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SANTA CRUZ COUNTY PLANNING ISSUES:  
PAPERS ON PLANNING, HOUSING AND FORESTRY

By  
Students in City and Regional Planning 221  
University of California, Berkeley

Rick W. Williams  
Linda Ruffing  
Virginia Pugh  
Caron Jo Parker

Professors Edward J. Blakely  
Ted K. Bradshaw

*Santa Cruz County (Calif.) & Economic Conditions  
City Planning & California & Felton.*

Working Paper 89-16

*Housing & Calif. & Santa Cruz County  
Forest Policy & Calif. & Santa Cruz County*

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**CONTENTS**

**INTRODUCTION**

Ted K. Bradshaw and Edward J. Blakely

**FELTON TOWN PLAN**

Rick W. Williams

**SAN LORENZO VALLEY HOUSING CONDITIONS: SOCIAL AND DEMOGRAPHIC  
CONSEQUENCES OF RURAL GROWTH RESTRICTIONS**

Linda Ruffing

**THE URBAN/FOREST INTERFACE CONFLICT IN SANTA CRUZ COUNTY  
NEW DIRECTIONS FOR THE RESOLUTION OF THE CONFLICT**

Virginia Pugh

**TIMBER HARVEST PLAN REVIEW**

**NEW POLICY DIRECTIONS**

Caron Jo Parker

## Introduction

These papers were presented by Masters degree students in the City and Regional Planning Department course, Rural and Small Town Planning. Each student did the research on a topic of their choice involving the dynamics of growth in the San Lorenzo Valley area of Santa Cruz County, some 100 miles south of Berkeley.

The purpose of the course was to introduce students to the issues and methodology of small town planning and policy development. Major efforts were directed toward helping students understand the unique character of rural problems, the danger of using inappropriate urban solutions, the processes of working with the community, and the formulation of policies that will meet local needs in a complex independent society. The students brought varying degrees of experience to these tasks, ranging from extensive planning experience in California to limited experience in third-world agencies. All made extensive use of their fieldwork as a laboratory to expand their capabilities.

At the same time, the analyses done in the course make a contribution well beyond that of a course paper. They provide background and insight on critical issues that will be useful to professionals in Santa Cruz County who are working on these issues. We make these papers available in appreciation of the help provided to us by the dozens of people who helped us in the towns of Felton, Ben Lomond, Boulder Creek and in Santa Cruz County, especially Nancy Drinkard, Mary Hammer, Annette Marcum, Susan Thieman, and The County Planning Department, Dianne Guzman, Director.

Ted K. Bradshaw

Edward J. Blakely

# Felton Town Plan

*An Analysis of the relationships between an unincorporated village and its parent county as it attempts to shape and form its own destiny.*



CP 221 Spring 89'  
Prof. Ed Blakeley  
Prof. Ted Bradshaw

Rick W. Williams

## Preface

A significant portion of the development today is occurring within unincorporated rural towns or villages. The unincorporated areas outside city jurisdictional boundaries are controlled by County authorities. These towns and villages generally have some representative entity, yet rarely do they maintain an official, authoritative government, planning agency, or other governing body which might control or guide development.

The goals, priorities, and values of the separate city/town & county authorities can differ greatly. This is not unreasonable, considering that the County's lands are typically large and divergent in character and contain multiple sets of issues, where as towns and villages generally have a smaller set of "localized" concerns. Each of these entities has direct influence on the other as developments effect the natural environment, social services, traffic, commercial activity, tax base income, infra-structure expenditures, a community's image, and its citizen's overall "quality of life".

There has been a recent trend of villages attempting to gain more control over their destiny. This path may have been viable in the past where these towns were somewhat isolated. But today this path is tenuous as these "non-governmental entities" often lack the capability to cope with the large scale issues which are brought in from beyond. If incorporated they would be faced with the demands of implementing the many state and federal mandates which originated in recent years as well as the local pressures of growth and change.

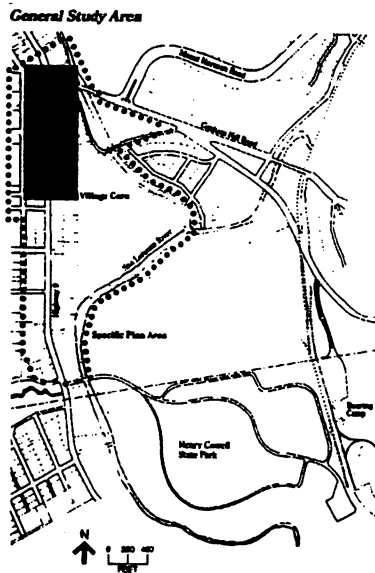
These new mandates and external pressures have changed the role of small town government. No longer can an informal system of volunteerism and the delegation of psuedo-governmental authority be placed in the hands of private citizens in order to regulate their neighbors. The traditional values of small towns, friendship and community group relations are attempting to be qualified and translated into a more "generic" nomenclature, usable by the public administrator of a larger entity. This larger entity, often the county government, is needed to fight

battles against large scale opposition, as well as improve the potential for funding, "grantsmanship"

## Introduction:

This paper will look at the relationship between unincorporated towns and villages and their "parent" county and state entities which influence them. The community of Felton its residents, and special interest groups will be discussed in terms of their relationship to Santa Cruz County's planning department and other governing bodies.

Felton is a small unincorporated village at the gateway of the San Lorenzo Valley, 6 miles north of Santa Cruz along Highway 9 and The San Lorenzo River, both of which proceed into the valley.



Santa Cruz County's General Plan calls for the development of nine specific plans, one for each of its unincorporated villages. These village plans concentrate on the "village core areas" although they are able to address other key issues. Felton's Town Plan, the second of these nine specific plans, was developed through a series of community workshops organized by planning consultant, Jeff Oberdorfer & Associates.

The completed document, approved in 1987, is currently being used as a model for future plans. Both Ben Lomond and Boulder Creek have requested the services of Mr. Oberdorfer's staff. For this reason an analysis of the Felton Plan is appropriate to identify its strengths and weaknesses and to determine the appropriateness of the Felton Plan as a model for future specific plans to be incorporated into the county's general plan.



There is an extreme complexity which arises when there are multiple jurisdictions and agencies with multiple values, goals and procedures. This is exasperated in unincorporated rural communities where there is often no localized jurisdictional agency, and its loosely knit organizations must rely on larger, non-localized groups to implement policies and concerns. If these larger organizations are indeed to implement these smaller entities projects and policies it seems as though they should in some way be involved in their development. In that way they will not feel as though the "tail is wagging the dog", and being vested in the plan should help produce the determination required to see the individual projects realized.

### Citizen Participation Process

Although a very successful methodology, rural community participation does have potential drawbacks which are different than those one might find in a more urbanized area. The hope is that through community participation all viewpoints will be presented in the process and somehow reflected in the plan.

The participation process used to develop the Felton plan involved a series of five community workshops which incorporated consensus building teams made up of community residents. They were very well attended workshops with anywhere from 40 to 100 people attending any particular workshop. The residents and the Felton Business Association were well represented and a questionnaire to the merchants was produced to receive their input into prioritizing concerns. The residents are a relatively vocal group and as individuals very politically active. They are not, however, organized into an entity which can be readily contacted to ask questions of them or present them with information. The Town Business Association, on the other hand, is very active and well organized. They have become a strong spokes group and representative of the plan.

There was a feeling of independence to these workshops, which separated the town from the external influences which are ever-present. Other primary groups or individuals which influence the town and were not invited to attend the workshops were representatives from the

surrounding villages, county officials (unless they were residents of Felton), Cal Trans and PG & E. In discussing this matter with Jeff Oberdorfer, he felt that there would be too many conflicting viewpoints and agendas discussed which would make consensus building even more difficult and dissipate the energy behind the workshops. This is quite likely true. Yet it does not address the issue that these players were eventually going to have to be approached and asked to accept a plan in which their participation was not included.

### Implementation

An equally important facet of the plan is its implementation. A key element of the plan's implementation is the delegation of responsibility to see the plan through to its completion. Just as the development of the town's specific plan incorporated the ideals of many different residents, the implementation of the plan relies on these same individuals. This should be reflected in a similar participatory process. In that way the implementation process should be "spear headed" by a representational group involving a variety of interests in seeing all aspects of the town plan realized. More important, it represents the town's full commitment to seeing "their" plan developed, and if questions do arise concerning the priorities of the implementation procedure a representative body should be better equipped to deal with any potential criticisms than a special interest group.

The collaboration of Felton's citizens appears to be the success of the plan during both the development and implementation, especially of the smaller elements of the plan. Such projects as the redwood tree deck and seating, the covered bridge walk, mural, and farmers market go far to bring the community closure together. They also help to develop the networks and self reliance required to promote an independence from the larger public entities of the county and the public/private bureaucrasies at the state level. These networks create the possibility for further projects, extending the plan into the future once the immediate plans are completed.

The larger scale projects can be viewed as potential problems due to varying values between different scales of authority. They can also show how a symbiotic relationship benefits each entity. The recent acquisition of the Felton Commons parcel by County Parks and Recreation is a good example of mutual benefit. The unincorporated village would have no possibility of receiving a funding grant of this magnitude, or qualify for bonds required for such a purchase.

At times the desires of the county and its unincorporated entities are in conflict. This frequently cannot be remedied, and the town has to develop an understanding that the county-wide needs which at times take precedent. If a proper connection between the county and towns is consistently maintained then the hard decisions which have to be made can be discussed and explained leading to an agreeable solution and amiable feelings to promote future potential projects. Then lines of communication are left open.

Although there were over a dozen improvement projects and policies developed in the plan they can be organized into three primary categories reflecting the relationships between town, county and state organizations. There are those which use primarily local town initiative; those in which the town requires assistance, direction, or direct implementation by the county; and those which require cooperation and involvement of large state organizations, both public and private agencies. The projects discussed below will exemplify these relationships within the framework of an implementation program. Although particular to Felton other towns will have similar projects and their own existing organizations which they will rely on to see their values realized in their town's environment.

# **SAN LORENZO VALLEY HOUSING CONDITIONS:**

## **Social and Demographic Consequences of Rural Growth Restrictions**

**"Everyone can't live in Santa Cruz County . . ."**

-- Gary Patton, County Supervisor, Third District.

Linda Ruffing  
CP 221: Rural and Small Town Planning  
May 19, 1989

## Bibliography

Jeff Oberdorfer, Jeff Oberdorfer and Associates, Architecture/Community Planning, Santa Cruz, CA., (408) 423-5263.

Mike Burns, President of the Felton Business Association, Felton, CA.  
(408) 335-3485.

Steve Matarazzo, Planner, Santa Cruz County Planning Staff Liason  
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Dave Mitchell, Santa Cruz County Parks and Recreation, (408) 425-2395.

Anne Turner, County Director of Public Libraries, Santa Cruz, CA.  
(408) 429- 3533.

Issa Bouri and staff, Cal Trans, Highway 9 Area Team, San Francisco, CA.  
(415) 923-4234.

The Graphics, both photographs and drawings, included in this paper are from the Felton Town Plan.

would enable the planner and the community to have all the possible background information in hand with additional ideas and the ramifications of each.

A second workshop, after or during the formulation of the plan should present the plans concepts and specific projects discussing the reasoning behind each decision. Within this workshop a consensus agreement should be reached to advocate the plan and promote it within each individuals organization. This would in effect develop a framework where by all individuals and groups involved would take an advocacy position in regards to the plan.

At either the second new workshop or separately at a third the same group of representatives should discuss implementation of the plan, potential directions to take politically; possible funding sources; scheduling and prioritizing (which also takes place within town workshops) of projects; and most important, note those individuals and entities involved who will participate but also take responsibility for seeing the implementation take place. This should then be reviewed by the town for final approval.

## Recommendations

The recommendations below are two in nature, reflecting a very positive analysis of both the town and the planning process as a whole. The goal is to solidify the existing networks built between the town, county and state agencies and organizations. Networks and involvement are the life blood of both the rural and community participation planning processes.

1. A community association should be established which could act in conjunction with and/or incorporate individuals of the business association. This entity would be a constant public representative of the town in its relationship with other outside organizations. In this way an open line of exchange would be available as a contact point for outside interests, and a collector and resource for information. It Should be noted here that there has been funding provided for a part-time individual to monitor the implementation program. Its a start! As a non-profit organization it could develop the potential for funding opportunities, and if successful could potentially contract out its services to the surrounding towns, much in the same way Santa Cruz contracts out its library services. Within the town it could develop into an advocacy group for other issues such as housing and food distribution in connection with other outside organizations. Another possibility is that such an organization could potentially be housed in the Faye Bilardi Memorial Building in an effort to maintain the public use of the structure while relocating the library to a more centralized location. The limits are the boundaries of imaginative effort.

2. Two to three additional workshops could be organized with explicit purposes for each. The initial workshop should involve a collection of representatives from each identifiable entity within the towns "sphere of influence". This means any organization which might add insight or be involved with a portion of Felton or any other small town. Such entities beyond the existing representation might be composed of Cal Trans and PG & E, a county library representative, parks department, school system , postal service, and other areas of special concern or interest, etc. This

maintenance. It has little desire to modify itself for each inconsequential village it passes through and it requires discussion by large scale authorities in order to have it modify this position. Regardless of funding or other discussions at the local level the impetus for Cal Trans to modify its position was primarily based on the political pressure mounted by Supervisor Cucchiara with regards to both the design and scheduling of the improvements. This shows the level of commitment a town must have, as the support of the plan by its residents was the impetus for Mr. Cucchiara to take a stand against an entrenched governmental bureaucracy.

Both Cal Trans and PG & E are beginning to realize the benefits of working with the communities through which it passes. They are becoming more aware of the value of having a positive image within the community. Infact I was told by a number of individuals that these entities are beginning to enjoy doing projects in the San Lorenzo Valley because they receive rather strong public support when they work in collaboration with the communities. This in itself may be a model for Cal Trans to entertain further in the future.

## Conclusions

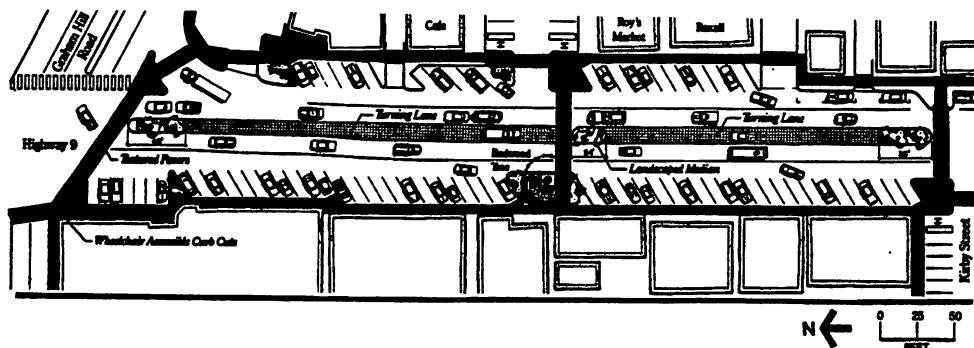
Felton is a relatively tight knit community. Although it has a very positive and strong cohesive vision of itself it seems to lack a visible network both within the town and its connection to external influential entities. The one exception to this is the Town Business Association which is a driving force within the village. The town as a whole, but especially the business association, has a good working relationship with their "Town Planner". Although by all visible signs these are positive, equitable and honest working relationships there is an inherent concern which should be expressed that there may evolve too much reliance on any one group or individual by the town. The town lacks any truly representative organization which might represent all special interest groups and individuals. Finally, Felton is fortunate to have had political representation such as Supervisors Cucchiara and Kealy who have been strong advocates of the plan and have been willing to put extensive political pressure on those entity which otherwise might not listen to a small village.



highway 9 within the business district and Graham Hill Road between Hwy 9 and Mt. Herman Road. Although discussions were undertaken on the creation of a utility district for the undergrounding of utilities, PG & E took it upon themselves to proceed with the work in accordance with their infra-structure upgrade program. It does appear however that they did modify their priorities somewhat in response to the town plan and its supporters.

Cal Trans has also cooperated in regards to both the specific design of the plan for Hwy 9 as well as in the scheduling of their improvement program. They are currently proceeding with the Hwy 9 - Mt. Herman Road portion of the work and hope to be completed by the end of the summer, according to Cal Trans officials.

The Highway 9 segment will make the largest impact on the towns environment and image. Although at first very reluctant to modify their standard improvement plan while passing through the business district, Cal Trans has now agreed to accept the Town's Plan. The final hurdle on this project is funding. Cal Trans is looking for the county, potentially the public works department to share in the cost of this portion of the construction. This should not be a significant hurdle to jump. It appears appropriate that Felton and the county should in some way share in the burden of the cost, possibly in the realm of paying for the difference in cost between the initial Cal Trans proposal and that which the town desires.



Design for Highway 9 Improvements

These road improvement projects exemplify the control a state-wide entity can have over a town's environment. As a part of the state-wide highway system Cal Trans has complete jurisdiction over its design and

be limited to awnings and one story "western front" structures, by the "heart felt kindness" of an out of town developer, who has just passed through Scotts Valley. Design guidelines must be linked to building permit approvals.

Mr. Burns did not apparently have any difficulty with a review procedure were designs were passed by the county for their blessing, but took offense at the hypothetical circumstance that, similar to many cities, development would depend on design review approval. The central point to his argument against the proposal, he said is that there is a public perception that the county staff is not competent in this regard and does not have the ability to administer a program such as this.

A small nuance which I previously mentioned, is in regards to a signage program which was called for in the county general plan. Mr. Burns discussed the signage program, and noted that it had essentially been eliminated from the plan. This appears to be an example of a special interest group supposedly working to administer the plan, working in its own interest. This however may not be the case as it may have been determined at a town meeting, although I would not imagine that the same cross-section of the community participates in each meeting as did in the workshop sessions. It will be on issues such as these that a design review boards backbone will initially be tested.

#### Village/County/State

The final scale of project proposed within the town plan requires the collaboration of state agencies or large semi-public entities. These are the most difficult groups for the small rural towns such as Felton to convince of their importance as a unique place which requires special attention. What makes this so special is that this area of the plan has, and will probably continue to have, the most success, although it is actually the least within Felton's control.

The two primary projects at this scale involve the undergrounding of utilities within the business district and the Improvements to both

One of the few criteria set out in the county general plan is to develop a signage program for the commercial district. The design guidelines developed "suggest" rather than regulate: signage, color, awnings and canopies building materials, roof materials, lighting, landscape and site planning. The term "suggest" is important to understand. It was obvious, in speaking with Mike Burns, that these were only suggestions and that the business community desires to build "whatever they want to". This shows a very low commitment to this portion of the plan by one of the primary advocacy groups involved in the implementation process.

The county is not at all disturbed by the guidelines developed for the town. In discussing the potential for localized review boards for each town or a group of similar towns such as Felton, Ben Lomond, and Boulder Creek, the county planning department did not believe that they would ever relinquish design review control to these communities. The county is developing a program of design review to be implemented in the next fiscal year. They have not yet determined at this time what the extent of the review process will be, or the authority it will have within the permit process.

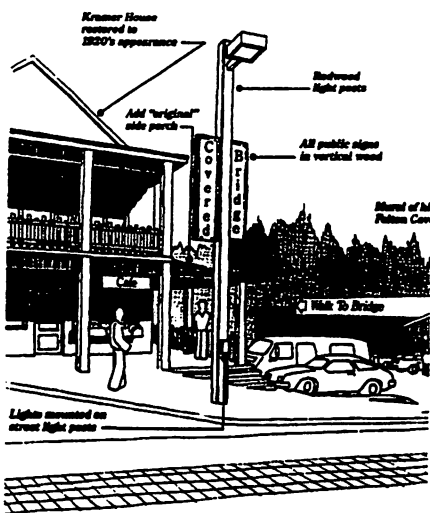
You can be assured though, that any controls which are placed on the town will not be appreciated by the Felton Business Association. As discussed with Mike Burns, the head of that association, the town in general does not feel comfortable with county planning controls. Mr. Burns however did stress that the existing relationship the town has with the county planning agency is a fairly good one, although, as I see it, this appears only to be the case when divergent opinions are not being expressed. In discussing the potential for design review controls with both Mr. Burns and Mr. Matarazzo of the county planning department and staff liason for the town plan, the potential for conflict is great.

The key to design guidelines' effectiveness is the review process and its link to the ultimate permit approval. If this relationship is not the case the guidelines, which are not regulatory law, are of little importance and can be disregarded by an individual who so chooses. It is rather naive for the town to believe that new development, when the market warrants it, will

redevelopment authority in approximately 1995. Neither of these locations correlate with the County Library Plan which, without funding or support by the communities is unimplementable. One wonders whether the residents have knowledge of this masterplan or whether their sense of community extends only to a fictitious "city" limit. Felton has lost a great potential resource by not dealing with the library expansion issue, leaving it unresolved within its plan. You would think that the Felton Business Association would recognize the benefit of having a regional draw of such positive cultural value to entice residents from surrounding communities into Felton. The town is being as negligent in addressing county-wide issues as it accuses the county of being with localized issues.

Although the library masterplan has been usurped, the community appears to have maternal feelings when discussing the Faye Bilardi Memorial Building. There is still potential for upgrading the existing facilities and as suggested in the village plan, a specialized collection may also develop a greater level of activity by drawing interested individuals to the town. There is a potential for the town to capture a portion of the \$75 million State Library Renovation and Redevelopment Bond earmarked for the upgrading of existing facilities.

### Design Guidelines

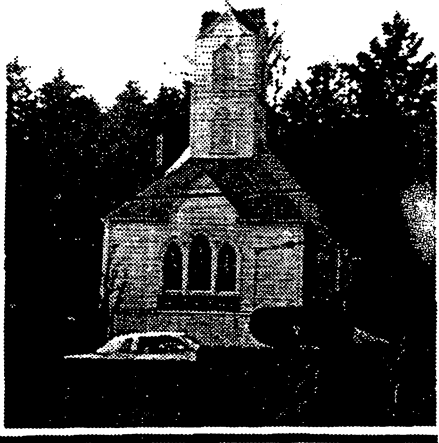


View east from Highway 9 towards Roy's Market

The design guidelines developed for Felton are very explicit in nature and appear, in reading the document, to have been developed in the workshop forum by the entire community. This is very important because the plan is meant to represent a larger constituency than the business district boundaries represent. The guidelines were an attempt to protect Felton's image while desiring an upgrade in the quality of the buildings. The community was very sure that they did not want a *Disneyfication* of their town.

have had to take place at a town meeting as Felton has no representative organization for the Parks Department to contact.

### Library Expansion Project



*Faye Bilardi Memorial Building on Gushee Street, used as Felton Branch Library.*

Another example of town/county initiative or cooperation involves the potential library expansion. The existing library is housed in the Faye Bilardi Memorial Building. It is registered as a Santa Cruz Historical Resource. It is leased for community-serving use as a condition of a trust. If not utilized it is returned to the owner and lost as an accessible community asset.

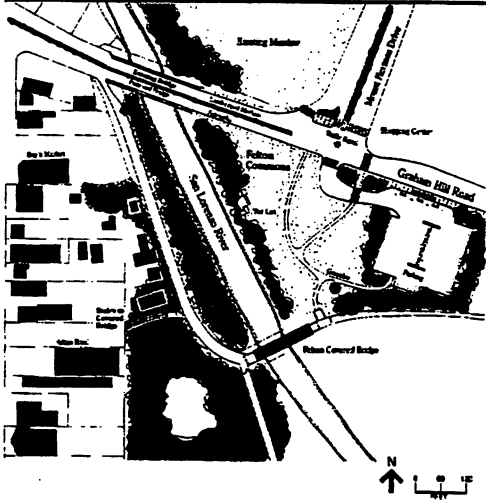
The County library system is administered by the City of Santa Cruz which is under contract to the county for these services. Ann Turner, Director of the county library system explained that there is a county-wide library plan which incorporates all existing and potential library services in the county. The plan contains a three tier designation, tier three being the largest, for library size and facilities depending on the population it serves and the surrounding library uses. Felton, due to its important location at the gate to the San Lorenzo Valley and in close proximity to rapidly growing Scotts Valley is ear-marked to receive a tier three library.

The problem arises when considering funding for libraries. There is little public money available for library development at the county level. Therefore, the burden falls on the each individual town to promote library development. Obviously any town which is successful in obtaining funding will develop the library regardless of any county-wide facility plan.

Boulder Creek has recently constructed a new tier two facility. They were able to fund this through a Certificate of Participation, approved by its residents. Scotts Valley is planning a library facility to be funded by its

## Felton Commons Acquisition

Felton Commons



The Felton Commons acquisition is a good example of this type of symbiotic relationship. Although the three acre parcel is nearly undeveloped as it lies within the flood plain, securing the parcel of land for the town was a major element of the plan. It was also on the agenda of the County Parks and Recreation agency to purchase the land. The emphasis the village residents placed on this portion of the plan, as well as voting for bond initiatives in previous years provided the opportunity for the agency to modify its projects priority. In 1986 the Park and Recreation agency received a federal grant, and along with a 1988 park bond and additional funding by the Public Works Department and Transportation District, allowing it to purchase the property this past April. The \$500,000 purchase price would never have been in reach of the town and eventually development would have found a way to control the flood zone thereby losing the potential for a great community asset.

Although a very successful implementation of the town's desires, the fact that the county has jurisdiction over the parkland clouds the discussion over its potential use. County-wide the park system is in desperate need of additional high level activity parks, especially ballfields. Felton, the residents I spoke with, business association,, and the design consultant, were all very adamant that the proper use for this park is that of localized, low-activity level uses. Thus the circumstance has been created were the county has used a substantial portion of its acquisition budget to purchase a parcel, which it feels is large enough to meet a regional need, irrespective of the communities vision and desire, which is clearly stated in the plan. This shows a short-coming of a village plan which relies on funding by a larger jurisdictional body. Prior to the purchase the village and county should have discussed potential alternative uses for the park. This would

The town currently holds public meetings at which they review the designs and are allowed public input. This is a good program and should be continued, although an additional design review program is being considered by the county planning agency. The conflicts which may arise will be discussed under the town/county initiative programs.

Although there is a feeling of individual identity for the town during these projects it should be noted that even here the funding for the design and portions of the construction of these projects is provided by a grant from the rural renaissance program. This was obtained by the county for development of the village plans and special projects. Felton also contributes additional funding for these projects through volunteering both labor and materials. By stretching the funding they do have they display a vested interest in their community and this should be promoted as good public relations for applying for additional funding programs by the town, as an individual entity in the future.

Another important feature of these local, small scale projects is that they are immediate, tangible items which the village residents can rally around. This is important because the impetus that a community participation plan has is primarily the support of the residents. For these projects to be realized as swiftly as they have is a tribute to the designers, for creating a realistic and implementable solution; the business association for spearheading the particulars required; and the residents for participating and maintaining support for the vision they have created.

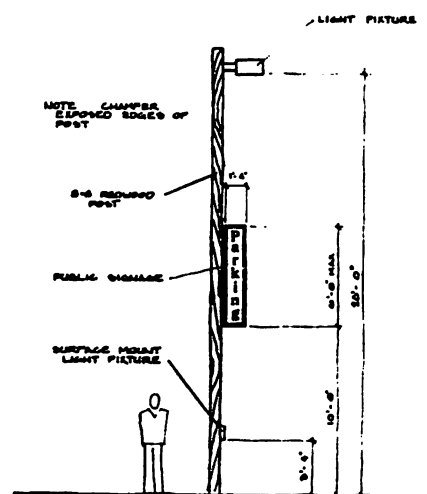
### Village / County Initiative

The projects below exemplify the relationship between the town and county. This somewhat symbiotic sometimes antagonistic relationship is tenuous at best. It represents the quinessential dilemma faced by small unincorporated towns. That is the town perceives itself as an individual entity, yet it has a relatively small population with respect to the region, it has no form of local representative government, and most important it has little means of funding all but the smallest of its dreams and visions.

## Village Initiative

These projects are an example of small town planning in a traditional European style. The town informally adopts a designer as the "Town Planner", and he or she is used as a consultant to develop small scale projects throughout the community. In this instance Felton, and other towns in the San Lorenzo Valley, have chosen the firm of Jeff Oberdorfer and Associates of Santa Cruz to develop both their town plan and designs for individual projects within the community. This reliance on one entity is a reflection of the high quality service he has provided and the positive relationship he has established with members of the community.

The primary player within the implementation process is the Felton Business Association. They have in essence taken it upon themselves to see this plan realized. This phenomena, of individuals or groups "taking over" a process such as these entities have is fairly typical of smaller towns and at times is the only way in which a plan can be realized. It is important that the relationship these two entities develop is not perceived as a conflict of interest or a symbiotic collaboration which removes the rest of the community from the process.



An example of decisions being made outside the community participation process may have already occurred. In speaking with Mike Burns, head of the Felton Business Association, he related that particular items of the design guidelines in the plan are not being followed. These include the redwood street lights and the signage program for the businesses on Felton's main street. It is unclear whether this took place at a public meeting such as the workshops or is a

decision which the businesses of Felton have determined to be in their best interest. Although not a primary goal of the town such minor examples of individuality could begin to undermine the integrity of the process in place, and create further harm when a major item is on the agenda.



## TABLE OF CONTENTS

<b>I.</b>	<b>THE ISSUE: WHO <u>CAN</u> LIVE IN SANTA CRUZ COUNTY?</b>	
	Introduction	1
	The San Lorenzo Valley	1
<b>II.</b>	<b>KEY FACTORS INFLUENCING RESIDENTIAL GROWTH</b>	
	County Growth Management Policies	3
	Other Constraints to Residential Development	6
<b>III.</b>	<b>EFFECTS OF LIMITED RESIDENTIAL GROWTH</b>	
	Housing Conditions and Rehabilitation Needs	7
	Housing Vacancy Rates	8
	Increased Household Size	9
	Housing Costs and Affordability	9
<b>IV.</b>	<b>COUNTY PROGRAMS ADDRESSING HOUSING ISSUES</b>	
	Housing Rehabilitation	12
	Affordable Housing	12
<b>V.</b>	<b>CHANGING DEMOGRAPHICS IN THE SAN LORENZO VALLEY</b>	
	Emergence of the Silicon Valley Bedroom Community	14
	Displacement of Low Income Residents	15
	Implications of Changing Demographics	16
<b>VI.</b>	<b>HOUSING POLICIES TO SUPPORT THE HOUSING NEEDS OF SAN LORENZO VALLEY RESIDENTS</b>	
	Housing Goals for the San Lorenzo Valley	16
	Housing Programs for the San Lorenzo Valley	17
<b>VII.</b>	<b>REFERENCES</b>	
	Persons Contacted During Study	20
	References	20

## LIST OF TABLES

1.	Santa Cruz County Growth Trends	4
2.	Unincorporated Santa Cruz County Vacancy Rates	8
3.	Housing Costs in the San Lorenzo Valley	11
4.	Annual Household Income (1988)	11
5.	Travel Time to Work (1988)	15

# **I. THE ISSUE: WHO CAN LIVE IN SANTA CRUZ COUNTY?**

## **Introduction**

In recent years, many communities throughout California and the nation have responded to the pressures of rapid population growth and development by adopting legislation aimed at controlling urban expansion. Adoption of urban limit lines, greenbelts, strict development controls and building permit quotas are just a few of the "growth management" techniques employed to control the rate, location and type of new development.

While much planning literature addresses the proliferation of growth management strategies in rural planning, almost all of the analysis focuses on either (a) techniques employed and the implementation of rural growth restrictions (King and Harris, 1989; Doherty, 1988; Cowart, 1985), or (b) social structures and intentions underlying rural growth management (Dubink, 1984; Herbers, 1987; Doherty, 1987). And virtually all of these studies are concerned with new development or expansion in rural communities.

This study addresses a rural growth management topic which has received little or no attention: What are the effects of growth management on rural or semi-rural areas which are essentially "built-out"? The implications of growth management extend far beyond its effects on new development. Development restrictions can have a profound effect on existing land values and, while growth controls may limit changes associated with physical expansion, the resultant market conditions can radically alter the social and demographic structure of a community.

This paper presents a case study of a rural community which is currently undergoing such a transformation: the San Lorenzo Valley in Santa Cruz County, California.

## **The San Lorenzo Valley**

The San Lorenzo Valley is comprised of approximately 70 square miles of wooded canyons and high valleys in the Santa Cruz Mountains. The Valley has three unincorporated towns and a population of approximately 21,000 persons. In the 1970's the unincorporated areas of Santa Cruz County, including the San Lorenzo Valley, experienced unprecedented rates of residential growth. As local residents felt the adverse effects of rapid urban expansion (traffic congestion, scenic degradation, water and air

pollution, constrained public services, etc.), political pressures to preserve the "quality of life" in Santa Cruz County grew.

In 1978, County voters passed Measure J, a growth management referendum. The County's ensuing growth management policies, combined with environmental constraints and market factors, have resulted in a marked decline in the rate of residential growth, particularly in rural areas. At the same time, the population of rural communities has continued to increase significantly.

In the San Lorenzo Valley, this trend has had two very pronounced effects. First, many summer and weekend cabins have been converted into year-round residences; and second, housing costs have sky-rocketed. Two parallel planning issues accompany these trends:

- **Housing rehabilitation.** Much of the housing stock, originally constructed for seasonal use, presents safety hazards for its occupants and the community at-large.
- **Housing affordability.** The high demand for housing resulting from the imbalance between population growth and housing growth has inflated housing costs beyond the means of many of the Valley's residents.

The relationship between these two issues also merits examination. Housing in the Valley is (or has been) affordable because it is (or was) in need of rehabilitation and was remote from employment centers. Will rehabilitation of the housing stock make it less affordable? And with people willing to commute longer distances, the demand for housing is no longer constrained by the Valley's distance from employment centers. In fact, the rural scenery and quality of life have made the Valley a highly desirable location with people willing to commute 45 minutes or more to the Silicon Valley or Santa Cruz. The associated high demand for housing has made prices soar.

From a community planning perspective, reasonable goals for the San Lorenzo Valley include rehabilitation of the housing stock and maintenance of affordable housing opportunities. The question is: How? How can the San Lorenzo Valley be prevented from becoming an up-scale, suburban, bedroom community?

This study identifies some of the factors which contribute to housing conditions in the Valley and examines their effect on local residents. Specific goals and policies are identified which respond to the issues raised. The study incorporates the following analytical approach:

1. Identification of key factors restricting residential development in the San Lorenzo Valley.
2. Examination of housing trends in the San Lorenzo Valley (i.e., conversion of seasonal units to year-round occupancy, declining vacancy rates, increased household size, increased housing costs).
3. Evaluation of demographic trends and social consequences associated with San Lorenzo Valley housing market.
4. Recommendation of policies and programs to respond to the housing needs of San Lorenzo Valley residents.

## II. KEY FACTORS INFLUENCING RESIDENTIAL GROWTH

### County Growth Management Policies

Implementation of Measure J is based on development controls established in the County General Plan (1980) and County Code (as amended, 1982). Measure J requires the County Board of Supervisors to set an annual cap on residential growth. In addition, Measure J requires that developers of major projects reserve a portion of all new units for low- and moderate-income buyers and renters. In recent years, a one percent ceiling has been selected. For 1989, this ceiling would allow issuance of no more than 489 new building permits, including 73 for low- and moderate-income housing<sup>1</sup>.

Since growth management policies were instituted, the rate of growth in Santa Cruz County has shown a marked decline (Table 1). According to a "Growth Trends Report" prepared by the County Planning Department, between 1977 and 1981, approximately 11,690 new dwelling units were developed countywide (including the four incorporated cities), reflecting an average annual growth rate of approximately 3.8%. Between 1982 and 1986, only 4,480 new units were developed, resulting in an average annual growth rate of 1.4%.<sup>2</sup>

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<sup>1</sup>Santa Cruz Sentinel, "County's Policy on Housing Under Close Watch by State," 12/21/88.

<sup>2</sup>Santa Cruz County Planning Department, Santa Cruz County Growth Management System: Growth Trends Report, August 1986. The County's data sources are U.S. Census Data (1970, 1980) and State Department of Finance estimates. The two five year periods, (1977-1981 and 1982-1986) were selected for

County building permit data, compiled for the years 1976-1985, verify the continuation of this trend in unincorporated areas. Between 1976 and 1980, 6,237 units were authorized by building permits in unincorporated areas of the County (1,247/year). Between 1981 and 1985, the number of units authorized by building permits dropped to 3,605 (721/year). This represents a 42% decrease in the amount of new residential development permitted.

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**TABLE 1  
SANTA CRUZ COUNTY GROWTH TRENDS\***

	1977-1981**	1982-1986**	Percent Change in Rate of Growth
Countywide	11,690 units	4,480 units	61% decrease
Unincorporated Areas	6,237 permits	3,605 permits	42% decrease
San Lorenzo Valley	754 permits	305 permits	60% decrease

\*Countywide data reflect the number of dwelling units built in incorporated and unincorporated areas. Data for unincorporated areas and the San Lorenzo Valley reflect the number of building permits issued and do not directly correspond to the number of units built.

\*\*Building permit data is for 1976-1980 and 1981-1985 time periods.

Source: Santa Cruz County Planning Department, "Growth Trends Report," August 1986.

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Residential development in the San Lorenzo Valley echoed countywide trends. Between 1976-1980, 754 units were issued permits; between 1981 and 1985, only 305 units were authorized representing a 60% decrease in the rate of residential growth. Growth management policies were also aimed at shifting the balance between the amount of growth occurring in the unincorporated urban and rural areas of the County. Whereas in

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the following reasons: (1) These periods represent the last decade for which historic housing growth trends have been compiled; (2) Although Measure J was passed in 1978, it was not fully implemented until 1982; and (3) An adjustment for housing growth during the 1970's (derived from 1980 census data) is included in the 1981 growth figure.

the late 1970's, the split between building permit issued in urban and rural areas was about 50:50, the ratio is now about 70:30. This trend is apparent in the San Lorenzo Valley, which experienced a decline in the residential growth rate which was almost 20% greater than that of the unincorporated County as a whole.

The County is currently embroiled in litigation over the legality of its growth management policies. The State Department of Housing and Community Development (HCD) and the Santa Cruz County Board of Realtors allege that:

- (1) The Housing Element of the County General Plan is inadequate.
- (2) The County's growth management policies have resulted in an extremely expensive and unwieldy permit approval process.
- (3) Because of County policies, the County is not providing its "fair share" proportion of affordable housing to meet regional demands.

The County, on the other hand, contends that environmental constraints and market trends are responsible for the limited growth in housing and that, despite the building permit quotas established by growth management policies, there is a surplus of permits available. Indeed, since the adoption of Measure J ten years ago, the County has accumulated a backlog of approximately 1,400 unclaimed permits.

The discrepancy between County growth trends and statewide patterns is apparent upon examination of population growth rates. While statewide, the population growth rate increased from 1.7% per year between 1970 and 1980 to 2.1% per year between 1980 and 1986, in Santa Cruz County the rate of population growth decreased from 4.2% to 2.5% during the same time periods. According to the California Department of Finance, the County's overall population growth rate was 2.3% in 1987, and population in the unincorporated area of the County increased by only 1.3% in 1987.<sup>2</sup> Despite the decline, overall County population growth rates remained well above statewide rates. Nevertheless, the question of whether it is defensible from a regional or statewide perspective for Santa Cruz County to restrict growth remains to be answered.

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<sup>2</sup>Santa Cruz Sentinel, "Growth Rate for County is 2.3 Percent," 5/8/89; "Santa Cruz County Population Is Shifting," 5/9/89; "Pressures of a Growing Community," 4/29/88. It is important to realize that although the rate of growth in Santa Cruz County has declined, more than 50,000 people (a 28% increase) have moved to the County since 1978, when growth control measures were passed.

## Other Constraints to Residential Development

Although it appears that growth management restrictions are at least partially responsible for the decline in residential development in the San Lorenzo Valley, the reduced rate of growth is also attributable to other development regulations. First of all, there are simply not very many vacant lots remaining in the Valley. The County's "Growth Trends Report" (1986) estimated that the San Lorenzo Valley was 88 percent built out. Vacant land could accommodate approximately 1,425 additional units, according to County projections. These projections did not account for the numerous environmental constraints which hamper development of vacant lots in the Valley, and consequently, true buildout is likely to be even lower.

The San Lorenzo Valley is characterized by steep ravines, unstable soils and heavy rainfall in the winter months. Development in the Valley, coupled with these conditions has had tragic consequences, epitomized by the January 4, 1982 storm which ravaged the Valley. Twenty inches of rain in a 24-hour period triggered landslides and uncontrollable flooding which took several lives and caused millions of dollars worth of property damage. The fact is, most of the vacant lots remaining in the Valley are on very steep slopes and, if developable at all, would require considerable investment in soils and structural engineering prior to construction.

The steep slopes and soil conditions also present problems for residential development in terms of septic suitability. There are no community wastewater treatment facilities in the Valley and studies have shown evidence of contamination of local streams and the San Lorenzo River due to existing septic systems. In response to this the State Regional Water Quality Control Board has imposed a moratorium on installation of additional septic systems on primary and secondary tributaries to the San Lorenzo River (Class I and II sites).<sup>3</sup>

In summary, there are a number of physical, infrastructure and policy constraints which restrict housing development in the San Lorenzo Valley. Although some of the policy constraints are subject to political influences and could be changed (i.e., the growth management restrictions), the fact remains that the San Lorenzo Valley is pretty much

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<sup>3</sup>The Draft and Final Focused Supplemental Environmental Impact Reports for the Proposed San Lorenzo Valley Class 1 Wastewater Treatment Facilities identifies the issues surrounding septic systems and wastewater treatment and disposal in the San Lorenzo Valley. After seven years of study, the San Lorenzo Valley Water District's application to construct community wastewater treatment facilities was turned down by the State Regional Water Quality Control Board in 1985. The state-imposed moratorium on installation of septic systems on Class I and II sites (primary and secondary tributaries to the San Lorenzo River) is still in place and is one of several environmental/policy constraints to development in the San Lorenzo Valley.

built out. Steep slopes and unstable soils mandate low development densities on the hillsides, and septic issues and a limited transportation network constrain development densities on the Valley floor. Because of these constraints, it is evident that more development or redevelopment at higher densities are not tenable solutions to the housing crisis in the San Lorenzo Valley.

### **III. EFFECTS OF LIMITED RESIDENTIAL GROWTH**

While County growth control policies and other constraints have resulted in very limited residential growth in the San Lorenzo Valley, the population has continued to increase. The absorption of this increased population is primarily attributable to the continued conversion of seasonal housing to year-round occupancy, which coincides with a decrease in vacancy rates. The fact that the demand for housing far exceeds the supply has resulted in a highly competitive housing market, with house prices and rental values soaring in recent years. As stated previously, these trends raise two basic concerns: (1) the need for rehabilitation or improvements to the housing stock; and (2) the need to retain affordable housing opportunities for low income residents.

The following data have been obtained from various sources and represent the most recent data available. The 1990 Census is likely to document some of the more speculative trends identified in this discussion, and to reveal additional changes in household characteristics in the San Lorenzo Valley.

#### **Housing Conditions and Rehabilitation Needs**

Much of the existing housing stock in the San Lorenzo Valley was originally constructed for weekend or summer use, and most of the cabins are now being used year-round by permanent residents. Redwood cottages, often lacking insulation, adequate roofing, central heating and plumbing, are perched precariously on the steep canyon slopes. In many cases, the septic systems are old and designed for limited, dry weather occupancy. In the more densely developed areas, full time occupancy has resulted in significant pollution and public health hazards. These houses were not designed or built for year-round occupancy, and in many cases, the conversion from seasonal to full-time use has occurred without any remodelling, weatherproofing or upgrading of sanitary/plumbing facilities.



According to Rob McBurney, the Santa Cruz County Planning Department coordinator of the Housing Assistance and Neighborhood Development Program (HAND), the seasonal housing stock in the San Lorenzo Valley is characterized by a number of problems including: substandard foundations (or lack of any foundation), deferred maintenance, lack of insulation, inadequate electrical and plumbing systems, and faulty septic systems.<sup>4</sup> In addition, many units do not comply with the County's building code and there is a great deal of illegal construction, ranging from simply adding a room to building an entire house without permits.

### Housing Vacancy Rates

The housing vacancy rate in Santa Cruz County has consistently declined over the last 30 years. This decline was greatest during the decades of the 1960's and 1970's, but has continued through the 1980's (see Table 2, below). The decline in vacancy rates reflects the growth in population relative to housing stock and the conversion of dwelling units from seasonal to year round occupancy.

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**TABLE 2**  
**UNINCORPORATED SANTA CRUZ COUNTY VACANCY RATES**

Year	Cumulative Vacancy Rate*	Vacant For Sale	Vacant For Rent
1960	33.8%	1.1%	2.6%
1970	19.6%	0.7%	1.8%
1980	13.9%	1.4%	2.2%
1986	12.5%	n/a	n/a

\*This cumulative vacancy rate is the percentage of total dwelling units which are not occupied on a year-round basis. It represents units which are available for rent or sale or awaiting occupancy; units for migratory, seasonal and occasional occupancy; and other units not available for year-round occupancy.

Source: Santa Cruz County, "Growth Trends Report," August 1986 (1960, 1970 and 1980 U.S. Census; State Department of Finance data, 1986); Santa Cruz County Housing Element, 5/85.

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<sup>4</sup>Personal interview with Rob McBurney, Santa Cruz County Planning Department, 4/24/89.

Vacancy rates are a good indicator of housing market conditions. Decreasing vacancy rates indicate that demand is exceeding the development of new housing. A high vacancy rate implies ease of mobility, reduced overcrowding, lower housing costs, and reduced utilization of substandard, deteriorated or unsafe housing. The decrease in overall vacancy rates between 1960 and 1986 reflects an increase in demand and the transfer of seasonal units to year-round use. Although the vacancy rates for rental units and homes for sale show an increase between 1970 and 1980, 1990 census data is likely to show a sharp decline in the vacancy rates in the County due to the decrease in the rate of residential development since 1980.

### **Increased Household Size**

Another consequence of the increase in population relative to housing stock is an increase in the average number of persons per household in rural Santa Cruz County. Since 1980, average household size in unincorporated Santa Cruz County has increased from 2.63 to 2.75 persons per household in 1986 and a projected 2.82 persons per household in 1990. Several factors contribute to this increase including: increased birth rates, lowered death rates, more sharing of housing, and dependents remaining at home longer due to increased housing costs. Increase in household size is not, by definition, a negative phenomenon. However, to the extent that the increase results in overcrowded conditions or adverse effects on infrastructure and service capacities, household size can serve as a social indicator.

Recent data compiled for the towns of Felton, Ben Lomond and Boulder Creek indicate that household size in these communities has remained at a constant 2.5 persons per household since 1980 (Zephyr Urban Management Associates, 1989). The 1990 Census will reveal whether this trend holds true for the entire San Lorenzo Valley. Based on conversations with numerous San Lorenzo Valley residents, there is a widely held perception that household size and incidences of overcrowding are on the increase, particularly in the more remote communities of Lompico and Zayante.<sup>5</sup>

### **Housing Costs and Affordability**

One unfortunate paradox of the housing situation in the San Lorenzo Valley is that, despite the poor housing conditions, housing is relatively expensive for both renters and

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<sup>5</sup>Personal interview with Roberta Fontane, Director of San Lorenzo Valley Senior Center, 4/24/89; Telephone interview with Susan Thiemann, Valley Resource Center, 4/19/89.

homebuyers. According to 1980 Census data, approximately one-third of the housing stock in the San Lorenzo Valley is comprised of rental units and the remaining two-thirds is owner-occupied. Again, it will be interesting to see if the 1990 Census reveals a shift in this split. If Boulder Creek is an indicator of upcoming trends further down the Valley, we may see a decrease in the amount of rental stock throughout the Valley.<sup>6</sup>

As shown in Table 3, rental costs for one-bedroom units in the Valley average \$525/month. Three-bedroom homes with rents upward of \$1,500/month are not uncommon. These rents are not in line with the income of many of the Valley's residents (see Table 4). Many low-income residents (especially young families, single-parent households, elderly residents) are affected by increased housing costs. The number of individuals and families seeking social services and public assistance is on the rise according to staff at the Valley Resource Center, a branch of the County's Human Resource Agency providing social services to San Lorenzo Valley residents. In 1988, the Valley Resource Center provided assistance to approximately 1,650 San Lorenzo Valley residents who were experiencing hardships, primarily due to lack of income and unemployment. The average monthly income of the Valley Resource Center's clients in 1988 was \$293 per month.<sup>7</sup> When this is compared to the average rental costs in the Valley, it is apparent that affordability is a serious issue for some of the Valley's residents.

As shown in Table 3, the average three bedroom home in the San Lorenzo Valley is on the market for more than \$250,000. This is in keeping with countywide real estate prices recently released by the Santa Cruz Area Chamber of Commerce. According to the Chamber, the "typical" three-bedroom home in the County sold for \$250,000 in December 1988, which is \$54,000 (27 percent) more than the average three-bedroom home sold for eight months earlier, and 184 percent more than a similar house went for in 1978.<sup>8</sup> To purchase a house in this price range, a prospective home buyer would need a household income of approximately \$58,000 a year. According to recent economic data compiled for Felton, Ben Lomond and Boulder Creek, the median household income in the San Lorenzo Valley is approximately \$30,000 a year, or just about half of the income required to purchase the average home in the San Lorenzo Valley (see Table 4).

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<sup>6</sup>1980 Census data indicate that 70% of the housing stock in Boulder Creek was owner occupied, compared to 68% in Ben Lomond, and 63% in Felton.

<sup>7</sup>Information obtained from Valley Resource Center Annual Report to Supervisor Fred Keeley; 2/9/89.

<sup>8</sup>Santa Cruz Sentinel, "Real Estate Rocketing," 4/9/89.

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**TABLE 3  
HOUSING COSTS IN THE SAN LORENZO VALLEY**

	One Bedroom	Two Bedroom	Three Bedroom
<b>Average House Price</b>	\$126,500	\$189,300	\$251,900
<b>Average House Rental</b>	\$600/month	\$825/month	\$1,100/month
<b>Average Duplex Rental</b>	\$575/month	\$750/month	n/a
<b>Average Apartment Rental</b>	\$525/month	\$625/month	\$800/month
<b>Room in Shared House</b>	\$335/month	n/a	n/a

**Source:** Housing cost information based on survey of Santa Cruz Sentinel classified ads for San Lorenzo Valley communities; 4/9/89 - 4/15/89.

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**TABLE 4  
ANNUAL HOUSEHOLD INCOME (1988)**

(percent of total population)

	Felton	Ben Lomond	Boulder Creek
<b>Under \$25,000</b>	41%	47%	37%
<b>\$25,000 - \$50,000</b>	41%	35%	35%
<b>\$50,000 +</b>	18%	18%	28%
<b>1988 Median Income</b>	\$28,740	\$27,240	\$33,900
<b>1979 Median Income</b>	\$18,485	\$17,530	\$19,950
<b>Percent Change (1978 - 1988)</b>	55.4%	55.4%	69.9%

**Source:** Ed Astone, Zephyr Urban Management Associates; based on data provided by National Decision Systems and 1980 U.S. Census data.

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## IV. COUNTY PROGRAMS ADDRESSING HOUSING ISSUES

### Housing Rehabilitation

The County Housing Assistance and Neighborhood Development Program (HAND) offers low interest loans, permit processing and technical assistance for housing rehabilitation to qualified homeowners (must earn less than 80% of the County's median income or rent to low income residents). Despite the fact that the HAND program recently targeted the San Lorenzo Valley for its rehabilitation program, only one out of ten applicants in the San Lorenzo Valley was able to participate, primarily because units with illegal construction are exempted from the program. Not only does this illustrate the extent of illegal construction in the Valley, but it also points to an obvious short-coming in the County's housing rehabilitation program.

In an attempt to curb illegal construction in the County, the Board of Supervisors adopted an ordinance in October 1988 which establishes civil penalties, not to exceed \$2,500 per day for "any person who fails to comply with, any provision of the Santa Cruz County Code" and penalties "for any person who constructs or converts a structure without a building or development permit . . . in the amount of any rent received from any person occupying the structure or in the amount of the reasonable rental value of the structure from the date of its construction or conversion."<sup>9</sup> Obviously, enforcement of this ordinance could have serious financial implications for residents of the San Lorenzo Valley. And furthermore, while the ordinance may function as a deterrent to future illegal construction, it does nothing to help remedy existing Code violations.

### Affordable Housing

Measure J mandates that at least 15% of all new housing constructed in the County be affordable to average or below average income households. The County adopted an inclusionary housing program shortly after passage of Measure J to help implement this goal. The inclusionary program requires developers of 5 or more units to offer at least 15% of the units at rents which are affordable to lower income households or at sales prices which are affordable to moderate income households. The inclusionary housing policies have little or no effect on the provision of affordable housing in the San Lorenzo Valley for two reasons: (1) there is very little new residential construction in the Valley;

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<sup>9</sup>Ordinance No. 3951, Amending the Santa Cruz County Code to Establish Civil Penalties; adopted 10/4/89.

and (2) virtually all of the new construction is for projects of less than 5 units, and therefore is not subject to the inclusionary requirements.

The County also has programs to help developer's build federally-assisted housing. Again, however, the San Lorenzo Valley is not the recipient of any of this housing. There are few suitable sites for multi-unit development and service constraints (particularly septic issues) effectively prevent any development on the Valley floor. Besides, multi-family attached housing, the type that is usually marketed in the "affordable" range, is not in keeping with the established densities and rural character of the Valley.

Truly, the San Lorenzo Valley is something of an anomaly. Affordable, single family detached housing is quickly becoming a contradiction of terms, at least in California. One way in which the County has attempted to address this issue is by providing financial assistance to first-time homebuyers. The County has worked with local lending institutions to obtain low interest rates for the purchase of inclusionary housing. A mortgage credit certificate (MCC) program has recently been established which provides first time homebuyers with a tax credit against their mortgage interest payments. This program has seen a lot of activity in the San Lorenzo Valley. The MCC program has a ceiling on the buyers income level (\$42,960 gross income) and the purchase price of the home (\$140,000). According to a recent Sentinel article, the average selling price of a house in Boulder Creek is \$151,885 (and according to Table 3, the average price of a 3-bedroom home in the Valley is \$250,000).<sup>10</sup> If housing prices continue to increase at current rates (25%+ per year), it is possible that the purchase price ceiling on the MCC program will render it useless in the San Lorenzo Valley.

Insofar as rental housing is concerned, there are two main issues: affordability and conversion. In the past, residential rent control ballot measures have been soundly defeated in Santa Cruz County. The County does, however, have a mobile home rent control ordinance aimed at stabilizing rents for mobile home park spaces. With this exception, there are no regulatory constraints on rental charges. The County Human Resource Agency provides rental assistance to qualified residents through the General Assistance and AFDC programs. The rental subsidy program is currently impacted by substantial need and insufficient funding. In addition to escalating rental costs, the supply of rental units in the San Lorenzo Valley is particularly vulnerable since the housing stock is comprised primarily of single-family units and is susceptible to conversion to owner-occupancy.

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<sup>10</sup>Santa Cruz Sentinel, "Housing Prices Jump in Mountain Town," 5/10/89.

## V. CHANGING DEMOGRAPHICS IN THE SAN LORENZO VALLEY

Perhaps the greatest irony associated with Santa Cruz County's growth management policies and housing conditions in the San Lorenzo Valley is that Measure J was adopted with the intention of preserving the "rural quality" in areas such as the San Lorenzo Valley. And, while limiting growth has succeeded in preserving many of the scenic and environmental qualities of the area, it has also resulted in an inflationary housing market. And this, in turn, appears to be changing the entire social fabric of the community, displacing many of the residents who supported the growth management referendum in the first place.

### **Emergence of the Silicon Valley Bedroom Community**

Not surprising, the increase in housing costs in the San Lorenzo Valley is accompanied by a rise in income levels. Household income levels in the Valley have increased dramatically in the past ten years. In part, the increase is due to the recent and on-going influx of Silicon Valley executives, willing to make the lengthy commute in return for a secluded home amid the redwoods. As shown on Table 4, the 1988 median income in Boulder Creek is almost \$34,000, a 69.9% jump from the 1979 income levels. Boulder Creek now has the second highest income levels in the County.

And it is pretty obvious, judging from the morning traffic jams, where that income is coming from: the Silicon Valley. Over 60 percent of the area's workforce is employed in professional, administrative, and high-tech jobs, and most of them commute to work outside of Santa Cruz County.<sup>11</sup> Table 5 shows the average travel time to work reported by workers in the three San Lorenzo Valley communities. As shown, a significant proportion of the workers, particularly in Ben Lomond and Boulder Creek, travel more than 45 minutes to their jobs.

While higher income levels and longer commutes are not necessarily indicators of negative social conditions, they do indicate that change is occurring.

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<sup>11</sup>Santa Cruz Sentinel, "Town's Metamorphosis: Boulder Creek goes from hippies to 'chippies'," 4/10/89.

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**TABLE 5**  
**TRAVEL TIME TO WORK (1988)**

	<b>Felton</b>	<b>Ben Lomond</b>	<b>Boulder Creek</b>
<b>0-15 minutes</b>	30%	20%	18%
<b>16-30 minutes</b>	25%	23%	10%
<b>30-45 minutes</b>	16%	17%	24%
<b>&gt; 45 minutes</b>	29%	40%	48%

Source: Ed Astone, Zephyr Urban Management Associates; based on data provided by National Decision Systems.

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### **Displacement of Low Income Residents**

As housing costs in the San Lorenzo Valley escalate, the people on the lower economic strata of the community are subjected to increased pressures to make ends meet financially. The result of this pressure is that low income people are being priced out of the community.

Recent studies suggest that the increased cost of living in the County is resulting in the out-migration of elderly residents. In 1960, senior citizens represented 22.8 percent of the County's population. The senior citizen population dropped to 13.8 percent in 1987, a dramatic decrease from the 1960 population and even lower than the state average of 15.4 percent.<sup>12</sup> This trend is not readily apparent in the San Lorenzo Valley, despite its large population of retired people, due to the fact that most of the elderly residents own their homes. However, it appears that the rate of in-migration of retired persons is dropping and it is likely that a reduction in elderly residents will be seen in years to come.<sup>13</sup>

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<sup>12</sup>Santa Cruz Sentinel, "Washing the Gray Out of Santa Cruz," 4/11/89.

<sup>13</sup>Based on personal interviews with Roberta Fontane, Director, San Lorenzo Valley Seniors Center; Jack Meyer, Director, Wilder Hall Senior Meal Program; Velma Fleury, San Lorenzo Valley resident, 4/24/89.



## **Implications of Changing Demographics in San Lorenzo Valley**

The implications of the changing demographic trends in the San Lorenzo Valley are manifold. Many questions beg to be answered: How do you support and maintain a diverse population base in the face of sky-rocketing land and housing costs? Is it possible to keep single family detached housing prices affordable to low- or moderate-income people? How can you stave off the suburbanization of an attractive, semi-rural area, especially given people's willingness to commute longer and longer distances? How do you maintain a sense of community in the face of constant change?

Underlying each of these questions is the basic issue of what community values County policies should attempt to maintain. Obviously, there are numerous trade-offs in achieving environmental, social, economic and political goals. Although reaching community consensus on such issues is no small task, a planning approach which identifies the full range of trade-offs and develops a clearly directed set of goals and policies is needed to effectively manage and protect rural areas on the urban fringe, such as the San Lorenzo Valley.

## **VI. HOUSING POLICY DIRECTIONS FOR THE SAN LORENZO VALLEY**

### **Housing Goals for the San Lorenzo Valley**

The following basic goals were developed based on the above evaluation of existing household characteristics, housing conditions and demographic trends in the San Lorenzo Valley. After each goal, I have listed a number of related questions for which there are no simple answers. These questions do need to be answered in the process of planning for the future of the San Lorenzo Valley. To match a planning program with a community's values requires articulation of those values. Answering these questions would help to clarify the values of the existing San Lorenzo Valley community.

#### **Goal 1. Maintain the rural character and quality of life in the San Lorenzo Valley.**

What is rural about the Valley? Is rural a look, i.e., low density housing, lots of trees, limited commercial development? Does rural imply an economic base separate from outlying cities? Can a bedroom community be rural?

## **Goal 2. Retain housing opportunities for low income residents.**

Is the provision of housing for lower income residents important? If suitable sites are available, would high density housing be acceptable? If construction of affordable housing is not possible, is retention of existing low cost single family detached housing important? Should an effort be made to conserve (or expand) the rental stock in the Valley?

## **Goal 3. Encourage rehabilitation of seasonal housing stock.**

How rehabilitated should the Valley be? Which is preferable, funky or gentrified rural? Where do you draw the line between funky and unsafe? If rehabilitation results in higher housing costs, is it desirable?

## **Housing Programs for San Lorenzo Valley**

Housing markets are not confined by jurisdictional boundaries and it may be argued that real solutions to housing problems must be approached at a regional level. In the absence of regional planning, ad hoc measures at a local level can help to stall the inevitable crises in housing such as the gentrification of desirable areas (including entire counties, such as Santa Cruz). The following policies and programs are presented as possible local approaches to achieving the three goals stated above.

1. Measures which discourage housing speculation would help slow the pace of price inflation and turnover in housing stock. Examples of actions which could achieve this include:
  - **Establish price controls on home values.** The Berkeley City Council was recently presented with a proposal to establish a ceiling on home values by using the most recent sale price as a base and allowing increases no greater than national averages. This is one of the more radical and direct approaches to limiting soaring house prices and, needless to say, it generated a great deal of controversy. Given that the measure was rejected in Berkeley, it is not likely to meet with greater favor in Santa Cruz County.

- **Raise the real estate transfer tax.** This type of measure depresses the value of a home, thereby discouraging property transfers. It does, however, raise the cost of housing, making it even less affordable for lower income persons.
  - **Require new homebuyers (or sellers) to remedy environmental problems and Code violations.** The County could require upgraded septic systems, "as built" permits for illegal construction, improvements to remedy other Code violations, as a condition of title transfer. Again, this would depress the value of housing in the Valley, discouraging speculation. Although it may slow the exchange of property and the accompanying influx of higher income residents, in the long run, it raises the cost of housing.
2. Since commercial development contributes to increased demand for housing and other services; mitigations fees could be levied against new commercial development. Development fees could be assessed for roads, sewer and water, and other public service improvements. This would discourage commercial development and would help fund needed infrastructure improvements. A more direct approach to minimizing commercial development is simply to rezone commercially designated land and/or to adopt stricter commercial development controls.
  3. Programs which assist low income, first-time home buyers can help keep lower income people in the housing market. The County has such programs, including the Mortgage Credit Certificate program which is very active in the Valley. Additional subsidies, tax credits, etc. would help this program. Other programs could be established to encourage sales to low income home buyers. For example, local financial institutions could be lobbied to provide second mortgage programs with deferred down payments or interest write-downs for low income buyers.
  4. As stated above, preserving rental stock in an area dominated by single family detached units is a difficult task. Institution of a rental credit program, which offers a credit against property taxes for rental property would discourage conversion from rental to owner-occupant use.
  5. Since much of the rental property is owned by out-of-town landlords, creation of a non-profit rental management agency to assist landlords and tenants, could eliminate some of the hassles associated with rental management, encouraging owners of rental property to maintain it as such.

6. Create community-based organization to provide housing rehabilitation assistance. The basic premise is that by localizing the organization, it can more effectively and efficiently serve Valley residents.
  - Transfer County housing rehabilitation funds to community organization.
  - Draw on skills and talents of local residents.
  - Use existing community networks (Valley Churches United, Senior Centers, Valley Resource Center, etc.) as organizational bases for the establishment of program.
  - Canvas local firms for resources (esp. Scotts Valley firms, larger wineries, etc.)
  - Take advantage of existing community organizations, such as church groups, businessmen associations and untapped labor pools (youth programs, seniors).
  - Solicit private foundation funding which can be funneled into rehab program.
7. Provide some type of amnesty program for illegal construction in the Valley. In establishing the program, differentiate between Code violations which present an immediate safety hazard to building occupants and violations which pose no particular hazard to occupants but are simply not up to par with County building standards.
8. Create a local Housing Advisory Committee to help identify local housing needs and possible programs and sources of funding to solve housing problems. County staff are concerned with the bigger picture of countywide housing needs and do not necessarily have the time or resources to address specific housing issues in the San Lorenzo Valley. Creation of an advisory council could help clearly identify which housing issues are most important in the eyes of Valley residents. In addition, the council could look into setting up programs or attracting funding outside of established County channels.

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Rob McBurney, Santa Cruz County Planning Department, Director of Housing Assistance and Neighborhood Development Program.  
Cherry McCormick, Santa Cruz County Planning Department, Housing Advisory Commission.  
Jack Meyer, Wilder Hall Senior Meals Program.  
Betty Peterson, Seniors Council of Santa Cruz County.  
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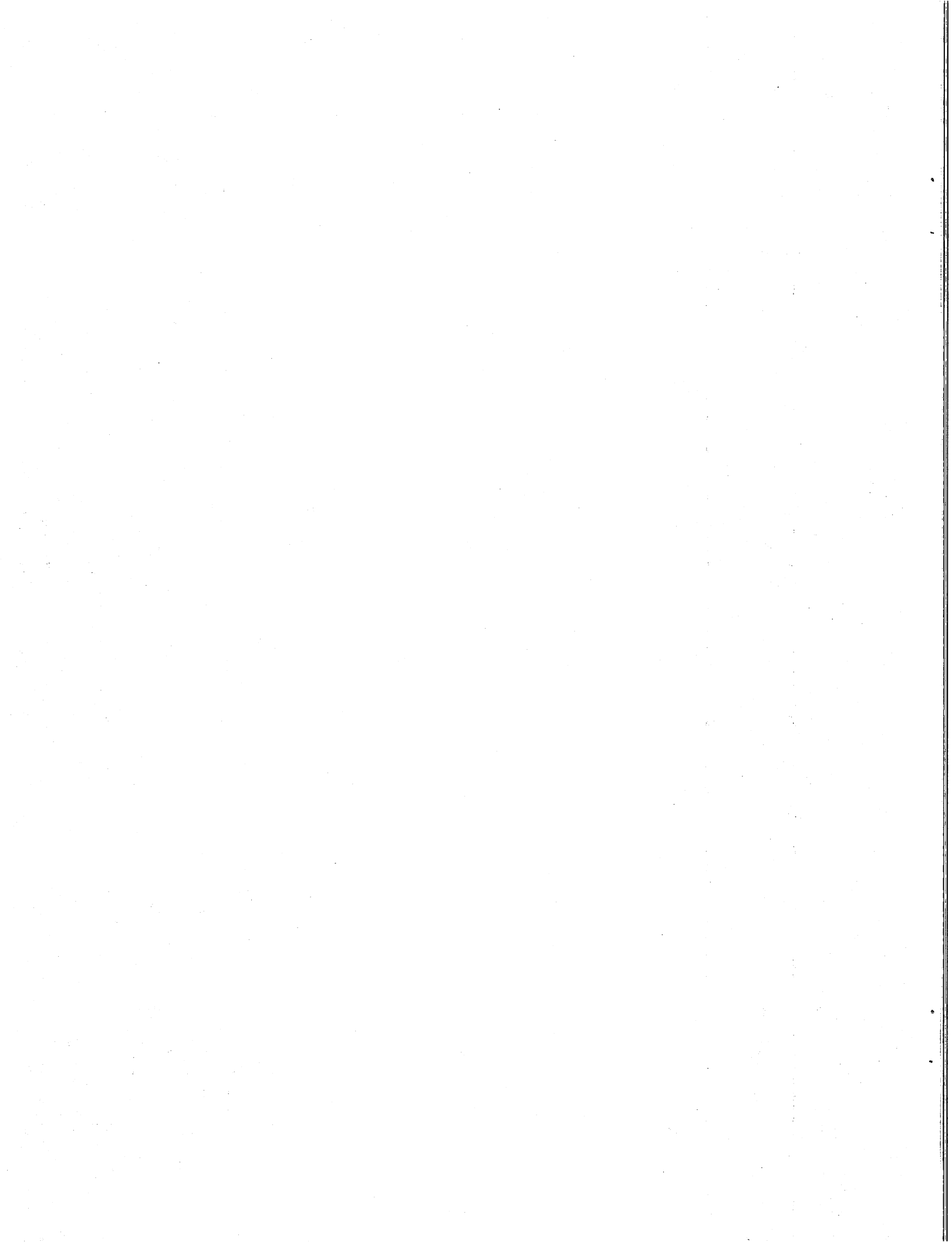
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**The Urban/Forest Interface Conflict in Santa Cruz County  
New Directions for the Resolution of the Conflict**

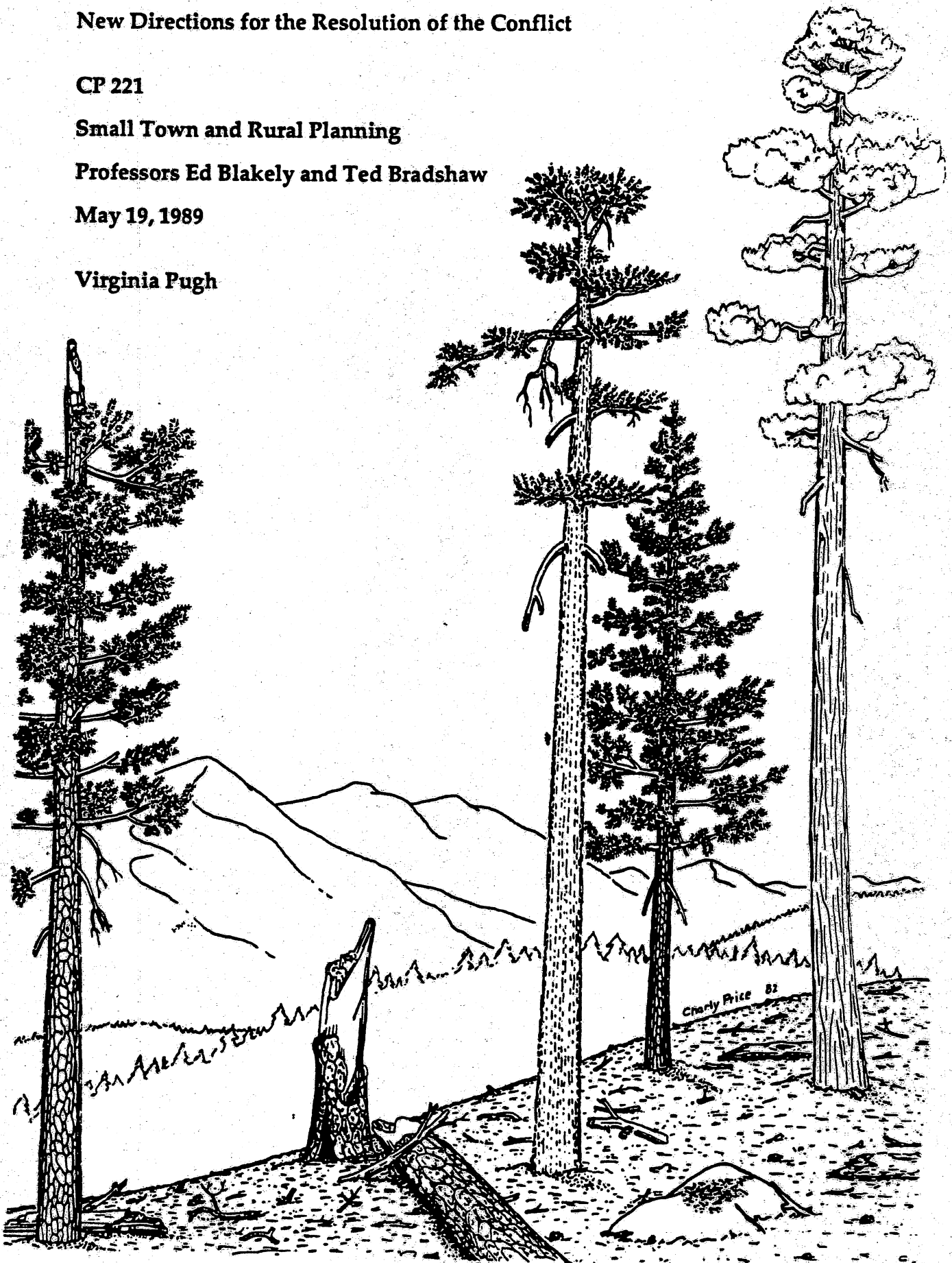
**CP 221**

**Small Town and Rural Planning**

**Professors Ed Blakely and Ted Bradshaw**

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## Executive Summary

Santa Cruz county is one of the rapidly urbanizing counties of the greater San Francisco Bay Area. As the area has urbanized, land use conflict has arisen between urban activities and active forest harvesting. The discussion explores the nature of the urban/forest interface conflict in Santa Cruz county and identifies arenas for resolution of the conflict. Santa Cruz county appears to have taken advantage of timber harvest regulation, timber production zoning and tax incentives to encourage the maintenance of timberland in the county. In addition, the county has expressed numerous policies to discourage timberland conversion. Three additional measures were identified in the report to resolve the urban/forest interface conflict. First is the exploration of purchase of partial rights to highly contested timberlands in the form of a scenic, conservation or recreation easement. Second is the education of Registered Professional Foresters in the social and political environments of urban areas. Third is the training of professionals who can manage timberland in the urban/forest interface. These professionals would be trained to understand the technical and economic aspects of forestry as well as the regulations and social environment of urban areas.

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Santa Cruz county is one of the rapidly urbanizing counties of the greater San Francisco Bay Area. As the area has urbanized, land use conflict has arisen between urban activities and active forest harvesting. Comparable urbanization is not limited to the Bay Area. Everywhere in the West, forest lands are facing residential encroachment and other competing land uses. This discussion shall explore the nature of the urban/forest interface conflict in Santa Cruz county and shall identify arenas for resolution of the conflict. The identification of the situation and resolution in Santa Cruz county may then have application to other urbanizing wildlands.

### **The Nature of the Conflict at the Urban/Forest Interface**

There are several nationwide trends in land use which have resulted in conflicts at the urban/forest interface. These trends are the increased ownership of forest land by non-traditional owners, especially formerly urban investors, higher forest land prices and division of forest land into smaller parcels (Healy, 1984). These trends have been seen to lead to conflicts in neighbors' perceptions of logging practices, logging transportation, forest fires and economic competition.

From the point of view of the forest industry, increased ownership of forest land by non-traditional owners is seen to lead to poor forest management practices. The new owners are more interested in aesthetic and rustic character than in managing the trees for timber. The proliferation of ownership of forest land by non-traditional owners has also led to the increased price of forest land. This exacerbates the problem of acquisition of timberland for timber production. Parcellization to the point that the parcels can not be efficiently managed for timber production is perhaps the most significant factor. Management of forest lands is particularly threatened by scattered development especially since the land is often held by absentee or part-year residents (Amster, 1984). Added to parcellization is the problem of juxtaposition. The new neighbors, often transplanted urbanites, bring different aesthetic values to the interface, may object to the noise and traffic of logging, and to slash burning or chemical sprays (Healy, 1984).

Fire is an especially grave risk in the urban/forest interface. The encroachment of residential land use into the forest lands exacerbates the risk of fire for both the forest and the home-owner. A wild forest fire or prescribed burn may threaten the homeowner. Since over 90 percent of woodland fires are caused by humans (Healy, 1984), a major problem for both public and private land managers of rural forest land is fire protection from the residential population. An Oregon study found that among the non-agricultural people who live on or near forest land, debris burning and children were the top ranking causes of fire (Hamilton, 1978). The problem is exacerbated by land use planners who have failed to include fire-safe considerations in their planning of rural subdivisions, zoning restrictions and building codes. Vacation homes, vacant much of the year, may have been built under lax codes and pose the possibility of electrical fires. In previously isolated areas a fire may have once been allowed to run its course; now the fire must be fought to protect the secluded homes. This leads to a dangerous build-up of accumulated fuels which then increases the danger of a catastrophic fire.

While land use trends have led to conflicts among the disparate users, maintenance of forest lands in an urbanized area is beneficial because wildlands provide numerous ecological benefits at no or low costs. Forest vegetation cleans the air, provides oxygen, buffers noise, absorbs waste, modifies the microclimate, offers open space and recreational opportunities, stabilizes land, protects watershed, provides flood control, groundwater recharge and wildlife protection. Perhaps at the bottom of the residential neighbors' list of benefits from the forest is wood production (Lee; Miller, 1984).

While forest lands provide many benefits, their preservation from development will continue to face difficulty. Blakely (1984) identified four continuing problems in the maintenance of forest land in an urbanized area:

1. "The pressures on wild lands will continue to grow due to both population growth and recreational demands.

2. The desire of the American public to preserve forest and natural habitats cannot be fulfilled unless new management tools are developed.
3. The problem is not a problem of insufficient wood production to meet national demands; rather the issue related to forest management reflects cultural and social needs.
4. Urban life-styles and housing patterns in wild lands represent a substantial danger to these lands."

### The Urban/Forest Interface in Santa Cruz County

Santa Cruz county has experienced those trends in land use identified above as likely to lead to conflict in the urban/forest interface. First, the county has experienced significant population growth coupled with increased ownership of forest or forest fringe land by non-traditional owners. Figure 1 displays the population growth in the county between 1970 and 1980 and more significantly, the increased number of residents classified as "rural". The data displays high population density coupled with slowing population growth, especially in the rural parts of the county. While the county has followed the nationwide trend in a slower reverse migration pattern leading to a lower proportion of rural residents, the absolute number of rural residents has increased, presumably exacerbating the interface conflict.

**Figure 1**

#### **Population Growth: Santa Cruz County - 1970 to 1980**

1980 Residents	Residents/ 1000 acres	1970 Residents	Residents/ 1000 acres	% Change 1970-1980	Population Change
188,141	767	123,790	504	+51.98%	+64,351
1980 Rural Residents	Rural % of Total Residents	1970 Rural Residents	Rural % of Total Residents	% Change Rural Share 1970-1980	Rural Population Change
34,956	18.58%	27,107	21.90%	-15.15%	+7,849

Source: County Implementation of California's Timberland Production Zone. Washburn, 1983

As Figure 2 demonstrates, the amount of timberland in Santa Cruz county is considerable. Commercial forest land constitutes 135,000 acres or 48 percent of the land base of the county. Roughly half of the commercial timberland , 68,000 acres, is productive redwood (Timber Management Element, 1986). However, the majority of the commercial forest land, 85 percent, is owned by non-industrial owners.

Figure 2

Santa Cruz County Timberland

	<u>Acres</u>
<b>Santa Cruz County</b>	<b>281,000</b>
Nonforest	99,000
Forest	182,000
Unproductive	28,000
Productive	154,000
Productive reserved (parks, etc)	19,000
Commercial Forest Land (productive unreserved)	135,000
Private Timberland	129,000
Industrial Timberland	19,000
Non-industrial Timberland	110,000
Timber Production Zone (TPZ)	63,136
Industrial Timberland	19,000
Non-industrial Timberland	44,136
	<u>Percent</u>
Commercial Timberland as Percentage of Total Land	48.05%
Non-industrial Timberland as Percentage of Private Timberland	85.27%
Industrial Timberland as Percentage of Private Timberland	14.73%
Percentage of Private Timberland Zoned as TPZ	48.94%
Percentage of Industrial Timberland Zoned TPZ	100.00%
Percentage of Non-industrial Timberland Zoned as TPZ	40.12%

Source: Timber Management Element; Santa Cruz General Plan, 1973 & County Implementation of California's Timberland Production Zone. Washburn, 1983

Figure 3 displays the results of a survey of the objectives of non-industrial timberland owners in their purchase of timberland. The survey indicates that among those new rural residents, investment in rural timberland is not primarily for timber production but for residential purposes or land speculation.

Figure 3

**Non-industrial Timberland Use and Owner Objective  
Percentage of Owners Pursuing each Objective:  
Santa Cruz County**

Primary Land Invest ment	Land Invest ment	Primary Residence	Residence Timber	Primary Invest ment	Timber Sales ment	Stumpage Income	Primary
8.3%	75.0%	25.0%	33.3%	0.0%	25.0%	25.0%	25.0%

Source: County Implementation of California's Timberland Production Zone. Washburn, 1983

The second trend identified as a factor in the urban/forest interface conflict is higher forest land prices. Romm and Washburn (1985) estimated that in Santa Cruz County, between 1977 and 1983 the average annual assessed value of timberland increased by a range of 11.0% to 17.3%. The third identified contribution to the urban/forest interface conflict is the division of forest land into smaller parcels. While no data was found regarding the average parcel size of the timberland not zoned Timber Production Zoning (TPZ), Santa Cruz county requires a parcel size of only forty acres in the TPZ program. (Washburn, 1983). This value indicates that parcellization of the timberland base is occurring in the county.

Given that most of the timberland in Santa Cruz county is owned by non-industrial owners whose primary owner objectives are speculation and residential use, it is not surprising that the timber industry contributes little to the county's economy. As Figure 4 illustrates, lumber and wood products provided less than 1% of total

annual employment in Santa Cruz county in the years 1977 to 1980. For comparison, the timber sector supplied over 30% of total employment and over 87 % of manufacturing employment in Del Norte, Plumas, Sierra and Trinity Counties (Washburn, 1983).

**Figure 4**

**Timber Industry Employment: Santa Cruz County - 1977 to 1980**

	# Employed	Percent of Total
Total	43,200	100.00%
Manufacturing	9,498	22.00%
Lumber and Wood Products	417	0.98%

Source: County Implementation of California's Timberland Production Zone. Washburn, 1983

Figure 5 displays the contribution of the timber industry to county tax revenues.

**Figure 5**

**Timber Yield Tax Revenue: Santa Cruz County - 1977 to 1981**

<u>\$ Generated</u>	<u>% of Property Tax</u>	<u>% of Total County Receipts</u>
175,632	0.34	0.07
<u>\$ Received</u>	<u>% of Property Tax</u>	<u>% of Total County Receipts</u>
16,485	0.04	0.01

Source: County Implementation of California's Timberland Production Zone. Washburn, 1983

Perhaps the most significant factor of the conflict in the urban/forest interface is in perceptions of residential neighbors to timber harvest practices. Explanations for public dissatisfaction with timber harvesting include the general increase in environmental awareness, coupled with new neighbors applying urban values to local resource use. The new residents unaccustomed to timber harvesting may perceive it as resource exploitation, as environmentally degrading, may perceive certain logging practices as offensive and may object to logging trucks on local roads. Protest to

logging tends to arise in communities that are not economically dependant on logging (Fortmann, et.al., 1986). Certain sites, such as the Gray Whale Site in Santa Cruz county, may become sacred to the community.

A study of Timber Harvesting Plan (THP) protests in California between 1977 and 1985 found that urban or urbanizing counties in California most often protest Timber Harvest Plans. The highest percentage of protests were in Santa Clara County (80%), Marin County (67%), Monterey County (56%) and Santa Cruz County (10.8%), while a statewide average of two percent of all THPs were protested in this period. The greatest number of protests were found in Mendocino, Humbolt and Santa Cruz Counties, in that order. Protests were not found to be scattered evenly throughout the areas being logged. Rather they were clustered around a few towns, primarily Eureka, Fort Bragg, Garberville, Nevada City, Redding, Santa Cruz and Yreka. The Santa Cruz region had the fewest number of THPs but the highest percentage of protests. In Santa Cruz County, neighbors, rather than "environmentalists" and "community groups" accounted for most of the protest. (Fortmann, et.al., 1986).

As Figure 6 indicates, in the Santa Cruz region, (which includes Santa Clara and Monterey Counties) from 1977 to 1985, 491 THPs were filed, 57 of which were protested, resulting in an 11.6 percent protest rate. While an 11.6 percent protest rate may not seem significant, the results also display a steady increase THP protests. In the last two years of the survey, one third of all plans were protested.



Figure 6

Numbers of Protests of Timber Harvest Plans in the Santa Cruz Region by Year

Year	# THPs	# Protests	% Protested
1977	41	2	4.9%
1978	54	2	3.7%
1979	104	4	3.8%
1980	58	3	5.1%
1981	57	6	10.5%
1982	39	7	17.9%
1983	60	7	11.7%
1984	51	17	33.3%
1985*	27	9	(33.3%)
* Jan to May			
Total:	491	57	11.6%

Source: (Fortmann, et.al., 1986)

Fortmann's study also quantified the frequency of issues protested. Statewide, the most frequent issue protested was the possibility of erosion (22%). Other frequently mentioned issues included watershed or water supply concerns, road damage and dangerous trucks, the accuracy of the THP and the adequacy of the THP review process. (Fortmann, et.al., 1986). For Santa Cruz County in particular, Fortmann found that accuracy of the THP and adequacy of the THP review process was the issue most frequently protested. Second and third most frequent issues were possible damage from logging roads and trucks, and erosion and harvest practices.

These findings are borne out by my personal experience at a public hearing appealing the approved Timber Harvest Plan of the Gray Whale Site. The Plan was officially appealed by Santa Cruz County to the State Board of Forestry on the grounds of inadequate notice of the plan's public hearing, that the plan was approved prior to development of adequate mitigation measures and that due the drought, possibly rare species of mushrooms were inadequately surveyed. The statements of those testifying,

however, were much broader. Residents protested the possibility of logging trucks blocking narrow roads, the dangers of the trucks to school children, the possible damage to rare birds and mushrooms, possible dangers to the town's water supply and the possible devastation of a beautiful site. One resident suggested that population growth in the county makes logging itself questionable. It was my observation that many people were speaking from the heart; that whether they were arguing for preservation of mushrooms or against global warming, what they really objected to was possible degradation of a site they cared about. Since other timber harvests in the county have not generated this level of protest, it may be that the Gray Whale site is a "sacred place" to this community.

In sum, Santa Cruz county contains significant amounts of timberland, and much of it is productive redwood timberland. However, most of the timberland is held by non-industrial owners with objectives other than timber production for the land. Lumber and wood products employment and timber yield taxes are so insignificant that use of the county's private timberland for timber production makes an inconsequential contribution to the county's economic well-being. Residential neighbors are increasingly objecting to timber harvesting due to concerns of erosion, logging trucks, aesthetics and so on. Therefore, it must be asked whether timber harvesting has a place in an urban county. In response, as stated above, forest land contributes numerous non-market commodities to an urban area, among them open space and ecological recycling of urban wastes. The ethical question of who should pay for public goods will not be discussed here, but when timberland is in private ownership, and the landowner is allowed to make some profit from timber production, the landowner, rather than the county residents pays for these ecological benefits. These non-timber producing benefits should provide an incentive to promote private timber harvest in Santa Cruz county.

While it can be seen that Santa Cruz county should have an incentive to promote private timber harvest, the land use trends identified above have been seen to lead to

conflicts among users, especially in perceptions of logging practices and logging transportation. It remains to explore options for the resolutions of the conflicts among the disparate users. The remainder of the discussion shall explore the arenas available to Santa Cruz county in resolving the challenges of the urban/forest interface.

### Policy Options in the Urban/Forest Interface

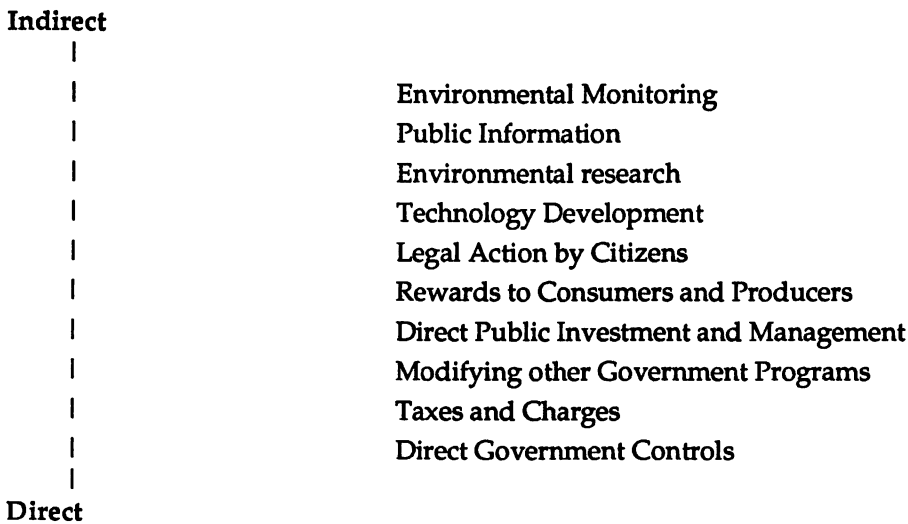
The discussion above explored the nature of the urban/forest interface conflict in Santa Cruz county. Assuming it is in the best interests of the county to preserve forestry, especially for its non-market benefits, it remains to explore methods by which the urban/forest interface conflict may be resolved.

Figure 7 displays a continuum of available land use controls.

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Figure 7

#### Continuum of Land Use Controls in the Urban/Forest Interface




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Source: The Urban/Forest Interface. Bradley, 1984.

More broadly, Bradshaw (1989) identified four general types of land use control: regulation, direct economic action, indirect economic action, and conflict resolution.

The application of the first three of these types of land use control to the problems of the urban/forest interface will be explored in turn, using examples of their application throughout the country and then their application in Santa Cruz county. Because conflict resolution has been less extensively applied, the possibility it offers for Santa Cruz county will then be explored separately.

## REGULATION

Regulation can be applied to both the forest industry and to the pattern of residential development to help ease the conflicts in the urban/forest interface. Regulation of the industry can help ease neighboring landowners' anxieties regarding aesthetics, traffic and potentially environmentally degrading timber harvest practices. Regulation of expanding urban land uses can help the timberland owners maintain a viable economic livelihood.

### Forest Practice Regulation

Seven states utilize comprehensive state forest practice laws. These laws established environmental protection standards for timber management practices on private lands. (Henly and Ellefson, 1986). Most of the remaining states regulate timber practices to some lesser extent. Among the more comprehensive state forest practice laws, Oregon's law regulates reforestation, road construction, harvesting, chemical applications, slash disposal, water quality and watershed protection (Huffman, 1984). The primary goal of the Washington forest practice law is the promotion of reforestation and the Act is administered by the Departments of Ecology and Natural Resources, while the rules are generated by the Forest Practices Board (Huffman, 1984). In the Northeast, forestry practices are regulated at the local level in two ways; directly by a separate district ordinance or indirectly via concealment in a related ordinance. The enforcement and interpretation of local laws is often the responsibility of the town building inspector or transportation official. For example, New York regulations are

designed to protect border properties, streams, and soils, to maintain haul road adequately, and to control the slope of haul roads. The permits regulate the location and size of the cut, type of cut, dates of operation and measure of environmental mitigation (Cubbage, et.al., 1985). Logging practices in the South are regulated in order to protect water quality or prevent damage to local roads. State highway departments and county governments are the principal proponents of logging regulations in the southern states (Cubbage, et.al., 1985).

California's Forest Practice Act is considered to be the most restrictive and far-reaching forest practice law in the nation. It regulates forest practices in order to maintain maximum sustained production of high quality timber products while protecting all resources, including, timber, recreation, wildlife, fisheries, watershed, range and forage, and aesthetic enjoyment (Huffman, 1984). The Act requires logging operations on private forest lands in California to prepare a Timber Harvest Plan (THP) by a Registered Professional Forester (RPF). The plan is subject to review and approval by the California Department of Forestry (CDF). When a THP is submitted, an advisory interagency review team evaluates the plan and recommends to the director of CDF whether the plan should be denied, approved, or approved with the addition of measures to mitigate potential damage of forest resources. Review team members are generally drawn from CDF, the Regional Water Quality Control Board, and the Department of Fish and Game and in some cases the county (Green, et.al. 1982). Santa Cruz County personnel are involved at the preharvest inspection stage and feel this is beneficial to the county's interests (Hart). Other provisions of the Act require a preharvest inspection, inspections during and after the operation, minimum restocking standards, and misdemeanor fines of up to \$500 for willful rule violations (Green, et.al. 1982).

Taken together, the requirements of the Forest Practices Act give California the most demanding forest practice act in the country. Added to the State regulations are the local forest practice regulations imposed by the urbanizing counties of the San

Francisco Bay Area; Marin, Santa Cruz, San Mateo, Santa Clara and Monterey counties. The timber harvest regulations specific to Santa Cruz County include plan submittal and notice of intent to all property owners within 300' of the parcel to be logged, the school district, the water district, the Board of Supervisors and a newspaper of general circulation. The regulations require a preharvest inspection and report and regulations concerning the hours of work, the hours of log transportation, flagging, bonding, road construction and erosion control maintenance (Department of Forestry, 1985). Since passage of the Act, evidence indicates that forest practices in the Coast District of the Redwood Region of the state have improved markedly and that the act has largely achieved its legislative intent (Green, 1982).

In sum, the forest practices in Santa Cruz county are perhaps the strictest in the nation. The regulation is expensive; a statewide average cost to the landowner is estimated to be \$.20 per acre per year for industrial owners and \$.40 per acre per year for nonindustrial owners (Gasser, 1985) and it is recognized that costs in Santa Cruz county are even higher due to the strict regulatory environment. The current cost to the Department of Forestry for administering the Forest Practices Act is about \$3.1 million per year. This figure does not include the costs of other state agencies such as the Regional Water Quality Control Board and the Department of Fish and Game (Vaux, 1983). Additional regulation of timber harvest practices is unlikely to offer new solutions to the urban/forest interface conflict in Sanat Cruz county. Enforcement of the current regulations may be important to the situation but was not explored here.

## Land Use Regulation

### Timberland Regulation

A variety of land use regulations are available to either encourage maintenance of land in timber production, or more importantly, to discourage residential growth in the forested areas. The various types of timber production zoning allow only uses compatible with forestry and therefore encourages landowners to keep their land in

forest uses. There could be graded designations of forests ranging from primitive preserves to "hobby farm zones" (Blakely, 1984). Examples include special use districts comparable to Oregon's farm zone or California's Timber Production Zone. Dearborn's (1984) approach to forest management zoning would be to apply the special zoning status only to sites identified as productive timber producing lands, would allow for land reclassification based only on land performance standards, would require minimum forest parcel sizes of 40 acres and a buffer zone, the burden of which would be placed on the *adjoining* parcels.

Timber zoning schemes rely on separation of timber lands and urban uses. The concept of buffer zones has been supported by the timber industry because they feel that the forest landowner needs to minimize points of contact with urban residents. To operate efficiently, the argument goes, modern forestry must be buffered from other uses. They advocate simply screening the "unpleasant" aspects of modern forestry practices from the neighbors.

California's Forest Taxation Reform Act (FTRA) of 1977 provided for the special zoning of the state private timberland. This special zoning, Timberland Production Zoning (TPZ), restricts the use of lands to timber production and certain other compatible uses. The primary rationale for establishment of TPZs was to discourage conversion of the State's private timberland from timber production to non-timber producing uses. Land can be removed from TPZ by only rezoning, immediate rezoning and public acquisition. Land rezoned on the initiation of the landowner or the county must be approved by three-fifths of the county Board of Supervisors and results in non-renewal of the ten year zoning term. Immediate rezoning can be sought by the landowner and requires approval of four-fifths of the county Board of Supervisors. In 1979, the California Board of Forestry ruled that all immediate rezonings of three acres or more constitute timberland conversion and require a state conversion permit. Such a permit is granted only if the Board of Forestry makes written findings that conversion to a non-timber growing use is in the public interest; that conversion will not adversely

affect timber production and open space use of TPZ land within one mile of the converted property and that the soils, slopes and watershed conditions are suitable for the proposed non-timber growing use. (Washburn, 1983).

In Santa Cruz county, 63,000 acres of the 135,000 acres of commercial forest land are in TPZ zoning. The county zoned all of its private industrial timberland as TPZ and over 40 percent of its non-industrial timber lands (Washburn, 1983). Santa Cruz county allows a minimum lot size of 40 acres for lands zoned TPZ, while other counties allow a minimum lot size of 160 acres. Santa Cruz county is among the more lenient in allowing residential development in TPZ land; it allows 10 residences with a TPZ use permit (Washburn, 1983). Since the population is dense, the TPZ is presumably subject to relatively extensive residential use and existing residential use had to be accommodated by TPZ restrictions to allow for comprehensive TPZ zoning of non-industrial timberland (Washburn, 1983). Since implementation of TPZ zoning, little land has been removed from TPZ in the county. As of 1980, only 40 acres of TPZ had been removed. It is not so much that counties are denying the removal as that the landowners are not asking for them, possibly due to the costs incurred due to rezoning: a tax recoupment fee, a rezoning fee and possible preparation of an EIR (Washburn, 1983).

Since only 40 percent of the non-industrial timberland is zoned TPZ in Santa Cruz county, the county has the opportunity to put a much greater amount of land in protective zoning to discourage its conversion from timber production. Owners of timberland determine their benefits of TPZ zoning based on the difference between property tax assessments in and out of TPZ and calculate their cost based on the difference between restrictions on land use in and out of TPZ (Washburn, 1983). Figure 8 displays some costs and benefits for TPZ and non-TPZ landowners with respect to compliance with timber harvest regulations. The results indicate that there is an economic benefit to TPZ status, but it is not enough even to cover the costs of timber harvest regulation.



**Figure 8**

**Estimates of Effects of State Intervention on Costs of Timber Management for Three Types of Private Owners in California**  
(dollars per acre of commercial forest land owned, per year)

Form of intervention	Case I Small owner land in TPZ		Case II Small owner land not in TPZ		Case III Industrial Owner land in TPZ	
	Credit	Debit	Credit	Debit	Credit	Debit
Forest Protection	\$3.20	—	\$3.20	—	\$3.20	—
Education & Research Service	0.50	—	—	—	0.50	—
Reduced Land Tax	0.20	—	—	—	—	—
Reduction in Carrying Charges	0.30	—	—	—	0.10	—
THP Preparation	0.30	—	0.30	—	—	—
THP Execution	—	0.40	—	0.40	—	0.20
Stream Protection Reserve	—	7.40	—	7.40	—	6.00
	—	0.50	—	0.50	—	0.50
<b>Total per acre</b>	<b>\$4.50</b>	<b>\$8.30</b>	<b>\$3.50</b>	<b>\$8.30</b>	<b>\$3.80</b>	<b>\$6.70</b>
<b>Net balance per acre</b>	<b>—</b>	<b>\$3.80</b>	<b>—</b>	<b>\$4.80</b>	<b>—</b>	<b>\$2.90</b>

Source: Vaux, 1983

To stimulate TPZ zoning, the net benefit of TPZ status to the landowner and or counties must be increased. Three possibilities to accomplish this are:

1. Provide counties with State subventions to offset revenue losses from TPZ assessment for property taxes to increase the willingness of counties to zone smaller ownerships as TPZ and to lower ownership size standards for TPZ eligibility.
2. Decrease the cost of TPZ zoning to counties by granting State subventions for processing TPZ entry applications and thus enable counties to lower the rezoning fee (\$800 in 1982 in Santa Cruz county (Romm and Washburn, 1985))

3. Decrease the cost of applying for TPZ designation to landowners by allowing State Foresters to prepare the management plans for ownerships less than 160 acres. (Washburn, 1983).

### Residential Land Use Regulation

Regulation to control the pattern of residential development is at least as important as special timber zoning in resolving conflicts at the urban/forest interface. Municipalities and counties have tried any number of schemes to direct development, many of which are applicable to this conflict. Especially appropriate are schemes which encourage cluster development or urban infill. Planned Unit Developments are one method often used to encourage cluster development by allowing flexibility for the developer. Control of the extension of infrastructure can also direct the pattern of growth. Some municipalities have adopted growth boundaries or greenlines in which only those lands contiguous to existing urban development are designated for available further development (Miller, 1984).

The approaches listed above utilize single solutions to remedy what are perceived to be isolated problems. In contrast, several states have adopted state wide zoning to bring a more comprehensive and integrated approach to resolve the often inter-related land use conflicts. A handful of states have attempted "state zoning"; Hawaii, Oregon and Maine among them. In Hawaii, conservation lands are regulated by a special state board. Such a scheme results in a highly centralized government and minimal local control (Healy, 1979).

Oregon instituted a system of statewide planning as embodied in the Land Conservation Development Act. The Land Conservation and Development Commission is responsible for the generation of land use goals and guidelines, including goals requiring the conservation of forest lands for forest uses, for the conservation of open space and for the protection of natural and scenic resources. The Commission has the power to require local governments to develop comprehensive

plans that comply with the land use goals and land use regulation procedures. These goals require preparation of local comprehensive plans providing for the conservation of forest lands, consequently limiting the private conversion of forest lands to urban uses, while providing some flexibility in conversions from rural to urban land given recommendations of the state Board of Forestry. However, lands adjacent to forest lands must be zoned to minimize any detrimental effect upon the forest (Huffman, 1984).

Maine established a Land Use Regulation Commission which established three broad zoning categories, Development, Protection and Management. The Development district applies to only two percent of the commissions jurisdiction, the Protection district protects environmentally sensitive areas and the Management district classifies land due to its productive potential (Henly and Ellefson, 1986).

Much could be done to reduce land use conflicts in California using regional or statewide planning. A State Land Use Agency could consolidate the different state, regional and local regulations and consolidate the many state agencies with jurisdictions over private timberlands. Presently the local county, California Department of Forestry, Department of Fish and Game, State Division of Highways, Bay Area Air Pollution Control District, and the State Water Quality Control Board have jurisdiction over private timberlands (Johnson, 1973). While regional planning has met with some limited success in the coastal zone, prospects for regional or statewide planning for the forest resource is not likely in the immediate future.

#### Regulations to Minimize Fire Risks

Additional regulations are necessary to minimize the risk of fire in the urban/forest interface. Possible approaches to fire prevention include public education, debris disposal engineering, enforcement of burning permits, fire codes and county ordinances. Traditional examples of appropriate county ordinances are adequate clearing of flammable fuels around structures, improvements on dead-end roads

inaccessible to fire fighting vehicles, fire safe building materials and treated materials, and an adequate water supply for firefighting (Hamilton, 1978).

While these restrictions are important in the wildland/urban interface, the pattern of land use itself is a more important factor. To reduce the risk of forest fire in areas of scattered residential growth, counties can first increase the density of housing, eliminate flammable vegetation around the housing sites and maintain on-site water supplies. Second, it may be argued that those who choose to live in the urban/wildland interface do not pay the full costs of protection from fire and other hazards. To require these residents to pay the full costs of protection might discourage such haphazard development in the fringe. Hazard zoning, adjusted insurance rates, mortgage restrictions, and tax incentives or disincentives may be implemented to help ensure those living in the fringe pay the full costs of protection (Lee, 1984). People who live in the interface area must be made fully aware of the risks as part of the process of purchasing property or a home.

## **DIRECT ECONOMIC ACTION**

Governments may utilize direct economic action to resolve land use conflicts. This entails the outright purchase of the land in conflict or purchase of some rights to it. While public acquisition of land is often the simplest route to resolve a particular land use conflict it has the drawback of extreme expense. The land is expensive to purchase, it is taken off the tax rolls and then the state must pay to maintain it.

Fee simple acquisition entails full compensation for all rights to the land. As such it is the simplest and most expensive alternative. Less-than-fee-simple acquisition entails the purchase of one or more of the "bundle of rights" to property. Such acquisition has been used in purchase of a conservation easement or a scenic easement and may have further application as a recreation easement (Miller, 1984). With the sale of an easement, the landowner retains rights to certain uses of the land as well as the expense of managing the land. If the owner grants an easement at less than market value, the

extent of the contribution is tax deductible. The new market value, after some rights have been severed, may result in lower property tax for the landowner (Miller, 1984).

Land banking has traditionally been used to control the timing, nature and location of urban growth through purchase of property where development is likely to occur and later resale or lease at urban prices with deed restrictions. A similar scheme could be applied to purchase or lease back of forests for continued forest uses. The lessor, the state or local government, would then be in a position to more effectively regulate the forestry practices (Miller, 1984).

Since much of the urban/forest interface conflict arises from the fragmentation of landownership, consolidation and reparationcellization may offer a resolution. Such a plan requires a government agency to acquire and consolidate many small lots for resale as fewer larger lots. This approach was tried by the California Coastal Conservancy. The drawbacks of the scheme lie in the difficulty of exercising eminent domain, and while cheaper than outright acquisition, it is still expensive (Healy and Short, 1981).

Santa Cruz county and the State of California have limited financial resources in the 1980's for outright purchase of land. The governments are finding it difficult to purchase even the highly contested Gray Whale Ranch site. However, the county could explore the purchase of partial rights to the land. For example, the county could explore purchase of a recreation easement for highly visible or "sacred" timberlands such as the Gray Whale Ranch. In exchange for the purchase of the recreation easement, the county could impose additional requirements regarding logging scale and harvest operations. The landowner is paid for the easement, may receive a tax deduction if the easement is granted at less than market value, and may be assessed at a lower property tax as well. The county thus gains increased control in some highly controversial sites, but the landowner retains rights to certain uses of the land as well as the expense of managing the land.

## INDIRECT ECONOMIC ACTIONS

Less expensive and perhaps more effective are indirect economic actions, usually in the form of incentives or taxes. Many states use tax incentives to encourage continued timber uses of forest land. Most states have some type of tax scheme which taxes forest land on its use as timberland rather than upon its "highest and best" use. Such an assessment helps the landowner keep the land in timber because the land often holds higher value for potential residential property. A variation on this scheme is to require the landowner to repay the subsidy if the land is developed (Healy, 1979).

Oregon instituted a Woodland Management Act in 1979 to encourage investment in forest land maintenance. It is essentially a tax measure designed to provide economic incentives for good forest management practices to small private timberland owners. A ten percent state income tax credit is given owners of between 10 and 500 acres who convert cutover or unproductive land into commercially productive timber stands (Huffman, 1984).

Washington has authorized the purchase of development rights to timberland by cities, counties or nonprofit nature conservancies. Counties have the discretionary authority to establish a conservation futures fund based upon a county-wide property tax levy (Huffman, 1984).

Vermont explored but did not implement a sliding tax scale. Taxes on parcels smaller than 100 acres would be reduced as long as the land was left undeveloped. Reductions were to be greatest for landowners with the lowest incomes and an upper income limit for participation would have been set (Healy, 1979).

California's Forest Taxation Reform Act (FTRA) of 1977 provided for Timberland Production Zoning (TPZ), restricts the use of lands to timber production and certain other compatible uses. To accomplish its objectives, FTRA first assesses the property taxes of TPZ zoned timber land on the value of the land in timber production rather than on its market value in a "highest and best use". In an urbanizing area, timber landowners would often been taxed upon the land's potential value if converted to

urban uses. Second, the act replaced the annual ad valorem property tax on standing timber with a timber yield tax. The annual ad valorem tax had often pressured timberland owners, especially small owners, to harvest timber earlier than would be justified by forestry economics. Third, the TPZ is a long term zone which enforceably restricts land use to timber production and compatible uses, thus preventing TPZ to be used as a tax dodge (Washburn, 1983).

Romm and Washburn, 1985, estimated that between 1977 and 1983 the average annual increase in the assessed value of non-TPZ land in Santa Cruz county increased by 11.0 percent while the average annual increase in the assessed value of TPZ land increased by 17.3 percent. A higher increase in value in TPZ land over non-TPZ land was true throughout the redwood region while the opposite trend was evident in the other timberlands of the State. The increase in assessed value is disadvantageous to the TPZ land owners in the redwood region because property taxes rise with assessed value. Therefore, when the highest and best use of forestland is timber production, and its ownership has not changed since 1978 (passage of Prop 13), its taxation at TPZ levels is no longer advantageous in the redwood region. When forestland has a highest and better use than timber production, TPZ may still be favorable (Romm and Washburn, 1985). The implications for Santa Cruz county may not be serious since much of the timberland is under pressure from urban land uses.

The counterpart to tax incentives to encourage a timber land base are incentives or disincentives to particular development patterns. Incentives to encourage infill of the urban core as opposed to raw development at the rural fringe might include fast-track development proposals, density bonuses for services and utilities, and predictability in development approvals (Amster, 1984). Hazard zoning, adjusted insurance rates, and mortgage restrictions could be used to discourage development at the wildland/residential interface.

In most cases, financial incentives and tax relief would need to be substantial if the pressure to sell to developers is strong. The incentives and tax relief coupled with regulation can be a more effective method to achieve the desired goals.

## CONFLICT RESOLUTION

As the discussion above demonstrates, Santa Cruz county appears to have taken full advantage of the local regulatory options as well as indirect economic actions. Yet, the county continues to have serious conflicts in perceptions of residents to timber harvesting. It has become apparent that the conflict in Santa Cruz county is not geographical but is social and political. The last broad category of land use control is the use of conflict resolution. When the regulation and economic actions already implemented in the county are examined, it becomes clear that perhaps new approaches in conflict resolution could offer some real hope to resolving the land use conflicts.

The first place to start might be to instruct Foresters in social dynamics; especially the social dynamics in urban areas. Controversial issues tend to focus on one piece of land. It may be up to the foresters to attempt to identify site specific impacts of certain logging plans. Good analysis, planning, and early involvement of the interested members of the public provide a basis for discussing differences over how the land should be managed. Potentially volatile political confrontations may thus be avoided or the intensity lessened (Cromwell, 1984). For example, had the scale of logging in the proposed Timber Harvest Plan for the Gray Whale Ranch been smaller, there may have been less of a public outcry. Had the forester been sensitive to the social climate in the county, he might have been able to persuade the land owner to log less extensively. Both the citizens and the landowner would have benefitted; the citizens with less aesthetically degrading logging, and the landowner by being able to proceed without the delays and expense caused by appeals and lawsuits. The social education foresters need could perhaps be required for state professional licensing. This education would



consist of better knowledge of techniques and procedures of public participation, a more flexible view of technological options, and a greater understanding and tolerance of the conflicting views of the social roles of forests (Cromwell, 1984).

It may be time for a new type of professional with expertise in the urban/forest interface. Clawson (1984) has proposed "the forest interface manager". Such a person would be similar to the consulting forester and would understand the needs of both the forest landowner and the local population. This professional would be informed and competent in the technical aspects of forestry, but would have ability, skill and experience in working with people. S/he would have knowledge of business skills, tax laws, and planning and land use regulations.

For example, an alternative to the reparation and consolidation mentioned earlier might be common management of fragmented tracts. This would amount to the consolidation of the use of several contiguous or nearby parcels to achieve the necessary scale for efficient production. The interface forest manager would have the ability to organize and direct specific operations on the intermingled tracts of land. An example would be in preparation of a joint timber harvest plan or in establishment of timber co-operatives (Healy and Short, 1981).

#### **SUMMARY: Policy Directions for Santa Cruz county regarding the urban/forest interface**

Santa Cruz county appears to have taken advantage of timber harvest regulation, timber production zoning and tax incentives to encourage the maintenance of timberland in the county. In addition, the county has identified the following policies to discourage timberland conversion:

1. Minimum parcel size of 160 acres in the Timber Production Zoned timberlands. Exceptions may be made for parcels which maintain the timber harvest and management potential of the property and which cluster all development. Such exceptions shall require the approval of four-fifths of the Board of Supervisors.

2. Restriction of development on TPZ lands to non-timbered portions of the property.
3. Minimum parcel size of 40 acres in the timberlands not zoned TPZ.
4. Submission for approval by the county of a Timber Management Plan of the entire landholding, prepared by a Registered Professional Forester.
5. Encourage timberland owners to apply for TPZ status where appropriate.
6. Deny rezoning of timberland from TPZ to other zoning unless it can be shown that the rezoning is consistent with the Forest Taxation Reform Act and County TPZ Ordinances.
7. Require all timber harvests not subject to CDF regulation to receive a Timber Harvest Permit from the County. Require timber operations within the Coastal Zone to receive a Coastal Zone Permit. (Santa Cruz County General Plan, 1980).
8. Encourage the adoption of State legislation or legislative changes to the Forest Practice Act allowing for:
  - a) The reevaluation of Santa Cruz County TPZ designations
  - b) Establishment of a two-tiered system for timber harvesting review - one for TPZ lands, and a more stringent system for non-TPZ lands
  - c) Creation of a consistent appeals process to the Board of Forestry
  - d) Expand the role of the interdisciplinary review team to allow changes to the timber harvest plans.

The following directions are proposed in addition:

1. Exploration of purchase of partial rights to highly contested timberlands in the form of a scenic, conservation or recreation easement.
2. The education of Registered Professional Foresters in the social and political environments of urban areas.
3. The training of professionals who can manage timberland in the urban/forest interface. These professionals would be trained to understand the technical and economic aspects of forestry as well as the regulations and social environment of urban areas.

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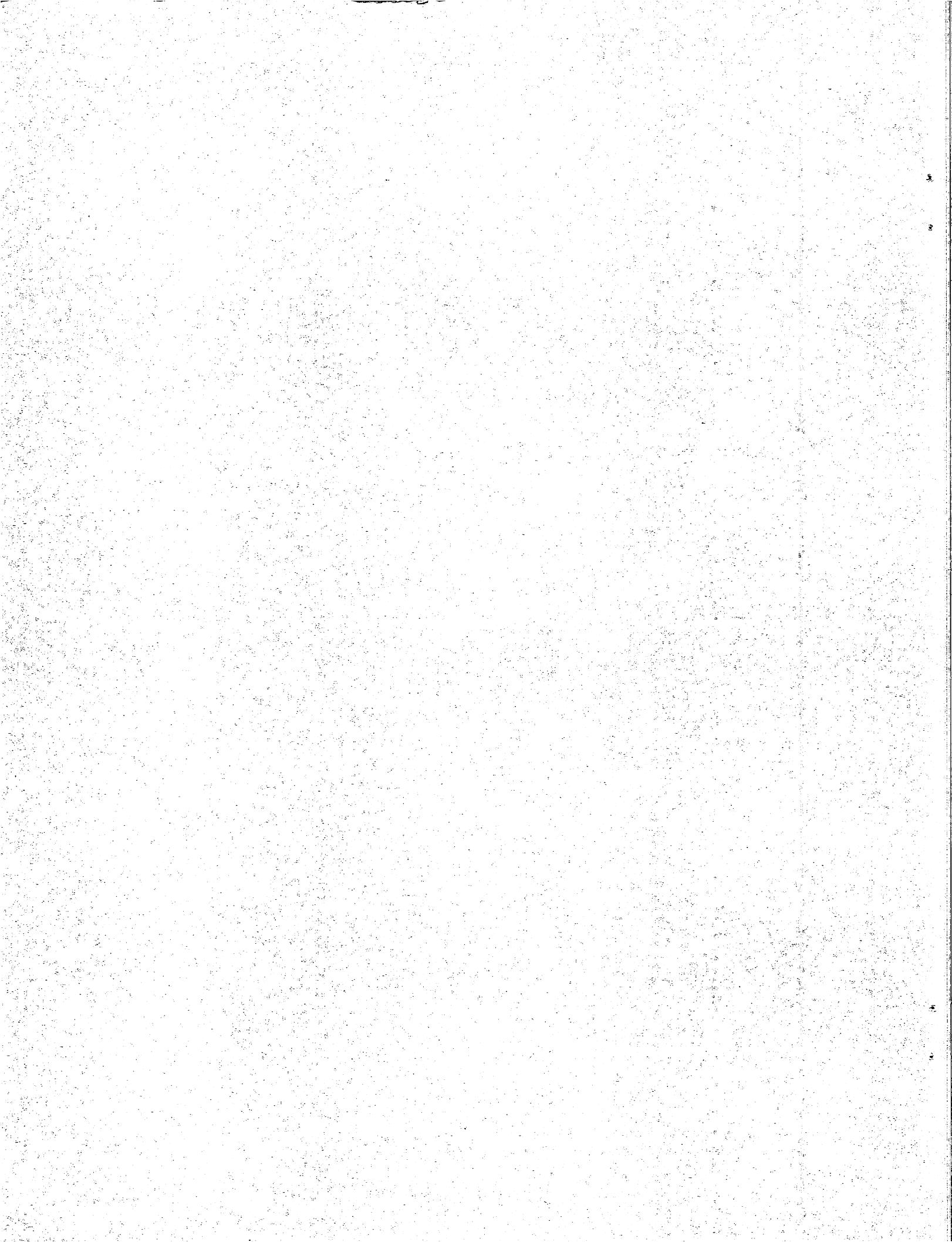
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TIMBER HARVEST PLAN REVIEW  
NEW POLICY DIRECTIONS

BY

CARÓN JO PARKER

City Planning 221  
May 19, 1989

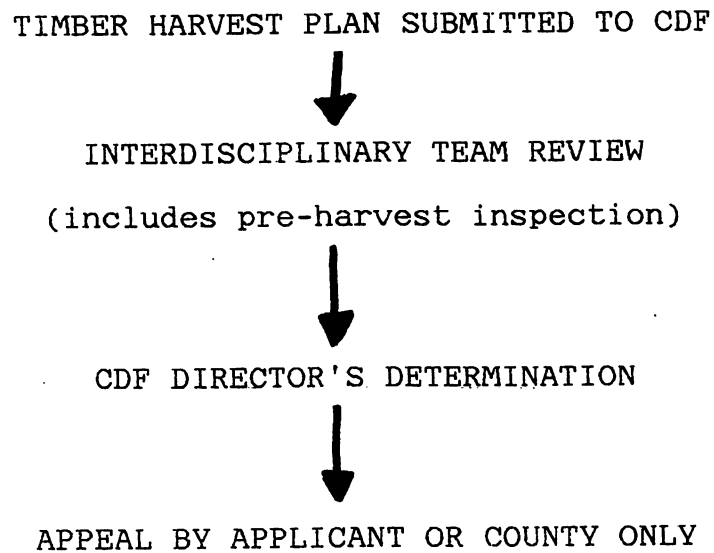


## INTRODUCTION

The state of California has established a process to regulate the harvesting of timber on private land. The purpose of this process is to minimize the environmental impacts from timber harvesting while allowing the land owner to enjoy the economic benefits of his land. The regulation of timber harvesting, however, does not allow for the evaluation of impacts which do not affect the physical environment. Without the ability to review these "social" impacts, the some of the issues that affect the adjacent community cannot be addressed.

The current regulations require a land owner to submit a timber harvest plan to the California Department of Forestry (CDF) before he or she can harvest the timber resources (Figure 1). The timber harvest plans (THP's) in Santa Cruz County are reviewed by CDF under the guidelines set forth in the Forest Practice Rules. Under the Forest Practice Rules, the THP's are analyzed in terms of their environmental impacts, but not in terms of social impacts (i.e., viewshed concerns) to the community. The public has little opportunity to comment on their concerns about these "social impacts" and have no legal rights to appeal CDF decisions on THP's. This deficiency is recognized in the Timber Management Element (TME) of the Santa Cruz County general

Figure 1. CURRENT TIMBER HARVEST PLAN REVIEW PROCESS



Plan which points out that the intent of the Forest Practice Act is to assure that the

"goal of maximum sustained production of high quality timber products is achieved while giving consideration to values relating to recreation, watershed, wildlife, range and forage, fisheries, and aesthetic enjoyment." (Santa Cruz County Timber Harvest Element, p. 100)

The Forest Practice Act does not specifically address public health and safety issues. While many argue that concern for these issues are implied, they are not given any consideration during the THP review process. In the TME, Santa Cruz County recognized this deficiency and made several policy recommendations to address these social issues by encouraging "the adoption of State Legislative changes to the Forest Practices Act to extend the purpose and intent of the Act to include the protection of public health, safety and welfare" (Timber Management Element, p. 126). In addition, to improve public involvement, the TME recommends changes to the increasing the public agencies that regularly review the Thp's, improving the public noticing, and improve opportunities for public hearings.

The TME offers no specific suggestions on how to implement these policy changes. The main conclusion of the TME is: (1) that the public must be well informed about logging,

forestry, and ecosystem science; (2) that "neighborliness" is reciprocal and timberland owners need to know their neighbors and share their expertise and ideas; and (3) that the existence of the TME document will somehow facilitate the occurrence of both.

The main flaw in the conclusions drawn in the TME is that the Timber Management Element itself is not going to insure that public concerns are addressed. The TME will not be read by a majority of timberland owners or members of the general public. Even if it were widely read by both groups, a system for addressing public concerns would still not be in place. The TME seems to imply that the public will feel better if it knows more about timber harvesting. No attempt is made to create a system or organizational framework to legitimately address the "no logging no matter what" mentality present in public opinion. This paper focuses on what can specifically be changed in the THP review process in order to address negative public views about timber harvesting as well as public concerns about safety and other neighborhood issues.

## CONFLICTS BETWEEN TIMBER HARVESTING AND RESIDENTIAL DEVELOPMENT

The regulatory and institutional organizations are in place to support timber harvesting. On the State level, the Z'berg-Nedjedly Forest Practices Act of 1973 established the Forest Practice Rules by which timber harvest plans are reviewed for adequacy. The California Department of Forestry is charged with implementing the Forest Practices Rules and reviewing THP's. The State Board of Forestry reviews all appeals of CDF's decisions. At the County level, Santa Cruz County has an additional 19 "rules" which they may apply to THP's. These rules impose restrictions on logging operations such as reducing operating hours and prohibiting weekend activities. Despite the existence of these regulatory mechanisms to support timber harvesting, there is very vocal public sentiment to the contrary.

Conflicting with this regulatory support of timber harvesting is public opinion about timber use. New residents to Santa Cruz County often view timber as an aesthetic/cultural resource rather than an economic resource. They don't see the trees as "timber" and don't envision the forest as a sustainable resource. They view the trees as something to look at, a place to hike through, or as parkland. The notion that timber harvesting will

occur in their neighborhood is one that is inherently distasteful. To many new residents in the County, timber harvesting is seen as damaging to the environment, a threat to neighborhood safety, and an unnecessary use of resources.

Prior to 1983, the County had the ability to examine neighborhood impacts of timber harvesting through the Timber Harvesting Ordinance. However, the County lost this right with the passage of S.B. 865 in 1983. Despite the existence of the additional "19 rules" the County imposes on THP's, the public feels that neighborhood concerns are not adequately addressed by the CDF review process. The public's only option is to attack the THP on environmental grounds. They can delay timber harvesting by raising environmental issues at public hearings and ultimately taking their case to court. Some of the public concern about the environment is legitimate, but some of the protests are a result of frustrations about not having a forum to express their views on the social impacts of timber harvesting.

It would be useful at this point to discuss some of the issues that allow this conflict to exist. The conflict occurs due to a combination of factors discussed below:

1. POPULATION CHANGES: Between 1970 and 1988, the population for both the County of Santa Cruz and the unincorporated areas has nearly doubled

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YEAR	COUNTY (pop)*	UNINCORPORATED (pop)
1970	123,790	68,244
1980	188,141	107,129
1988	225,408	128,608

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\*SOURCE: Santa Cruz County Planning Department

Between 1978 and 1982, the number of dwelling units built actually decreased from 2,460 to 1,102 units. This decrease is attributed to growth management policies and high interests rates on home mortgages (Santa Cruz County Planning Department). Many of the newcomers are living in residences converted from summer use only to year round use. In addition, the the newcomers are from urban areas and are uneducated or miseducated about logging practices.

2. LACK OF CONSIDERATION OF ALTERNATIVE USES: Timberland owners don't consider alternative ways to use their land for economic gain other than timber harvesting. Likewise, Santa Cruz County limits other economic options for lands in the Timber Production Zone (TPZ) by issuing guidelines discouraging the use of timberlands for "conditional uses."

Timber Production Zone (TPZ) land is defined for purposes of the Forest Taxation Reform Act (FTRA) as:

"privately owned land, or land acquired for State forest purposes, which is devoted to and used for growing and harvesting timber and compatible uses, and which is capable of growing an average annual volume of wood fiber of at least 15 cubic feet per acre per year." (Timber Management Element, p. 63).

Timber harvesting is considered a "compatible use." Additional compatible uses are designated as either "permitted" or "conditional." Permitted uses require no special permit and include agriculture, accessory structures, and 1 single family unit/40 acres. There are seven conditions listed as conditional in the timber harvest element, one of which is "outdoor recreation, educational, or religious activities". TPZ landowners could gain some economic benefit by leasing/renting land for these conditional uses.

However, the Timber Management Element for Santa Cruz County proposes guidelines for the preparation of THP's which state that:

"the timber management plan should primarily be a management plan for the timberland resource and include reference to



conditional uses secondarily. It should not be a rationalization for a conditional use proposal." (Timber Management Element, p. 74)

With an increasingly urban minded population migrating into the county, conditional uses would be supported as a way to supplement the economic viability of lands in the Timber Production Zone, thereby reducing the volume of timber harvested.

3. LACK OF PUBLIC INPUT INTO THE TIMBER HARVEST PLAN REVIEW PROCESS: THE THP review process does not allow the proper forum for public input. The public does not have a chance to express their views on the aesthetic/cultural value of the timber apart from its economic resource significance.

4. INSUFFICIENT COMMUNICATION BETWEEN TIMBER HARVESTERS AND THE AFFECTED COMMUNITIES: There should be more contact between timber owners and the affected community. Big Creek Lumber uses this approach, contacting the community affected by the THP to go over site specific details. Their goal is to resolve difficulties before the public hearing. This can be done during the pre-harvest inspection, but the earlier it is done, the more effective it will be in reaching out to the community. Community outreach should be encouraged, perhaps under supervised conditions (i.e., through cooperative extension program) in order to reduce negative

public sentiment. A program such as this could be set up under the existing Cooperative Extension Forestry Program. This program is run through the University of California and is cooperatively financed by federal, state, and county governments. They have a staff of 5 forestry specialists and forestry advisors who develop and deliver forestry education materials and programs. These usually come in the form of training sessions, workshops or seminars designed for the professional forester or the private landowner.

5. LIMITED APPEAL RIGHTS: The Forest Practice Act originally only allowed appeal rights to the THP applicant. A.B. 3838 (1984) amended the Forest Practice Act to allow the Board of Supervisors of Counties possessing special Forest Practice Rules to appeal CDF decisions to the Board of Forestry. However, there are stipulations which must be met for the county to preserve its right to appeal (must participate in pre-harvest inspection, review team meeting, public hearing). Other resource agency or the public are not allowed to appeal.

These 5 factors combine to create polarized views about the feasibility of timber harvesting in Santa Cruz County. The policies contributing to these views can be changed more readily than public opinion. However, changing the policies can help to modify public opinion. The remainder of the paper will discuss suggestions for new policies and programs

designed to facilitate more public understanding and ultimately more public support for timber harvesting in Santa Cruz County. They are presented in prioritized order.

#### NEW POLICY DIRECTIONS

**POLICY 1:** Recognize timberlands as an social/cultural resource.

Design a review process that recognizes that some areas, although set up as Timber Production Zones, may represent a high aesthetic/social/cultural resource to the public. Timber in such areas represent more to the public than an economic resource. As such, public concerns for these non-economic values should be legitimized by sponsoring a bill to amend the Forest Practice Act to incorporate these concerns in the THP review process. The bill would specifically authorize the creation of a Social Impact Review Board responsible for addressing specific neighborhood concerns through a special public hearing. It would also give the public appeal rights to CDF decisions.

**PROGRAM:** Creation of a Social Impacts Review Board  
The Social Impacts Review Board (SIRB) would be composed of a multidisciplinary team of professional in economics,

sociology, public safety, and members of the public.

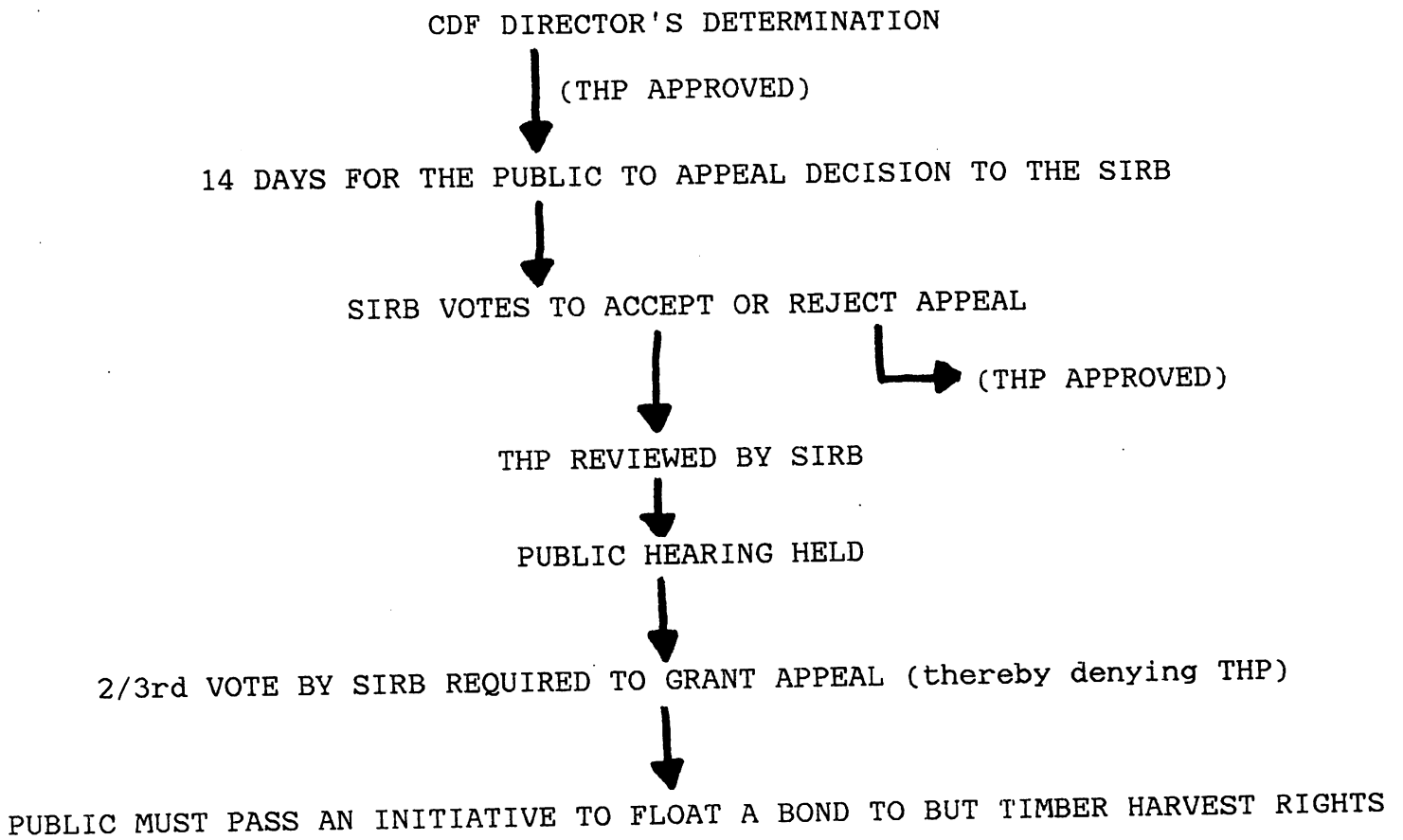
Responsibilities of the SIRB would be to:

- (1) Meet with existing grassroots groups and hold public workshops in areas around the county affected by timber harvesting to find out what the public does not like about timber harvesting and what they consider "social" impacts of harvesting.
- (2) SIRB would publish a report from these workshops which would be available to timber owners and public officials.
- (3) The SIRB will also examine alternatives to harvesting that will be economically feasible to the timberland owners and supplement a certain percentage of their proposed timber harvest.

The current system for timber harvest plan review is illustrated in Figure 1. Incorporating the SIRB into the timber harvest plan review process is illustrated in Figure 2 and would work as follows:

A THP would be submitted to CDF and the public (under existing noticing requirements). CDF would review the plan for its environmental impacts and issue a decision. If the THP is approved, there would be a 14 day review period during which the decision could be appealed by the public to the Social Impact Review Board (SIRB). The purpose of requiring the public to request an appeal rather than SIRB request an appeal directly is to keep responsibility in the

FIGURE 2. PROPOSED TIMBER HARVEST PLAN REVIEW PROCESS  
(REVIEW BY THE SOCIAL IMPACTS REVIEW BOARD "SIRB")



hands of the public. It keeps the public connected with the process and eliminates the need for SIRB to fight "for" the public. If there were no appeals, then the CDF decision stands and the THP is approved.

If there were an appeal, then SIRB would vote on the merits of the appeal. If the appeal were granted, then SIRB would review the THP based on the social concerns expressed by the public. SIRB would also investigate possible alternative uses for the timberland which are economically viable and would perhaps lead to the reduction in the volume of timber harvested. The SIRB then holds a public hearing to vote on whether to concur with CDF or deny the THP. Concurrence requires a 2/3rds vote. If the appeal is granted (THP denied) then residents must compensate timber owners for the cost of the timber harvest they lost. The public would set up an initiative to vote on a bond measure to buy the timber rights (not the land) for 20 years (or whatever time period is set up in the THP). If the bond measure fails, the THP is approved.

SIRB will be charged with examining and suggesting alternative uses of timber land that brings some economic return to the timber owner. The alternatives would serve as a way for the timberland owner to reduce his intended timber harvest. Currently, 60% of land is allowed to be harvested.

SIRB would be able to suggest alternative uses which would allow the timber harvester to cut less.

It is conceivable that the functions of the newly created SIRB could be done by expanding CDF's authority or the authority of the State Board of Forestry. Politically however, I feel it unlikely that CDF or the State Board of Forestry would deny a THP due to community concerns if the THP were environmentally sound. In addition, the program would be better accepted by the public if it were led by a new agency. That is why I suggest that CDF's role end with the environmental determination, and the SIRB examine and rule on the social issues.

Stipulations:

(1) Appeals to the SIRB could be made solely on issues that are non-environmental. Any objections to the THP on environmental grounds should be done through the CDF public hearing process.

(2) If the appeal of the CDF decision is denied and a law suit is filed, the judge is limited to examining the case only on the grounds of (a) abuse of discretionary authority, or (2) insufficient supportive evidence.

If the SIRB is successful, it will solve the conflict between residential use and timber harvesting. However, it will take valuable land out of timber production. If we

still want to preserve timber harvesting in Santa Cruz County as a viable economic activity, we must do something to support timber harvesting practices while allowing timberland owners to look at other ways to achieve economic benefit from the land. Policies and programs discussed below will facilitate this.

**POLICY 2:** Set up a Timber Harvesting Community Outreach Program to educate/inform timber operators about public concerns, and educate the public about logging.

Foresters with a good reputation would be involved in creating a communications network for timber operators to link with affected communities (this is being done already by some foresters). The purpose would be to try to scope out public concerns and modify the timber harvest plan before the public hearing stage. There are key foresters in the County who are highly respected by the community and CDF for being safe and responsible timber harvesters. These foresters should function as program directors and be in charge of training any person planning to harvest timber in the County.

Mandatory participation in the program could be included as a prerequisite to submitting a timber harvest plan.

Participation in the program would be a one-time process for anyone submitting a timber harvest plan. Subsequent plans to harvest would not be required as long as the timberland



owner remained the same. However, if 50% or more of the homes in the area affected had changed owners, then the timber owner would be required to repeat the community outreach program.

Implementing the program would require amending the Forest Practices Act, or could be accomplished by adding it to the "19 rules" governing timber harvesting in Santa Cruz County.

**POLICY 3:** Encourage conversion of eligible non-TPZ (Timber Production Zone) land into TPZ land.

A study done by the County Planning Department showed that there were approximately 10,000 acres of non-TPZ land that was eligible to be zoned as TPZ land. CDF receives many THP applications from these non-TPZ lands and these lands are also being developed because higher densities are allowed than on TPZ land. The County should devise an incentive program for property owners to convert non-TPZ lands to TPZ land. Target mailings should go out to those property owners identified, explaining the incentive program and rationale behind it. Encouraging conversion would alleviate the conflicts between residential development and logging.

POLICY 4: Amend the Forest Taxation Reform Act to set up a variable timber yield tax.

Currently under the Forest Taxation Reform Act (1976), timber is taxed when it is harvested, based on the volume removed. The proposed amendment would allow for variable taxes on timber yield tax rates based on the following rules:

- (a) Timber yield tax would be lower if you harvest less acres and spread out timber harvest over a longer time period.
- (b) Timber tax yield would be lowest you harvest less and dedicate property to State Parks.
- (c) Highest timber yield tax rate for one time harvesters

POLICY 5: Increase monitoring and enforcement efforts by the California Department of Forestry.

Lobby the state government to increase CDF's budget. This increase will be used to hire and train full-time monitoring and enforcement staff. Staff would devise a routine monitoring schedule and delineate a dollar amount for maximum fines to be assessed to violators of the Forest Practices Act.

**POLICY 6: Investigate the feasibility of a program to Transfer Timber Harvesting Rights.**

Such a program would allow the rights to harvest timber in one area to be extinguished and transferred to another area. This would be considerably more complicated than the Transfer of Development Rights programs used currently by local governments because:

(1) timber owners in the receiving zone are unlikely to want to sell their development rights

(2) timber owners are unlikely to want some other person harvesting timber on their land when they stand to be directly affected by any negative environmental impacts.

(its like letting a stranger mow your lawn)

(3) may be harder for timber owner who extinguished his rights to harvest his land to oversee operations of new site if his home/job is not close by.

Despite these problems, a transfer of timber harvesting rights could be possible on a very limited basis if the circumstances were conducive to such.

## CONCLUSION

The clash between timber harvesting and residential development is going to continue unless the County is prepared to make an unshaking commitment to timber harvesting. Politically, this seems unlikely. As one Santa Cruz County planner commented during an interview, "trees don't vote, people vote." In light of this, Santa Cruz County's goal "to provide for environmentally sound and orderly economic use of renewable resources while minimizing impacts to adjoining land uses," is going to become increasingly difficult to achieve as the County becomes more urbanized. Although this issue has not been addressed, there is a real need for Santa Cruz County to decide just how important timber harvesting is and how far the County is ready to go to support it. At some point, land-use decisions will have to mold around timber operations instead of the other way around. On a broader scope, we need to move in the direction of considering the earth's natural resources (be they agriculture, gravel/sand mining, etc.) on a regional and national basis in order to really ascertain the proper direction for local policy.

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