Santa Cruz, CA

TO: _____ Office of Planning and Research, 1400 Tenth Street, Sacramento, CA 95814

FROM: Santa Cruz County Planning Department SCH # _____

SUBJECT: Filing of "Notice of Determination" and "Certification of EIR" in compliance with Section 21152 of the Public Resources Code and current State and County Environmental Review Guidelines.

PROJECT TITLE:	APN	APPLICATION #
1999 GROWTH GOAL ADOPTION	n/a	n/a

PROJECT LOCATION:
 County-wide

PROJECT DESCRIPTION:
 Adoption of 1999 Growth Goal for the unincorporated portion of the County.

This is to advise that the Board of Supervisors has approved the above described project on _____ and has made the following determinations regarding the above described project:

1. It is certified that a Final Environmental Impact Report has been completed for **this** project in compliance with the provisions of CEQA and current State and County EIR Guidelines. This Agency has reviewed and considered the information contained in said ETR.
2. The project _____ will, ~~will~~ not have a significant effect on the environment.
3. Mitigation measures ~~were~~ **X were**, were not made a condition of the approval of the project.
4. A statement of Overriding Considerations ~~was~~ **X** was not adopted for this project.

The EIR and the record of project approval may be examined at: The Santa Cruz County Planning Department, 701 Ocean Street, Santa Cruz, CA 95060

DATE RECEIVED FOR FILING

 Signed by Janet K. Beautz
 Chairperson, Board of Supervisors

Section 71 I of the County Environmental Review Guidelines (Section 15091 of the CEQA Guidelines) requires that “No public agency shall approve or carry out a project for which an EIR has been completed which identifies one or more significant environmental effects of the project unless the public agency makes one or more written findings for each of these significant effects, accompanied by a brief explanation of the rationale for each finding. The possible findings are:

- (A) Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR.
- (B) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
- (C) Specific economic, social, or other considerations make infeasible the mitigation measures or project alternative identified in the final EIR.”

The recommended Growth Rate for 1999 of 1.0%, and the carry-over of 1998 market rate permit allocations is addressed by the attached analysis of mitigation measures. These allocations are within the range of housing growth addressed by the certified EIR.

The impacts discussed below are those identified in the EIR certified by the Board of Supervisors on March 24, 1987, for the County’s Growth Management System. The EIR mitigation measures for each impact are listed along with the status for each mitigation measure and which of the above findings can be made for each mitigation measure/recommendation.

In all cases, the indicated impacts either do not apply to the current project or can be mitigated, and either finding A or B can be made. No Statement of Overriding Considerations is necessary for the approval of the 1998 Growth

EIR IMPACT/MITIGATION

IMPACT: The actual population growth rate has exceeded the growth in the housing units due to increasing household size.

MITIGATION 1:

After establishing an annual growth rate goal, but before establishing building permit allocations consistent with that goal, increases in population not associated with new construction should be projected and deducted from the overall population goal. The remaining population would then be allocated through the permit system.

DISCUSSION:

The population and housing estimates published by the State Department of Finance indicate that the household size in the unincorporated portion of the County increased from 2.647 to 2.749 from January 1992 to January 1998, and the population growth rate for the unincorporated area was 1.5% during 1997. This increase in household size and resulting population increase is in response to a change in the demographics (lowering of the average age) in both the county and the state. The vacancy rate continues to fall each year (from 33.8% in 1960 to 10.76% as of January 1998) as weekend and summer houses are converted to full time occupancy. Some additional population growth can be attributed to unpermitted building.

FTNDINGS : A

IMPACT: Unclaimed building permit allocations have been allowed to “carry-over” creating a large reserve of available permits.

MITIGATION 2:

Carry-over of building permit allocations not issued in a particular year should be restricted to allocations for affordable units to reduce the potential for excessive growth in any one year.

DISCUSSION:

The previous large reserve of unused allocations was eliminated in 1992, at the time that an exemption for affordable housing units was created, making the large carry-over unnecessary. Only the unused 1998 market rate housing allocations not previously utilized are to be carried over and made available in 1999 if needed. The projects that may utilize

CERTIFICATION OF EIR & NOTICE OF DETERMINATION FINDINGS
1999 GROWTH GOAL ADOPTION

Page 4

the carryover in 1999 have been reviewed by the Environmental Coordinator and have been found to not overload utilities or services. Use of the carryover in 1999, if required, is needed to provide adequate housing opportunities as required to be consistent with the goals of the County's Housing Element.

FINDINGS: A

IMPACT: The Growth Management System has shifted the distribution of permits from the rural to the urban area, assuming that development in the rural area will not be excessive in any one year.

MITIGATION:

None required.

DISCUSSION:

None required.

FINDINGS:

None required

IMPACT: The CIP has not been coordinated with growth in the urban areas and no clear fiscal strategy has evolved to correct existing service deficiencies.

MITIGATION3:

The CIP needs to be structured to clearly define the improvements needed to service existing development and those needed for future growth. The priority system should be reviewed to ensure that adequate information is provided for decision makers regarding the constraints of existing service deficiencies upon future growth.

DISCUSSION:

The CIP has been updated to include the recommendations of the Growth Management ETR, the Urban Parks Master Plan, and the transportation planning needs in the urban area. Annual updates to the CTP are based on a review of service needs to accommodate the existing and planned growth.

FINDINGS: A

MITIGATION 4:

The CIP should include drainage projects required to service future development when this information is available at the completion of the pending Comprehensive Drainage Plan for the urban areas.

DISCUSSION:

A Drainage Master Plan for Zone 5 of the County Drainage District will be presented to the Board of Supervisors by the end of 1998. A watershed analysis is being prepared for the Zone 6 County Drainage District. The Pajaro River Management and Restoration Plan is being prepared for environmental review.

FINDINGS: A

MITIGATION 5 :

To fund currently needed improvements, the County should develop a coordinated fiscal strategy that recognizes the difference between existing and future infrastructure needs and utilizes a variety of funding sources based on existing and future development.

DISCUSSION:

New development fees have been established for park, transportation, roadside improvements, and child care facilities. A redevelopment district was formed to fund CIP projects in the Live Oak and Soquel redevelopment project areas. The CIP is annually reviewed and updated. (See also #7 below)

FINDINGS: A

MITIGATION 6:

The annual population growth rate should be tied to the coordinated fiscal strategy. This could involve varying the growth rate by planning area and over time to achieve the proper phasing between growth and improvements to the urban services system.

DISCUSSION:

A low 1% growth rate is being adopted for 1999 and will be reevaluated annually based on progress toward CIP implementation.

The growth goals ordinance has been revised to remove reference to the decade growth goals.

The Urban Services Line Ordinance has been amended to eliminate the ten year capacity requirement and to require the availability of full urban and regional infrastructure prior to any expansion of the Urban Services Line.

The review and approval of new development is based on the level of urban services and improvements provided.

FINDINGS: A

IMPACT: Development fees are not adequate to fully fund future capital improvements. Fees are not charged in all areas where service improvements will be required.

MITIGATION2

The fee system should be extended consistently to all urban areas and to cover all services. In addition, the county should consider a simplified fee structure that provides for a more comprehensive and consistent assessment across planning areas, to ensure that adequate revenues are collected for needed improvements, and to provide greater equity.

DISCUSSION:

Transportation and Roadside Improvement fees have been developed for the Aptos, Soquel, Live Oak and Pajaro Valley planning areas. Park fees have been revised to better reflect land and improvement costs. A child care fee is in effect.

FINDINGS: A

MITIGATION 8:

The County should develop an interim funding program for **areas** where service constraints limit the growth potential and related funding options. The program should focus on the phasing (growth rate) and scale of new development. Special programs should be developed as an option to developers to allow development to proceed **in** heavily impacted areas through addressing existing service shortfalls.

DISCUSSION:

The environmental review of new project applications addresses the availability of public services. Roadway Plan Lines are now being required on many projects to insure that adequate right-of-way and improvements will be provided for both roadway and roadside improvements. Service deficiencies are being addressed in many cases with off-site improvement requirements on new development.

FINDINGS: A

IMPACT: Resource protection regulations may not adequately protect resources on existing lots of record.

MITIGATION 9:

The County's resource protection policies should be reviewed to determine whether they can more adequately address impacts of development on existing parcels of record. The revised policies must be clear and measurable so that their effectiveness may be ascertained; for example, policies should require that developable portions of existing lots of record be identified based on the presence of resources, not only constraints, as is now the case. Setbacks and minimum parcel sizes should be identified as compatible with resources.

DISCUSSION:

A study of development impacts on rural resources has been completed and accepted by the Board of Supervisors. The study found that most rural development has taken place outside of identified resource and constraint areas, and there has not been significant impacts to the rural resource lands. The report recommended no additional protection needs to be established for the resources in the rural areas for new and/or existing development.

FINDINGS: A

MITIGATION 10:

Development activity in Santa Cruz County should be monitored using a computer system which breaks out land division and land development activity by planning area and section; such a system could also show conversions of resource land. Land division and development activity should be shown by numbers of parcels and by acreages, and should be compiled on an annual basis for the purpose of comparison. With this type of data in hand, it would be easy to graphically convey findings which show “hot spots” of land division and development activity and therefore illustrate the effectiveness of the County’s policies.

DISCUSSION:

The EMIS computer system currently provides the capability to geographically track development in the County.

FINDINGS: A

MITIGATION 11:

Agricultural land conversion should be monitored carefully, and additional study should be undertaken which identifies decreasing acreages of crop land by type and location. Continued guidance by the Agricultural Policy Advisory Commission is recommended.

DISCUSSION:

The EMIS computer system currently provides the capability to geographically track acreages of agricultural land. A program to acquire agricultural easements has been established by the County, and is available if land owners are interested in selling such easements.

MITIGATION 12:

The County should work with AMBAG to revise the housing needs determination based on current demographic and housing utilization data. AMBAG should allow for the redistribution of lower-income households over a long range planning period rather than expect an immediate change in relative distributions of lower-income housing; such an approach is utilized by some other regional planning agencies.

*CERTIFICATION OF EIR & NOTICE OF DETERMINATION FINDINGS
1999 GROWTH GOAL ADOPTION*

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DISCUSSION:

A new Regional Housing Needs Plan was adopted by AMBAG in June 1990. The County obtained AMBAG approval of amendments to the plan to reduce the allocation of housing to the unincorporated portion of the County, although the State Department of Housing and Community Development has not approved the amendment. The 1994 County Housing Element addresses the projected housing volumes and the options for accommodating and achieving the affordable housing needs.

FINDINGS: A

MITIGATION 13:

The County should continue to improve its efforts to produce affordable housing by revising its current programs and by adding additional programs.

DISCUSSION:

In July, 1988, the Board of Supervisors reviewed and accepted a report from the Planning Department analyzing various housing program changes. This issue is further addressed in the Housing Element. Affordable housing units are now exempt from the requirement to obtain a permit allocation as recommended by the Housing Element and the State Department of Housing and Community Development.

In 1997, the Board of Supervisors adopted revisions to the Second Unit Ordinance that, among others, allow an increase of second units. These changes have resulted in an increase in second unit applications.

FINDINGS: A

IMPACT: The Live Oak Area has received a disproportionate share of affordable housing units.

MITIGATION 14:

Designate additional "H" Priority sites in areas with low proportions of affordable housing.

*CERTIFICATION OF EIR & NOTICE OF DETERMINATION FINDINGS
1999 GROWTH GOAL ADOPTION*

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DISCUSSION:

The “H” site designation and additional “H” sites were reviewed and updated as part of the 1994 Housing Element and General Plan update.

FINDINGS: A

MITIGATION 15:

Introduce competition into the allocation system by granting priorities for certain project amenities and for degrees of affordability. These priorities would allow a developer to move higher on the list of projects receiving building permits.

DISCUSSION:

Affordable housing is exempted from the requirement to obtain Building Permit allocations. In addition, those projects which provide 25+% affordable housing are given priority processing. Establishment of priorities for use of redevelopment agency affordable housing funds in the unincorporated areas in the County is an ongoing effort which will be utilized as the Redevelopment Plan is implemented.

FINDINGS: A

MITIGATION MONITORING PROGRAM

The mitigation measures listed under this heading have been incorporated as part of the approval of this project in order to mitigate or avoid significant effects on the environment. As required by Section 21081.6 of the California Public Resources Code, a monitoring and reporting program for the above mitigations is hereby adopted with the approval of this project. This monitoring program is specifically described following each mitigation measure listed below. The purpose of this monitoring is to ensure compliance with the environmental mitigations during project implementation.

Monitoring of the mitigation measures enumerated above will be performed as a part of a number of ongoing County programs including the annual Capital Improvement Plan review and adoption (CIP), the annual Growth Goal review and adoption (GG), the annual review of the Planning Department Work Program (WP), and the County General Plan update program (GPU). These monitoring efforts are indicated below for each of the appropriate mitigation measures.

<u>Mitigation Measure</u>	<u>Monitoring Program</u>
1	GG
2	GG
3	CIP, GG
4	CIP
5	CIP
6	GG
7	CIP, WP
8	CIP, WP
9	WP
10	WP
11	WP
12	GPU
13	GG, WP, GPU
14	GPU
15	GG

REPORT ON
1999 GROWTH GOALS
FOR SANTA CRUZ COUNTY UNINCORPORATED AREA

Santa Cruz County Planning Department
September 1998

I. INTRODUCTION

The Growth Management Referendum adopted by the voters in 1978, Measure J, requires that the County “provide for the establishment, each year, of an annual population growth during that year of an amount which represents Santa Cruz County’s fair share of statewide population growth”. This policy is now codified in County Code Chapter 17.01, Growth Management, and implemented through the provisions of Chapter 17.04, Annual Population Growth Goal for Santa Cruz County. This report provides an analysis of the relevant information for consideration by the County Planning Commission and Board of Supervisors in determining the annual growth goal for 1999.

This report highlights a series of factors critical in establishing the annual growth goal. Following the introduction, Section II describes population growth projections and trends in the County and cities. Section III identifies the actual residential building permits which have been allocated, issued, and carried over since the adoption of Measure J. Section IV briefly summarizes some of the resource impact and public service issues which the County’s Growth Management system was intended to address, Section V describes the Association of Monterey Bay Area Government’s (AMBAG) Regional Housing Needs Plan, status of the Housing Element, and the continued need for affordable housing in the County. Section VI is the Growth Goal recommendation, providing the population growth goal, showing how it translates into building permit allocations and describing how the carryover of permits can be utilized, if needed.

II. POPULATION TRENDS

Population Estimates:

The most recent official estimates of population for Santa Cruz County and the incorporated cities was published by the State of California Department of Finance (DOF) in May of 1998, and is shown in Table 1 below. These rounded estimates, which are prepared annually, indicate a county-wide population of 245,400 (136,800 unincorporated) as of January 1, 1997 (Source: DOF E-1 Total Population of California Cities, 5-98). The County adopted a population growth goal for the unincorporated area of 1.0 percent for 1998. As can be seen in Table 1, the DOF population estimates indicate that the unincorporated area grew in 1997 at a rate of 1.5 percent, the same rate as 1996. The cities in the County grew at a faster rate, resulting in a County-wide growth rate of 2.0 percent.

TABLE 1: 1997 POPULATION AND GROWTH RATES
OF COUNTY JURISDICTIONS

Area	1/1/97 Population Estimate	1/1/98 Population Estimate	1997 Population Growth Rate
City of Capitola	10,850	11,050	1.8
City of Santa Cruz	53,100	54,600	2.8
City of Scotts Valley	10,050	10,550	5.0
City of Watsonville	36,600	37,150	1.5
Santa Cruz County Unincorp.	134,800	136,800	1.5
Santa Cruz County Total	245,400	250,200	2.0
State of California	32,670,000	33,252,000	1.8

Source: DOF E- 1 Population of California Cities, 5-98

The DOF estimated 1997 growth rate for the unincorporated area (1.5%) is less than the estimated 1.8% State growth rate for 1997, but greater than the adopted 1.0% growth goal. According to the DOF estimates, the State's growth rate increased from 1.2% to 1.8% between 1996 and 1997, the four incorporated cities' growth rates were higher than in 1996, while the unincorporated area of Santa Cruz County was stable at 1.5% both years. The increase in the unincorporated area's growth rate can be partially explained by the current household size, which has been increasing each year since 1992, *continued conversion of weekend and second homes to year round occupancy*, and unpermitted dwelling units. The Planning Department continues to receive numerous complaints about alleged illegal dwelling units. *Review Of these alleged violations indicate that the majority of units cannot be legalized due to zoning and density inconsistencies; Code Compliance staff will require that the units be removed or returned to their legal status, e.g. a second unit converted back into a garage. The balance could be legalized as Second Units, which will provide needed legal affordable housing. 28% of Second Unit applications received in 1998 were the result of a Code Compliance investigation.* The current growth rate is far below the average growth rates of 2.0% for this same area during the 1980-1990 decade, as can be seen through comparisons to the numbers in Table 2. It may be noted that these

recent County growth rates also represent a significant change from previous decades when the County grew much faster than the State.

TABLE 2: POPULATION GROWTH RATE COMPARISONS

Year	County Unincorp. Population Growth*	County-Wide Population Growth*	State Population Growth*
1960	42, 309	84,219	15,720,860
1970	68, 440	123, 790	19,957,304
1980	107, 129	188,141	23,668,562
1990	130,809	229, 734	29,760,021

*Compound average annual growth rate
Source: 1960, 1970, 1980 and 1990 U.S. Census

Population Projections:

In 1994, AMBAG updated its population forecast for all of the jurisdictions in its region. The projections for Santa Cruz County are presented in Table 3 along with a comparison of the 1990 Federal Census counts. The AMBAG population forecasts are based on employment projections and local land use plans, and are utilized in regional planning efforts **such** as the Regional Air Quality Plan, Regional Transportation Plan, and the Regional Water Quality Plan.

TABLE 3: AMBAG POPULATION PROJECTIONS FOR
SANTA CRUZ COUNTY (1994)

Area	Actual 1990(1)	1995	2000	2005	2010
City of Capitola	10,171	10,187	10,232	10,267	10,299
City of Santa Cruz	49,040	54,004	57,232	59,927	61,253
City of Scotts Valley	8,615	10,031	11,704	13,213	14,117
City of Watsonville	31,099	34,170	46,447	51,033	53,338
Unincorporated Area	130,809	135,386	134,290	140,023	144,389
County Total	229,734	243,778	259,905	274,463	283,396

(1) 1990 Federal Census, 4/1/90

City Annexations:

There were no annexations involving population shifts approved in the last year. Proposed annexation #855, involving the Freedom/Carey area, will shift 2,022 persons from the unincorporated area to the City of Watsonville. This annexation, if adopted, will affect the year 2000 population rate figures.

Of continuing interest is the proposed annexation of an area off of Riverside Road and an area off of Lee Road to the City of Watsonville. These annexations would potentially provide dwelling units, commercial/industrial space and open space to the City of Watsonville.

III. BUILDING PERMIT ALLOCATIONS

The number of Building Permits issued for new residential units (not including replacement units and, since 1992, affordable units) since the implementation of Measure J is

enumerated below in Table 4. Building Permit totals for 1998 are shown through the first of *November* of 1998.

TABLE 4: BUILDING PERMITTS ALLOCATED, ISSUED, AND CARRIED OVER

YEAR	CARRIED OVER	ALLOCATED	SUBJECT TO THE ALLO- CATION (1)	TOTAL ISSUED SUBJECT TO THE ALLOCATION (1)
1979	0	930	930	741
1980	189	1055	1055	972
1981	272	937	937	934
1982	275	968	968	738
1983	505	972	972	619
1984	858	991	991	609
1985	1240	757	757	710
1986	1287	768	768	595
1987	1460	468	468	606 (2)
1988	1322	489	489	670 (2)
1989	1141	489 + 1384 (3)	489 + 1384 (3)	420
1990	2594	487	487	267
1991	2814	495	495	173
1992	268	509	433	158
1993	275	512	435	109
1994	326	525	446	168
1995	278	528	449	131
1996	318	530	450	138
1997	312	531	451	194
1998	257	526	447	238 (4)

- (1) Prior to 1992, market rate and affordable units were subject to the allocation; beginning in 1992, only market rate units were subject to the allocation.
- (2) More building permits were issued than allocated due to issuance of permits from the carryover reservoir.
- (3) A special allocation of 1384 additional affordable permits were approved to allow attainment of the regional housing goal for the 1980-90 decade.

- (4) Total as of *November 1, 1998. This represents only issued permits; additional permits have been allocated.*

In 1992, the Residential Permit Allocation System ordinance (County Code Section 12.02.020) was amended to exempt all affordable units from the requirement for a Measure J allocation. As a result, the previous practice of carrying over the large reservoir of unused allocations for affordable units was dropped. As shown in Table 4, however, there was a carryover of 257 unused residential building permit allocations for market rate units at the beginning of 1998.

Since the beginning of Measure J in 1978, unused market rate and affordable unit allocations have been authorized to be carried over from year to year. By the mid-1980s, there was a large carryover, with the majority of the allocations being for affordable units.

In 1987, the carryover was utilized to accommodate the Canon del Sol subdivision (which had been allocated permits in 1980 but did not pull the permits until 1987) and the Dominican Oaks congregante care project. In 1988, the carryover was again used because your Board did not want to set a growth rate until the completion of the AMBAG Fair Share Housing Plan revision. Permits for the first six months of 1988 were issued out of the carryover.

As a result of the AMBAG Fair Share Housing Plan revision (which covered the period of 1980 to 1990) and a legal challenge, your Board thought it prudent to add additional affordable unit allocations to the 1989 allocation. The unused allocations were carried over into 1990 and 1991. In 1992, in order to promote the creation of affordable housing and increase the probability of Housing Element certification, staff recommended and your Board concurred that the affordable units would become exempt from the allocation and Chapter 12.02 of the County Code was amended, accordingly. Since that time, only market rate allocations have been carried over, as illustrated in Table 4.

As part of the 1998 Growth Goal Report, presented to your Board in September and November of last year, staff advised your Board that the demand for building permits was increasing and that the Planning Department would closely monitor issuance rates and would advise your Board if issuance began to approach the 1998 permit allocation. *Staff tracks the number of subdivisions (for 5+ lots) applied for, approved, and final maps-filed. Staff can accurately predict the demand for building permits from the creation of new lots. The following chart shows the status of approved subdivisions and allocation status:*

ALLOCATION STATUS OF APPROVED 5+ UNIT URBAN PROJECTS

<i>Project</i>	<i># of Market Rate Units in Project</i>	<i>Allocated in Previous Years</i>	<i>Allocated in 1998 as of 11/5/98</i>	<i># Remaining to be Allocated</i>
<i>Heather Terrace</i>	49	0	34	15
<i>Somerset</i>	20	0	20	0
<i>Rio Highland</i>	43	0	43	0
<i>Ponza</i>	8	6	1	1
<i>Corte Cabrillo</i>	15	14	1	0
<i>Diamond Estates</i>	44	0	13	31
<i>Avila Estates</i>	6	4	1	1
<i>Escondido Verde</i>	13	0	13	0
<i>Casa Sorelle</i>	16	15	1	0
<i>Harbor View</i>	9	0	6	3
<i>DeBernardo Apts.</i>	14	0	14	0
<i>Seascape Uplands</i>	107	0	12	9.5
<i>Graham Hill</i>	60	0	0	60
Total	404	39	163	202

The number of permits already committed this year and projections for the remainder of the year are shown below:

1998 Building Permit Allocation Status (as of 11/5/98)

	Urban 1-4	Urban 5+	Rural
Allocated	150	150	147
Committed	54	163	90
Projected Additional Demand	25-35	77-92	25-35
Projected Surplus or <Deficit>	61-71	<83-96>	22-32

As of November 5, 1998, the allocation of permits in the Urban 5+ category has exceeded the 1998 allocation and the carryover is being used.

The projections in the Urban 1-4 and Rural categories were made based on current year activity and historical building permit application trends for the months of *November and December*. The projections in the Urban 5+ category were based on discussions with developers *and the tracking of large projects, as discussed above.*

The deficit is caused by the number of large projects that have been approved in the past several years. Chapter 12.02 (Residential Permit Allocation System) states that an allocation may only be issued if there is one available in the appropriate allocation category and that a building permit may not be issued unless it has first been granted an allocation.

As part of the adoption of the 1998 Growth Rate, your Board authorized use of the carryover, if needed. As the above projections show, it is clear that the carryover will be used in 1998.

These have been no large projects approved in 1998. Pending subdivision applications being processed could result in 151 new units; it is unlikely that all of these applications will be approved and maps recorded in 1999.

IV. POTENTIAL GROWTH IMPACTS

The Growth Management System was instituted to address resource and public services impacts of growth in the County. The following discussion briefly highlights recent impact issues and some of the steps being taken to ensure adequate resource protection, and to ensure that proposed growth can be accommodated by adequate urban services.

Resource Protection

The premier resource issue in the county is water. The drought from 1986 - 1993 affected both surface and groundwater supplies throughout the county, and emphasized the need for water supply and water use planning and management. County staff have recently completed a report entitled "An Evaluation of Water Resource Monitoring and Management Efforts in Santa Cruz County". The findings of this study lead the County Administrative Officer to develop an interdepartmental water resources working group.

The interdepartmental water resources working group has developed goals and objectives to deal with some of the problems identified in the report. Efforts of the County water resources working group have also expanded to include input from the various water purveyors. Some of the facts from the above report and some of the major water resource related actions being undertaken include the following:

- The City of Santa Cruz Municipal Water Service is updating water demand projections through water supply planning aimed at meeting demands for City water service through the year 2020 and the subsequent projected "build-out conditions" estimated to occur sometime between the year 2030 and 2040. City of Santa Cruz year 2020 demand will exceed the safe yield of their system by 1.8 billion gallons (about 5500 acre-feet). The safe yield of their system in a severe drought is 3.3 billion gallons. Present use is about 4.4 billion gallons. Projected growth is 1% a year in demand, and projected demand is about 5.2 billion gallons. Following recommendations contained within their Urban Water Management Plan, City staff are conducting long-term water conservation planning to maximize conservation efforts and to free-up a reliable source of water to apply toward any new water supply alternative. Conservation programs are targeted to achieve a 5-10% reduction in use per connection over the long-term and between 1 O-1 5% reduction in short-term use. The review of long-term water supply alternatives is expected to take a couple of years.
- In the Pajaro Valley, overdrafting and seawater intrusion continue to be a problem in the underlying aquifers, and additional sources of water will be needed to offset these problems. Annual **pumpage** in the Pajaro Basin is 68,000 acre-feet/year. The safe yield of the basin is cited in the Basin Management Plan as 3 1,000 acre-feet/year under current pumping patterns. The overdraft is approximately half of the annual **pumpage**. The Pajaro Valley Water Management Agency's Basin Management Planning was predicated on the implementation of groundwater management activities, including a number of local and long-term alternatives for providing

additional sources of water supply, including potential importation of water from the San Felipe Project of the Bureau of Reclamation. The passage of Measure D has halted work on long-term importation of water in favor of constructing local recharge projects. Construction of an import pipeline for Federal water allocated to the Pajaro Valley Water Management Agency and for other additional water supplies has now been postponed for ten years. The Pajaro area has the most significant water supply imbalance in the County. There exists a lack of local consensus on problem solutions.

- Groundwater experts informed the Soquel Creek Water District that the mid-County area cannot continue to depend solely on groundwater basins to meet all water supply needs. Since then, the District has initiated and is completing a decision making process to establish projected water demands and select the best alternative(s) to meet that demand. Soquel Creek Water District's current groundwater production is approximately 5400 acre-feet/year. It is projected to increase to about 6700-7400 acre-feet/year in the year 2030. The District needs to develop 1000 to 1500 acre-feet of new supply plus an additional amount to correct the current overdraft. Central Water District produced about 600 acre-feet in fiscal year 1997. Private wells also extract a significant percentage of the total groundwater use from the mid-County area with estimates of use ranging from 2000 to 4000 acre-feet/year in the Purisima formation. The District continues to expand its groundwater management activities and has initiated a public involvement plan to identify a recommended plan of how to proceed with a preferred water supply alternative.
- The Scotts Valley Water District, the San Lorenzo Valley Water District, the Lompico County Water District, the City of Scotts Valley, and the County continue to meet regarding cooperative management of limited groundwater resources. With the localized depletion of the Santa Margarita aquifer, pumping has been shifted deeper to the Lompico formation. The Lompico formation is the last known developable aquifer under the Pasatiempo, Camp Evers, El Pueblo, and North Scotts Valley area. Developed water supplies using current pumping locations in the Lompico formation are not sustainable at present demands (4400 acre-feet/year). Groundwater pumping in the Pasatiempo, Camp Evers, and El Pueblo areas slightly exceed the estimated safe yield for the areas' aquifers (4200 acre-feet/year). Proposals for new development projected in Scotts Valley and at Mount Hermon are out of balance with available supplies. The Scotts Valley Water District is reworking its Urban Water Management Plan and Drought Contingency Plan, expanding its groundwater modeling efforts, revisiting

estimates for safe yield and in on track to have its new reclamation plan on line by Fall 1999. The San Lorenzo Valley District has completed engineering studies to augment their groundwater supplies in the Pasatiempo area.

Annexation of prime agricultural land is the second major issue. This concern includes the City of Watsonville's proposed annexation of lands designated as Commercial Agricultural. This issue will continue to be a major issue in the future.

Urban Services:

The County continues to pursue a number of activities to improve its ability to provide adequate services throughout the urbanized portions of the unincorporated area:

- Yearly adoption of the Capital Improvement Program which identifies scheduled public service improvements (such as road, roadside, drainage and park improvements) and provides a basis for development of the necessary financing programs.
- The Live Oak/Soquel Redevelopment Agency continues its efforts to upgrade the urban infrastructure in the Soquel and Live Oak areas.
- Plan lines and route design concepts continue to be completed and adopted for arterial and collector streets in the urban area, particularly in Live Oak and Soquel. An on-going, multi-year effort has been undertaken to establish plan lines throughout the urban area to provide needed information for roadway design, capital improvement programming and the review and conditioning of new projects.

A report was prepared, this year, for the Transportation Commission concerning Highway One congestion and alternatives for mitigation. While there is consensus that unacceptable congestion exists, there is, at this point, no consensus on the appropriate measures needed to improve the situation.

Because of the magnitude of the urban service needs, significant construction of projects will be needed throughout the urban areas over an extended period of time to support existing, as well as future, development.

V. HOUSING NEEDS

Regional Housing Needs Plan:

In June 1990, AMBAG adopted a Regional Housing Needs Plan which establishes housing construction goals for all of the local jurisdictions in the AMBAG region including Santa Cruz County. These goals provide an allocation to the local jurisdictions of the regional housing goal established by the State Department of Housing and Urban Development for the period of January 1989 through June 1996. The AMBAG Plan established a goal for new housing construction in the County of 11,983 units for the seven and one half year period and provided a breakdown by income group as shown in Table 5. AMBAG has not provided the County with goals beyond June 1996.

Following the initial adoption of the Housing Needs Plan, Santa Cruz County requested a reduction in the County's housing goal to 7,302 units. Although the request for a reduction in the Plan's housing goal for the County was approved by AMBAG, along with the requests of six other jurisdictions and followed statutory requirements, the State Department of Housing and Urban Development declined to approve the Plan change. The County's request for a reduction was based on the following considerations:

- The State's allocation to the region was predicated on accommodating a significant growing population that commutes out of the region to Santa Clara County, which both encourages and institutionalizes a continued pattern of conduct in the adjacent ABAG region of providing inadequate housing to match the job growth in that region, and resulting in undesirable pressure on Santa Cruz County housing prices, regional traffic congestion and air pollution;
- The AMBAG Plan would require unincorporated Santa Cruz County to grow at a rate well in excess of historic growth rates;
- The AMBAG Plan exceeded the population growth allowed in the Regional Air Quality Management Plan;
- The allocation assumed a need for replacement housing at a rate twice the documented housing loss rate for the County.

As provided in State law, the housing goals of AMBAG's Regional Housing Needs Plan have been utilized as the basis for the County's Housing Element which was adopted with the General Plan update in 1994. These housing goals not only provide a basis for housing

policies, but also are important in the formulation of the Land Use Element of the General Plan and associated implementation policies and programs. The adopted 1994 update to the County General Plan was not only predicated on meeting the regional housing goals, but also on strong resource protection and public safety policies, the availability of public services and infrastructure to support residential development, and strong public sentiment regarding community character. Together, these considerations place constraints on the ability to continue the growth in the unincorporated portion of the County. The County, therefore, has chosen to meet the regional housing goals in large part through the development of second units on single family parcels. As shown in Table 5, the build out of the General Plan will allow more than twice the housing required to meet the regional housing allocation.

In order for the County to obtain certification of the adopted Housing element, the State has indicated that the Housing Element and the General Plan must not only be based on the allocations in the Regional Housing Needs Plan, but also that the County's growth management system must not preclude the possibility of attaining these housing goals. A draft of the current Housing Element was first submitted to the State Housing and Community Development (HCD) on July 1, 1991. In response to HCD review and comments, revised drafts were forwarded to the State in 1992 and 1993. In July, 1994, the County submitted the adopted Housing Element to HCD for certification. The adopted Element was again reviewed by HCD who responded in November 1994 with further comments and requests for changes in County policies and programs. In response, the County adopted revised regulations for second units which are intended to facilitate the construction of these units to fulfill the housing goals. These regulations were forwarded to the State in May of 1997; HCD responded in November of 1997 with, again, further comments and requests for changes in County policies and programs. Since that time, the County has adopted yet another revision to the Second Unit regulations, and staff continues to work with HCD staff to achieve certification of the Housing Element.

TABLE 5: HOUSING GOALS AND ALLOCATIONS

Housing Type	AMBAG Allocation	1994 Housing Element Build Out
Low & Very Low Income	5,507	9,559
Moderate Rate	2,165	10,586
Market Rate	4,311	8,828
Unit Total	11,983	28,973

Affordable Housing:

Measure J contains the policy that “at least 15 percent of those housing units newly constructed for sale or rental each year shall be capable of purchase or rental by persons with average or below average incomes.” The number and percentage of affordable housing constructed in the unincorporated area since the implementation of Measure J in 1979 is shown in Table 6 below.

Over the nineteen year implementation period of Measure J from 1979 through 1997, an average of 14.2 percent of the new housing constructed in the unincorporated portion of the County has been affordable. In 1994, 12.5 percent of new housing starts were for affordable units; for 1995, 3.8 percent of new housing starts were for affordable units; for 1996, 4.8 percent of new housing starts were for affordable units; and for 1997, 3.1 of new housing starts were for affordable units. In the first *ten* months of 1998, 15.3 percent of new residential permits have been for affordable housing.

TABLE 6: AFFORDABLE HOUSING PRODUCTION (1)

Year	Total Units	Affordable Units	Affordable As % of New DU's
1979	741	0	0.0 %
1980	972	62	5.9
1981	934	251	26.9
1982	738	235	31.8
1983	619	52	8.4
1984	609	129	21.2
1985	710	61	8.6
1986	595	98	16.5
1987	606	75	10.4
1988	710	23	3.4
1989	420	14	3.3
1990	267	9	3.4
1991	173	20	11.6
1992	367	209	56.9
1993	198	30	22.2
1994	192	24	12.5
1995	152	21	13.8
1996	145	7	4.8
1997	194	6	3.1
Totals	9342	1326	14.2

(1) Santa Cruz County unincorporated area

On average, the County has been close to meeting the 15 percent affordable housing goal in the past. The paucity of affordable units of the past two years can be attributed to the small number of large projects seeking building permits and because State and federal subsidies for affordable housing have largely been eliminated. In 1998, however, there are a number of large projects, approved in the **past** two years, obtaining building permits, which results in more affordable units. Also, recent changes in the Second Unit ordinance are resulting in increased numbers of affordable units.

VT. GROWTH GOAL RECOMMENDATION

Growth Goal:

The County adopted a 1.0 percent growth goal for each of the last eleven years. During 1987 and 1988, the issuance of Building Permits exceeded the allocation through use of carryover permits; however, since that time and until this year, Building Permit issuance has dropped well under the allocation.

Demand for Building Permits increased in 1997 and has continued as the economy remains strong. As discussed earlier in this report, demand for building permits in the 5+ category will exceed the allocation this year and use of the carryover will be necessary. It is probable that demand will continue to be strong in 1999, with a number of developers building out additional phases of approved large projects. A continuation of the 1.0 percent growth goal for the coming year may or may not be adequate to accommodate this demand in the Urban 5+ category and further use of the carryover may be necessary. Planning staff will continue to monitor issuance rates closely.

In order to facilitate the attainment of affordable housing goals, the County has exempted affordable housing units (including second units) from the need to obtain permit allocations under the County's growth management regulations. The development of affordable units will, therefore, not be affected by the adopted growth goal.

Building Permit Allocations:

Table 7 presents the methodology by which the 1.0 percent population growth goal for 1999 is converted into a Building Permit allocation.

TABLE 7: BUILDING PERMIT ALLOCATION BASED ON A 1.0% ANNUAL GROWTH RATE

Estimated Total Household Population 1/1/98 for Unincorporated Santa Cruz County*	134,790
Estimated Group Quarters Population 1/1/98*	2,003
Estimated Total Population 1/1/98*	136,793
Annual Growth Goal - 1998	1.0%
Projected 1/1/99 Total Population	138,160
Annual Growth Goal - 1999	1.0%
Projected 1999 Population Increase	1,381
Persons Per Household (DOF estimate for 1/1/98)*	2.749
Required 1999 New Housing Units	502
Additional New Units Required for 5% Vacancy	25
Reservation of 15% of the Building Permits for affordable units.	<79>
Total Number of New 1999 Units Allowed (including affordable units)	527

* Source: DOF E-5 Population of California Cities and Counties, 5-98

Carryover figures since 1992, when affordable units were exempted from the allocation, have shown that demand has never come near to meeting the number of permits allocated to the Urban 1-4 and Rural categories. These categories have consistently returned allocations every year to the carryover and will do so again this year. The following chart illustrates this:

<i>Returned to Carryover</i>	<i>Urban 1-4</i>	<i>Urban 5+</i>	<i>Rural</i>
<i>from 1997</i>	63	119	75
<i>from 1996</i>	83	138	91
<i>from 1995</i>	106	140	72
<i>from 1994</i>	112	154	134
<i>from 1993</i>	96	129	101
<i>from 1992</i>	54	131	90

The Building Permit allocations have been distributed in previous years based on the following criteria: a 67%-33% ratio between urban and rural permits, and the urban permits further divided 50%50% between the Urban 1-4 and Urban 5+ categories.

Since staff does not anticipate increased demands in the Rural and Urban 1-4 categories and it is known that there will be high demand for permits in the Urban 5+ category, it is RECOMMENDED that the 1999 permit allocations be divided in the following manner:

- Division of the 1999 growth between urban and rural portions of the unincorporated County on a 75%25% ratio.
- Allocation of rural permits without regard to project size.
- Allocation of 35% of the remaining urban permits to the 1-4 unit category.
- Allocation of 65% of the remaining urban permits to the 5 and more unit category.
- Reservation of 15% of the total allocation for affordable units as prescribed by County Code Section 17.01.030(e).

This division further implements the ordinance requirement Of encouraging growth in urban areas and discouraging growth in the rural areas.

TABLE 8: RECOMMENDED 1999 BUILDING PERMIT ALLOCATION DISTRIBUTION

Area	Total Market Rate Units	1-4 Units	5+ Units
Urban	336	118	218
Rural	112	N/A	N/A
Total	448		

Allocation Carryover:

Section 17.04.065 of County Code provides the ability to carryover Building Permit allocations from the previous year. It is RECOMMENDED that the unused 1998 market rate housing allocations be carried over and made available in 1999, if necessary, to allow the attainment of the housing production goals of the County Housing Element. This carryover will retain its urban and rural distinctions, ensuring that any future use will maintain the ratios set by your Board.

Rural Land Divisions:

County Code Chapter 14.04, Annual Limits - Rural Land Divisions, limits the number of new residential parcels to be created in the rural portion of the County to 35 percent of the number of residential Building Permit allocations for the rural area. Based on the above recommended allocation, this would create a limit of 52 new rural residential parcels (two new rural lots have been approved to date in 1998). As the number of new rural residential parcels has not exceeded the yearly limitation this decade, no further action is indicated for the control of rural land divisions.

Second Units:

As a condition of the Coastal Commission Certification of the ordinance amendments to County Code Chapter 13.10.68 1 (f), an annual report is required. The report is intended to evaluate the cumulative impacts associated with the second units within each planning area, particularly within the Coastal Zone. This analysis is to look at traffic, water, public views

and environmentally sensitive areas impacts.

In 1997, your Board adopted revisions to the Second Unit ordinance. The revisions, including increased unit sizes in the rural areas, have made second units more attractive to the public. As the figures below indicate, application rates have increased. It is also clear that these units are being built primarily in rural, noncoastal areas.

Since September 1, 1994, a total of 92 Development Permits for second units have been approved, resulting in the issuance of 41 Building Permits. These permit approvals and issued Building Permits are for sites situated in the following planning areas of Santa Cruz County:

Second Unit Discretionary Approvals by Planning Area

	1994	1995	1996	1997	1998(1)
Aptos:	0	0	0	2	1
Aptos Hills:	0	2	3	4	3
Bonny Doon:	0	0	2	3	3
Carbonera:	0	0	3	6	5
Eureka Canyon:	0	0	1	3	4
La Selva:	0	0	0	1	0
Live Oak:	1	2	0	1	4
North Coast:	0	0	0	0	0
Pajaro Valley:	0	2	1	3	3
Salsipuedes:	0	0	0	0	0
San Andreas:	0	0	0	0	0
San Lorenzo Valley:	1	2	1	5	2
Skyline:	0	0	0	2	2
Soquel:	0	1	0	4	5
Summit:	0	1	1	0	1
TOTAL	<u>2</u>	11	<u>12</u>	34	33

(1) Through 9/1/98

Second Units Issued Building Permits by Planning Area

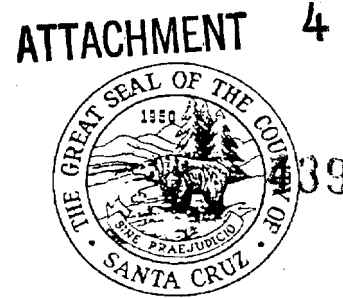
	1994	1995	1996	1997	1998(1)
Aptos:	0	0	0	1	1
Aptos Hills:	0	2	1	1	1
Bonny Doon:	0	0	1	2	1
Carbonera:	0	0	1	1	1
Eureka Canyon:	0	1	1	2	0
La Selva:	0	0	0	1	0
Live Oak:	1	1	0	1	0
North Coast:	0	0	0	0	0
Pajaro Valley:	0	1	0	2	1
Salspuedes:	0	0	0	0	0
San Andreas:	0	0	0	0	0
San Lorenzo Valley:	1	2	0	2	2
Skyline:	0	0	0	1	0
Soquel:	0	1	0	0	3
Summit:	0	0	2	0	1
TOTAL	2	8	6	14	11

(1) Through 9/1/98

Since 1997, four building permits have been issued for second units within the Coastal Zone. Given this low number of issued Building Permits and the minimal cumulative impact, if any, upon coastal resources, no action limiting the issuance of permits for second units is recommended at this time.

COUNTY OF SANTA CRUZ

STATE OF CALIFORNIA



AT THE BOARD OF SUPERVISORS MEETING

On the Date of September 22, 1998

REGULAR AGENDA Item No. 057

(Public hearing held to establish the 1999 Growth Goal (and status report on the 1998 Permit Allocation; (closed public hearing; referred matter to the Planning (Commission for consideration and recommendation to the (Board; continued public hearing to November 24, 1998, (with direction to staff to return with the (recommendation of the Planning Commission and (appropriate environmental documentation and a (resolution for final Board action; accepted and filed (report on the status of the 1998 Building Permit (Allocation; with an additional directive that the (Planning Commission consider additional policies that (might ensure that County growth rates will not exceed (State growth rates; including looking at the policy of (carrying over unused market rate applications to the (next year; the issue of unpermitted growth, (particularly in rural areas; and a report to include a (review of the 1991 arguments regarding the carry over (of unused market rate applications...

Public hearing held to establish the 1999 Growth Goal and status report on the 1998 Permit Allocation;

closed public hearing;

Upon the motion of Supervisor Wormhoudt, duly seconded by Supervisor Symons, the Board, by unanimous vote, referred matter to the Planning Commission for consideration and recommendation to the Board; continued public hearing to November 24, 1998, with direction to staff to return with the recommendation of the Planning Commission and appropriate environmental documentation and a resolution for final Board action; accepted and filed report on the status of the 1998 Building Permit Allocation; with an additional directive that the Planning Commission consider additional policies that might ensure that County growth rates will not exceed State growth rates; including looking at the policy of carrying over unused market rate applications to the next year; the issue of unpermitted growth, particularly in rural areas; and a report to include a review of the 1991 arguments regarding the carry over of unused market rate applications

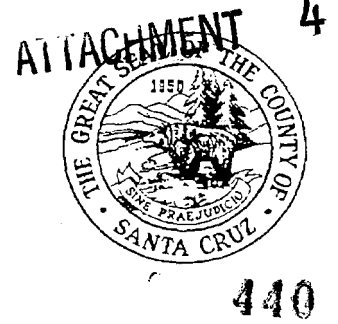
State of California, County of Santa Cruz-ss.

I, Susan A. Mauriello, Ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz, State of California, do hereby certify that the foregoing is a true and correct copy of the order made and entered in the Minutes of said Board of Supervisors. In witness thereof I have hereunto set my hand and affixed the seal of said Board of Supervisors

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COUNTY OF SANTA CRUZ
STATE OF CALIFORNIA



AT THE BOARD OF SUPERVISORS MEETING
On the Date of September 22, 1998
REGULAR AGENDA Item No. 057

cc:

CAO
Planning Department

State of California, County of Santa Cruz-ss

I, Susan A. Mauriello, Ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz, State of California, do hereby certify that the foregoing is a true and correct copy of the order made and entered in the Minutes of said Board of Supervisors. In witness thereof I have hereunto set my hand and affixed the seal of said Board of Supervisors.

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by

Alicia P. [Signature]

, Deputy Clerk, on September 25, 1998.

COUNTY OF SANTA CRUZ PLANNING COMMISSION
MINUTES

DATE: October 28, 1998

PLACE: Board of Supervisors Chambers, Room 525
County Government Center, 701 Ocean Street, Santa Cruz, CA

COMMISSIONERS PRESENT: ROBERT BREMNER, MARILYN HUMMEL, LEO RUTH,
RENEE SHEPHERD, DALE SKILLICORN(CHAIRPERSON).

STAFF MEMBERS PRESENT: GLENDA HILL, JOAN VAN DER HOEVEN, ROBERT
STAKEM, MARK DEMING, JACKIE YOUNG, ALVIN
JAMBS

COUNTY COUNSEL PRESENT: RAHN GARCIA

All legal requirements for items set for public hearing on the Santa Cruz County Planning Commission agenda for this meeting have been fulfilled before the hearing including publication, mailing and posting as applicable.

- A. **ROLL CALL:**
Commissioners Bremner, Hummel, Ruth, Shepherd and Skillicorn present at 9:00 a.m.
- B. **PLANNING DIRECTOR'S REPORT:** Martin Jacobson report on four items that the Board of Supervisors considered amendment to Graham Hill Estates Subdivision, Commercial project in Davenport, Buena Vista Stockpile, and changes to chapter 16.10 of the County Code.
- C. **COUNTY COUNSEL'S REPORT:** None.
- D. **ADDITIONS AND CORRECTIONS TO THE AGENDA:** None.
- E. **ORAL COMMUNICATIONS:** None.
- F. **CONSENT ITEMS:**

ITEM F-1

APPROVE THE MINUTES OF THE AUGUST 12, 1998 AND SEPTEMBER 23, 1998 PLANNING COMMISSION HEARINGS AS SUBMITTED BY THE PLANNING DEPARTMENT.

PUBLIC HEARING OPENED

PUBLIC HEARING CLOSED

MOTION

COMMISSIONER BREMNER MOVED TO CONTINUE TO DECEMBER 9, 1998. SECONDED BY COMMISSIONER RUTH.

VOICE VOTE

MOTION CARRIED AND SO ORDERED. PASSED 5-0.

H. SCHEDULED ITEMS:**ITEM H-1**

PUBLIC HEARING TO CONSIDER THE 1999 GROWTH RATE.
PROJECT PLANNER: GLENDA HILL

COMMISSIONER SKILLICORN: Excuses himself for this item.

GLENDA HILL: Gave staff presentation and discussed County Growth rates, impacts of growth, status of affordable housing rate, demand for building permits and permit deficient; recommended growth goal for County; and recommendation for action.

COMMISSIONER BREMNER: Asked about illegal unit enforcement.

GLENDA HILL: Illegal units do add to growth but most cannot be legalized. Illegal units are a high enforcement priority.

COMMISSIONER HUMMEL: Wants percentage of illegal units in growth.

GLENDA HILL: Reported on numbers of illegal units: most cannot be legalized.

ALVIN JAMES: Reported on priority for code enforcement action; not a tool for controlling growth. Priority is making for safe housing.

COMMISSIONER BREMNER: What happens if more permits in the urban 1-4 category are applied for next year?

GLENDIA HILL: County has not come near to meeting allocation. Should not be a problem for less than 5 units.

COMMISSIONER HUMMEL: Is carry-over lumped together?

GLENDIA HILL: Yes, carry-over is lumped and can be used in any category. Staff is recommending that allocations returned to the carry-over retain their urban or rural designation

PUBLIC HEARING OPENED

PATRICIA PATACHEK: Read letter from Sierra Club: growth should be based on resources availability. Water is a limiting resource. Should lower growth rate and stop the carry-over of building permits.

PUBLIC HEARING CLOSED

COMMISSIONER HUMMEL: Asked about carry-over for this year.

GLENDIA HILL: No problem this year. There will be a carry-over at the end of this year.

COMMISSIONER SHEPHERD: Asked for clarification of allocation

GLENDIA HILL: Urban and rural distinction will also carry-over next year.

COMMISSIONER BREMNER: Reason for carry-over?

GLENDIA HILL: To meet AMBAG and affordable housing obligation

COMMISSIONER HUMMEL: Going through the motions but not meeting growth goal with carry-over.

GLENDIA HILL: Affordable units are not subject to an allocation.

COMMISSIONER HUMMEL: Will Housing Element ever be certified?

GLENDIA HILL: Staff continues to work with state to get element certified

COMMISSIONER HUMMEL: Illegal units should be included in growth rate. Legal growth should be set at a lower rate.

COMMISSIONER RUTH: Agriculture use is the biggest user of water. Should work on this issue.

MOTION

COMMISSIONER BREMNER MOVED THAT THE COMMISSION ADOPT THE ATTACHED RESOLUTION AND RECOMMEND THAT THE BOARD OF SUPERVISORS REVIEW THE

ALLOCATION STATUS AT MID-YEAR TO DETERMINE IF SUFFICIENT PERMITS ARE AVAILABLE ESPECIALLY IN THE URBAN 1-4 CATEGORY AND IF THERE IS GREATER THAN ONE PERCENT GROWTH IN 1999 LOWER THE ALLOCATION AND ELIMINATE TH CARRY-OVER. SECONDED BY COMMISSIONER SHEPHERD.

VOICE VOTE 2-2 MOTION DOES NOT CARRY

SECOND MOTION

COMMISSIONER HUMMEL MOVED TO RECOMMEND A ONE PERCENT GROWTH RATE AND TO ABOLISH THE CARRY-OVER. MOTION DIES FOR LACK OF A SECOND

THIRD MOTION

COMMISSIONER BREMNER MOVED TO SEND NO RECOMMENDATION TO BOARD OF SUPERVISORS. SECONDED BY COMMISSIONER SHEPHERD.

VOICE VOTE

MOTION CARRIED AND SO ORDERED. PASSED 4-0.

ITEM H-2

PROPOSAL TO CREATE FOUR SINGLE-FAMILY RESIDENTIAL PARCELS. REQUIRES A MINOR LAND DIVISION. LOCATED ON THE WEST SIDE OF CABRILLO CORTE ABOUT 500 FEET NORTH OF SOQUEL DRIVE.

OWNER: HELMTS JEANNE S U/W
APPLICANT: HELMTS JEANNE S U/W
SUPERVISORIAL DIST: 2
PROJECT PLANNER: ROBERT STAKEM, 454-3 190

ROBERT STAKEM: Gave staff presentation including describing property, access, parking easement, showed slides and gave recommendation for action.

COMMISSIONER RUTH: Asked about relocating sidewalks

JEANNE HELMTS(applicant): Problem has been corrected.

OPEN PUBLIC HEARING

JEANNE HELMTS: Project is good addition to neighborhood. Commented on tree preservation and condition of trees.

JUDY MAYO: Asked questions about driveways, parking easement, and house designs.

Juno e-mail printed Wed, 28 Oct 1998 09:10:47 , page 2

In the joint report issued by the County Departments of Planning, Public Works, and Environmental Health in spring, 1998, all aquifers providing the majority of water to persons residing in Santa Cruz County are severely over-drafted. Deeper, more expensive wells are now necessary while salt-water intrusion into wells and aquifers along the coastline threatens the quality of available water.

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4. The growth rate of the County overall was 2% IN 1997, exceeding the 1.8% growth rate of the State, and a rate that, if sustained, would double the resident population in 35 years. A potential solution to this excessive County growth may be stopping the practice of carrying-over building permits, starting in 1999.

While this may mean that some projects which have been approved will not be able to obtain permits in 1999, including permits for some affordable housing units, we urge the Board to consider the growth impacts of this practice as they seek solutions which return County growth rates to the stated goal of 1%.

We recommend increased funding to identify illegal dwellings and efforts to either bring them into compliance or abate them. In terms of impacts on community resources, we suggest that such units, when identified, be counted in the growth rate, as well as the permitted ones.

The sooner the problems caused by our numbers - the impacts on our lives and the health of the ecosystem that sustains us - is comprehensively addressed, the more options we will have, the higher will be the quality of life available to Santa Cruz County residents.

Second units should also be included in building permit allocation total.

Population growth can not continue within a finite resource system. The decisions you are empowered to make will determine the life choices for the future.

Linda Brodman
Donald A. Croll
Patricia Matejcek

Sierra Club
The Santa Cruz Regional Group of the Ventana Chapter

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