

# Building fees soar in unincorporated corridor

By DONALD MILLER

5-24-87

ably be a city.

Building

Sentinel Staff Writer

SANTA CRUZ — As Santa Cruz County has grown, much of the population has settled into a corridor along Highway 1, bordered by Aptos on the south and Live Oak on the north.

With the growth in what was once a rural area of chicken ranches and apple orchards, demand has come for urban services — the same kind of services that cities such as Santa Cruz, Capitola and Watsonville provide for their citizens.

But mid-county, while it looks like a city, feels like a city and makes demands like a city, is *not* a city, and so cannot raise the kind of revenues a municipality can.

Paradoxically, if it could, it would prob-

There are several problems. In 1978, state voters overwhelmingly passed Proposition 13, an amendment that curtailed the ability of local governments, such as counties, to raise revenue by increasing property taxes. Mid-county has no commercial zones like 41st Avenue in Capitola, no auto plazas or motel-room and entertainment taxes.

What it does have is people, in a large section of the county that often has inadequate services. One way the county has found to provide such services as roads, sidewalks, sewers, water and parks is to levy fees on builders and developers. While the fees in cities can be high, they are not in the same ballpark as the assessments on mid-county construction.

One Live Oak homeowner says he found out the hard way how urban services will be financed for that once rural area.

When Jim Aschbacher, a Santa Cruz businessman who lives in Live Oak, applied for a permit to add a family room and studio to his home in 1986, he figured he'd pay between \$400 and \$500 in fees. But before Aschbacher ever laid a hammer to a nail on his 1,000-square-foot addition, he was required to pay nearly \$6,500 in fees to the county Planning Department.

Those fees came on top of the \$4,500 Aschbacher said he paid an architect to draw up plans for the two-story addition — before he applied for his building permit.

In a sense, Aschbacher was lucky. If he

had waited a year to go ahead with his project, he would have had to pay an additional \$1,500 in so-called "developer fees" to the Live Oak School District.

He was even luckier that he was only building an addition, and not an entire house.

According to figures supplied by various county offices, a single-family home in Live Oak could cost a would-be builder — or a big real-estate developer — as much as \$16,806 in fees, before a single spadeful of earth is turned or a nail is driven through a 2-by-4. Fees in Santa Cruz, in comparison, are approximately half that for the same size home.

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## Building fees

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County officials say the fees are necessary because demand for public services is growing in the county's increasingly urbanized unincorporated area while the county's ability to pay for the services with tax revenues is severely hamstrung. They point the finger of blame at Proposition 13.

The fee problem was further exacerbated this year when most of the county's school districts, under pressure from Sacramento, imposed a \$1.50-per-square-foot "developer fee" on all new residential construction. The districts collect the fees, which are supposed to finance new schools. If they don't collect them, they will not be eligible for state matching funds for school construction.

But if you are planning to build a home within the city limits of Santa Cruz, for instance, you are not required to pay fees for roads and transportation and other capital improvements. Other fees, such as connecting to the sewer system, are considerably lower than in mid-county.

Third District Supervisor Dan Forbus recently called the new school fees "way out of line." But Forbus, who represents the Live Oak area, supports fees imposed by the county in his district.

Forbus described Live Oak as an "urban residential area" drawing people who want to live close to the cities of Santa Cruz and Capitola and who need to tap into existing services.

He said the building fees are the "only way to raise money for urban services." The county, said Forbus, "has spent a lot of money getting the sanitation district up to speed." Park and recreation facilities, he said, are "woefully inadequate" in Live Oak, and revenue is needed to build or upgrade them.

Forbus said he does not believe the high fees are a form of growth control, though he acknowledged they do drive up the price of housing.

But, he said, the fees "are spent where they are collected," and are funneled back into the community.

Forbus noted that a newly formed Live Oak-Sequel Redevelopment District will soon begin accumulating funds for such things as street improvements and parks. The funds will come from property-tax revenue increases, resulting from growth in property values within the district. He said the new revenue device may allow supervisors to "relook at the

fees" in Live Oak.

Aschbacher said he had no qualms about the building-inspection fees he was required to pay — such as energy inspection, plumbing and mechanical — nor about the permit fee itself, but, rather, about the "capital improvement fees."

Such as: \$1,500 for "roadside improvement." This fee goes to improve or construct curbs, gutters and sidewalks, said Gail Fleissner of the Planning Department. Aschbacher also was required to pay a "roadway" fee of \$700, which, said Fleissner, is for pavement or to improve pavement.

Aschbacher said he couldn't see the need for the fees because he lives on a dead-end street, in an established neighborhood, where no more building can occur because the area is built out. "I wish they would resurface the road," he said.

Fees collected from builders in Live Oak do not necessarily go for improvements on the streets where they live. The money goes for improvements throughout the area.

Aschbacher also paid a "transportation improvement" fee of \$1,735. County Transportation Commission Executive Director Linda Wilshusen said this fee is for the installation of traffic signals, among other things. Live Oak residents have long complained about several bad intersections lacking signals.

Aschbacher was not through paying, however. He still had to fork over another \$900 for a "park dedication fee," which will go to improving recreation facilities in the area.

"Everybody I've talked to has keeled over when I told them about the fees," said Aschbacher. "Even the building inspector couldn't believe it."

Aschbacher, reflecting back on the experience, said he wanted to do everything "by the book," but believes the fees are "way out of line."

He also said he was recently informed by the county Tax Assessor's Office that his property taxes will nearly double because of the addition.

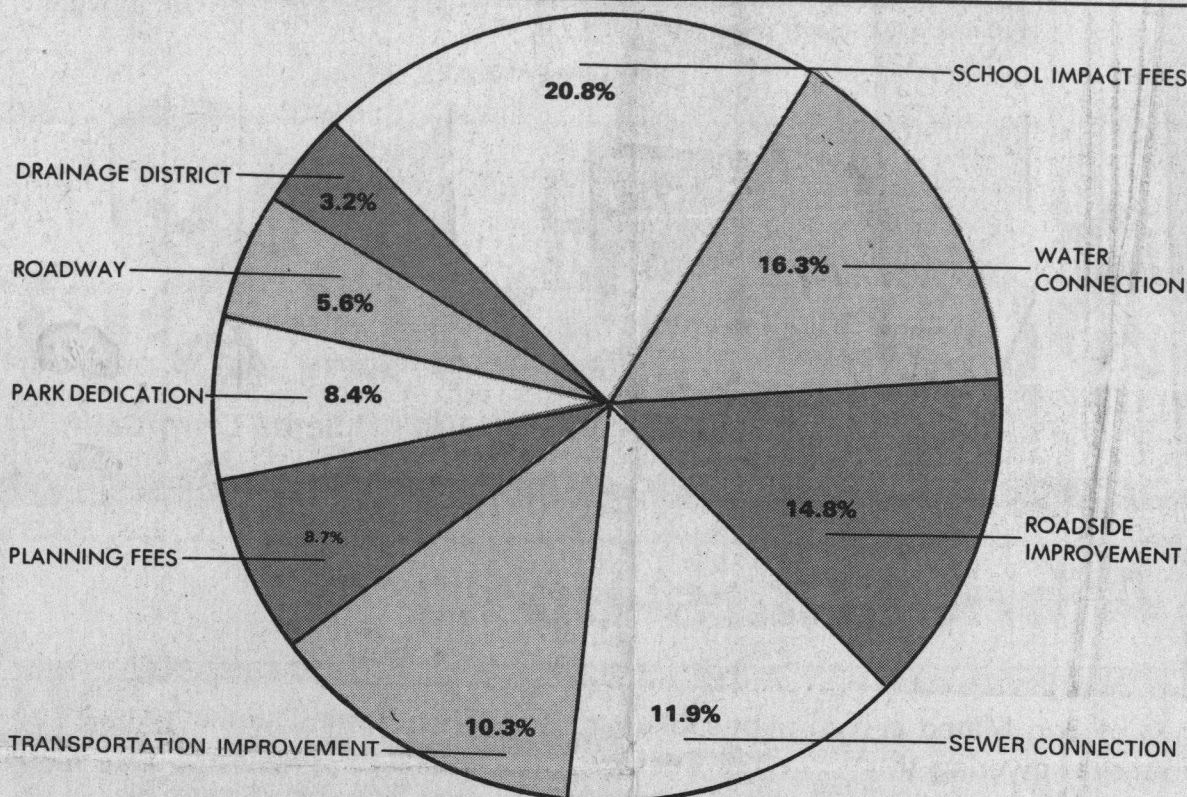
As costly as Aschbacher's experience was, it could have been worse.

His fees for roadside improvement or roadways could have been higher — the county has set a maximum of \$2,480 per unit for the former, and \$940 for the latter.

His park fees could have been as much as \$1,411. In Santa Cruz City, the parks assessment is \$160.

Or, if he had been building a new

## Where the fees go



For a 2,000 square-foot home in Live Oak, three bedrooms, two baths:

### Capital Improvement Fees

Park dedication: \$1,411.  
 Transportation improvement: \$1,735.  
 Roadside improvement: Maximum of \$2,480; could be less, depending on road conditions.  
 Roadway: Maximum of \$940, depending on road conditions.  
 Drainage district: Maximum of \$540, depending on condition of lot before construction.  
 Sewer connection: \$2,000 — Department of Public Works may ask for 50-percent hike next month.

Water connection: \$2,735.

### Planning Department Fees

Structural check: \$490.  
 Energy plan check: \$35.  
 Permit: \$755.  
 Energy Inspection: \$70.  
 Electrical Inspection: \$65.  
 Plumbing Inspection: \$30.  
 Mechanical Inspection: \$20.

### School Fees

School impact "developer fees": \$3,500.

**Total fees: Maximum of \$16,806.**

home, he would have been assessed \$2,735 for connecting to the Santa Cruz water system, which is what city residents are charged, also. In Aptos or Soquel, the fee for water connection is \$3,750, plus another \$375 for the water company to install a meter. Soquel Creek Water District is asking to double the latter fee.

If he had been building on an unimproved lot, he could have been assessed a "drainage district fee" of 27 cents per square foot. This fee can be assessed in the San Lorenzo Valley as well as mid-county.

Finally, in addition to a planning-department plan check, permit and inspection fees at an estimated \$1,465, he could have been hit with a

sewer connection fee of \$2,000.

And he counted himself lucky. According to county Public Works engineer Tom Bolich, the sanitation district is considering a 50-percent increase in the connection fee for new construction between the Yacht Harbor and 41st Avenue, to help pay its share of a proposed new \$53-million sewer project. In comparison, in Santa Cruz the sewer connection fee is \$750, according to Director of Public Works, Larry Erwin.

A Capitola contractor, Nels Westman, said he completed a two-story, 800-square-foot addition to a Live Oak home last year after paying more than \$7,200 in fees to the county. This figure again did not include the new school fees.

Westman noted that if one includes the school fees, the total amount well exceeds \$10 per square foot, more than 25 percent of the estimated normal cost of building — before any actual building begins.

"It was a real eye-opener," said Westman, who added that he does most of his work in the city of Capitola, which has significantly lower fees.

When asked if he felt the high mid-county fees are a form of "growth control," Westman replied that what actually comes about because of such fees is a rapid increase in the value of all construction, including existing homes, thus pricing a lot of "average county residents" out of the housing market.

## Where fees are lower

By DONALD MILLER  
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**SALINAS** — Pre-construction fees in Monterey County, in comparison to Santa Cruz County, are lower in many cases.

Unlike many such areas in Santa Cruz County, however, unincorporated areas in Monterey County are largely rural and do not require urban services.

According to Bill Card of the Monterey County Planning Department, Monterey County has no transportation, roadside improvement, roadway or park fees. Builders of homes in most unincorporated areas of Santa Cruz County pay these fees when they pick up their permits.

Card said Monterey County is considering levying such "capital improvement" fees and said he expects them "eventually."

The Monterey County Building Department collects its own permit fees, unlike Santa Cruz County, where the fees are collected by the Planning Department. These fees, for a 2,000-square-foot residence, average about \$1,400 — comparable to Santa Cruz County building permit fees.

At Monterey County's Public Works Department, an engineer said that sewer connection fees vary among the eight county sanitation districts, but range between \$167 to \$294 — a sharp contrast to the \$2,000 required in the Live Oak district of Santa Cruz County. Most homes in unincorporated areas are built with septic tanks, said the engineer.

Water connection fees vary with numerous small water companies, said Card, with most people on individual wells.

As in Santa Cruz County, Monterey County school districts are levying a state-regulated school fee of \$1.50 a square foot, payable prior to picking up a building permit.