



**SANTA CRUZ COUNTY**  
Civil Grand Jury

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## **Navigating the Building Permit Process AGAIN**

“Site Plans, Septics, and Plan Checks, oh my!”

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### **Summary**

If you want to build or remodel in Santa Cruz County, you often have to apply for a building permit. The Unified Permit Center website lists a dozen types of permits, each with its own set of requirements. The task ahead is not only confusing, but also daunting.

The Santa Cruz County Civil Grand Jury (**the Jury**) has learned that securing a building permit is considered by many professionals and homeowners to be one of the most costly, time-consuming, and exasperating endeavors undertaken in the County.

Time is money for the applicant, and while safety should not be compromised, the building permit application process should proceed efficiently without costly delays.

In the aftermath of the LA County wildfires and the loss of 11,500 homes to the deadly and destructive flames, the whole state of California is looking at innovations to speed up the recovery process following a natural disaster. The County of Santa Cruz should be doing the same. The Jury recommends that the Board of Supervisors direct the Unified Permit Center to modify the rules for permitting by exploring other jurisdictions' best practices, emphasizing customer service, reviewing the fee structure, and streamlining the permit process.

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## Background

The process of obtaining a building permit in the County of Santa Cruz (**the County**) has been examined by previous Santa Cruz County Grand Juries before, once in 2002-2003, again in 2012-2013, and most recently in the 2023-2024 CZU fire rebuild report. The current Jury (2024-2025) examined concerns about complexity, costs, and extended time frames associated with the permitting process. The shift to an online permitting system, encouraged in part by the COVID-19 pandemic, has helped standardize some steps; and improved the processing speed within the County departments.

At the same time, the online system has put the application process further out of reach for infrequent or unsophisticated permit applicants. Homeowner applicants must now rely on subject area experts such as architects and engineers; for building permit submissions, which greatly increases project costs. Thus, the promise of a paperless system online gives with one hand and takes away with the other. The current online system is notoriously finicky about formatting. The online permitting system rejects submissions for minor formatting issues, such as incorrect date formats, or the use of “illegal” characters such as dashes or slashes, adding to time and cost for builders and owners.

The California Building Code is updated every three years. These changes create a more challenging environment for applicants and the County staff. While regulations continue to evolve, the process of building itself has remained largely unchanged. Wood frame structures are still built upon concrete foundations, with the Underwriters Laboratory (**UL**) listed wiring and stout metal plumbing fixtures. Examples of Building Code updates include:

- a greater concern for the environment;
- more extensive heating, insulation, and cooling requirements;
- a growing consideration for seismic and septic safety;
- fire concerns in the urban/wilderness interface;
- introduction of new materials developed for construction use;
- and clean water concerns.

Over the past decade, the County has experienced several shocks. The COVID-19 pandemic required many County workers to work remotely, driving the County to invent new ways of working. Furthermore the CZU lightning complex fires created an emergency, resulting in a flood of building permit applications and the “need for speed” as County residents were without homes. In response, the County adopted several major changes, including the utilization of ‘outside’ plan checks, the consolidation of several departments into Community Development and Infrastructure (**CDI**) department, and the creation of the Unified Permit Center (**UPC**).<sup>[1]</sup> These practices, for better or worse, have lessons for us to study and learn from.

## Scope

The Jury specifically limited its investigation to permits issued in the unincorporated areas of the County. Practices in cities within the county, as well as cities and counties statewide, were also considered to provide comparisons.

The Jury posed the following questions: Does the current residential building permitting process and the requisite paperwork create unnecessary cost overruns and delays for construction professionals and resident home builders and home improvers? Can the process be improved?

Permits fall into two categories:

1. Ministerial permits cover most single-family homes on standard lots with unsurprising features. They follow a checklist of standards and don't require much judgement by the County. If the project checks all the boxes, then a permit is issued.<sup>[2]</sup>
2. Discretionary permits require judgement to be applied to the permit application because they include features like lot line adjustments, zoning changes, land use changes, uncommon height or floor area, exceptions to lot line setbacks, or they fall under special California Coastal Commission rules. Sometimes, discretionary permits require public hearings.<sup>[3]</sup>

This report considered only ministerial permits.

## Methodology

The Jury interviewed individuals from a variety of subject areas. Most of these individuals (architects, civil engineers, contractors) have worked extensively with the County. For comparison, the Jury made an effort to find experts who also were familiar with the permitting processes in other jurisdictions. In addition, the Jury spoke with homeowner applicants and County staff involved in permitting, reviewed County building permit fees, the online worksheet, and fee structures in other counties. Because of the vast variation in project characteristics, which affect costs, this report is based on qualitative research. A building project may involve a few County regulations or many, such as a hillside or a soils report, fire road access, water diversion, or environmental habitat considerations. The costs and time involved in satisfying each applicable regulation make it impossible to describe an “average” project with accurate data.

## Investigation

All building, planning and construction in the State of California is controlled by the California State Building Code, which is verbose, complicated, and weighty. The Code – [Title 24 Part 2, Volumes 1 and 2](#) – in print form has 1,720 pages, and weighs in at 80 pounds. Every three years, the Code is updated and revised by the State.

## ***So You Need a Building Permit***

Any trip through the permitting maze is largely dependent on the scope of the project, the requirements relevant to the project in the Building Code, and the number of other applicants for building permits already in line. Your plans may have to be reviewed by many County departments or just a few.

Some small builds and repairs don't require a permit. Some examples are a child's jungle gym, a small storage shed, and interior work like painting, tile work, or new flooring. No permit, no fee.

EZ Permits are available for certain types of straightforward construction and repair work, such as minor kitchen or bath remodels, trade work (electrical, plumbing, or mechanical), sheetrocking, siding, replacement windows, replacement roofing, and exterior doors. These types of permits do not require the applicant to submit drawings and can result in immediate online approval, with the payment of fees. Quick turnaround, low fee.

Beyond that, larger projects such as a full room addition, the construction of a second story, or installing a swimming pool require a plan set and review by several departments before a permit is issued.

Listed below are the departments in the County that are involved in residential building permits and may review project plans. This list was provided by the Unified Permit Center (UPC).<sup>[4]</sup>

- Zoning
- Building Plan Check
- Environmental Planning
- Addressing
- DPW (Department of Public Works) Transportation
- DPW Stormwater
- DPW Sanitation (if on sewer) -or-
- Environmental Health Land Use (if on septic)
- DPW Encroachment – Driveway Review
- Environmental Health Hazmat
- Measure J
- Housing
- Fire Department (not part of the UPC but advisory to the UPC)

To reduce costs, the Jury favors changing some EZ Permits to permit-free jobs, and reclassifying some standard building permits to EZ Permits. Both moves will save applicants money and time, as well as free up the permit staff to review more complex projects.

Not all building departments across the State categorize jobs the same way, which indicates discretion is allowed. For example, the Jury found several counties in California, plus the cities of Watsonville and San José, have moved replacement windows to the no-permit-no-fee list. Santa Cruz County hasn't chosen to do this. Why not? <sup>[5]</sup> <sup>[6]</sup> <sup>[7]</sup> <sup>[8]</sup>

### ***Unified Permit Center and the Ombudsman***

In 2022, the Santa Cruz County Board of Supervisors (**BoS**) approved the restructuring of the County departments. A part of that restructuring included most of the various departments listed above as being involved in the residential permit process and also created the Unified Permit Center. The County staff the Jury spoke with thought this improved their working conditions.

The UPC hired a manager to oversee the organization. In addition to managerial duties, that position's job description also includes the following: "provide conflict resolution, develop a comprehensive approach to resolve customer service concerns; identifies and facilitates process improvements that result in a user-friendly permit process for both customers and staff."<sup>[9]</sup> These tasks essentially define an Ombudsman. The concept of an Ombudsman grew out of a Swedish idea to have government agencies be more customer service-oriented.

The UPC needs an Ombudsman - a dedicated staff member who is the liaison between the public and staff to explain and resolve any conflicts and assist people through the permit process.<sup>[6]</sup>

The Jury wants the UPC to receive the greatest possible benefit from the role of Ombudsman. Rather than combining the responsibilities of a manager and an Ombudsman into one position, the Jury would like to see a full-time Ombudsman position and a full-time manager position. Additionally, the role of the Ombudsman needs to be publicized so that applicants know whom to address when they have concerns.

### ***Another Bump in the Road***

Chronic under-staffing in the County's Environmental Health Department was often cited by interviewees as the reason for delays in permitting.<sup>[10]</sup> Environmental Health is responsible for a host of needs, notably reviewing, approving, and issuing septic systems and wells permits. A shortage of environmental health specialists is a statewide problem not easily overcome. Most of the counties are not able to fully staff environmental health positions and thus have to rely on trainees.<sup>[10]</sup>

Whenever homeowners are building a new house or add to an existing structure, the permit approval process requires a septic or sewer approval, depending on the waste system at that property. Most of the building sites in the unincorporated areas of the County have a septic system. The Environmental Health Department must do a site

evaluation whenever an application for a new build is filed to determine where to place the septic system and what kind of system will work best with the topography and soils on that property. If the application is for an addition or a rebuild as a result of a fire or some other disaster, and there is a septic system already on the property, that system will need to be evaluated to make sure it's adequate for future use.

### ***Unexpected Requirements Cost Applicants Money and Time***

Adding to the angst of the homeowner is the very possible delay or denial that comes as a result of "surprise" requirements imposed on their application. An example might be the County requiring an extra soil test that requires hiring an expert to do the work and will certainly add time to the project. Both the expert and the delay can significantly increase the cost of the project.

If the homeowner obtained a home improvement loan of \$200,000 at 8% interest, each month costs the homeowner \$1,600 per each month of delay. Add on the potential increase in costs of some building materials as a result of the current tariffs.

The Jury heard many tales of unexpected requirements resulting in added costs to residents. These surprises often strained relationships between customers and builders due to interrupted services, extended unlivable conditions, losing contractors to other jobs, and extra mortgage payments during project delays.

Examples of Unexpected Requirements Identified Through Jury Interviews:

**Rural Soundproofing?** Contractor Larry was building a new home on 50 acres with no neighbors in sight. The County required soundproofing for the house. Larry's research showed this requirement has been on the books since the 1960s but had not been enforced on any of his jobs over the past 25+ years, nor those of his professional cohorts. To do the soundproofing, Larry would have to charge an additional \$60,000 to cover the costs of adding drywall underneath the stucco. Additional costs accrue due to the necessity of changing window and door specifications to accommodate the increased wall thickness. Larry successfully asked to have the requirement exempted, but this change request incurred time and financial costs.<sup>[11]</sup>

**Toasty Toes.** Builder Sandy submitted building plans that included warm tiles in the kitchen. The plan checker crossed out the warm tiles, calling it "optional electric." Sandy called the plan checker to protest. To keep the heated pad, Sandy would have to submit a change order and get new energy calculations at additional cost. The change order would take six weeks for the plan checker to respond. Rather than delay the project and increase the cost, the customer gave up the heated pad.<sup>[12]</sup>



**Belt and Suspenders Building.** Builder Ripley had a job lined up to stucco over the existing siding of a home. He submitted his application. Ripley had already given his client an estimate for the work based on his 25 years of experience. The County told him he needed to apply a new type of rainscreen under the stucco, even though the house had a rainscreen under the existing siding.

Ripley asked where he could find this product, as he had never heard of it. The person at the counter did not know. The rainscreen material was so new, it could not be found at local suppliers. After searching the internet and calling around, the rainscreen was found and shipped in – resulting in additional costs and further delays. The new rainscreen doubled the cost of the bid to the customer.<sup>[13]</sup> Sadly, Ripley felt his customer's anger and may have lost that long-time customer.

**Yet Another Bump in the Road.** Houses that burned in the CZU fire could be rebuilt “as is” without requiring a septic system upgrade. Applicants soon reported that their plans were rejected as the County required a pre-digester to be added to the system. Pre-digestors add approximately \$100,000 to the cost of the re-build at a time when applicants were already under financial stress. One outside expert was able to get the requirement removed 50 different times! Why was it necessary for a citizen expert to repeatedly point out the CZU recovery rules to the County contractor?<sup>[14]</sup> While it is true that this requirement was added to the applications by an outside plan check company, that company was retained by, and presumably overseen, by the County. The County should ensure that its citizens are not burdened by expensive and time-consuming requirements and equipment.

## ***Outside Plan Check***

To facilitate CZU fire recovery, the County contracted with professional plan check companies in an attempt to speed up the permit processing.<sup>[15]</sup> Today, when the volume of applications is high, outside plan check companies are still used. The Jury was told that the determination to use outside plan checkers is made based on several factors, one being the amount of time an application has been listed without assignment on the “aging report”. If the permit application has been on the aging report for 14 days, it is considered for outsourcing.<sup>[16] [17]</sup>

The UPC currently handles up to 300 new housing plans a year. Starting in 1969, the State of California has required counties and cities to plan for new building development to accommodate the anticipated population growth in their area (the Housing Element). In 2024, the BoS accepted the State's 2024–2031 Housing Element requirement of 4,634 new units to be built across the County. This requirement adds approximately 650 new builds per year. This number of added units will triple the demand for plan check at the UPC<sup>[18]</sup> and increase the County's reliance on outside plan check professionals.



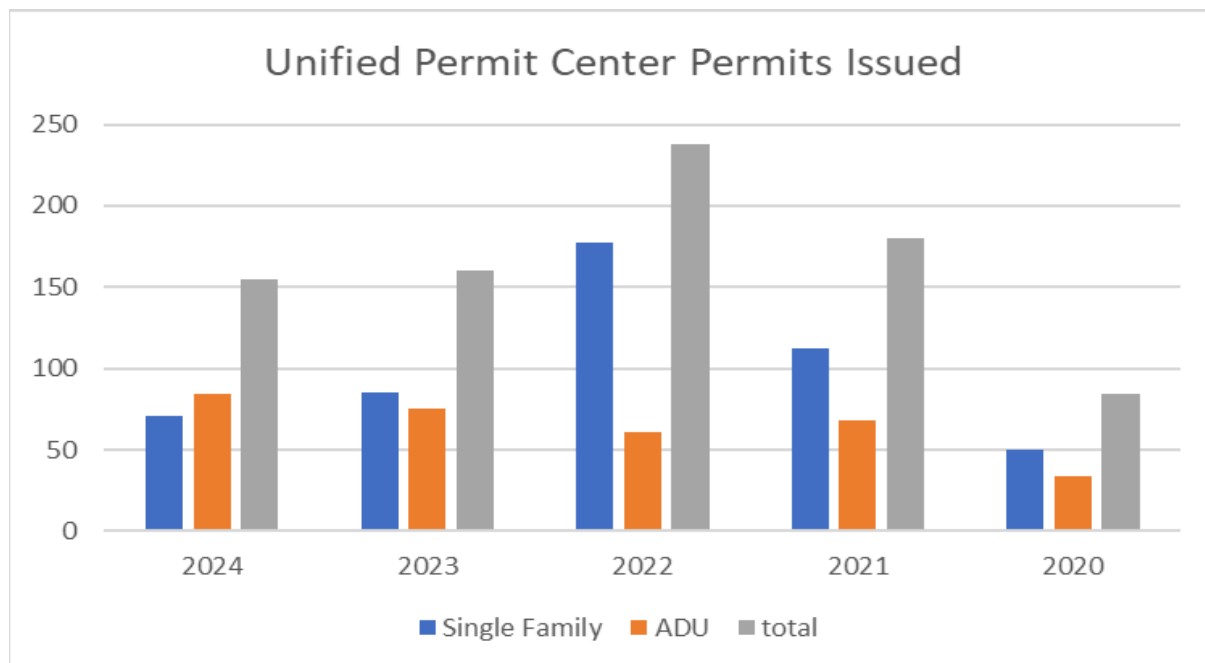


Figure 1. Number of permits issued over a five year period.<sup>[19]</sup>

## ***Costs of Professionals and Materials Go Up During Wait Times***

In any building project, one can observe the adage “time is money” holds true - delays inevitably drive up costs. With various recent shocks to the country due to climate disasters (tornados, wildfires, flooding), the pricing of replacement materials goes up, and the availability of building professionals goes down.

In light of the recent fires in Los Angeles, the Governor of California has issued warnings about price gouging: “... one executive order extends provisions of California law that prohibit price gouging in Los Angeles County in building materials, storage services, construction, and other essential goods and services...” from now through January 7, 2026.<sup>[20]</sup>

Professional assistance (structure, plumbing, electrical, septic) is also negatively affected by high demand.<sup>[21]</sup> Building professionals often relocate from one jurisdiction to another to meet disaster demand. This movement can leave the original regions, like Santa Cruz County, short on contractors. The LA fires may have an adverse impact on Santa Cruz’s building demand.

Economic uncertainty also results in high material prices. According to the Trading Economics Website, “Lumber futures traded above \$610 per thousand board feet in February 2025, a near three-month high as mill closures and trade uncertainty exacerbated supply pressures”.<sup>[22]</sup> The fire may have happened in Los Angeles, but the demand for materials there drives up the cost everywhere.

Politics also contributes to uncertainty. Example: In 2024, a California farmer, anticipating the purchase of a prefabricated barn, had the luxury to apply for his building permit when he was ready. But in January 2025, he realized the price of the barn he intended to purchase may increase with new tariffs. He could not confidently buy the barn from a foreign supplier without the building permit, and he suddenly needed that building permit application to move quickly.<sup>[6]</sup>

## ***The Permit Streamlining Act***

The California Permit Streamlining Act and its subsequent modifications is a complex piece of legislation<sup>[23]</sup> intended to speed up the building permit process. “Under the Permit Streamlining Act (the “PSA”), Government Code Section 65920, et seq., the application phase is supposed to be quick and efficient.”<sup>[24]</sup>

How does the Permit Streamlining Act work in the County today? Unfortunately, the Jury found widespread agreement from industry professionals, homeowners, and journalists that the Act has not markedly improved response time or efficiency in the County Planning Department. <sup>[11] [13] [25] [26] [27] [28] [29] [30] [31] [32] [33] [34] [35] [36] [37]</sup>

A consultant’s report noted that Santa Cruz Permitting has a “culture of no” or “...resistance to approval ... rooted in development processes.”<sup>[38]</sup> This resistance can result in repeat submissions, which increase delay and costs. The professionals the Jury spoke with each had at least one story of delay. This situation is not unique to the County. But the professionals who have worked in other jurisdictions expressed that Santa Cruz is known for excessive delays.<sup>[28] [35] [39]</sup>

**A Slippery Slope.** The Spring rains of 2023 caused a landslide on the Hill family property in Santa Cruz County. The landslide affected portions of the driveway and left four feet of mud in the property's workshop. The Hills communicated with the County and two engineers about repairs less than five days after the slide. They hired appropriate professionals to submit plans for the rebuilding of the hillside. The reports were finalized, and permitting fees were paid in Spring 2023.<sup>[40]</sup> The County then requested another study two months later. Another fee was paid in late Summer 2023, and the receipt from the County noted that the filing was complete.<sup>[41]</sup> However, the permit itself was not issued. At the end of the year, the family contacted the County once again and was told that the County was unaware that their required documents had been submitted months before!<sup>[42]</sup>

Because Santa Cruz County has a moratorium on winter grading for large projects from the beginning of October until April 15th of each year,<sup>[43]</sup> the family had to tarp their hillside for another rainy season and simply “hope for the best” in what was deemed by the County 12 months earlier as an emergency.

The Hills did everything right, and the Permit Streamlining Act should have ensured they received the permit within 30 days. Instead, the Hills had to wait over 12 months to fix the hillside.

## ***Removing Barriers for Do-It-Yourselfers (DIY) and Small Builders***



Figure 2: Books on do-it-yourself home improvement.<sup>[44]</sup>

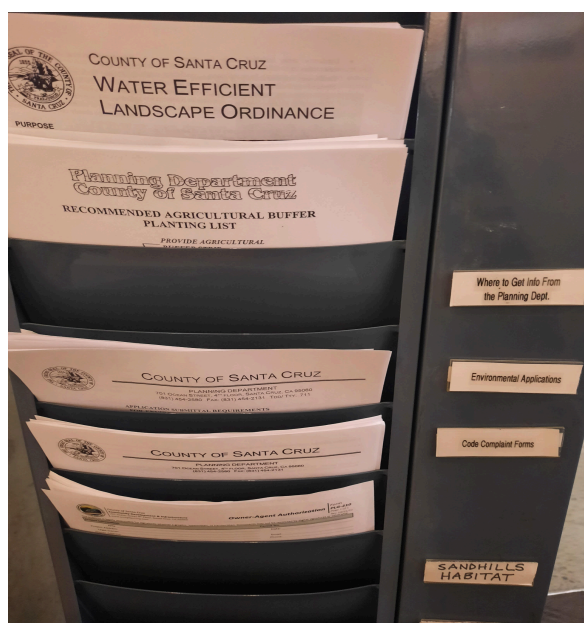
It should come as no surprise that enthusiastic homeowners or small builders skirt the permitting system altogether, since the online permit application portal represents a barrier to access.

However, software-tracked submissions can improve the efficiency of the UPC if planners from one department can see the comments from other departments and can track the required support documentation. From the perspective of the plan checkers, the electronic system enhances productivity.<sup>[6] [17]</sup>

Current tracking software is helpful only to one side of the equation – the County Planning staff. Any new system needs to be helpful and efficient to homeowners and builders as well.

Consideration needs to be given to all users since the entire county will live with the new software for many years. A system that is not user-friendly imposes a tax in time, frustration, and exclusion for the citizenry, ultimately motivating users to avoid the County's permitting system altogether.

The Jury believes new software should include tracking components that allow all parties to expedite the approval process.



### ***Spanish Language Materials***

An in-person visit to the Planning Department at 701 Ocean Street revealed several racks of documents for applicants submitting a permit request. All but two are printed in English. We could find only two documents printed in Spanish.<sup>[18] [45]</sup> A significant portion of the citizenry in Santa Cruz County (35.2%<sup>[46]</sup>) is of Hispanic descent, and this demographic is also well represented within the building trades. The lack of Spanish documentation is an added barrier and burden for the County's Spanish speakers.

Figure 3: Permitting documents available only in English.<sup>[45]</sup>

### ***Learning from Others' Best Practices***

As mentioned earlier, long wait times and high costs for building permits are not unique to the County. The Jury investigated other California jurisdictions that also struggle with high costs, high growth, and the updates to the building code every three years. Through this investigation, the Jury identified several improvements that Santa Cruz County may wish to consider.

It is outside the expertise of the Jury to recommend any one of these approaches over others. We suggest that the County take the time to review the solutions presented below and consider which ideas are worth pursuing within our local environment.

## Trusting and Training

The City of San José has kicked off an experimental program called the Best Prepared Designer Program.<sup>[47]</sup> Briefly, this program covers a limited list of projects such as small additions, interior remodels, and skylights. Under the program, qualified designers, engineers, and contractors who have completed and passed a one-day City training are permitted to submit plans without undergoing the standard plan-check process. For these projects, the building permit is issued immediately. The work standard is assured through the building inspection process and a random review of a small number of plans. Deviations from appropriate building practices on the part of the designer, engineer, or contractor can result in their elimination from the program. This is a trust-based system with appropriate checks and balances that allow smaller projects to be accomplished without the time and expense of a plan check.

## Plan Check Help

The City of Fremont has kicked off an Appointment Plan Check pilot program<sup>[48]</sup> where an applicant with an approved project type such as small residential additions, remodels, Accessory Dwelling Units (**ADUs**) or Junior Accessory Dwelling Units (**JADUs**) can meet with the Plan Checker over Zoom to review their entire submission. The goal is to complete the plan check and issue the permit in one meeting.

## Ombudsman

The County of Sonoma has named an Ombudsman whose job is divided into two complementary parts: assisting with individual permits that are experiencing significant delays regardless of the cause, and continuous process improvement for the entire Permitting Center. The Ombudsman's goal is to find the "better, faster, cheaper" way to approve building permits.<sup>[6]</sup>

## Fee Structure Philosophy

Sonoma County also performs an extensive costing audit every few years that turns the normal practice on its head. The conventional approach, which the County of Santa Cruz utilizes, is to look at the last period's cost to maintain the department, and divide that cost between the permit types that came in. This method may justify the expenses already incurred, but it does nothing to encourage reductions in future costs. In contrast, Sonoma begins with this question: "What should a permit cost for a project?" They build from there to discover what their staff levels *should* be and where cost reductions can be found. This audit method focuses more on customer value and encourages cost reductions overall.<sup>[6]</sup>

## No Permit, No Fee

There are permit-less projects defined by the California Building Code, but there are also gray areas where some jurisdictions have decided that not imposing a fee is the best approach. Low-income residents in the County of Santa Cruz would welcome a no-fee or low-fee approach.

An example of where this approach can be undertaken is with replacement windows. In the City of Watsonville, a homeowner can replace their windows without seeking a permit provided that the dimension of the windows requires no adjustment to the home's framing.<sup>[49]</sup> On the other hand, the County of Santa Cruz has a sliding scale of costs for replacement window permits.

Potentially, there is a host of small-fee permits, discussed later in the section on illegal building, that might be better handled by a building inspector or made fee-free.

## **Education**

The County of Sonoma uses YouTube videos to inform when residents need a building permit. Santa Cruz County should also consider adding an educational component to the UPC websites. Every three years, when the State Building Code is updated, the County could put together short YouTube film clips clarifying the most important new requirements that would be helpful to the homeowner and the small builder (see Belt and Suspenders Building example). For a small cost in time and effort, published educational components could make the county a source of information rather than a group to be avoided.<sup>[50] [51]</sup> The standard notices sent to consumers each year such as tax notices or utility billings, could be a vehicle for spreading information.

## **Publicize**

Finally, a best practice observed in another county is to publicize their work. This idea covers a few bases.

1. Better understanding among the people who use the departments
2. Better understanding of the user's perspective by the department staff
3. The ability to clarify both good work coming from the permit center and a conduit to publicize upcoming changes.

Regularly scheduled attendance at BoS meetings, occasional participation in community events (Rail and Trail meetings, Habitat for Humanity builds) would raise the profile of County permitting services. All these events take staff time, but help create a more transparent bureaucracy.<sup>[6]</sup>

## ***Taking Expert Advice***

The BoS recognized that there were problems with permitting and has enlisted the services of Baker Tilly, a consulting firm, to review the functions within the Unified Permit Center.<sup>[38]</sup> The Jury is pleased with the recommendations the report has made. Baker Tilly focused on processes within the Building Department. The Jury has focused on cost reductions for the homeowner. Acceptance by the BoS of the recommendations from both Baker Tilly and the Jury should lead to a happy outcome for all.

## ***Illegal Building: Why does it exist, and how prolific is it?***

Educated guesses from professionals in the field regarding the percentage of illegal building as a part of all construction starts at 20% and reaches as high as 50%.<sup>[27] [52]</sup>



There are three main reasons for illegal building:

1. The person did not know that their project needed a permit
2. The person thought getting permits would cost too much and take too long
3. The person thought they could not build what they wanted if they had to obtain a permit.

Reason #1 for illegal building is a lack of knowledge that the project required a permit. The Jury took a straw poll of approximately 30 members of the public, and most were unaware that replacing a water heater, reroofing, replacing windows, or fences were projects that needed a permit in the County. For many citizens, these projects represent routine maintenance, and having to pay for a permit seems excessive or governmental overreach.<sup>[35]</sup>

EASYDRAWINGART.COM



Figure 4: Illustration of illegal building.<sup>[53]</sup>

Confusion arises when close-by jurisdictions have different requirements. The County requires a permit to replace a window while the City of Watsonville, which is also in Santa Cruz County, does not.<sup>[49]</sup>

Homeowners get no help from the trades: according to the Jury's straw poll, professional installers and salespeople for appliances do not regularly inform customers that permits may be required for installation.

One homeowner had a leaking water heater, and when the plumber couldn't repair it, he installed a new one without informing the homeowner that a permit was required for the work. When the same homeowner purchased a gas stove, the merchant recommended an installer who created a natural gas connection, again without informing the homeowner that a permit was required. In the homeowner's mind, this is routine maintenance, so they saw no reason to investigate further whether a permit was needed.

Reason #2 has been illustrated throughout this report. Time and cost are critical elements of a homeowner's decision-making process. The perception of high costs and long wait times may drive some people to skirt legalities and build without permits, despite the risk of incurring fines.

Reason #3 is illustrated with this true story gleaned from an interview with a reputable, well-regarded contractor.<sup>[27]</sup> The contractor met with a client who wanted to convert her garage because she had a really small house. Code would not allow this conversion because of parking requirements. The client decided to do the project without a permit, so the contractor refused the job, but noted that about one quarter of the jobs they declined are done by someone else without permits.



Code Enforcement is reactive, not proactive. People who do get caught building illegally will be required to correct the build and possibly pay a fine, but the number of fines issued annually is not high.<sup>[52]</sup>

The County loses revenue from permit fees not received, and it loses money from the unreported increased tax value from illegal builds.<sup>[52]</sup> Since actual unpermitted activity is difficult to pin down, the Jury does not have an estimate of lost County revenues. But given that unpermitted building activity may be as high as 50% of all construction in the County, the dollars lost are significant. Building illegally can also create unsafe conditions for the current and future homeowners. And home insurance companies may deny coverage for illegal builds.

During this year's jail tour, the Jury noted that one of the vocational trainings offered to rehabilitate incarcerated people is to teach them building skills. Upon reentering the community, these individuals will have a better chance of getting a job. Yet the permitting process is so onerous that these new workers may resort to working without permits or leave the trade altogether. This situation is self-defeating.

### ***Reconstitute the Building and Fire Code Appeals Board***

When a building permit applicant does not agree with a decision made by the County, where do they go to redress that disagreement?

State law requires an appeals process.<sup>[54]</sup> Santa Cruz County Code Chapter 12.12 describes the process that should be available to the public to address permitting disagreements.<sup>[55]</sup> This Building and Fire Code Appeals Board (**BFCA Board**) was disbanded in 2010 by the BoS.<sup>[31] [56] [57]</sup>

Until it was disbanded, the BFCA Board was composed of independent building professionals, who are all volunteers, that met when an appeal was filed to consider the dispute.<sup>[58] [59]</sup>

Now, when applicants seek to appeal decisions, they are referred to a County employee, the Director of CDI, who determines if the appeal should go to the BoS. The Jury believes the decision is not independent but is reviewed from the perspective of the building/planning/permitting departments.<sup>[31]</sup>

Some applicants have sued the County and won.<sup>[31] [60]</sup> This route probably cost both the applicants and the County more money than a proper appeals board would cost.

The County Code also requires the BFCA Board to be "specifically knowledgeable".<sup>[61]</sup> County Supervisors are not building professionals.<sup>[62] [63]</sup> The current "solution" to this problem is to require planning staff to write an extensive defense of their decisions which can be both costly and inherently biased. The BoS then relies on this information when making a decision.

Over the past five years, the BoS has not heard a single applicant grievance. This either means the system is working perfectly, or it means the system is effectively dead. Either conclusion is a black eye for the County.<sup>[11] [13] [25] [27] [28] [29] [30] [31] [32] [33] [34] [35] [36] [37]</sup>

## Conclusion

The Santa Cruz County Grand Jury believes that the public and the professionals, both private and on staff, will benefit from a more customer-focused and efficient process for obtaining building permits.

With that objective in mind, the 2024-2025 Santa Cruz County Grand Jury respectfully submits the following findings and recommendations.

## Findings

- F1.** Excessive delays in the building permit process increase costs to applicants in cash, time, and frustration.
- F2.** The permitting process has become so detailed and intricate that it often requires applicant homeowners to hire professionals to make submissions, thus increasing cost and time.
- F3.** Homeowners are often unaware that ordinary household maintenance requires a permit, leading them to unknowingly have the work performed illegally.
- F4.** Some people willfully ignore obtaining a building permit because they think it's too costly, it takes too long, or they think they can't get the improvement they want by obeying the law.
- F5.** Ignoring obtaining building permits causes a loss of revenue for the County, both in one-time fees from permits and, more importantly, in ongoing tax revenue from improved property.
- F6.** Professionals in the county can be difficult to find for a project because the permitting process is so difficult.
- F7.** Applicants have a hard time tracking their project's progress because applications are not tracked end-to-end by permitting software.
- F8.** The services of an Ombudsman could be utilized by tradespeople and homeowners to make the permitting process smoother and less costly.
- F9.** The BFCA Board was disbanded, and the Appeals process, as currently constructed, is little known, not staffed by trade professionals, and therefore an ineffective means for resolving disputed decisions.

- F10.** The DIYer and the small contractors need the support and/or instant answers they get from a knowledgeable staff person at the counter. However that service no longer exists.

## **Recommendations**

- R1.** The BoS should have staff review best practices from other jurisdictions and then select strategies that will reduce costs and delays in our county's Permitting Services by January 1, 2026. (F1, F2, F7, F8)
- R2.** The BoS should direct staff to adopt software that removes barriers to applicants and is comprehensive to all departments. The software should flag any permits that have been unaddressed for longer than two weeks to avoid application delays. This recommendation should be accomplished by January 1, 2026. (F7, F8)
- R3.** The County of Santa Cruz should separate the Ombudsman duties from Manager of Unified Permit Center resulting in two separate positions: a full-time, dedicated Ombudsman and a full-time Manager. The resulting new staff position should be filled by June 1, 2026. (F7, F8)
- R4.** The Ombudsman function should be clearly identified and publicized to make the public aware of the additional customer services that position provides. This recommendation should be accomplished by June 1, 2026. (F7, F8)
- R5.** Santa Cruz County should develop a plan to educate the population about different permit types to reduce illegal builds through staff participation in community events, newspaper articles and/or other Unified Permit Center media involvements by Jan 1, 2026. (F2, F3, F4, F5, F6, F10)
- R6.** Santa Cruz County should establish a walk-up front desk service four hours per workday to assist home-owners, non-building professionals and small contractors navigate the permit process. This service should be posted on the website, implemented by Jan 1, 2026. (F3, F4, F5, F10)
- R7.** Santa Cruz County BoS should reconvene the Building and Fire Code Appeals Board, populated by seasoned building professionals, to adjudicate permit disputes quickly, publicly, and professionally, and with less cost. This recommendation should be accomplished by Jan 1, 2026. (F9)

- R8.** Santa Cruz County BoS should direct the Building Department and any other relevant departments to review the State code parameters that allow county adjustments for building permit fees and find the least-cost, least-delay alternative. Anything that can be free should be free. This recommendation should be accomplished by Jan 1, 2026. (F1, F2, F3)

## Required Responses

<i><b>Respondent</b></i>	<i><b>Findings</b></i>	<i><b>Recommendations</b></i>	<i><b>Respond Within/ Respond By</b></i>
Santa Cruz County Board of Supervisors	F1–F10	R1–R8	90 Days / September 22, 2025

## Invited Responses

<i><b>Respondent</b></i>	<i><b>Findings</b></i>	<i><b>Recommendations</b></i>	<i><b>Respond Within/ Respond By</b></i>
Director, CDI	F1–F10	R1–R8	60 Days / August 22, 2025

## Definitions

- **ADU:** Accessory Dwelling Unit, or “granny flat”.
- **CDI:** Community Development and Infrastructure Department
- **JADU:** Junior Accessory Dwelling Unit, a smaller unit attached to the main house.
- **UPC:** Unified Permit Center

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## **Site Visits**

Santa Cruz County Permitting Office