

# Seascope cites hardship in plea for water permits

By BILL AKERS

Pleading its case under the hardship provisions of the water connection ban ordinance, the Seascope Corporation has asked the Soquel Creek County Water district to issue water connection permits for a total of 93 condominium and single-family housing units.

If the connection permits are not granted, a Seascope official said, a \$1.23 million federal low-income housing commitment will be lost and Seascope will be hard-pressed financially to sit it out until the moratorium is lifted.

The response from the water district board members Monday night was guarded at first, but they seemed to warm to the idea as Seascope General Manager Dean Wise presented his case. Water directors are expected to make a decision on Seascope's application for a variance from the connection moratorium at the board's next meeting on March 2.

What Seascope is asking for are water connection permits for 44 condominium units and 22 single-family units in Seascope Unit No. 16, and 27 low and moderate-income condominium units in Seascope Unit No. 17. The total for the two projects is 93 units, but Wise told the water board members that less than 10 of the single-family units in Unit 16 will be built, bringing the total to around 83.

However, Seascope has a problem — it does not qualify for water permits under the exceptions granted in the ordinance which the water district adopted calling for moratorium on new water connections until the overdraft of the water supply is corrected.

The ordinance allows water connections for projects of over 19 units if the developer has tentative map approval as of Nov. 10, 1980, the date of the adoption of the ordinance. And, the developer must have building permits issued before Dec. 31, 1981.

Seascope has tentative map approval for the two projects, but that did not come until Feb. 3 of this year. And, Wise pointed out in a letter to the Board, the building permits will not all come within the year-end deadline.

But, Wise argued, it was not Seascope's fault that the tentative map approval did not come months, or perhaps years, earlier. Seascope was delayed in proceeding through the planning maze by a five-year litigation hassle between Seascope and the county government. There were further delays, Wise said, due to prolonged negotiations with the federal department of Housing and Urban Development for funds to build the "affordable housing" units mandated by the county's Measure J.

(After a previous Board of Supervisors "downzoned" a large portion of the Seascope property in an effort to preserve open space, Seascope sued, claiming the county had, in effect, appropriated its property without compensation. The court ruled in Seascope's favor and ordered the county to pay Seascope \$4.5 million. A subsequent Board of Supervisors carried on secret negotiations with Seascope, ultimately arriving at a controversial settlement in which Seascope was awarded a guaranteed number of building permits outside the restrictions of Measure J.)

Wise told the directors that the affordable housing units in the project, mandated by Measure J, could not be built without the federal funds and without the construction of the other market-value units. There is a time limit on HUD's commitment, and if Seascope doesn't proceed soon with the project, the \$1.23 million will "be lost to the county forever," Wise said.

The moratorium further violates a section of the county's Affordable Housing Requirements ordinance, Wise said. The ordinance says that a shortage of such housing "is detrimental to the public health, safety and welfare." The water connection ban ordinance provides for a variance if public health and safety are at stake, he argued.

Since 1977, when planning began, Seascope has put over \$2 million in streets and utility service systems "in excess of those required by development at that time," Wise said. In addition, over \$350,000 has gone into litigation, planning, engineering, environmental impact and other paper work; and Seascope is mandated to commit in excess of \$800,000 in land equity and capital toward affordable housing.

"Seascope is of the strong opinion that our request for water service is unique, and that the Soquel Creek County Water District Board of Directors will not see another variance request with circumstances as extensive as this request," Wise said in his letter to the board. "The viability of other Seascope operations continues to be dependent upon at least the level of development contemplated by this request for water service."

Pointing out that Seascope has built only 20 condominium units in the last five years, Wise said, "The carrying costs of our undeveloped property and underutilized offsite development so over-shadows the proceeds of these 20 units, Seascope is in absolute need of the development opportunity of these projects if it is to weather the current water moratorium."

There were some pro-forma remarks from directors about the reluctance to issue water permits other than those

already provided for, but before the discussion ended, there was feeling by some board members that Wise may have a case. They instructed General Manager Robert Johnson to confer with Wise and come back to the next meeting with a recommendation.

In other business, directors:

— Authorized a budget transfer to allow the construction of 8-inch water mains on Bonita Drive in Rio del Mar at a cost of \$160,000. Residents, had petitioned the district for the mains — which were in the district's work plans but deleted this year — because of the extreme fire hazard in the area.

— Heard a report from fish biologist Dave Ditman who is preparing a fish habitat survey as part of the planning for a diversion dam on Soquel Creek. Ditman told the directors that siltation of the creek from nearby development has killed off the salmon spawning capacity of the creek, but that steelhead are still in abundance.

— Heard a report from the district's legal counsel, Robert Bosso, that meetings had been held with Santa

Cruz city officials and a draft agreement for the purchase of the city's surplus winter water has been arrived at. When the agreement is drawn up, it will go to the city council and water district board for approval. Bosso said the city has agreed to voluntarily curtail its pumping in the Purisma formation — where the overdraft exists — "by 25 to 30 percent."

— Appointed Director Dan Kriege as member and Johnson as alternate to the Association of Santa Cruz Water Associations which, under a joint powers agreement, will develop a groundwater basin management district.

— Had second thoughts about an agreement made with the owners of the Rispin property (Clares Street and Wharf Road) in Capitola to drill a test well on a site donated by the property owners. They will now ask the property owners to do the testing before the district makes a commitment to put a well there.

— Heard a lengthy presentation by Laurence Frommshagen who claimed the district manufactured the overdraft problem.

GREEN SHEET  
February 21, 1981

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