

THE HIGH PRICE OF GROWTH CONTROL

Santa Cruz resists sprawl, but some say construction limits have made it somewhere only the rich can afford to live



Shmuel Thaler/Sentinel

A small number of high-priced homes lines the greenbelt on the western edge of Santa Cruz. Some blame growth limits for the high cost of housing.

By **STL** **SENTINEL STAFF WRITER**

Growth control has done what it was designed to do. New census data show the county and city grew much slower than other spots in the state and region. But slowing growth has not solved all of the county's problems. Some say it creates new ones.

Santa Cruz City Councilman Keith Sugar teaches an environmental law class at San Jose State University, and he posed a tricky question to his class Thursday. How does a community protect itself from unchecked growth while still making it an affordable place to live?

The question has become the defining dilemma for Santa Cruz County. Growth-control measures that limit

new home construction have slowed the county's growth and permanently protected open space. But the spiraling cost of housing means fewer people can afford to live here to enjoy it.

"These issues are not insurmountable, but they have to be dealt with," Sugar said.

According to 2000 census figures, the city grew 11.3 percent over the past 10 years, from 49,040 people to 54,593. The state grew 13.8 percent and San Francisco Bay Area increased 12.5 percent. The population in the county's unincorporated areas barely moved, growing from 130,809 to 135,326 — an increase of 3.5 percent.

Since 1993, the county Planning Department has issued about 1,554 residential building permits, an average of 194 a year. The county has a limit on the number of building permits it can

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Dan Coyro/Sentinel

Tony Madrigal and Sarah Ringler paint protest signs for a rally set today.

California
**Census
2000**
Beyond the numbers

More inside

■ Even as California becomes more racially diverse, its residents are still likely to live in enclaves of people

much like themselves. **Page B8**

■ A look at Santa Cruz County growth by city. **Page A6**

Growth: Santa Cruz pays a high price for its fight against urban sprawl

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issue. While the number varies, seldom are all permits claimed, said senior planner Mark Demming.

When compared to rapid development in other parts of the Bay Area and the insatiable demand for housing, local growth-control advocates take pride in the county numbers.

They credit growth-control ordinances and an ironclad greenbelt for keeping the essence of the county intact.

"We see what we could have been," said Kaitilin Gaffney, a Santa Cruz planning commissioner. "We could lift all those (restrictions) and just be Fremont with freeways and houses on the hills."

Open-space areas such as Pogonip and Wilder Ranch State Park add to the quality of life for county residents by offering a taste of nature, she said. Opening up any of that land to development would erode the essence of Santa Cruz and do nothing to lower the cost of housing, she said.

"I don't think we have any open space that can be responsibly turned into development," she said. "You can't reclaim open space. Once you pave it, it's gone."

Effect on housing

Sugar said the census data show growth in existing population centers, a desirable pattern that supports increasing mass transit and denser housing development. But the numbers do not support widening Highway 1, he said. The best way to ease clogged roads is to offer mass-transit alternatives, he said.

But while growth control has put the brakes on rapid development, it has not made it affordable to live here. Many say growth limits contribute to the skyrocketing cost of local real estate by limiting the supply.

The county has consistently been ranked as one of the least affordable areas in the country. A recent study by the California Association of Realtors found only 16 percent of county households could afford a median-priced home, which is about \$454,000.

"Growth control has been a success in that it has stopped certain kinds of growth," said Santa Cruz resident Brian O'Connor, who has lived in the county off and on since 1961. While growth limits have kept sprawl at bay, "it's been a dismal failure for those who have remained here."

He applauded the preservation of open space, but said growth control has increased the cost of building a home and blocked needed expansion of local roads.

Ted Burke, owner of the Shadowbrook restaurant in Capitola, agreed. He said roads and water supplies must be expanded to meet the area's population or face an inevitable crisis.

From a regional perspective, growth control simply shifts growth from one area to another, said Stephen Levy,



Shmuel Thaler/Sentinel

Recently built homes line the edge of the greenbelt off Western Drive in Santa Cruz.

'You can't reclaim open space. Once you pave it, it's gone.'

KAITILIN GAFFNEY, SANTA CRUZ PLANNING COMMISSION

executive director of the Palo Alto-based Center for the Continuing Study of the California Economy, a private think tank.

"What you have is the creation of an enormous economic divide," he said. "Growth doesn't get limited. People just start living in Los Banos and Tracy."

Growth elsewhere

Population growth in Watsonville and Scotts Valley seems to bear that out. The cities have less rigorous growth control and grew at 42 percent and 32 percent, respectively. The population of Capitola, meanwhile, a small city with little land for development, dropped 1.3 percent in the past 10 years.

Levy said growth-control supporters "really just want the goodies without any neighbors."

But Gaffney and other growth-control advocates bristle at the notion the growth limits have created the county's affordable housing crisis.

"Santa Cruz County could build on every square inch and still not meet demand," Gaffney said.

The lack of affordable housing is a statewide problem, in areas with and without growth control, she said. The challenge is to construct well-planned, affordable housing within developed areas.

Sandy Brown, co-chair of the Santa Cruz Action Network, the city's leading progressive political organization, said she worries that while growth control has preserved the beauty of Santa Cruz, the city is becoming an

enclave of the rich. The growth of low-paying service-sector jobs and spiraling cost of housing has sent many residents packing, she said.

Instead of growth control, "We should really be looking at who is mov-

ing in and who is moving out," she said. "The current trend is gentrification. Young working families can't afford to live here."

Rent control, higher wages and permanent affordable housing would help stop the exodus of low- and middle-income residents, she said.

"It's the responsibility of those who have been fighting for growth control to work for affordable housing," said Tom Shaver, SCAN coordinator, as he painted signs for a rally today in the city's Beach Flats neighborhood to protest high rents.

Promoting exclusivity

City Councilman Mark Primack said growth control is based on the myth that growth is the result of rapacious Silicon Valley executives looking for beach homes. Most of the growth is actually homegrown — the sons and daughters of existing residents — and would be even greater if many residents weren't leaving town to escape the cost of living, he said.

Primack, an architect, said growth control drives up the cost of housing, creating a "convoluted and incompetent process" to get a building permit. He cited one resident who was forced by the county to hire a traffic engineer to alter the design of his driveway.

He agreed that the county and city must promote dense, urban-style multifamily housing instead of single-family homes on large lots.

"We talk about slow growth, but what we're doing is promoting exclusivity," he said. "That's the hypocrisy of progressivism in Santa Cruz County."

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Santa Cruz County

Rank of Santa Cruz County among 3,141 U.S. counties:

Size:	220th
Growth:	286th
Percent change:	1,272nd

■ Santa Cruz County is in the top 10 percent of all U.S. counties in size and growth but only in the top half in growth rate. Santa Cruz County is growing at slightly below the rate for all of California.

■ 2000 population: 255,600; an 11.3 percent increase since 1990.

■ Santa Cruz County grew by an average of about 50 people a week during the 1990s.

NO GROWTH

■ Capitola's population dropped from 10,171 people in 1990 to 10,033 in 2000, a 1.4 percent decrease.

SLOW GROWTH

■ Santa Cruz grew from 49,040 in 1990 to 54,583 in 2000, a 11.3 percent increase.

■ The county's unincorporated areas, including Soquel, Aptos, Live Oak and San Lorenzo Valley grew from 130,809 people to 135,326, a 3.5 percent increase.

FAST GROWTH

■ Watsonville grew from 31,099 people in 1990 to 44,265, a 42 percent jump.

■ Scotts Valley grew from 8,615 people in 1990 to 11,385 in 2000, a 32 percent increase.

Source: U.S. Census Bureau