



# County of Santa Cruz

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## PLANNING DEPARTMENT

701 OCEAN STREET, 4<sup>TH</sup> FLOOR, SANTA CRUZ, CA 95060

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ALVIN D. JAMES, DIRECTOR

November 30, 2000

Agenda: December 5, 2000

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

### **CONTINUED PUBLIC HEARING TO ESTABLISH THE YEAR 2001 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 Year 2001 Growth Goal Report is attached (Attachment 3) for your continued public hearing and consideration. Also included in this letter is an updated status report on the 2000 Building Permit Allocation.

Your Board held a public hearing on the Year 2001 Growth Goal on September 26, 2000, at which time staff recommended a continuation of the 0.75% growth rate and the carryover, but not the utilization, of unused 2000 permit allocations. Your Board referred the matter to the Planning Commission for their consideration and recommendation and on November 8, 2000, the Planning Commission held a public hearing. Their recommendation is discussed below.

#### **GROWTH GOAL ISSUES**

The accompanying report on Year 2001 Growth Goals provides a discussion of a series of factors critical in establishing the annual growth goal for the County. The report contains a number of findings including the following:

Population Trends: The State Department of Finance (DOF) estimates that during the last year (1999), the County's unincorporated population grew at a rate of 1.1%, the same rate as 1998. This rate is higher than the 1999 adopted percent growth goal of 0.75%. The County, as a whole, grew at 1.2%, which is less than the 1.7% growth rate for the State of California.

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 twenty-one years, 14.9% of the new residential development in the unincorporated area has been constructed as affordable housing. Affordable housing production as a percentage of total housing production in the first eight months of 2000 is 42.2%.

#### PLANNING COMMISSION RECOMMENDATION

On November 8, 2000, the Planning Commission held a public hearing on this matter. Some Commissioners expressed concerns about the actual growth rate continually exceeding the adopted growth goal (see Attachment 6). They also expressed concerns about actual and potential water quantity shortfalls and lack of adequate infrastructure. The Commission understands that the factors contributing to the actual growth in the County go beyond the issuance of residential building permits and includes increasing household size, conversion of weekend or seasonal housing to permanent housing, and unpermitted construction. The Commission was divided about the appropriate growth rate to recommend and, on a 3-2 vote, adopted a Resolution recommending a 0.50% growth goal for 2001, with the opinion that the adoption of a 0.50% growth goal may result in an actual growth rate which is closer to the previously adopted 0.75%.

The Planning Commission is also recommending that your Board not authorize the carryover of unused permit allocations from 2000.

#### ANALYSIS

There has been a continuing high demand for building permits in 2000 and it is anticipated that the demand will remain steady in 2001. The current status of the 2000 allocation (0.75% growth goal) is shown below:

#### 2000 Building Permit Allocation Status (as of 11/13/00)

|                                  | Urban 1-4 | Urban 5+ | Rural |
|----------------------------------|-----------|----------|-------|
| 2000 Allocation set by Board     | 119       | 119      | 101   |
| Allocated (committed)            | 72        | 47       | 85    |
| Balance available for allocation | 47        | 72       | 16    |

If a 0.50% growth goal had been adopted for 2000, the Rural category would have been depleted on August 29<sup>th</sup>, and the Urban 1-4 category would have been depleted by the beginning of December. No building permit applications in these categories could have been accepted after

those dates unless your Board took action to adjust allocations between the Urban and Rural categories, There would be adequate permit allocations in the Urban 5+ category; however, there are 131 subdivision lots recently approved that could apply for building permits at any time.

Between 1987 and 1998, your Board established a 1% growth goal for each year. Prior to that, the growth goal was 2% between 1982 and 1984 and 1.5% in 1985 and 1986. In 1999, your Board adjusted the growth rate downward from 1% to 0.75%, which was the first time the growth rate had been less than 1% since the passage of Measure J.

The County's Growth Goal, as delineated in Chapter 17.01 - Growth Management, is intended to limit the population growth in the County to represent the County's fair share of each year's statewide population growth, consistent with the availability of services and infrastructure. The staff recommended 0.75% growth rate represents the County's fair share of the County's growth, factoring in the projected growth of the cities, consistent with the Growth Management Ordinance. As indicated in the Growth Goals Report, services and infrastructure is available to serve the recommended growth in the County and the cities. Water continues to be a primary concern, however, there are a number of ongoing programs to address these concerns.

We anticipate that the demand for building permits in 2001 will be comparable to this year's level. As noted above, there are 131 approved subdivision lots that will require building permit allocations; the majority of which will require allocations after the first of the year. In addition to the already approved projects, there are pending subdivision and minor land division applications that could result in 209 lots requiring allocations. A 0.75% growth goal should be adequate to meet this demand; a lower allocation would not.

As your Board is aware, the Planning Department is also diligently pursuing certification of the adopted Housing Element with the Department of Housing and Community Development. Adoption of a growth rate that could preclude building permit applications and elimination of the possibility of utilizing the carryover could jeopardize this promising dialogue. In addition, limiting the ability of large projects to obtain building permits stifles the production of their required affordable inclusionary housing units.

## GROWTH GOAL SETTING

The Year 2001 Growth Goal Report recommends a continuance of the 0.75 percent growth goal established for 2001. Based on this population growth goal, an allocation of total building permits to be issued in 2001 is determined based on considerations of County population, household size and vacancy rates. The allocation is then distributed similar to past years for affordable and market rate housing, urban and rural areas, and the size of projects.

## ENVIRONMENTAL REVIEW

Because the growth rate is below the State average, establishment of the Year 2001 Growth Goal is a regulatory action and is, therefore, categorically exempt under the California Environmental Quality Act (CEQA). A Notice of Exemption has been prepared for your adoption (Attachment 3).

## RECOMMENDATION

The Planning Commission has recommended that your Board adopt a 0.50% growth goal for 2001 and not authorize the carryover of unused permit allocations from 2000. Staff is not recommending this growth goal to your Board for the reasons discussed above. However, we have prepared a Resolution which reflects the Planning Commission's recommendation should your Board decide to adopt the lower growth rate (Attachment 2).

Staff is recommending a 0.75 percent growth goal for the Year 2001, the carryover, but not the utilization, of unused 2000 market rate housing allocations at this time, and a distribution of housing allocations by project location, type and size as discussed in the Growth Goal Report. If it appears that there will be a shortfall in any allocation category, Planning staff will bring this matter to your Board's attention during the year. At that time, your Board could then make numerical adjustments between the allocation categories, or authorize use of the carryover or, decide to do neither.

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

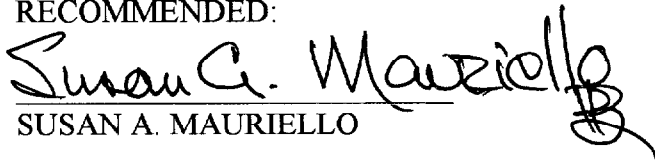
1. Adopt the attached Resolution (Attachment 1) establishing the Year 2001 Growth Goal of 0.75% for the unincorporated portion of the County, with associated findings and implementing actions; and
2. Adopt the attached Notice of Exemption (Attachment 4); and
3. Direct Planning staff to report to your Board if any Year 2001 allocation category is approaching depletion.

Sincerely,



Alvin D. James  
Planning Director

RECOMMENDED:



SUSAN A. MAURIELLO

- Attachments:
1. Growth Goals Resolution – 0.75% growth rate
  2. Growth Goals Resolution – 0.50% growth rate
  3. 2000 Growth Goals Report
  4. Notice of Exemption
  5. Planning Commission Resolution No. 9-00
  6. Planning Commission Meeting Minutes of November 8, 2000

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 2001

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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 2001 Growth Goal Report; 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 allocations from the past year potentially available for use in 2001; 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. 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.
3. 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.
4. 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.
5. The scenic and aesthetic qualities of Santa Cruz County would be destroyed by inappropriately placed development.
6. 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 residential and 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 0.75 percent growth rate for 2001 combined with the possible use of the carry-over of unused 2000 market rate permit allocations and a continuing exemption of affordable units from the need for permit allocations should accommodate the historic rate of housing development and should not restrict the production of housing in the County; and

WHEREAS, in compliance with CEQA and State and County Environmental Review Guidelines, adoption of the 2001 growth rate has been found to be categorically exempt and a Notice of Exemption has been prepared; 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 2001 Growth Goal and Distribution of Building Permit Allocations:

1. A population growth goal of 0.75% be established for 2001; 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 2001 growth between urban and rural portions of the unincorporated County on a 67-33 ratio;

- Allocation of rural permits without regard to project size or affordability;
- Allocation of 50% of the urban permits to the 1-4 unit category;
- Allocation of 50% of the urban permits to the 5 and more unit category; and

4. The unused 2000 market rate permit allocations be carried over, retaining their Urban and Rural distinctions, but not be made available for use at this time, 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 5th day of December, 2000, by the following vote:

AYES: SUPERVISORS  
 NOES SUPERVISORS  
 ABSENT SUPERVISORS  
 ABSTAIN: SUPERVISORS

ATTEST: \_\_\_\_\_  
 Clerk of the Board

\_\_\_\_\_  
 Chairperson, Board of Supervisors

APPROVED AS TO FORM:   
 \_\_\_\_\_  
 County Counsel



## EXHIBIT A

## RECOMMENDED 2001 BUILDING PERMIT ALLOCATION DISTRIBUTION

| Area  | Total      | 1-4 Units | 5+ Units |
|-------|------------|-----------|----------|
| Urban | 226        | 113       | 113      |
| Rural | 112        |           |          |
| Total | <u>338</u> |           |          |

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 2001

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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 2001 Growth Goal Report; 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, 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. 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.
3. 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.
4. 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.
5. The scenic and aesthetic qualities of Santa Cruz County would be destroyed by inappropriately placed development.
6. 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 residential and 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 0.50 percent growth rate for 2001, and the elimination of the process of carrying over unused permit allocations from the previous year are necessary to lessen further degradation of water resources and infrastructure shortfalls that may be anticipated with a higher growth goal; and

WHEREAS, the continuing exemption of affordable units from the need for permit allocations promotes the production of affordable housing; and

WHEREAS, in compliance with CEQA and State and County Environmental Review Guidelines, adoption of the 2001 growth rate has been found to be categorically exempt and a Notice of Exemption has been prepared; 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 2001 Growth Goal and Distribution of Building Permit Allocations:

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- Allocation of rural permits without regard to project size or affordability;
  - Allocation of 50% of the urban permits to the 1-4 unit category;
  - Allocation of 50% of the urban permits to the 5 and more unit category; and
4. The unused 2000 market rate permit allocations not be carried over; 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 5th day of December, 2000, by the following vote:

AYES: SUPERVISORS  
 NOES SUPERVISORS  
 ABSENT SUPERVISORS  
 ABSTAIN: SUPERVISORS

ATTEST: \_\_\_\_\_  
Clerk of the Board

\_\_\_\_\_  
Chairperson, Board of Supervisors

APPROVED AS TO FORM   
 \_\_\_\_\_  
 County Counsel

## EXHIBIT A

## RECOMMENDED 2001 BUILDING PERMIT ALLOCATION DISTRIBUTION

| Area  | Total      | 1-4 Units | 5+ Units |
|-------|------------|-----------|----------|
| Urban | 152        | 76        | 76       |
| Rural | 75         |           |          |
| Total | <u>227</u> |           |          |

*YEAR 2001 GROWTH GOAL REPORT*

*Page 1*

*REPORT ON  
YEAR 2001 GROWTH GOALS  
FOR SANTA CRUZ COUNTY UNINCORPORATED AREA*

Santa Cruz County Planning Department  
September 2000

## 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 2001.

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 and the status of the 2000 Allocation. 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 appropriate.

## 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 2000, and is shown in Table 1 below. These rounded estimates, which are prepared annually, indicate a county-wide population of 255,000 (138,800 unincorporated) as of January 1, 2000 (Source: DOF E-1 Total Population of California Cities, 5-00). The County adopted a population growth goal for the unincorporated area of 0.75% for 1999. As can be seen in Table 1, the DOF population estimates indicate that the unincorporated area grew in 1999 at a rate of 1.1%, the same rate as in 1998. Two of the four cities in the County grew at a faster rate, resulting in a County-wide growth rate of 1.2% in 1999.



TABLE 1: 1999 POPULATION AND GROWTH RATES  
OF COUNTY JURISDICTIONS

| Area                        | 1/1/99<br>Population<br>Estimate | 1/1/00<br>Population<br>Estimate | 1998<br>Population<br>Growth Rate | 1999<br>Population<br>Growth Rate |
|-----------------------------|----------------------------------|----------------------------------|-----------------------------------|-----------------------------------|
| City of Capitola            | 11,100                           | 11,200                           | 1.4                               | 0.9                               |
| City of Santa Cruz          | 55,600                           | 56,000                           | 2.6                               | 0.7                               |
| City of Scotts Valley       | 10,650                           | 10,850                           | 1.9                               | 1.9                               |
| City of Watsonville         | 37,400                           | 38,100                           | 1.4                               | 1.9                               |
| Santa Cruz County Unincorp. | 137,300                          | 138,800                          | 1.1                               | 1.1                               |
| Santa Cruz County Total     | 252,100                          | 255,000                          | 1.5                               | 1.2                               |
| State of California         | 33,766,000                       | 34,336,000                       | 1.6                               | 1.7                               |

Source: DOF E-1 Population of California Cities, 5-00

The DOF estimated 1999 growth rate for the unincorporated area (1.1%) is less than the estimated 1.7% State growth rate for 1999, but greater than the adopted 0.75% growth goal. The unincorporated area's growth rate is comprised of the issuance of residential building permits, increasing household size, 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. 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. For comparison

purposes, in 1999, Monterey County grew at 3.0%, San Benito County grew at 2.2%, and Santa Clara County grew at 1.6%.

TABLE 2: POPULATION GROWTH RATE COMPARISONS

| Year | County Unincorp.<br>Population | County Unincorp.<br>Growth* | County-Wide<br>Population | County-Wide<br>Growth* | State<br>Population | State<br>Growth* |
|------|--------------------------------|-----------------------------|---------------------------|------------------------|---------------------|------------------|
| 1960 | 42,309                         |                             | 84,219                    |                        | 15,720,860          |                  |
|      |                                | 4.9%                        |                           | 3.9%                   |                     | 2.4%             |
| 1970 | 68,440                         |                             | 123,790                   |                        | 19,957,304          |                  |
|      |                                | 4.6%                        |                           | 4.3%                   |                     | 1.7%             |
| 1980 | 107,129                        |                             | 188,141                   |                        | 23,668,562          |                  |
|      |                                | 2.0%                        |                           | 2.0%                   |                     | 2.3%             |
| 1990 | 130,809                        |                             | 229,734                   |                        | 29,760,021          |                  |

\*Compound average annual growth rate

Source: 1960, 1970, 1980 and 1990 U.S. Census. 2000 U.S. Census figures will become available in Spring/Summer 2001

#### 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.

It is interesting to note that AMBAG projected that the population of the unincorporated area of the County would decrease to 134,290 by 2000. AMBAG projected that extensive annexations would decrease the unincorporated area's population while substantially increasing the population of the City of Watsonville. It is also of interest that AMBAG's projected 2000 County population figure is high by almost 5,000 persons.

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

| Area                  | Actual<br>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:

Annexation #855, involving the Freedom/Carey area, shifted 2,022 persons from the unincorporated area to the City of Watsonville. This annexation will be reflected in the January, 2001 population rate figures provided by the State of California. Proposed annexation #865 would involve the Buena Vista area near Watsonville.

## III. BUILDING PERMIT ALLOCATIONS

The number of Building Permits submitted 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 allocation totals for 2000 are shown through September 8, 2000.

TABLE 4: BUILDING PERMITS ALLOCATED, SUBMITTED, AND CARRIED OVER

| YEAR | CARRIED OVER | TOTAL BOARD ALLOCATED | SUBJECT TO THE ALLOCATION (1) | TOTAL APPLICATIONS SUBMITTED SUBJECT TO THE ALLOCATION |
|------|--------------|-----------------------|-------------------------------|--|
| 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                           | 197  |
| 1998 | 254          | 526                   | 447                           | 275  |
| 1999 | 172          | 396                   | 337                           | 216 (4)  |
| 2000 | 104 (5)      | 399                   | 339                           | 183 (6)  |

(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) 208 from the 1999 allocation and 8 (Rural) from the 1998 carryover
- (5) Figure represents 129 balance at the end of 1999 minus 25 (excess of the 15% affordable allocation)
- (6) Through September 8, 2000. The number of building permits issued, subject to an allocation, through September 1, 2000 is 116.

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.

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 congregate 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.

In 1999, the Rural category was exhausted and 8 Rural building permit applications received allocations from the 1998 carryover.

Summary of the 1999 Allocation and Status of the 2000 Allocation

Due to the reduced annual growth goal established for 1999 and the continued demand for building permits, the smallest number of allocations (104) were returned to the carryover since the inception of Measure J. However, carryover figures since 1992, when affordable units were exempted from the allocation, have shown that demand has never come near to meeting the total number of permits allocated. The following chart illustrates this:

| Returned to Carryover | Urban 1-4 | Urban 5+ | Rural | Total |
|-----------------------|-----------|----------|-------|-------|
| from 1999             | 27        | 77       | 0     | 104   |
| from 1998             | 104       | 0        | 68    | 172   |
| from 1997             | 63        | 116      | 75    | 254   |
| from 1996             | 83        | 138      | 91    | 312   |
| from 1995             | 106       | 140      | 72    | 318   |
| from 1994             | 85        | 75       | 118   | 278   |
| from 1993             | 96        | 129      | 101   | 326   |
| from 1992             | 54        | 131      | 90    | 275   |

Staff tracks the number of minor land divisions and subdivisions (for 5+ lots) applied for, approved, and maps filed. Staff can accurately predict the demand for building permits from the creation of new lots; predicting the timing of the demand is more difficult, since there are many factors which influence the pace of residential construction. The following chart shows the status of approved minor land divisions and subdivisions and allocation status:

ALLOCATION STATUS OF APPROVED 5+ UNIT URBAN PROJECTS  
as of September 8, 2000

| Project             | # of Market Rate<br>Units in Project | From<br>Previous<br>Allocations | From<br>2000<br>Allocation | # Remaining<br>to be<br>Allocated |
|---------------------|--------------------------------------|---------------------------------|----------------------------|-----------------------------------|
| Avila Estates       | 6                                    | 5                               | 0                          | 1                                 |
| Harbor View         | 9                                    | 6                               | 0                          | 3                                 |
| Seascape Uplands    | 107                                  | 26                              | 26                         | 55                                |
| Graham Hill         | 60                                   | 0                               | 0                          | 60                                |
| Harbor Vista        | 9                                    | 0                               | 0                          | 9                                 |
| Calabria            | 9                                    | 2                               | 4                          | 3                                 |
| Casa Bianchi        | 8                                    | 2                               | 6                          | 0                                 |
| Woodrose            | 12                                   | 4                               | 4                          | 4                                 |
| Chanticleer Terrace | 8                                    | 0                               | 8                          | 0                                 |
| Capitola Gardens    | 14                                   | 0                               | 14                         | 0                                 |
| Grey Seal Manor     | 6                                    | 0                               | 6                          | 0                                 |
| Gera Estates        | 4                                    | 0                               | 0                          | 4                                 |
| Total               | 252                                  | 45                              | 68                         | 139                               |

As illustrated above, there is a current demand of 139 Urban 5+ allocations. However, the majority of Seascape Uplands building permit applications have been filed by the owner/builders and are, therefore, being allocated from the Urban 1 - 4 category.

## APPROVED AND PENDING MINOR LAND DIVISIONS

|       | Approved # of Lots (1999 -<br>September 8, 2000) | Pending # of Lots (as of September<br>8, 2000) |
|-------|--|--|
| Urban | 45   | 20   |
| Rural | 15   | 40   |

In addition to the demand discussed above from already approved projects, it is also important to note the potential future demand from pending applications currently in the land use review process. As shown above, there are 60 pending minor land division lots; pending subdivision applications could result in 127 new units. There has been a reduction in minor land division and subdivision applications in the past year.

The number of building permits already allocated this year is shown below:

## 2000 Building Permit Allocation Status (as of 11/13/00)

|                                     | Urban 1-4 | Urban 5+ | Rural |
|-------------------------------------|-----------|----------|-------|
| 2000 Allocation set by Board        | 119       | 119      | 101   |
| Allocated (committed)               | 72        | 47       | 85    |
| Balance available for<br>allocation | 47        | 72       | 16    |

Staff is closely monitoring the Rural category. It is projected that sufficient allocations will be available to meet demand; however, staff will inform your Board if the Rural category nears depletion.

## 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. Winter storms from 1993 through 2000 ushered in above average rainfall, yet this recent wet period has not alleviated the need for water use planning and management. Because of this, the emphasis on coordinated water resource management has been of primary concern to County Water Resources staff.

On April 11, 2000, your Board received a report from the Planning Department entitled "Progress Report on Water Resources Management." The report presented an evaluation of the current water resources management work program, of the Inter-Agency Water Resources Working Group, of the Santa Margarita Groundwater Basin Advisory Committee, and other water resource activities. The Water Resources Work Program includes activities related to collecting water use information for advanced planning regarding water demands, consumption, understanding the extent of existing overdrafts and the need to manage or augment a given water supply. Discussion of the Inter-Agency Water Resources Working Group continues to involve development of the proposed County's Metering Ordinance and the potential for cooperative water conservation programs. Staff recommendations regarding continuation of County involvement in the Santa Margarita Groundwater Basin Advisory Committee have focused that group on forming a groundwater replenishment district as a means to develop an alternative management structure for the area's water resources. The various member agencies of that Committee have established funding to support a facilitator and legal counsel to assist with efforts to development a Replenishment District.

Separate reports on Activities to Mitigate Overdraft in the Pajaro Valley also were presented to your Board on February 15, 2000 and again on May 23, 2000. In these reports, County staff promoted the mandatory filing of agricultural water conservation plans and offered evaluation of the Agency's Water Conservation Plan, the local Water Supply Alternatives Feasibility Study, the Harkin Slough Local Recharge Project and closely followed the development of a State of the Basin Report and the Basin Management Plan update.

The 1999-2000 Civil Grand Jury continued its investigation of water districts and the adequacy of present water supply planning efforts. The County's response to these investigations again reiterated the need to consider cooperative water management of common resources, including local groundwater basins and the joint study of augmenting groundwater recharge in inland location and promoting a cooperative desalination effort along the coast.

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.

In 1999, the Transportation Commission voted to approve projects costing an estimated \$260 million to improve traffic flow. The approved projects include toll lanes, improved bus service, local road improvements, railroad right-of-way acquisition, bike and pedestrian paths, electric bikes, and improvements to the Fishhook interchange.

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:

Under state law, all cities and counties are required to adopt a housing element as part of their local general plan. Each housing element must include housing production goals that address the needs of the population that is anticipated to live in the community during the housing element's time horizon.

These housing production goals are the result of a two step process and are divided into four income categories. The California Department of Housing and Community Development (HCD) first estimates the need for additional housing in each county based on

population projections produced by both the State Department of Finance (DOF) and the local transportation planning agency. The local council of governments then allocates HCD's housing needs to the individual cities and counties within its region based on various criteria.

Santa Cruz County's current housing element was adopted in 1994. It includes housing production goals for a total of 11,983 units (see Table 5, below). These goals were established in June 1990 when AMBAG adopted its Regional Housing Needs Plan. In 1990, more than two-thirds of the 17,679 unit housing production goals for all Santa Cruz County jurisdictions were allocated to the unincorporated areas of the County.

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                         |

State law also requires that housing elements be updated periodically — generally every five years. The County is required to update its housing element for the years 2000 to 2007 by June 30, 2002. This update must include housing production goals that AMBAG must produce by June 30, 2001. The legislatively mandated schedule for allocating housing needs and producing the updated housing element are listed below.

## HOUSING ELEMENT UPDATE DEADLINES

| Steps in Housing Element Update Process  | Mandated Completion Date |
|--|--------------------------|
| State HCD allocates 2000-2007 housing needs for Santa Cruz and Monterey Counties to AMBAG                        | June 30, 2000            |
| AMBAG allocates housing needs for 2000-2007 to Santa Cruz County and other local jurisdictions within its region | June 30, 2001            |
| Santa Cruz County adopts a revised housing element that incorporates the housing needs allocated by AMBAG        | June 30, 2002            |

While HCD is mandated to allocate county housing needs by June 30, 2000, AMBAG has only received two preliminary estimates of the local housing needs from HCD. As can be seen in the table below, the estimates for Santa Cruz County are significantly higher than the housing needs adopted in 1990. AMBAG has formally objected to these high estimates and has requested that HCD reduce the allocation to a level that is consistent with AMBAG's population projections for the area<sup>1</sup>.

Once AMBAG receives the official housing needs allocations by county from HCD, AMBAG staff, working with a technical advisory committee comprised of representatives for jurisdictions throughout the region, will allocate the housing needs to individual cities and counties in the region. Your Board appointed Supervisor Beutz to this committee at your September 12, 2000 meeting, with Supervisor Campos appointed as an alternate member. Local jurisdictions will have an opportunity to review their allocation of the region's housing needs and methodology for the allocation before AMBAG's Board adopts the allocation. As noted above, state law mandates that the regional allocation of housing needs be completed by June 30, 2001.

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<sup>1</sup> AMBAG's 1997 population projections place Santa Cruz County's total population at 257,737 for the year 2000, 270,060 for 2005 and 281,714 for 2010. These figures equate to a 9.3% population increase over ten years. For comparison, HCD's preliminary housing needs estimates represent 22.8% and 27.1% increases in the County's housing stock over seven years.

## COUNTY-WIDE HOUSING NEEDS ALLOCATIONS

| Income Category               | Preliminary 2000 HCD Allocation |        |         | 1990<br>AMBAG<br>Allocation |
|-------------------------------|---------------------------------|--------|---------|-----------------------------|
|                               | Alt. A                          | Alt. B | Average |                             |
| Very Low Income (<50%)        | 6,597                           | 5,546  | 6,072   | 4,369                       |
| Lower Income (50% - 80%)      | 3,694                           | 3,106  | 3,400   | 2,557                       |
| Moderate Income (80% to 120%) | 5,013                           | 4,215  | 4,614   | 3,329                       |
| Above Moderate Income (120%+) | 11,082                          | 9,317  | 10,200  | 7,424                       |
| Total Housing Needs           | 26,386                          | 22,183 | 24,285  | 17,679                      |

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 twenty-one year implementation period of Measure J from 1979 through 1999, an average of 14.9 % of the new housing constructed in the unincorporated portion of the County has been affordable. In the first eight months of 2000, 42.2 % of new residential permits issued have been for affordable housing. These figures would be higher except that five of the current subdivisions being built out — Tan Heights, Cowell/Graham Hill Showgrounds, Seascape Uplands, Calabria, and Casa Bianchi — do not include construction of inclusionary affordable units (31 units). Instead, the first two projects (Tan Heights, Cowell/Graham Hill Showgrounds) met their housing requirement through transfers of credit, the Seascape Uplands project met their obligation through the dedication of land to the County in the early 1990's for future affordable housing development, and the Calabria and Casa Bianchi projects met their obligations through the payment of in-lieu fees.

TABLE 6: AFFORDABLE HOUSING PRODUCTION (1)

| Year   | Total<br>Units<br>Issued | Affordable<br>and Inclusionary<br>Units<br>Issued | Second<br>Units<br>Issued | Affordable As<br>% of New<br>Dwelling Units |
|--------|--------------------------|---|---------------------------|---|
| 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  | 1                         | 16.6  |
| 1987   | 606                      | 75  | 0                         | 10.4  |
| 1988   | 710                      | 23  | 3                         | 3.6   |
| 1989   | 420                      | 14  | 0                         | 3.3   |
| 1990   | 267                      | 9   | 1                         | 3.7   |
| 1991   | 173                      | 20  | 1                         | 12.1  |
| 1992   | 367                      | 209   | 0                         | 56.9  |
| 1993   | 198                      | 30  | 1                         | 15.6  |
| 1994   | 192                      | 24  | 2                         | 13.5  |
| 1995   | 152                      | 21  | 8                         | 19.0  |
| 1996   | 145                      | 7   | 6                         | 8.9   |
| 1997   | 194                      | 6   | 14                        | 10.3  |
| 1998   | 269                      | 29  | 29                        | 21.5  |
| 1999   | 219                      | 9   | 25                        | 15.5  |
| Totals | 9561                     | 1335  | 92                        | 14.9  |

(1) Santa Cruz County unincorporated area

## VI. GROWTH GOAL RECOMMENDATION

### Growth Goal:

Your Board adopted a 0.75% growth goal for 1999 and 2000 and a 1.0% growth goal for the previous eleven years.

The economy remains robust and it is probable that there will be a continuing strong demand for permits in 2000.

If your Board adopts a 0.75% growth rate for 2001 and utilization of the carryover is not authorized, it is possible that demand may exceed the supply of allocations in some categories. If no action is taken, the Planning Department, in accordance with Section 12.02.040(c) of the County Code, would cease accepting applications for building permits in the depleted category. Planning staff will advise your Board, during 2001, if depletion of an allocation category seems probable. Staff is **RECOMMENDING** that your Board carryover any unused allocation from 2000, but not authorize utilization at this time. Your Board could make numerical adjustments between the allocation categories or authorize use of the carryover at any time during the year.

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 0.75% population growth goal for 2001 is converted into the Building Permit allocation.

TABLE 7: BUILDING PERMIT ALLOCATION BASED ON A 0.75% ANNUAL GROWTH RATE

|   |         |
|---|---------|
| Estimated Total Household Population 1/1/00 for Unincorporated Santa Cruz County* | 136,762 |
| Estimated Group Quarters Population 1/1/00*                                       | 2,078   |
| Estimated Total Population 1/1/00*  | 138,840 |
| Annual Growth Goal - 2000   | 0.75%   |
| Projected 1/1/01 Total Population   | 139,881 |
| Annual Growth Goal - 2001   | 0.75%   |
| Projected 2001 Population Increase  | 1,049   |
| Persons Per Household (DOF estimate for 1/1/00)*                                  | 2.767   |
| Required 2001 New Housing Units   | 379     |
| Additional New Units Required for 5% Vacancy                                      | 19      |
| Reservation of 15% of the Building Permits for affordable units.                  | <60>    |
| Total Number of New 2001 Units Allowed (including affordable units)               | 398     |

\* Source: DOF E-5 Population of California Cities and Counties, 5-00

The Building Permit allocations have been distributed in previous years based on different criteria: 67%-33% ratio between urban and rural permits for 1979 through 1998; 75%-25% ratio between urban and rural permits for 1999. It is RECOMMENDED that the 2001 permit allocations be divided in the following manner:



## YEAR 2001 GROWTH GOAL REPORT

Page 19

- Division of the 2001 growth between urban and rural portions of the unincorporated County on a 67-33% ratio.
- Allocation of rural permits without regard to project size.
- Allocation of 50% of the urban permits to the 1-4 unit category.
- Allocation of 50% 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 represents staff's prediction of the probable demand. This division also implements the ordinance requirement of encouraging growth in urban areas and discouraging growth in the rural areas.

TABLE 8: RECOMMENDED 2001 BUILDING PERMIT ALLOCATION DISTRIBUTION

| Area  | Total Market Rate Units | 1-4 Units | 5+ Units |
|-------|-------------------------|-----------|----------|
| Urban | 226                     | 113       | 113      |
| Rural | 112                     | N/A       | N/A      |
| Total | 338                     |           |          |

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 2000 market rate housing allocations be carried over, retaining their Urban and Rural distinctions, but not be made available for use at this time. Your Board could authorize utilization at any time

during 2001, if found appropriate.

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 39 new rural residential parcels (no new rural lots have been approved to date in 2000). As the number of new rural residential parcels has not exceeded the yearly limitation for more than a 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 13.10.681(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 136 Development Permits for second units have been approved, resulting in the issuance of 93 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      | 1999      | 2000(1)   |
|---------------------|----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Aptos:              | 0        | 0         | 0         | 2         | 2         | 1         | 0         |
| Aptos Hills:        | 0        | 2         | 3         | 4         | 4         | 2         | 2         |
| Bonny Doon:         | 0        | 0         | 2         | 3         | 4         | 2         | 4         |
| Carbonera:          | 0        | 0         | 3         | 6         | 5         | 2         | 2         |
| Eureka Canyon:      | 0        | 0         | 1         | 3         | 4         | 2         | 3         |
| La Selva:           | 0        | 0         | 0         | 1         | 0         | 1         | 0         |
| Live Oak:           | 1        | 2         | 0         | 1         | 4         | 3         | 2         |
| North Coast:        | 0        | 0         | 0         | 0         | 0         | 0         | 0         |
| Pajaro Valley:      | 0        | 2         | 1         | 3         | 3         | 1         | 2         |
| Salsipuedes:        | 0        | 0         | 0         | 0         | 0         | 0         | 0         |
| San Andreas:        | 0        | 0         | 0         | 0         | 0         | 0         | 0         |
| San Lorenzo Valley: | 1        | 2         | 1         | 5         | 2         | 3         | 1         |
| Skyline:            | 0        | 0         | 0         | 2         | 2         | 1         | 0         |
| Soquel:             | 0        | 1         | 0         | 4         | 5         | 1         | 1         |
| Summit:             | 0        | 1         | 1         | 0         | 3         | 4         | 1         |
| TOTAL               | <u>2</u> | <u>11</u> | <u>12</u> | <u>34</u> | <u>37</u> | <u>23</u> | <u>18</u> |

(1) Through 9/1/00

Second Units Issued Building Permits by Planning Area

|                     | 1994     | 1995     | 1996     | 1997      | 1998      | 1999      | 2000(1)   |
|---------------------|----------|----------|----------|-----------|-----------|-----------|-----------|
| Aptos:              | 0        | 0        | 0        | 1         | 2         | 1         | 1         |
| Aptos Hills:        | 0        | 2        | 1        | 1         | 4         | 4         | 0         |
| Bonny Doon:         | 0        | 0        | 1        | 2         | 2         | 1         | 1         |
| Carbonera:          | 0        | 0        | 1        | 1         | 4         | 3         | 3         |
| Eureka Canyon:      | 0        | 1        | 1        | 2         | 1         | 4         | 1         |
| La Selva:           | 0        | 0        | 0        | 1         | 0         | 1         | 0         |
| Live Oak:           | 1        | 1        | 0        | 1         | 3         | 2         | 3         |
| North Coast:        | 0        | 0        | 0        | 0         | 0         | 0         | 0         |
| Pajaro Valley:      | 0        | 1        | 0        | 2         | 1         | 2         | 0         |
| Salsipuedes:        | 0        | 0        | 0        | 0         | 0         | 0         | 0         |
| San Andreas:        | 0        | 0        | 0        | 0         | 0         | 0         | 0         |
| San Lorenzo Valley: | 1        | 2        | 0        | 2         | 2         | 3         | 0         |
| Skyline:            | 0        | 0        | 0        | 1         | 1         | 1         | 0         |
| Soquel:             | 0        | 1        | 0        | 0         | 6         | 2         | 0         |
| Summit:             | 0        | 0        | 2        | 0         | 2         | 2         | 1         |
| <b>TOTAL</b>        | <u>2</u> | <u>8</u> | <u>6</u> | <u>14</u> | <u>29</u> | <u>25</u> | <u>10</u> |

(1) Through 9/1/00

Since 1997, eleven 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.

NOTICE OF EXEMPTION  
FROM THE  
CALIFORNIA ENVIRONMENTAL QUALITY ACT

The County of Santa Cruz has reviewed the project described below and has determined that it is exempt from the provisions of CEQA as specified in Sections 15061 - 15329 of CEQA for the reason(s) which have been checked on this document.

Application No.: N/A  
Assessor Parcel No.: N/A  
Project Location: The unincorporated area of the County of Santa Cruz

Project Description: Setting of the Year 2001 Growth Goal

Person or Agency Proposing Project:  
Glenda Hill, County of Santa Cruz Planning Department

- A.  The proposed activity is not a project under CEQA Guidelines, Sections 1928 and 501.
- B.  Ministerial Project involving only the use of fixed standards or objective measurements without personal judgement.
- C.  Statutory Exemption other than a Ministerial Project.  
Specify type:

D. Categorical Exemption

- |   |   |
|---|---|
| <input type="checkbox"/> 1. Existing Facility   | <input type="checkbox"/> 17. Open Space Contracts or Easements                                  |
| <input type="checkbox"/> 2. Replacement or Reconstruction   | <input type="checkbox"/> 18. Designation of Wilderness Areas                                    |
| <input type="checkbox"/> 3. New Construction of Small Structure                                     | <input type="checkbox"/> 19. Annexation of Existing Facilities / Lots for Exempt Facilities     |
| <input type="checkbox"/> 4. Minor Alterations to Land   | <input type="checkbox"/> 20. Changes in Organization of Local Agencies                          |
| <input type="checkbox"/> 5. Alterations in Land Use Limitation                                      | <input type="checkbox"/> 21. Enforcement Actions by Regulatory Agencies                         |
| <input type="checkbox"/> 6. Information Collection  | <input type="checkbox"/> 22. Educational Programs   |
| <input type="checkbox"/> 7. Actions by Regulatory Agencies for Protection of Nat. Resources         | <input type="checkbox"/> 23. Normal Operations of Facilities for Public Gatherings              |
| <input checked="" type="checkbox"/> 8. Actions by Regulatory Agencies for Protection of Environment | <input type="checkbox"/> 24. Regulation of Working Conditions                                   |
| <input type="checkbox"/> 9. Inspection  | <input type="checkbox"/> 25. Transfers of Ownership of Interests in Land to Preserve Open Space |
| <input type="checkbox"/> 10. Loans  | <input type="checkbox"/> 26. Acquisition of Housing for Housing Assistance Programs             |
| <input type="checkbox"/> 11. Accessory Structures   | <input type="checkbox"/> 27. Leasing New Facilities   |
| <input type="checkbox"/> 12. Surplus Govt. Property Sales   | <input type="checkbox"/> 28. Small Hydroelectric Projects at Existing Facilities                |
| <input type="checkbox"/> 13. Acquisition of Land for Wild-Life Conservation Purposes                | <input type="checkbox"/> 29. Cogeneration Projects at Existing Facilities                       |
| <input type="checkbox"/> 14. Minor Additions to Schools   |   |
| <input type="checkbox"/> 15. Functional Equivalent to EIR   |   |
| <input type="checkbox"/> 16. Transfer of Ownership of Land to Create Parks                          |   |

E.  Lead Agency Other Than County: \_\_\_\_\_

Staff Planner: Glenda Hill  
Glenda Hill, AICP

Date: October 20, 2000

BEFORE THE PLANNING COMMISSION  
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

RESOLUTION NO. \_\_\_\_\_

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

PLANNING COMMISSION RESOLUTION RECOMMENDING  
ANNUAL POPULATION GROWTH GOALS FOR 2001

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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 2001 Growth Goal Report; 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, 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 0.50 percent growth rate for 2001, and the elimination of the process of carrying over unused permit allocation from the previous year are necessary to lessen further degradation of water resources and infrastructure shortfalls that may be anticipated with a higher growth goal; and

WHEREAS, the continuing exemption of affordable units from the need for permit allocations promotes the production of affordable housing; and

WHEREAS, in compliance with CEQA and State and County Environmental Review Guidelines, adoption of the 2001 growth rate has been found to be categorically exempt and a Notice of Exemption has been prepared; 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 Planning Commission recommends to the Board of Supervisors that:

1. A population growth goal of 0.50% be established for 2001; 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 2001 growth between urban and rural portions of the unincorporated County on a 67-33% ratio;





## EXHIBIT A

## RECOMMENDED 2001 BUILDING PERMIT ALLOCATION DISTRIBUTION

| Area  | Total      | 1-4 Units | 5+ Units |
|-------|------------|-----------|----------|
| Urban | 152        | 76        | 76       |
| Rural | 75         | N/A       | N/A      |
| Total | <u>227</u> |           |          |

**DRAFT**

**COUNTY OF SANTA CRUZ PLANNING COMMISSION  
MINUTES**

**DATE:** November 8, 2000

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

**COMMISSIONERS PRESENT:** ROBERT BREMNER, (CHAIRPERSON) DENISE HOLBERT,  
DENNIS OSMER, LEO RUTH, RENEE SHEPHERD.

**STAFF MEMBERS PRESENT:** CATHY GRAVES, MARK DEMING, GLENDA HILL

**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, Holbert, Osmer, Ruth, and Shepherd present at 9:00 a.m.
- B. PLANNING DIRECTOR'S REPORT:** None.
- 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 VARIANCE FINDINGS FOR APPROVAL OF APPLICATION 98-0595. REQUIRES A COMMERCIAL DEVELOPMENT PERMIT. PROPERTY LOCATED AT 22990 HIGHWAY 17 ON ASSESSORS PARCEL NUMBER 095-012-05.

Showed slides and description of proposal.

First part of proposal is amendment of town plan and change to existing road system. Second part is commercial development permit, and third is variance. All findings can be made for all components.

**PUBLIC HEARING OPENED**

**COMMISSIONER RUTH:** Question about improvements by Cal Trans or owner. Will there be an agreement between applicant and owner?

**MARK DEMING:** Agreement between County and applicant which would require bond for 150% of the cost of required improvements. Very high likelihood that this will be completed within 3 years. Can be reconsidered if improvements are imminent, but not completed within three years.

**KEN ROGERS (ARCHITECT):** Can accept conditions of approval and is available for questions as is the owner.

**COMMISSIONER SHEPHERD:** Feels that this a good project. Praises staff for amount of work that was required. Although project is small it is very intricate.

**COMMISSIONER BREMNER:** With problem of Oak Fungus could we substitute "other appropriate tree" as approved by staff in lieu of requirement for Coast Live Oak.

**PUBLIC HEARING CLOSED**

**MOTION**

COMMISSIONER SHEPHERD MOVED TO APPROVE WITH CONDITIONS; COMMISSIONER RUTH SECONDED.

VOICE VOTE        5-0

MOTION CARRIED AND SO ORDERED. PASSED 5-0.

**ITEM H-5**

PUBLIC HEARING TO CONSIDER THE 2001 GROWTH GOAL.

OWNER: NONE

APPLICANT: COUNTY OF SANTA CRUZ

SUPERVISORIAL DISTRICT: ALL

PROJECT PLANNER: GLENDA HILL 454-3216

**PUBLIC HEARING OPENED**

**GLENDIA HILL:** Annual requirement for review and recommendation of 2001 growth goal. Board of Supervisors referred to the Planning Commission without recommendation. Growth rate for unincorporated area is the same as last year, 1.1%. This is less than the County as a whole, and less than neighboring counties. It does exceed last year's approved growth rate of 3/4%.

Recommendation is for 3/4%. Also recommends that unused building permits be carried over until 2001, but utilizing carryover would require approval of the Board of Supervisors. No correspondence or phone calls have been received.

**COMMISSIONER BREMNER:** Concerned that we are close to limit in rural area. This changes rural makeup of land, and there are water problems in both urban and rural areas. Growth goals are based on the Capital Improvement Plan, but traffic continues to be a problem that is not addressed by growth goal. Why are we allowing building at all? Is 3/4% too high?

**COMMISSIONER SHEPHERD:** Confused about carryover; that makes growth a moot point. Does Housing & Community Development care about carryover?

**GLENDIA HILL:** Has not discussed this with Housing & Community Development recently but has in the past. They have issues with growth goal, and the fact that we have a carryover is viewed favorably.

**COMMISSIONER SHEPHERD:** Doesn't understand the point of the program if it doesn't actually do anything. Current traffic conditions seem to have exponentially increased in the last year. Would support the lowest possible rate.

**COMMISSIONER BREMNER:** Asks for an amendment for 1/2% and no carryover. Second from Commissioner Shepherd. County is running out of control and does not have the infrastructure to support additional growth at this time. The Board of Supervisors will ultimately set policy, but he wants to send a message to them.

**COMMISSIONER SHEPHERD:** Agrees with Commissioner Bremner. We have approved several developments that use water resources when providers cannot identify new sources.

**COMMISSIONER OSMER:** Agrees with both. Feels that it is inconsequential to set growth rate when projects keep being approved.

**PUBLIC HEARING CLOSED**

MOTION

COMMISSIONER HOLBERT MOVED TO DENY, SECONDED BY COMMISSIONER OSMER.

VOICE VOTE 3-2 WITH COMMISSIONERS BREMNER, RUTH, AND SHEPHERD APPROVING.

PASSED 3-2

PLEASE NOTE: THESE MINUTES HAVE NOT BEEN APPROVED BY THE PLANNING COMMISSION AS OF NOVEMBER 14, 2000.

  
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GAIL ROSS  
PLANNING DEPARTMENT