



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Board of Supervisors - First District

Subject: Support for Transfer of Development Rights Programs

Meeting Date: February 25, 2025

Formal Title: Direct the Chair to write a letter to the County's State legislators requesting that they author and/or support legislation that will streamline the creation of Transfer of Development Rights programs by counties

Recommended Actions

Direct the Chair to write a letter to the County's State legislators requesting that they author and/or support legislation that will streamline the creation of Transfer of Development Rights programs by counties.

Executive Summary

On October 17, 2023, the Board of Supervisors considered the implementation of a Transfer of Development Rights (TDR) program and directed staff to conduct outreach to disaster-impacted residents. While there was initial interest, significant hurdles remain, including a time-consuming and costly CEQA process and the financial burden of establishing and maintaining the program. Recent wildfires in Los Angeles further highlight the growing need for TDR policies, which provide a voluntary mechanism for residents in high-hazard areas to preserve their property values while reducing development pressures in at-risk regions. Given the February deadline for state legislation proposals, swift action is necessary to advocate for reforms that facilitate the implementation of these programs.

Discussion

The Santa Cruz County Board of Supervisors has previously explored the possibility of implementing a TDR program, recognizing its potential to mitigate risks associated with development in high-hazard areas while offering property owners a voluntary option to preserve their largest asset—their home. During the October 17, 2023, Board meeting, staff was directed to conduct outreach to disaster-impacted residents to assess interest in a TDR program. Initial feedback was positive, indicating that some residents would consider utilizing such a program.

However, significant barriers remain, particularly in the form of regulatory and financial challenges. The CEQA process for establishing a TDR policy is both time and resource-intensive, creating a deterrent for counties seeking to implement these programs. Additionally, the costs associated with setting up and administering a TDR program are considerable, further limiting feasibility at the county level.

Recent wildfires in Los Angeles highlight the growing urgency for solutions that support residents in high-risk areas. The increasing frequency and severity of wildfires will exacerbate the state's insurance crisis, further increasing the financial burden on homeowners in these regions. A well-structured TDR program can provide an alternative path for these residents, allowing them to transfer development rights from hazardous areas to designated receiving zones while maintaining property value.

Importantly, a TDR policy would be entirely voluntary, ensuring that no new government mandates are imposed on property owners. Instead, it would expand the available options for residents, offering a market-based solution that aligns with public safety and environmental preservation goals.

With the February deadline for state legislation approaching, it is critical that the County proactively advocates for reforms that will enable the successful implementation of TDR programs. By streamlining the CEQA requirements and securing state funding, counties will be better positioned to develop and manage these programs effectively.

Financial Impact

The recommended action does not have a financial impact.

Strategic Initiatives

Operational Plan - Attainable Housing, Sustainable Environment
Climate Action & Adaptation Plan – Wildfire Prevention

Submitted By:

Manu Koenig, First District Supervisor

Recommended By:

Carlos J. Palacios, County Administrative Officer

Artificial Intelligence Acknowledgment:

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.