



# REGIONAL EXCHANGE

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## THE STORY OF MEASURE J – SANTA CRUZ COUNTY'S GROWTH MANAGEMENT PROGRAM

by Andrew Schiffrin

In 1978, voters in Santa Cruz County passed by initiative ordinance what is probably the most extensive and effective county growth management program in California. By almost any standard, the program has been a success. How did it come to be? What does it do? How has it been successful? What lessons can be learned about citizen action from this effort?

### Introduction

Traditionally, Santa Cruz was an agricultural, low income county, but in the 1960's it started to grow rapidly and prosper. During the 1970's, Santa Cruz was one of the fastest growing counties in the country, experiencing an average annual population growth rate of 4.6 percent. The problems created by this rapid growth will not surprise -- the loss of agricultural and rural land, traffic congestion, sewer and water moratoria, rapid increases in housing prices.

The pressures for growth, then and now, came from the newly established University of California campus north of the City of Santa Cruz, the explosive expansion of Silicon Valley just over the hill, and the increasing pressure on coastal locations generally. Plans and zoning during this time encouraged rapid growth -- with much "success".

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*Andrew Schiffrin holds a Master's degree in City Planning from MIT and is an Administrative Aide to Supervisor Gary Patton (the author of Measure J, Santa Cruz County Growth Management Policy Ordinance).*



But in the late 1960's, awareness developed about the need for environmental protection in the county, and a political movement began taking shape. At first it focused on large, high-impact projects; an early victory came in the County Supervisors' reversal of support for widening Highway 17. A major commercial project at the edge of Santa Cruz was also stopped, and a citywide height limit was imposed.

Most importantly, the environmentalists won a shift in the growth-is-good mentality -- especially among local officials. In 1973 the Santa Cruz City Council got its first strong conservation representation; in 1977, three out of five County Supervisors favored serious efforts at growth control. Nonetheless, those favoring rapid development and unrestricted "free enterprise" were still influential, and hard-fought battles occurred over specific projects and electoral campaigns.

### Growth Management in Santa Cruz — The Pre-Election Strategy

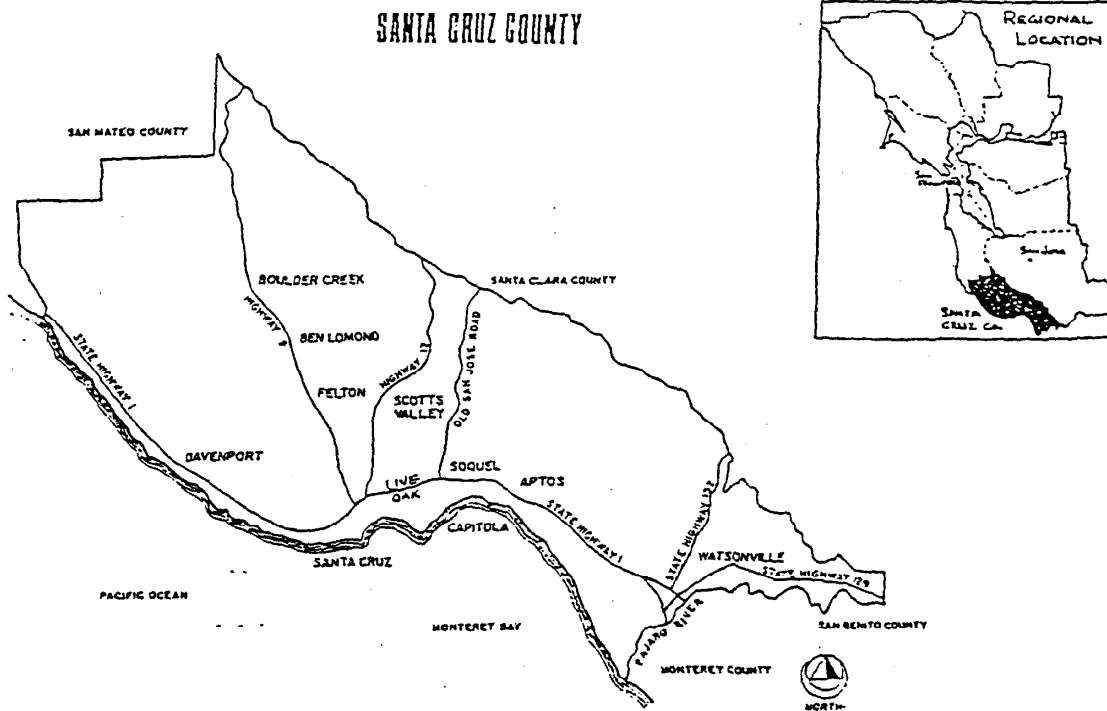
By 1977, it was understood by the new environmentalist majority of the Board of Supervisors that ad hoc programs would not work. In 1976, the Board had adopted a population cap for the year 2000; but even by 1977 it was recognized that this limit would be reached much earlier under existing land use policies. It was agreed by the elected officials and environmental activists that a dramatic program was needed to get a handle on growth and bring it under meaningful control as quickly as possible. The major growth control technique then in use seemed to be delay and this was not only of limited usefulness but subject to many justifiable criticisms.

There were great concerns, however, that the development community would mount a political effort against any strong growth management system, and the likely outcome of such a campaign was very unclear. Among other problems was the difficulty in restricting the construction of single family homes on individual parcels. No other growth management system in the state had been able to restrict single family home development. Yet in Santa Cruz County, almost 85 percent of the development was of this type. Moreover, there was an awareness of the legal problem which the Board majority would face if they adopted a strict growth management system. How could it be done?

In June of 1977, the Board of Supervisors directed the Planning Department to prepare a series of reports on the effects of growth on the County and the options available for managing it. These reports were intended to serve as the legal and political rationale for a growth management program.

However, while these reports were in process (they were released serially), opposition to the three liberal, environmentalist Supervisors grew. The opposition was based in the development community but used the liberals' alleged positions on social issues, like welfare, to create public antagonism. In the latter part of 1977, a recall campaign was launched against all three Supervisors. By February, it was clear that the campaign had gathered enough signatures against two of the Supervisors to force a June election. The recall against the third, Gary Patton, was dropped but he was up for reelection in June anyway. The rationale for growth management was coming into place, but the political foundation was in jeopardy.

Cont. on page 3



## The Choice of an Initiative Measure

In February/March 1978 the environmentalist majority on the Board of Supervisors decided that they could not adopt an effective growth management program by ordinance even though the groundwork for such a system had been laid by the reports. First, the recall election made any major new legislation difficult. The opponents would accuse them of forcing unpopular changes on an electorate that no longer supported them.

Second, it was clear that the development community would pull out all stops to overturn a comprehensive growth management system which imposed a low growth rate. While a majority of the people probably supported growth management generally, any specific, comprehensive, untried programs proposed by a 3-2 Board vote could be easily distorted and maligned as part of the election campaign.

The Board majority retained their conviction that a majority of the population in the County supported meaningful growth control. How could they find a way to finesse these political weaknesses to reach their strength? The answer decided upon was to draft an ordinance of general policies which would be placed before the electorate and which mandated separation of a specific growth management system and provided policy direction to it. The debate would be focused on the real issues of growth, with good defenses against both vagueness and specificity.

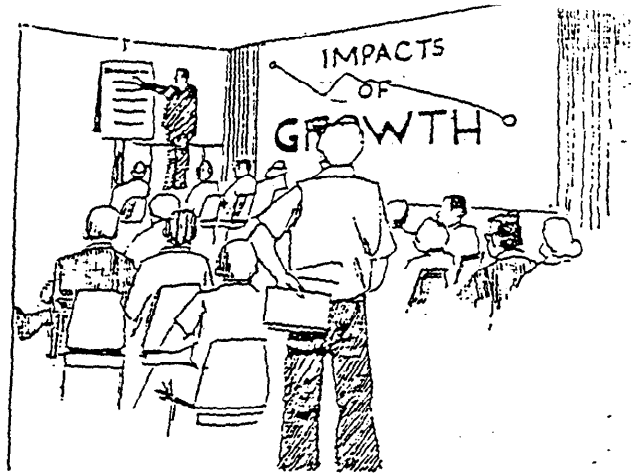
## Measure J: The Growth Management Initiative

Measure J, as this ordinance was labelled on the ballot, had three purposes. The first was to provide the policy basis for a strong, comprehensive growth management program. The second was to show that there was majority public support for such a program. And third was to appeal to the pro-growth management sentiment in the community in a general way in order to help defeat the recall.

Using general statements of policy, rather than detailed "legalese", Measure J set out the negative effects of rapid growth (thus establishing a legitimate public purpose for regulation), and a series of six key policies to be followed in managing development -- and it required the County Supervisors to pass an implementing program within six months of the measure's passage.

Probably the most important policy in the ordinance was the requirement that the Board of Supervisors annually set a population growth rate, which rate to reflect the County's fair share of the State's growth. "Fair share" was not defined and, contrary to popular belief, Measure J did not set a low growth rate. It simply required that rate be set every year, thereby keeping the issue public and political.

Other major policies required the protection of agricultural land, the adoption of an urban/rural boundary in order to discourage rural development and to concentrate development in the urbanized areas, and the protection, where feasible, of the County's natural resources.



The most specific policy, later to become also the most controversial, was the requirement that at least 15 percent of all newly constructed housing be affordable by those with average and below average incomes.

The housing policy was included for several reasons. First, prices in the county were pushing out a segment of a mixed community and only a specific requirement could halt this pattern. Second, housing activists focusing on renters' concerns had become a political force in the City of Santa Cruz and environmentalists had developed a working relationship with them. Third, the measure's authors had a keen awareness of the legal importance of a strong affordable housing policy, in order to ensure that the growth management program would not have the effect of excluding those with lower incomes.

## The 1978 Election Campaign

The campaign around Measure J was relatively non-controversial, surprisingly so considering the importance of the outcome. With hundreds of millions of dollars and thousands of acres at stake, only \$859 was spent for the measure, and \$2,446 against it. The development community opposed it, but found it hard to mobilize a great deal of public opposition to the idea of growth management. The policies were too general to attack very specifically. There may also have been a concern on the part of its opponents that growth management was a popular public issue and to attack it too strongly might help the liberal Supervisors.

Instead, pro-development interests concentrated their fire on the recalls, aiming at the people instead of the policies. They spent a whopping \$106,000, this in 1978. (Supporters of the Supervisors up for recall responded in kind if not amount, with \$11,000.)

If voters were to be consistent, the initiative and the candidates would win or lose together. What would they do?

Cont. on page 4

On June 8, 1978, Measure J passed by a 54 percent margin countwide and the two environmentalist Supervisors were recalled by the thinnest of margins: Ed Boravatz, San Lorenzo Valley, lost by just 50 votes; Phil Baldwin, Live Oak, by a few hundred. Evidently, about four percent of the voters were splitting their ballots. Why? For one thing, Proposition 13, the Proposition 13, drew irate conservatives to the polls in droves. Many of these conservatives want to control growth, yet do not like liberal Supervisors. The recall campaign had emphasized "welfare fraud" and "big spending". Clearly, the incumbents were not recalled because of their growth management positions, and the election illustrates the importance of initiatives in measuring real voter thinking on an issue.

### Implementation of Growth Management - Fact or Fantasy?

After the June election, the new majority on the Board of Supervisors was in a difficult position. Philosophically they opposed growth management and did not want to implement Measure J. On the other hand, they could not ignore its passage. They were legally obligated to implement it, and Supervisor Patton, who had been reelected, was an informed and aggressive advocate for implementation. What would they do?

The supporters of growth management were also in a difficult position. There was a public mandate for growth management, but they had lost the majority of the Board of Supervisors and Measure J was a rather general policy ordinance. Could they bring about the adoption of an effective growth management system?

Initially, both sides agreed. Since Measure J required a growth management system, there would be one. Moreover, it would be developed within the time limits.

When January 1979 rolled around and major portions of the system had not been approved, environmentalists sued the County to compel the full implementation of Measure J. This placed even more pressure on the Supervisors to make the hard decisions.

What then, resulted from all the activity?

- Agricultural Land Preservation: The Board-appointed agricultural task force was dominated by conservative farmers and landowners who, while supportive of protecting agricultural lands which were economically productive, were strongly opposed to preserving open space land by regulation when the agricultural viability was, in their view, speculative or economically non-existent. Philosophically, their attitude was that if people wanted open space they should buy it. They tended to be guided by the desires of the affected property owners in making their decisions.

Maps identifying the agricultural lands to be preserved were therefore based on strict definitions of agricultural productivity. This reduced significantly the potential area, eliminating large acreages of grazing land as well as many lands potentially in agricultural use or in small parcels. On the other hand, the staff recommended extremely protective



policies to preserve the designated agricultural lands which covered significant areages. Fortunately, the task force did not oppose them.

- Growth Rate: In the report prepared on population growth rates, the staff proposed three alternatives -- a low growth rate of 1.1%, a moderate growth rate of 2%, and a high growth rate of 3.2%. (It should be remembered that the County had been growing at a 4.6% average rate.)

Supervisor Patton and environmental activists argued vigorously for the low growth rate. Representatives of the development community, though opposing all growth rates, favored the high rate. However, they did not lobby strongly. Since it was clear to all that Measure J had passed in order to slow growth and, probably, because two of the more conservative Supervisors had been elected as a result of the recall and faced another election in 1980, the Board majority did not want to identify themselves with high growth. The 2 percent growth rate was ultimately adopted, with Supervisor Patton in opposition.

- Building Permit Allocation System: Once the growth rate was adopted, staff converted it into allowable number of building permits which could be issued. The next step was to determine how to allocate these permits -- between urban and rural areas, and between large and small projects, for example. It was also necessary to determine which applicants for permits would receive them -- for example, first come, first served; through a rating system; or by geographical areas. Decisions on this system were the thorniest and most difficult for the Board of Supervisors to make and probably entailed the greatest amount of discussion. However, the most important policy decision never became a public issue: the Planning staff assumed that the growth management system would cover all housing developments, including single-family homes on single lots, and never raised any alternative to this. (No one else did either.)

The allocation system finally adopted does have problems, as will any system which has to say no, in a fair manner, to people who want to build. It covers, however, all residential development and contains a higher rate of growth in the urban area than in the rural area.

- Urban/Rural Boundary: Since Measure J required concentration of growth in urban areas, it was necessary to define the boundary of these areas. Staff proposed an urban services line to represent the limit of urban development to 1990. No urban services were to be provided outside this line. Supervisor Patton argued that the line should provide for urban growth beyond 1990. Since residents in areas around the line tended to be most concerned about the expansion of higher density urban growth in their neighborhoods, the Supervisors ultimately amended the line in relatively minor ways and, in some instances, even reduced the urban area in response to specific complaints.

- Rural Land Divisions: The creation of new parcels of land in rural areas had been one of the most controversial issues prior to growth management. Previous Boards of Supervisors had approved widespread subdividing of rural land with little environmental knowledge or concern. There were already enough parcels to almost double the population of the County if each one was built upon, and environmental activists had focused much of their energies through the years on controlling the number of new parcels created. Through the late sixties and early seventies, standards governing subdivisions changed and the interpretation of the standards also changed. By 1978 the regulatory climate was so uncertain and confused that even land owners were calling for some standardization in the review process.

Measure J provided the opportunity to implement a more certain regulatory procedure. The staff proposed a rural development "matrix" which would be used to evaluate rural land division requests. Each application would receive points based on environmental and hazard factors. Final allowed parcel size would be determined from a total point score and the underlying general plan designation. After pressure from environmentalists, an absolute limit on the number of such subdivisions allowed was eventually approved.

- Affordable Housing: The majority of people appointed to the Housing Task Force by the Board of Supervisors opposed government interference in the private housing market. However, the affordable housing advocates argued convincingly that, if the 15% affordability requirement was not met, all housing construction in the County could be halted

by court order. As a result, the effort focused on all available tools for producing affordable housing. Three major programs were proposed. First, the County was to aggressively pursue and encourage federally subsidized housing projects. Second, in all developments of five units or more, at least 15% of the units were to be affordable to low and moderate income families (inclusionary housing). Finally, a "housing fee" would be imposed on all projects from one to four units, the revenue from which would be used to produce affordable housing.

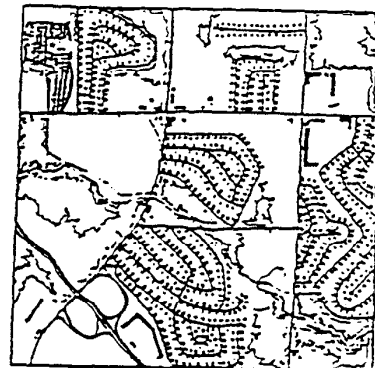
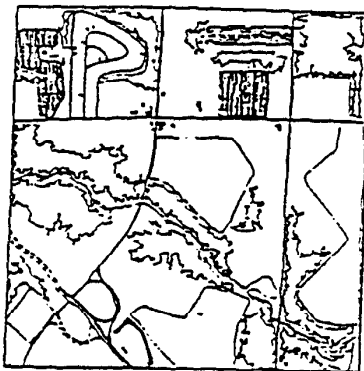
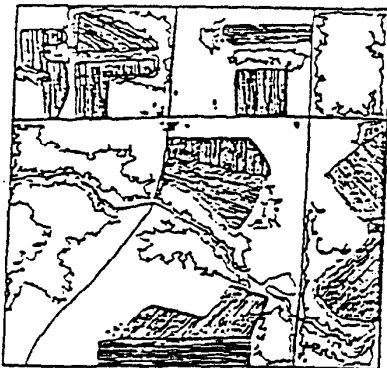
Although the inclusionary housing program was anathema to the building industry and contrary to the philosophy of the Board majority, the entire program was finally approved, probably because it seemed to be the only alternative. The housing fee became very controversial, was later ruled illegal by the local court, and was not appealed by the Board.

## Assessing the System

By June of 1979, only five months late, the growth management system was essentially in place. Did the pro-development majority mean a weak system? Surprisingly, the system adopted may have been stronger and more restrictive than what would have resulted if an environmentalist majority had controlled the Board of Supervisors. A number of factors made this happen:

- (1) The citizen environmentalists were well organized and constantly active. They got people out to public meetings, were very vocal, and were forever agitating for a strong system. They also kept in close contact with friends, particularly Gary Patton, on the Board of Supervisors and initiated a lawsuit which threatened to stop all construction, if the Board did not fully and correctly implement Measure J.
- (2) The planning staff, bucked up by the vote and the activists, also played a crucial role, through their interpretation of the intent of Measure J and the alternatives they proposed;
- (3) The minority of environmentalists on the Board were well informed and politically astute;

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## Has Growth Management Succeeded in Santa Cruz County?

Both in its own terms and in terms of significantly cutting and regulating the growth of the County, I think the answer is, clearly, yes. It has succeeded because most of the system's components no longer generate controversy and because the community as a whole now accepts growth management as a normal and expected part of life. It has become woven into the fabric of community life.

The key factors for Measure J's success have been:

- (1) The existence of a popular base of support in the community for growth management. A majority of the people believe that it is desirable and important to control and limit private land development.
- (2) Organized citizen action favoring growth management has been crucial. In the courts, during election campaigns, and at public hearings, citizen activists have made public participation count. While particular activists may come and go, it has been recognized that, in order to succeed in the long run, citizen action must continue.
- (3) There was the ability to draft ordinances, and frame political campaigns in order to appeal to popular concerns. In other words, the environmentalists have had the competence to know how to get what they wanted; and
- (4) There has also been the ability to understand the place of initiatives and referenda in the larger political contexts as one of a number of tools, which also include vigorous electioneering, lobbying, and litigating.

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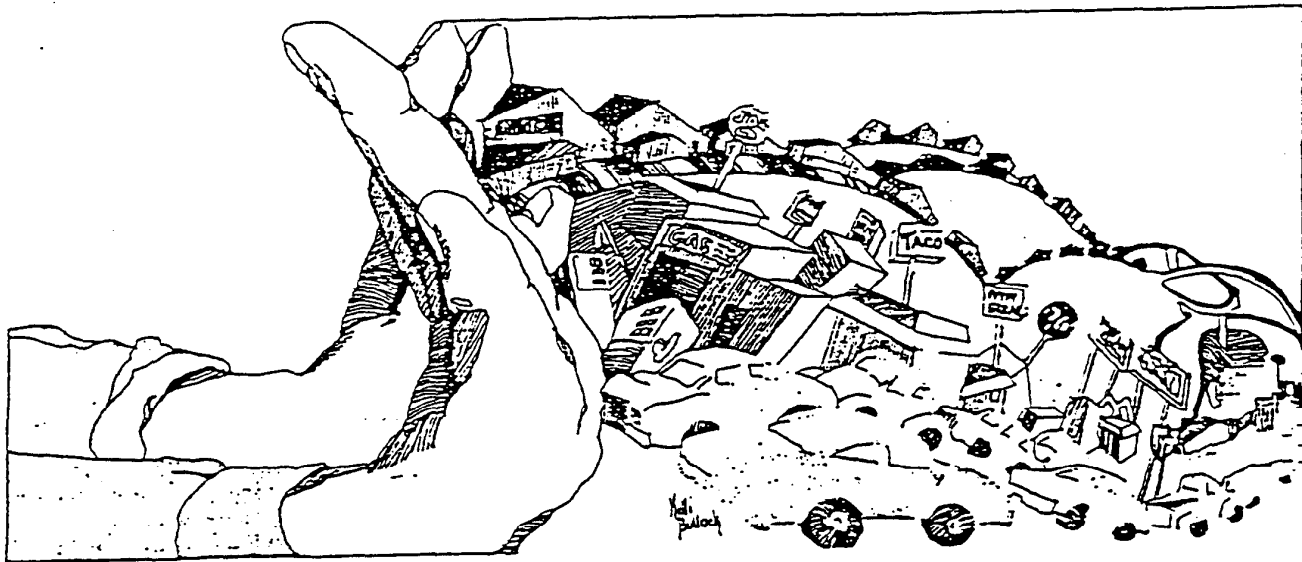
(4) The majority of the Board and the pro-development community in general did not participate effectively in the process. It was almost as if they thought that because they were in the majority, the result would automatically reflect their concerns. Developers as a rule fight hard but irregularly, as needed for their own specific projects while environmentalists fight for general principles. Perhaps, as with some national environmental laws, the problems were not clearly perceived till later, at which time a greater lobbying effort develops. At most, developers played a reactive role in terms of the proposals presented and never tried to take control of either the process or the outcome; and

(5) The passage of Measure J by itself created a political climate which made opposition to a meaningful program difficult. Every attempt to weaken the system was attacked as a slap at the will of the electorate.

## What's Happened Since 1979

The adoption of a meaningful growth management system provided no guarantee that it would be effectively implemented. While the environmentalist strategy was to push for consistent follow-through, it was recognized that if the Board majority did not change in 1980, the conservatives would probably figure out how to undermine the system. In fact, the Board majority did change in 1980 and the supporters of managed growth were back in control.

It is an indication of the strength of the system that the new majority did little to change it after 1980. On the other hand, attempts were made to weaken it. The conservative majority put an ordinance, sponsored by the building industry, on the ballot to increase the growth rate in the name of energy conservation. This was defeated. The development community also tried an initiative which would have increased the growth rate. It did not even receive enough signatures to get on the ballot.



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Two final comments. First, Santa Cruz County's growth management does not deal directly with economic development, i.e. the creation of jobs. Since economic growth is the major stimulant to population growth and since the electronics industry may now expand tremendously in the County, the response to economic development pressure currently represents the greatest challenge to the growth management program. Managing land for residential growth may force long commutes or become politically impossible unless land is also managed for job growth.

Second, the growth management system represents only one aspect of land use regulation. The general plan, local coastal programs, individual land use policy ordinances, programs to provide public services, and financing structures are all part of the total picture. Decisions in these other areas may support

or undermine the growth management system and they all have been significant battle grounds between the forces favoring rapid development and those seeking to control it.

What is the result of all this effort? By a democratic process, the usual rules of the development game in this county have been revolutionized, protected the environment and the quality of life of Santa Cruz County for this and, hopefully, future generations. If we have done our job responsibly, as I believe we have, other places can implement similar schemes to their advantage. Some progress is, indeed, progress.



*Sherman Lewis, Regional Exchange co-editor, and Larry Orman edited Mr. Schiffrin's more extensive original report which is available from POS for \$2 per copy.*

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