



County of Santa Cruz

PLANNING DEPARTMENT

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ALVIN D. JAMES, DIRECTOR

June 14, 2001

AGENDA: June 26, 2001

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

SUBJECT: 2001 BUILDING PERMIT ALLOCATIONS

Members of the Board:

On December 5, 2000, your Board adopted Resolution No. 396-2000 (Board of Supervisors Resolution Adopting the Annual Population Growth Goals for 2001) establishing a 0.50% growth goal for 2001. This growth goal was translated into an allocation of 227 market rate building permits, divided into the following categories:

Rural	75 permits
Urban 1-4 units	76 permits
<u>Urban 5+ units</u>	<u>76 permits</u>
Total	227 permits

Your Board also adopted a statement as a part of the Resolution which indicated that the carry-over of unallocated permits from 2000 could be used if authorized by your Board.

Planning staff has been monitoring the allocation of building permits and it is likely that the building permits allocated in the Rural category will be exhausted before the end of this calendar year, and possibly as soon as July or early August. The following report will provide your Board with the status of building permit allocations and present two alternatives to address the anticipated shortfall of permits in the rural area.

Current Situation

As of June 22, 2001, building permits are projected to be allocated as follows:

Category	2001 Authorized Allocation	Allocated* as of June 22, 2001	Remaining 2001 allocation	Projected 2001 Allocation (Shortfall)	Allocated in 2000
Rural	75	56	19	116 (41)	91
Urban 1-4 units	76	22	54	45	80
Urban 5+ units	76	36	40	118 (42)	47

* Allocation made upon submittal of building permit application - these numbers include applications for which an appointment for submittal of a building permit has been made.

As you can see, the Rural category has been the most heavily used building permit category in both 2000 and 2001. Based on the projected demand for these permits this year (116 permits, 41 units more than allocated), it appears that the Rural category of permits could be exhausted in July or early August. The projected allocation of permits in the Urban 5+ unit category is based on the approved subdivisions that have either filed or are close to filing their Final Maps. Most subdivisions file applications for building permits soon after the filing of the Final Map. If all of the outstanding subdivisions apply for building permits (Cowell-60 units, Holcomb-10 units Santos - 13 units), an additional allocation of 42 units will be needed. If no action is taken by your Board, the Department would have to stop accepting building permit applications for new homes once the allocation is reached.

Alternatives

There are two alternatives available to address the anticipated depletion of the Rural category building permit allocation: re-distribution of the 2001 allocation or use of the remaining permits from the 2000 building permit allocation carry-over. Either of these alternatives require approval by your Board.

The first, re-distribution of the 2001 allocation, would simply involve re-allocating permits from the Urban categories to the Rural category. However, as can be seen in the table above, the only source for additional permit allocations is the Urban 1-4 unit category as it is likely that the Urban 5+ unit category will also be exhausted by the end of the year. Although the

Urban 1-4 unit category may have a surplus of permits this year, this will not be sufficient to meet the anticipated demand in the Rural and Urban 5+ unit categories.

The second alternative involves the approval by your Board for the use of the carry-over from 2000. In 2000, 218 market rate permits were issued and 94 affordable units, representing a growth rate of approximately 0.62% (the authorized growth goal was 0.75%). The carry-over from the 2000 allocation is 121 units. Use of the carry-over permits would guarantee that there would not be a shortage of building permits in 2001, as there are sufficient permits remaining in the 2000 allocation to meet the demand for the remainder of 2001.

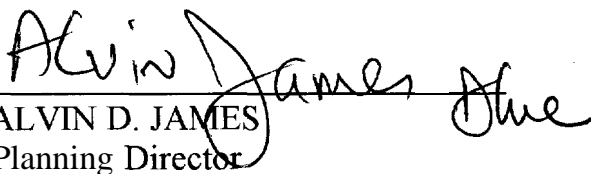
Conclusion and Recommendation

It is very likely that the building permit allocation in the Rural category will be insufficient to meet the demand for the remainder of the year, and it is possible that the Urban 5+ unit category will be exhausted as well. Re-distributing permits from the Urban 1-4 unit category would address only a small portion of the projected demand for permits during the remainder of the year. The only other option, other than ceasing to accept building permit applications when the allocations are exhausted, is to utilize the carry-over from 2000.

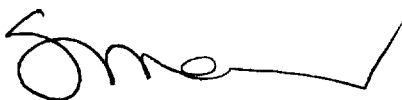
Staff is recommending that your Board authorize the use of the carry-over of the 2000 building permit allocation, as needed, to meet the demands for building permit applications in any category for the remainder of 2001. However, the 2000 carry-over allocations would not be used until the 2001 allocation in a particular category had been exhausted. None of the 2000 carry-over allocations would be added to the total 2001 allocation for the purposes of future carry-over. This action will be consistent with your Board's adoption of the Annual Population Growth Goals for 2000 and 2001, as the overall growth rate for the two years will not be exceeded.

It is therefore **RECOMMENDED** that your Board authorize the use of the 2000 carry-over of building permit allocations, only if the 2001 allocation in a particular category is exhausted, to the extent necessary to meet the demand for residential housing in the unincorporated area of the County.

Sincerely,


ALVIN D. JAMES
Planning Director

RECOMMENDED:


SUSAN A. MAURIELLO
County Administrative Officer