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Classic Public Meeting Nets Opposition To In-Lieu Fees

By PAUL BEATTY
Sentinel Staff Writer

Contractors, building tradesmen, persons who have been denied home building permits and environmentalists confronted county supervisors Tuesday night in a lively and classic Santa Cruz County public hearing.

Primarily at issue was whether the board would rescind the county's in-lieu fee for subsidized housing that is costing home builders from \$1,000 to \$3,000 on each permit.

The board took no action, but Supervisors Pat Liberty and Marilyn Liddicoat said that next Tuesday they will try to get a bond issue on the Nov. 6 ballot to pay for the subsidized low-cost housing in lieu of the in-lieu fee.

County administrators told reporters that a bond issue may be a problem because of Proposition 13 which could deny use of the county's land values to financially secure a public bond.

More than 150 persons attended the meeting at Veterans Hall, with the majority supporting a freer market place for residential construction.

Under the county's growth management plan (Measure J), the county has restricted the number of unregulated home permits to 790 this year, closed the application rolls and imposed the in-lieu fees on permits.

Builders carried signs that called the in-lieu fees "armed robbery," and signs that called for the deportation to Hanoi of Supervisor Gary Patton, the author of Measure J.

Patton showed signs of stress during the meeting and at its conclusion joined Supervisor Chris Matthews in an appeal to all members of the audience "to try to make this (growth management) work."

Liberty and Liddicoat urged that in-lieu fees be changed or completely lifted from county requirements. They were warned by Supervisors' Chairman Dan Forbus that if the county does not find some way to see to it that 140 units of low-cost housing are built "Measure J will close us down next year."

He explained that he believed that if the low-cost requirement cost is not met, the courts will put a restraining order on the issuance of all permits.

"We'll be worse off than we are," Forbus said, assuring the audience that he felt in-lieu fees were repugnant "but the only way I could see to implement Measure J."

People in the audience shouted, "No!" "No! There are other ways."

A majority of the board — Liddicoat, Forbus and Liberty — agreed with home builders that the in-lieu fees should be tested in court to determine if they are a form of taxation and illegal under Proposition 13, the tax-limit initiative passed last year.

Liberty summed up by saying, "Measure J was a grand design and we were the guinea pigs chosen to implement it."

When it was stated that the city of Santa Cruz is not having the same degree of difficulty in implementing its growth management system under Measure O, Forbus noted, "We broke the new ground." Liberty said that any board that had made the same mistakes as the county board in deciding the laws to regulate growth "should be thrown out of office."

As the meeting started, Bert Verrips of Duncan and Jones company — which wrote the environmental report on the growth management system — and Walter Kieser of McDonald Co. presented short reports.

Kieser said that the company showed there would be a "negative impact" of growth management and related fields of property.

His company's computer analysis showed that the impact of Measure J is an elitist policy on in-lieu fees.

When Reed told the board that the company had issued layoff warnings on the building permit limit, M...

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"intimidate the board."

Matthews came out swinging against Telford Smith, a local major land owner and man of means.

Smith told the board that Measure J had frozen his investments and that it is "upsetting the balances of services."

Matthews told him, "You're a millionaire (and as) Voltaire said, 'Behind every great fortune, there's a crime.'"

Smith returned to the podium, but his response was shut off by Forbus who reminded him that the public hearing had been concluded.

Two women told the board that the restriction of building permits had resulted in their being told at the last minute they could not get a permit this year for their family homes. They said they already had sold their previous homes and were left with no permanent homes for their families.

Lela Willit asked the board, "Who can I move in with, with my two kids, my husband, my dog and my cat?"

A number of others said they also had been led to believe they would receive permits this year, but will not.

The need for low-cost homes was made real by a number of speakers with Tim McCormick, a hospital worker here for the past seven years, telling the board that service workers are, and will, stay at an economic level where they never can afford a home.

George Stavis, chairman of the local housing board, noted that only 216 low-cost homes have been built here in the past five years and that more are desperately needed.

"Measure J is tough; nobody said it would be easy, but the goal is a good one," Stavis said.

One of the biggest audience uproars of the night came when Matthews told a small contractor that he didn't get his permit because "big developers get preference (and) you didn't get it (permit) because you didn't have the political juice to get things done."

Architect Jim Moore said that uncertainty in the construction trades that has been caused by the restriction of permits and the closing of the application rolls was driving him out of the community.

Land owner and real estate agent Ed Hansmann said it was a "sin on the county that people are leaving." He laid the full blame on Patton's shoulders.

"I believe that Patton has done more to raise rents and the cost of housing than anyone else," Hansmann said.

He and others, including Liddicoat, said they believed that Measure J had heavily increased the price of housing and there was general dismay that the average price of a new home here is now at \$101,000.

Some of Patton's frustration was vented when he challenged a statement by Liddicoat that Measure J was put on the ballot on a 3-2 vote, a statement that put the onus on the board's liberal majority prior to the recall election last June.

Patton snarled, "It was a 5-0 vote; that (statement by Liddicoat) is a lie."

She retracted, but then challenged Patton to exclude last year's 300 carryover permit applications from this year's ration of 790 unregulated permits.

She noted that Patton had earlier made a motion to exclude the 300, but to her challenge to drop the 300 now, Patton answered "No."

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...ting at about 11:30 p.m. with
...a public hearing on the full
...impact of growth management