

Building Patton's 'Candy Store' May Satisfy Building Trades

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A "candy store" method of issuing the county's rationed building permits was recommended by Supervisor Gary Patton Tuesday, and it may satisfy the sweet tooth of the building industry here.

Patton's method is to issue a regular permit to any developer who will first build a low-cost home for sale at about \$45,000.

When the recommendation was made Tuesday afternoon, building trades President Bruce Reed immediately dubbed it "a candy store theory" and said it is "the way things are done in the real world."

Supervisor Pat Liberty, who has contested Patton over a number of other issues in the county's implementation of its growth management system mandated by Measure J, said, "I find this very interesting" and asked the board continue

the item until next Tuesday at 4:30 p.m.

She and Reed agreed the "candy store theory" needed "a little more fine tuning" and Reed was asked to have the building tradesmen look it over.

Patton noted, "This demonstration program will allow Santa Cruz County's small contractors to construct a below average income unit at very little, if any, profit (but) their profit will be a permit which can then be sold to the highest bidder on the free market."

Permits have a value of about \$10,000, say some experts in the real estate industry — a value that resulted when the county in June ran out of its 790 free market permits for this year.

Patton's suggestion included only the 80 permits the board majority has agreed to borrow from this year's low-cost permit category and release to the free market — a loan Patton strongly opposes.

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However, Tuesday he said that since the loan of permits had been approved by the board majority, his candy store should be opened.

Led by Supervisor Dan Forbus, the board majority — which also includes Liberty and Supervisors' Chairman Marilyn Liddicoat — agreed that since the county is unable to build 140 low-cost units this year, that 80 of the low-cost permits be borrowed to give the building trades a late-year spurt of business, and the county

will make up the 80 units in the next two years.

Patton said the loan will burden future boards and that taking permits was illegal under Measure J and that it breaks a contract between the county and state Office of Planning and Research.

Liberty said that neither charge was true and accused Patton of trying to stop all growth in the county.

Planning Director Michael Van De Veer said he believed the county would have no trouble in meeting its quota of an expected 420 low-cost units over a three-year period, and possibly could fulfill its quota in two years.

Tuesday, the board gave final approval to spreading the quota over the three-year period over Patton's objection and also approved moving permits from the low-cost category.

The board's action will result in a court

suit to keep the 80 permits in the low-cost category, say representatives of the Resource Defense Fund of the local citizens' Environmental Council.

Mary Hammer of that group said, "We believe the low-cost permits should be kept in reserve to assure the county will meet the 15 percent low-cost housing requirement under Measure J."

Tuesday's ordinance to extend the time period and allow borrowing will go into effect in 30 days, and next week the board is expected to determine how the permits will be allocated.

Along with Patton's candy store method, the board is looking at planning staff's recommendation that the permits be allocated according to the present formula, with one-half of them going to single units, and the rest to multiples.

There is a long line of home builders waiting.

Patton's recommendation could change the county's "first come, first served" system by issuing permits to those who can initially build a low-cost unit.

Such low-cost units would have deed restrictions so that they could not be resold on the free market for high profits to owners who first bought them at the low-cost price.

Reed said that one method to further sweeten the candy store system would be to issue those permits over and above the county's yearly ration.

That ration is determined by the board and is based on this county's "fair share" of the statewide population growth. In 1979, the growth rate was set at 2.2 percent, allowing 930 permits of which 140 had to be in the low-cost range.

So far, the county has been unable to meet its low-cost requirements, so extended the deadline to a three-year period.