

**Santa Cruz Co.
General Plan Update Report**

J.M. Management proposed and had unanimous Board of Supervisor acceptance of modifications to the Santa Cruz County Plan which we believe will promote the restoration of the County's natural resources. These concepts were supported by various professional naturalists and resource organizations including the Santa Cruz County Resource Conservation District and the Santa Cruz chapter of the California Native Plant Society.

The goal of these modifications is to create an opportunity for development patterns which appeal to a growing (yet untapped) market seeking housing within a native California landscape. This goal can be achieved by restoring deteriorating landscapes to a pre-european condition. Maintenance of that landscape will be managed by homeowner associations which will draw upon natural resource professionals. Homesites will be small, spread and grouped through a private preserve with each site maintaining individual privacy.

This "double green" approach to land use management assures the attraction of capital necessary to assure the continuing viability of the natural resources while promoting economic benefits.

The Board of Supervisors of Santa Cruz County specifically authorized:

- 1) Program h - attraction of private capital for natural resource restoration and ongoing management by providing cost savings and density bonuses.
- 2) use of a development agreement in connection with the establishment of an integrated program to achieve open space protection objectives;
- 3) the elimination of the disincentives for healthy management of grasslands and special forests.

J.M. Management has begun the long range planning appropriate to begin the process of working with the Resource Conservation District, the Native Plant Society, and the County Planning Department is designing Program H.

J.M. Management continues its pre-development restoration effort with respect to its coastal land holding as it seeks to implement a 21st century wildland housing prototype.

CONTENTS

1. J.M. Management's original memorandum (8/18/93) regarding: A New Approach to Wildland Development:
 - a. natural resource enhancement and density credits;
 - b. use of development agreements; and
 - c. on site caretakers and affordable housing.
2. J.M. Management's letter of 5/24/94 summarizing Board Action, remaining issues and Supervisor Patton's response.
3. J.M. Management's 12/1/93 letter attaching proposed language for General Plan and Gary Patton's handwritten response to the Board of Supervisors.
4. Roberta Smith, PhD., President, Resource Conservation District's 11/16/93 letter in support of J.M. Management's proposal for economic incentives leading to the enhancement of natural resources.
5. Randall Morgan's 11/30/93 letter in support of the Resource Conservation District's 11/16/93 letter.
6. California Native Plant Society 12/23/93 letter in support of the Resource Conservation District's 11/16/93 letter.
7. Text of Adopted Changes:
 - a. Section 5.1 Biological Diversity: Program h. -- Attraction of Private Capital.
 - b. Section 5.11 Open Space Preservation: Program c. -- Use & Development Agreements.
 - c. Section 5.1.5 Land Divisions & Sensitive Habitats -- Elimination of Grassland and Special Forest Disincentives.

J. M. MANAGEMENT CO.

August 18, 1993 Memorandum

**EFFECTS OF PRESENT SANTA CRUZ COUNTY
RURAL LAND USE PLANNING POLICIES
AND SUGGESTIONS FOR IMPROVEMENTS**

I. PRESENT DEVELOPMENT CHARACTERISTICS AND THEIR EFFECTS

A. DEVELOPMENT CONTINUES:

Development in the rural and urban interface areas has continued since the implementation of the 1980 General Plan. Since 1980 _____ acres of rural landscape has been newly developed with houses, farms or other commercial activity. Virtually none of this land has been developed pursuant to standards which provide for restoration and ongoing maintenance of the natural vegetative and habitat conditions. Development in rural areas is permitted under the current and proposed General Plan and is required to continue by both statutory state law and U.S. constitutional mandates. Recent U.S. Supreme Court decisions have created significant adverse financial consequences to communities abrogating one's right to develop property.

The issue facing land use professionals and the community at large is not simply the quantity of development but the quality of future development in these important and sensitive areas.

B. CONTINUING DEGRADATION:

Those wildland areas which have not been developed continue to degrade. The natural cycles of vegetative restoration resulting from fire have been suppressed. Invasive non-native weeds continue to exploit wild areas. Landowners often eliminate remaining native vegetation out of ignorance or fear of government control. An appropriate incentivized system needs to be established.

C. DIFFICULTY OF PLANNING PROCESS:

The Planning Department has a reputation as a difficult and arbitrary group administering a labyrinth of conflicting rules. This condition can result in the failure of the present process to provide opportunities for sensitive, creative and innovative development. Under the current development approval process, the

tough and often the insensitive developers with deep pockets and uncreative plans are the only ones to survive. This contributes to the continuation of the public's negative view of development since "good" development rarely occurs.

D. THE COUNTY'S REFUSAL TO COORDINATE WITH PRIVATE DEVELOPMENT:

The County's current policy does not encourage contractual arrangements vesting developers with rights exercisable over a time frame necessary to implement a sensitive and creative development program. Consequently large parcels are fully subdivided over a short time period which necessarily adversely affects the landscape. Sensitive development should move more slowly and thoughtfully as it affects wildland areas. Currently rural land is divided into geometrical pieces (often "ranchettes") without a plan respecting the natural characteristics of the landscape. The resulting landscape includes grazing areas for farm animals, large lawns, or at best unattended "preserved" areas suffering from invasive, non-native weeds and accumulated fire fuel.

II. PROPOSED STANDARDS FOR FUTURE DEVELOPMENT

A. SENSITIVE DEVELOPMENT PATTERNS:

Encouragement of development patterns that restore, enhance and provide on-going stewardship of the vegetative and habitat conditions of wildland areas should become the cornerstone of planning policy for rural areas.

B. MAKE PROCESSING COSTS PRODUCTIVE:

Costs of Rural development processing should have direct and beneficial effects on the landscape by:

1. *Educating developers and homeowners of the beneficial characteristics of a restored and maintained native condition;*
2. *Create affordable housing opportunities for persons contributing to onsite land management activities. The present affordable housing requirement constitutes a very expensive cost which does not benefit the natural characteristics of the landscape.*

C. PLANNING FOR THOUGHTFUL INNOVATION:

Planning policies must recognize that sensitive and creative development programs require thoughtful innovation. A coordinated effort by public agencies and private interests intent on achieving housing patterns that enhance natural conditions requires a mutuality of obligations. These obligations must be allowed to exist beyond the typical one year permit time frame that currently exists.

Attached are proposals for three modifications to the Santa Cruz County Land Use General Plan as it effects the rural or urban interface areas zoned for residential purposes. Implementation of these suggestions would result in cost effective planning and a healthy natural landscape.

**PROPOSED MODIFICATIONS TO
GENERAL PLAN**

In furtherance of comments made to the Commission on February 9, 1993, this communication sets forth some specific notions that can improve the planning process resulting in an enhancement of the quality of future rural residential land development in our county:

1. DENSITY INCENTIVES:

Consideration should be given to general plan provisions that incentivize development programs which create small lots leaving at least 75% of the land mass dedicated to natural conditions and subject to prototype residential CC & Rs which have as their purpose the restoration of native habitat, and enhancement and ongoing maintenance of remaining open space areas. This would include exotic plant control, erosion mitigation, vegetation enhancement and maintenance, riparian enhancement, fire mitigation and other conditions that result in a healthier native landscape and wildlife habitat. As a result of this process homeowners can be educated and the community wildland areas improved. A site specific manual would be written to be part of the accompanying CC & Rs (with input from the Planning Department) informing and educating the homeowner group as to the beneficial qualities of the native landscape, including the biotic and wildlife attributes and the human food source value of the land's particular vegetation. Such a program will result in

a development pattern which has as its principal characteristic improvement of an otherwise deteriorating native condition of the county wildland and will put the burden of enhancement and permanent maintenance squarely upon the residents. The market uncertainties of significantly smaller lot sizes and the costs of enhancement and maintenance will necessitate incentives in respect to either matrix determinations or in the necessity for density credits.

2. *DEVELOPMENT AGREEMENTS:*

Consideration should be given to General Plan provisions to allow (encourage) the use of Development Agreements so as to avoid the current circumstance where infrastructure for approved development plans must be completed within a fairly short time following the issuance of the permit. This policy results in a degradation of the natural landscape given the developer's economic need to rush to market in order to meet his financing obligations. The Development Agreement will allow current landowners and future developers to focus on planning for the preservation and enhancement of the native landscape while remaining assured that development rights will continue. The clear benefit to the community is the enhancement of the quality of rural development.

3. *FLEXIBILITY WITH RESPECT TO THE IMPLEMENTATION OF AFFORDABLE HOUSING REQUIREMENTS:*

Consideration should be given in the General Plan to onsite housing for employees of a homeowners' association allowing the homeowners' association to choose qualified workers. Such a modification would be in contemplation of hiring caretakers to implement the requirements of the CC & Rs in respect to the maintenance of the improved natural landscape and native habitats. Such housing would be priced at affordable standards (at maximum), and would be in addition to a wage. Maximum income qualification standards could be applied through the Housing Authority.

We are prepared to propose draft language for an ordinance should such proposals be appealing to a majority of the commission.

It has become clear to landowners that the current rural land use general plan does not encourage (and in fact discourages) sensitive vegetative and habitat stewardship. These proposed changes would advance the environmental protections afforded in the current General Plan. By encouraging sensitive naturalism we can improve our community to the benefit of all.

J. M. MANAGEMENT CO.

REPLY:

5/26

May 24, 1994

*Dear Michael Shaw -
I genuinely appreciate this nice letter. Best wishes to you all.
Gary Patton*

Gary Patton, 3rd Dist. Supervisor
Santa Cruz Co. Board of Supervisors
701 Ocean Street, Room 500
Santa Cruz, CA 95060

Dear Supervisor Patton:

RECEIVED MAY 28 1994

This letter is to express our appreciation and enthusiasm for the concepts embraced by your Board respecting the adoption:

- 1) of Program h. (the attraction of private capital for natural resource restoration and management activities);
- 2) the use of a development agreements in connection with the establishment of an integrated program to achieve open space protection objectives;
- 3) the elimination of the disincentives for healthy management of grasslands and special forests as a result of your changes to Section 5.1.5.

We also wish to acknowledge the assistance rendered by staff in assisting us to understand both the nature of and the alternatives affecting these policies. We will look forward particularly to working with staff and the Board in designing Program h.

We will further inform the Board regarding the advantages benefiting natural resources from a revised policy respecting packaged sewage treatment in rural areas. We will also present more fully the ecological and economic advantage which would result following a Nollan analysis of several potentially offending policies of the General Plan.

Thank you again for your open mindedness respecting the aforementioned changes. This process has certainly been one which I found to be informative and satisfying.

Regards,

Michael Shaw

Michael Shaw

MS/cf

cc: Resource Conservation District
California Native Plant Society

J. M. MANAGEMENT CO.

HAND DELIVERED

December 1, 1993

Gary Patton, 3rd Dist. Supervisor
Santa Cruz Co. Board of Supervisors
701 Ocean Street, Room 500
Santa Cruz, CA 95060

RE: Draft General Plan 1993

REPLY

*12/1/93
Dear Michael Shaw -
I appreciate
your follow through
on this!
Best
wishes
J. M. Management Co.*

Dear Supervisor Patton:

Attached is a requested policy suggested for Chapter 5 Conservation and Open Space, sub-section Restoration of Damaged Sensitive Habitats. We acknowledge and appreciate the forward thinking modifications already made to the General Plan draft which facilitate an inspired and incentivized approach to the improvement of our communities natural resources.

We agree with Staff Report at 145(a) (attached) which acknowledges "that an incentive approach is best in terms of protecting these lands."

We have observed first hand and agree with the Resource Conservation District and Randy Morgan that without proactive stewardship natural resources will continue to degrade. We offer to the community and the Board an opportunity to view and have explained by resource professionals the positive impacts on natural resources that can be obtained with an appropriate program of predevelopment mitigation and enhancement.

We request the Board adopt the enclosed policy for insertion in Chapter 5 of the Draft General Plan. We further request that the Board make public a vote on this issue and provide the basis of objection if the policy is not approved.

We appreciate the Board's interest and support for sensitive and creative rural land use policies. Public support is growing for the revitalization of our County's wildlands. An economically incentivized program for ecological enhancement should be implemented in order to achieve this result.

Thank you for your careful consideration.

VERY TRULY YOURS,



MICHAEL SHAW

MS/cd
Enc.

mm: Santa Cruz County Board of Supervisors
cc: Dan Shaw, Planning Director
Ron Powers, Supervising Planner
Roberta K. Smith, PhD., President RCD
Randy Morgan, President CNPS

SANTA CRUZ COUNTY RESOURCE CONSERVATION DISTRICT

3233 Valencia Ave., Suite B-6 • Aptos, California 95003

Phone 408/688-1562 • Fax 408/685-3602

November 16, 1993

Santa Cruz County Board of Supervisors
Governmental Center
701 Ocean Street, Room 500
Santa Cruz, CA 95060

RE: General Plan Draft

Dear Board of Supervisors:

This letter is in regard to the memorandum sent to you by Michael Shaw of JM Management Co. dated October 20, 1993, regarding economic incentives for ecological enhancement of grassland areas. We see merit for this philosophical approach to wildland policy.

We recommend that your Board authorize an evaluation regarding application of this approach to various biotic communities in addition to grasslands. We further request that you extend the General Plan review process or adopt another effective means of undertaking a thorough study in order to give practical application to or include this concept for implementation in the new General Plan.

We believe that the current General Plan has been effective in restraining the ecologically insensitive development patterns that were occurring in our county during the sixties and early seventies. We are concerned, however, about the continuing degradation (albeit slower) of our natural resources. A continuing degradation is occurring in undeveloped wildland areas. This results from:

- a) an intentional or unintentional conversion of habitat by land owners;
- b) the adverse ecological effects of fire suppression; and
- c) the effects of invasive exotic plant species.

It is the Resource Conservation District's opinion that proactive land use policies which encourage enhancement and restoration of natural resources probably can best be accomplished through the use of economic incentives. Or at a minimum, such incentives will greatly increase the probability of natural resource conservation and enhancement.

We believe that land use policies should articulate specific incentives to help spur interest in restoration. Establishing uniform and specific biotic standards may prove difficult and

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Board of Supervisors
November 16, 1993
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ineffective. Therefore, we believe that specific site review could produce specific restoration programs offered in exchange for economic inducements.

We are confident that natural resource professionals within the community have the capacity to input to County agencies an appropriate program designed over time to reverse ecological degradation.

Sincerely,

SANTA CRUZ COUNTY RESOURCE
CONSERVATION DISTRICT

Roberta K. Smith, PhD
President, Board of Directors

mm: Board of Supervisors
cc: Planning Commissioners
Planning Director
Native Plant Society

Randall Morgan
3500 N. Main Street
Soquel, CA 95073

November 30, 1993

Santa Cruz Co. Board of Supervisors
701 Ocean Street, Room 500
Santa Cruz, CA 95060

RE: 1993 Draft General Plan

Dear Supervisors:

I am writing on my own behalf rather than for the California Native Plant Society since our board of directors has not yet reviewed his matter. This is in regard to a letter to you from the Santa Cruz County Resource Conservation District, dated November 16 and signed by Dr. Roberta Smith.

I agree with essentially all of the points raised in Dr. Smith's letter. In recent years the rate of habitat degradation in parts of Santa Cruz County has been accelerating, particularly in grasslands and other non-forested environments. This trend can be reversed only by good management, tailored to the specific conditions of each site and sustained over long periods of time.

Dr. Smith is probably correct in stating that economic incentives may be the best way to accomplish this goal, although I believe that social incentives are important as well. Her letter refers to a document prepared by Michael Shaw of JM Management Co. I have visited Mr. Shaw's property and was impressed at how the kind of thoughtful, low-tech stewardship practiced there over the past eight years has improved the health and productivity of the natural environment, in the process creating a richer, more interesting human environment as well.

I believe any effort on your part toward encouraging other landowners to follow suit would be worthwhile. I appreciate the interest you have already shown, and I am willing to commit time toward this effort myself. Please let me know how I can be of assistance to you or planning staff.

Sincerely,


Randall Morgan



THE CALIFORNIA NATIVE PLANT SOCIETY

Santa Cruz County Board of Supervisors
701 Ocean Street, Room 500
Santa Cruz, CA 95060

December 23, 1993

RE: 1993 Draft General Plan

Dear Supervisors,

This letter is written in support of some of the concepts expressed in the November 16 letter sent to the Board by Roberta K. Smith, Ph.D., President of the Santa Cruz County Resource Conservation District. Dr. Smith expressed concern for the ecological integrity of the natural communities of the County and asked that the Board consider methods that might provide incentives for landowners to maintain and manage the biodiversity of their holdings.

The California Native Plant Society's Santa Cruz Chapter is also concerned with the accelerating degradation of habitat. We feel that bad management, which often fosters the spread of invasive exotic species, is currently endangering many types of habitat, particularly grasslands and other non-forested areas. The solution to this dilemma clearly lies with making information available for landowners while creating incentives for them to use this information in ways that are beneficial.

In the future, with pressure to develop our rural areas, it becomes increasingly important to consider ways that might maintain native species diversity. With the expertise of local land management professionals, active efforts of groups of knowledgeable people such as CNPS, and an increase in the density of housing, leaving large tracts of contiguous, well-managed habitat, we may hope to help reverse current trends of habitat degradation.

It is our hope that the Board will consider the ideas expressed in Dr. Smith's letter, and that you will explore these ideas further as the new General Plan is developed. The Society will be more than happy to be of assistance in this matter and would hope to be involved in the steps leading to these policies becoming legal.

Very Sincerely,

Stephen McCabe
Conservation Committee Chairperson
Santa Cruz County California Native Plant Society

Grey
Conservation Committee Member
Santa Cruz County California Native Plant Society

mm: Santa Cruz County Board of Supervisors

cc: Dan Shaw, Planning Director
Ron Powers, Supervising Planner
Roberta K. Smith, Ph.D., President RCD
Michael Shaw, J.M. Management Co.

EXHIBIT 7

TEXT OF ADOPTED CHANGES

- a. **Section 5.1 Biological Diversity: Program h. -- Attraction of Private Capital:**
- h. Encourage the attraction of private capital for purposes of restoration and stewardship of natural resources including vegetation, wildlife, water and soil resources. Assemble an ecological enhancement group to include: landowners, professionals in the fields of planning, natural resources and development for the purpose of creating a resource protection incentives program for consideration by the Board of Supervisors. Recommend to the Board of Supervisors a system of density bonuses, cost savings, or other resource protection incentives based upon:
- (1) the quality and extent of preservation and/or restoration of natural habitat; and
 - (2) permanent measures for ongoing stewardship of natural resources.
- (Responsibility: Board of Supervisors, Planning Department, Resource Conservation District, Native Plant Society)*
- b. **Section 5.11 Open Space Preservation: Program c. -- Use of Development Agreements:**
- c. As appropriate and necessary, develop an integrated program involving land acquisition, conservation and open space easements, transfer or purchase of development credits, **development agreements**, lease-back agreements and other mechanisms to achieve open space protection objectives. *(Responsibility: Board of Supervisors, Planning Commission, Planning Department)*
- c. **Section 5.1.5 Land Division and Density Requirements in Sensitive Habitats -- Elimination of Grassland and Special Forest Disincentives**
- Allow land divisions in sensitive habitats only when the density and design of the subdivision are compatible with protection of these resources as determined by environmental assessment and applicable County land use and zoning standards. Apply the following land division and density standards to the habitats listed:
- (a) Grasslands - Prohibit land division of native and mixed native grassland habitat mapped in the Coastal Zone unless the area to be divided is removed from the mapped grassland habitat area by General Plan amendment. On parcels with existing mapped native and mixed native grasslands and which contain and require that development be clustered and located outside the habitat areas. Allow one single family dwelling unit per existing parcel of record. **Where property owners upgrade grasslands on their parcels, outside of mapped areas, through resource management activities, the prevailing General Plan densities shall not be reduced.**

- (b) **Special Forests - Prohibit land divisions within designated special forests unless the area to be divided is removed from the mapped special forests habitat area by General Plan amendment. On parcels with existing mapped special forest areas which contain developable land outside that habitat, allow development at the lowest density of the land use designation and require that development be clustered and located outside the habitat areas. Allow one single family dwelling unit per existing parcel of record. Where property owners upgrade special forest areas on their parcels, outside of mapped areas, through resource management activities, the prevailing General Plan densities shall not be reduced.**