



CITY OF WATSONVILLE 2023-2031

HOUSING ELEMENT



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2023-2031 HOUSING ELEMENT

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CHAPTER 1

INTRODUCTION

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2023-2031 HOUSING ELEMENT

Introduction

The Housing Element is one of the twelve elements included in the Watsonville General Plan and the only element requiring certification from the California State Department of Housing and Community Development (HCD). The Housing Element is reviewed and certified by HCD for substantial compliance with State laws. The purpose of the Housing Element is to identify and plan for the City's existing and projected housing needs. Through research and analysis, the Housing Element identifies available candidate housing sites and establishes housing policies and programs to accommodate the Regional Housing Needs Allocation (RHNA) determined by the Association of Monterey Bay Area Governments (AMBAG). The Housing Element is a critical tool for Watsonville to plan for and accommodate current and future growth within the community, over the eight-year planning cycle.

A. State Requirements

1. State Requirements

California State Housing Element Law (California Government Code Article 10.6) establishes the Housing Element requirements. As stated in California Government Code Section 65588, local governments are required to review and revise the Housing Element of their comprehensive General Plans once every eight years.

The following overarching Housing Element goals are included in California Government Code Section 65580 to ensure every resident has access to housing and a suitable living environment:

- a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- d) Local and State governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for housing needs of all economic segments of the community.
- e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the State in addressing regional housing needs.
- f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality's housing need for all income levels is essential to achieving the State's housing goals and the purposes of this article.



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Table 1-1 summarizes the Housing Element requirements mandated by HCD and identifies where these requirements are addressed in this document.

Table 1-1: Housing Element Requirements

Housing Element Requirement(s)	Gov. Code Chapter	Reference in Housing Element
Analysis of employment trends.	Section 65583.a	Appendix B
Projection and quantification of existing and projected housing needs for all income groups.	Section 65583.a	Appendix B
Analysis and documentation of the City's housing characteristics, including cost for housing compared to ability to pay, overcrowding, and housing condition.	Section 65583.a	Appendix B
An inventory of land suitable for residential development including vacant sites and sites having redevelopment potential.	Section 65583.a	Appendix F
Analysis of existing and potential governmental constraints upon the maintenance, improvement or development of housing for all income levels.	Section 65583.a	Appendix D
Analysis of existing and potential nongovernmental (private sector) constraints upon maintenance, improvement or development of housing for all income levels.	Section 65583.a	Appendix D
Analysis concerning the needs of the homeless.	Section 65583.a	Appendix E
Analysis of special housing needs: handicapped, elderly, large families, farm workers, and female-headed households.	Section 65583.a	Appendix E
Analysis of opportunities for energy conservation with respect to residential development.	Section 65583.a	Appendix C
Identification of Publicly Assisted Housing Developments.	Section 65583.a	Appendix E
Identification of Units at Risk of Conversion to Market Rate Housing.	Section 65583.a	Appendix E
Identification of the City's goal relative to the maintenance, improvement, and development of housing.	Section 65583.a	Chapter 2
Analysis of quantified objectives and policies relative to the maintenance, improvement, and development of housing.	Section 65583.b	Chapter 2
Identification of adequate sites that will be made available through appropriate action with required public services and facilities for a variety of housing types for all income levels.	Section 65583.c(1)	Appendix F
Identification of strategies to assist in the development of adequate housing to meet the needs of low and moderate-income households.	Section 65583.c(2)	Chapter 2
Description of the Public Participation Program in the formulation of Housing Element Goals, Policies, and Programs.	Section 65583.d	Appendix G
Description of the Regional Housing Needs Allocation (RHNA) prepared by the Association of Monterey Bay Area Governments.	Section 65583.e	Chapter 1
Analysis of Fair Housing, including Affirmatively Furthering Fair Housing.	Section 8899.50	Appendix E
Review of the effectiveness of the past Housing Element, including the City's accomplishments during the previous planning period.	Section 65583.f	Appendix A

Source: State of California, Department of Housing and Community Development



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2. Regional Housing Needs Allocation

The RHNA is the methodology used for determining future housing need, by income category, throughout the State based on growth in population, households, and employment. The state-wide determination is first administered by HCD. The quantified housing need is then allocated among the State's 18 Metropolitan Planning Organizations (MPOs). For Watsonville, this agency is AMBAG. In accordance with Section 65584.04 of the California Government Code, AMBAG is then tasked with creating a methodology for distributing the "fair share" of housing need to its member jurisdictions. Through this process, the City of Watsonville was allocated 2,053 total housing units.

The City's RHNA is divided amongst four income categories, as shown in **Table 1-2**, which are based on Santa Cruz County's area median income (AMI) for a family of four. According to the HCD State Income Limits for 2023, the AMI for Santa Cruz County is \$132,800.

Table 1-2: City of Watsonville 6 th RHNA by Income Category		
Income Category	Percent of Area Median Income (AMI)	RHNA
Very Low-Income	0-50% AMI	283
Low-Income	51-80% AMI	186
Moderate-Income	81-120% AMI	521
Above Moderate-Income	>120% AMI	1,063
TOTAL RHNA		2,053

Source: AMBAG Final 6th Cycle Regional Housing Needs Allocation Plan 2023-2031

3. Relationship to General Plan Elements

The City's Housing Element identifies programs and resources required for the preservation, improvement, and development of housing to meet the existing and projected need of the community. For the Housing Element to be successful, its goals, policies, and programs must be consistent with those established in all other elements in the City's General Plan.

The Housing Element works in tandem with development policies in the Land Use Element. The Land Use Element guides decision makers with the pattern, distribution, density, and intensity of land uses. Over time, these land uses will help the City achieve Watsonville's vision for the future; it establishes the location, type, intensity, and distribution of land uses throughout the City, and defines the land use build-out potential. By designating areas for residential development, the Land Use Element places an upper limit on the densities and types of housing units constructed in the City. Land use patterns and decisions are influenced by population and economic growth (which create market demand), transportation access and opportunities, the availability of infrastructure, environmental constraints, and quality of life potential reflected in school quality, parks and recreational opportunities, and cultural amenities. The presence and potential for jobs also affects the current and future demand for housing at the various income levels in the City.

The City's Circulation Element also affects the implementation of the Housing Element. The Circulation Element establishes policies for a balanced circulation system in the City. The Circulation Element aims to reduce the impacts of transportation on the region's environment and provide a variety of options so individuals can choose to travel by car, bicycle, foot, or public transportation. Consequently, the Housing



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Element must include policies and incentives that consider the types of infrastructure essential for residential housing units in addition to mitigating the effects of growth in the City.

The Housing Element has been reviewed for consistency with the City's other General Plan Elements, and the policies and programs in this Element are consistent with the policy direction contained in other parts of the General Plan. As portions of the General Plan are amended in the future, the Housing Element will be reviewed to ensure that internal consistency is maintained.

4. Public Participation

Government Code Section 65583 requires local governments to make diligent and continued efforts to achieve public participation from all economic segments of the community. Public participation is a key component to the success of the Housing Element. Throughout the update process, the City prioritized outreach to the general public, community organizations, stakeholders, and various agencies to ensure all voices were heard and all feedback was considered. Appendix G provides a detailed description of outreach conducted and comments received.

5. Data Sources

The data used for the completion of this Housing Element comes from a variety of sources. These include, but are not limited to:

- United States Census, 2010
- American Community Survey (U.S. Census Bureau Survey Program)
- 2022 Homeless Point-in-Time Count and Survey, Santa Cruz County Housing for Health Partnership
- Home Mortgage Disclosure Act (HMDA) lending data
- California Department of Economic Development
- California Employment Development Division Occupational Wage data, 2022
- Department of Housing and Urban Development, Comprehensive Housing Affordability Strategy (CHAS), 2015-2019
- AMBAG Regional Growth Forecast, 2022

The data sources represent the best data available at the time this Housing Element Update was prepared. The original source documents contain the assumptions and methods used to compile the data.

6. Housing Element Organization

This Housing Element represents the City of Watsonville's policy program for the 2023-2031, 6th Housing Cycle Planning Period. The Housing Element comprises the following Chapters:

Chapter 1: Introduction contains a summary of the content, organization, and statutory considerations of the Housing Element.

Chapter 2: Housing Plan addresses the City's identified housing needs, including housing goals, policies, and programs.

Appendices provides various appendices with supplementary background resources including:



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- **Appendix A** – Review of Past Performance of 5th Cycle Housing Element Programs
- **Appendix B** – Housing Needs Assessment
- **Appendix C** – Housing Resources
- **Appendix D** – Housing Constraints
- **Appendix E** – Fair Housing Analysis
- **Appendix F** – Sites Analysis
- **Appendix G** – Community Outreach
- **Appendix H** – Glossary

CHAPTER 2

HOUSING PLAN

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Housing Plan

The Housing Plan described in this Chapter includes the City's goals, policies, programs, and objectives for the 2023-2031 planning period. The Housing Plan addresses the need to plan for additional housing opportunities, remove constraints to affordable housing, improve the existing housing stock, and provide equal opportunities for all current and future residents of Watsonville.

These goals, policies, and programs were developed based on:

- Review of the City's 5th Planning Cycle Housing Element;
- Input and feedback from the community, stakeholders, and decision makers;
- State law requirements; and
- Analysis provided in the Community Profile, Constraints, Resources, and Fair Housing Chapters of this 2023-2031 Housing Element.

A. Housing Goals and Policies

The following describes the goals and policies the City intends to implement to meet its RHNA and address its housing needs. On a bi-annual basis, the City Council prepares a Strategic Plan that identifies key planning issues in Watsonville, sets forth goals to address identified needs, and allocates appropriate financial resources to achieve those goals. Based on a review of housing needs identified in the Housing Needs Assessment (**Appendix B** of the Housing Element), the following housing goals and policies are designed to:

1. Preserve, conserve, and improve affordable housing stock and neighborhoods;
2. Promote the production of a diversity of housing types;
3. Assist in the provision of affordable housing;
4. Remove or mitigate constraints to housing investment; and
5. Promote equal housing opportunity.



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1. Housing and Neighborhood Conservation

Conserving, preserving, and improving the housing stock is an important goal. Approximately 45 percent of the housing stock in Watsonville is 30 years old or older, the age when most homes begin to have major rehabilitation needs. The City actively supports neighborhood preservation and upgrading through housing repair assistance and code enforcement.

Goal 1:

Improve, conserve, and preserve both the safe condition of and the continued availability of Watsonville's existing affordable housing stock to meet the needs of all economic segments of the community.

- **Policy 1.1:** Encourage homeowners and landlords to maintain properties in sound condition through the City's residential rehabilitation assistance programs and code enforcement efforts.
- **Policy 1.2:** Continue to preserve and maintain the City's historical and architecturally significant buildings and neighborhoods.
- **Policy 1.3:** Encourage citizen involvement in addressing the maintenance and improvement of the housing stock and neighborhood quality.
- **Policy 1.4:** Support housing providers in the acquisition, rehabilitation, and maintenance of older residential properties as long-term affordable housing.
- **Policy 1.5:** Preserve the existing stock of affordable housing, including mobile homes, through City regulations and land use and development controls, including mobile home park exclusive-use zoning, as well as financial and other forms of assistance.
- **Policy 1.6:** Revitalize neighborhoods by addressing substandard housing, investing in public infrastructure, and providing appropriate public services and facilities.

2. Housing Assistance

Watsonville is home to various groups with special housing needs, including seniors, large families, disabled persons, homeless persons, single parent families, and students, among others. These groups may face greater difficulty in finding decent and affordable housing due to special circumstances. Special circumstances may be related to one's income, family characteristics, disability, or health issues. The City remains committed to addressing the special needs of Watsonville residents.

Goal 2:

Expand and protect housing opportunities for all economic segments and special needs groups within the community.

- **Policy 2.1:** Encourage the provision of jobs and housing by annexing areas outside of city limits but within the urban growth boundary for new housing opportunities and promoting the City's affordable housing programs with Watsonville businesses.
- **Policy 2.2:** Continue to offer and promote homeownership assistance programs to lower- and moderate-income households to purchase housing and give preference, to the extent possible, to those who work or live in Watsonville.



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- **Policy 2.3:** Continue to support the provision of rental assistance to lower-income households and encourage property owners to list units with the Housing Authority of the County of Santa Cruz ("Housing Authority").
- **Policy 2.4:** Continue to enforce notification and provide relocation assistance for lower-income persons displaced due to substandard conditions, demolition, reuse, condominium conversion, or rehabilitation as a result of code enforcement.
- **Policy 2.5:** Support efforts by non-profits to expand transitional and emergency housing in Watsonville, including support of grant applications and assistance in identification of suitable sites.
- **Policy 2.6:** Encourage and support, as feasible, non-profit and for-profit agencies who provide supportive services and alternative housing options for persons with special housing needs in Watsonville.
- **Policy 2.7:** Support the provision of childcare centers in residential neighborhoods, through commercial business as feasible, and in new residential projects.

3. Housing Production

Housing diversity is important to ensure that all households, regardless of age, income level, and household type, have the opportunity to find housing suited to their lifestyle. Part of this diversity is addressed through the regional housing needs assessment process, which encourages the provision of housing for all economic segments in the community. However, housing diversity is also addressed by supporting alternative housing options for residents with special housing needs. The following goals and policies are designed to encourage appropriate and quality housing in Watsonville.

Goal 3:

Provide housing opportunity for Watsonville's share of the regional housing need for all income and special needs groups.

- **Policy 3.1:** Encourage the production of housing that meets the needs of all economic segments, including lower-, moderate-, and above moderate-income households, to achieve a balanced community.
- **Policy 3.2:** Provide high quality rental and ownership housing opportunities for current and future residents that are affordable to a diverse range of income levels.
- **Policy 3.3:** Encourage a variety of housing types to address the needs of farmworkers and special needs groups. Housing types include affordable rentals, mobile homes, single room occupancy hotels, manufactured and factory-built housing and group housing.
- **Policy 3.4:** Continue to implement the Affordable Housing Ordinance, Density Bonus Ordinance, and other programs as a means of integrating affordable units within new residential development.
- **Policy 3.5:** Pursue State, Federal, and other funding sources for housing activities as a means to leverage local funds and maximize assistance.



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- **Policy 3.6:** Encourage and support the efforts of non-profit organizations that develop housing affordable to very low-, low-, and moderate-income households.
- **Policy 3.7:** Examine the feasibility of developing quality live/work housing, as appropriate, as a means to provide affordable housing.
- **Policy 3.8:** Ensure that adequate infrastructure, public facilities, water, and services are available or in place to support the development of new housing.

4. Removal of Government Constraints

Under State law, the Housing Element must address, and where legally possible, remove governmental constraints affecting the maintenance, improvement, and development of housing at all income levels. The following programs are designated to mitigate government constraints on housing and facilitate development of housing affordable to lower-, moderate-, and above moderate-income households, including families, seniors, and persons with special needs.

Goal 4:

Where appropriate, mitigate unnecessary governmental constraints to the maintenance, improvement, and development of housing.

- **Policy 4.1:** Provide regulatory and/or financial incentives, where appropriate, to offset or reduce the costs of affordable housing development, including density bonuses and flexibility in site development standards.
- **Policy 4.2:** Implement and enforce objective residential design standards to ensure that the community's expectations are met with respect to the quality and style of housing projects.
- **Policy 4.3:** Continue to provide priority processing to affordable housing projects.
- **Policy 4.4:** Expressly permit the development of Accessory Dwelling Units and Junior Accessory Dwelling Units to provide additional affordable housing opportunities.
- **Policy 4.5:** Periodically review City regulations, ordinances, departmental processing procedures and residential fees related to rehabilitation and/or construction to assess their impact on housing costs and revise as appropriate.
- **Policy 4.6:** Provide regulatory and financial incentives, as appropriate, to facilitate the development of supportive housing for families with children, and other special needs groups.
- **Policy 4.7:** Revise and update Title 14, Zoning Ordinance, of the Watsonville Municipal Code, to mitigate unnecessary governmental constraints to the maintenance, improvement, and development of housing.
- **Policy 4.8:** Continue to support the incorporation of energy efficient devices in existing housing and utilization of energy efficient designs for new housing.



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5. Fair and Equal Housing Opportunity

Ensuring fair and equal housing opportunity is an important goal. Whether through mediating disputes, investigating bona fide complaints of discrimination, or through education, the provision of fair housing services is important to ensuring fair and equal access to housing. Watsonville supports the provision of fair housing opportunity through the following goals and supporting policies.

Goal 5:

Ensure fair and equal housing opportunity for all persons regardless of race, religion, sex, marital status, family type, ancestry, national origin, color, or other protected status.

- **Policy 5.1:** Continue to enforce fair housing laws prohibiting arbitrary discrimination in the building, financing, selling, or renting of housing on the basis of race, religion, family status, national origin, disability, or other such factors.
- **Policy 5.2:** Continue to support organizations that offer fair housing and mediation services to Watsonville residents.
- **Policy 5.3:** Promote and support, as feasible, housing that meets the special needs of large families, single-parent/female-headed households, families with children, students, elderly persons, homeless persons, farm workers, and the disabled.
- **Policy 5.4:** Encourage the provision of housing adaptable to the physically disabled through integration of universal design features in new development, and compliance with Title 24 of the California Health and Safety Code.



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B. Housing Programs

The goals and policies contained in the Housing Element address Watsonville's housing needs and are implemented through housing programs offered by the Community Development Department. Government Code Section 65583 requires that the Housing Element address five major areas:

1. Housing and Neighborhood Conservation
2. Provision of Housing Assistance
3. Housing Production
4. Removal of Governmental Constraints
5. Equal Housing Opportunity

The housing programs described below include existing programs as well as future programs needed to address identified housing needs.

1. Housing and Neighborhood Conservation

Many housing units in Watsonville were constructed prior to 1990 and are likely to have rehabilitation needs, such as new plumbing, roof repairs, foundation work, and other major repairs. Other housing conservation needs include preservation of existing multi-family rental apartments at-risk of converting to condominiums.

Program A.1: Code Enforcement

Code enforcement is a means to ensure that the character and quality of neighborhoods is enhanced and maintained. The code enforcement efforts in Watsonville will continue to focus on bringing substandard units into compliance with City building, housing, and property maintenance codes.

Objectives:

The City will continue to carry out code enforcement activities, including performing property inspections and citing code violations, when necessary.

Timeframe: Throughout the Planning Period

Responsible Agency: Community Development Department

Funding Source: General Fund; Community Development Block Grants

Program A.2: Housing Rehabilitation Loans

To strengthen the City's code enforcement efforts and improve neighborhoods, the City offers home rehabilitation loan programs. Correcting code violations is the top priority of the loans. The rental rehabilitation program prioritizes properties with 11 or fewer units. Assisted rental units must be affordable for at least five years. Rental rehabilitation loans have interest rates of 0 percent to 3 percent with payments for up to 30 years. The City will continue seeking funding opportunities to support the Rehabilitation Loan Program.

Objectives:

- The City will advertise the availability of this program through bilingual brochures at City Hall, in the City's bilingual newsletter, and posting on the City's website.
- The City will aim to assist 20 households during the planning period.



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- Target assistance in the City's historic core and around the DWSP area. These are the oldest areas of the City and may have housing units that have a higher rehabilitation need due their age.

Timeframe: Throughout the Planning Period; Apply for funding annually to support the Rehabilitation Loan Program.

Responsible Agency: Community Development Department

Funding Source: Cal Home; Community Development Block Grants; PLHA

Program A.3: Preservation of Affordable Housing

Watsonville has 263 affordable housing units that receive public subsidies or are regulated by the City's Affordable Housing Ordinance. Currently, there is one property with 100 units that is considered at-risk of conversion to market-rate housing during the 10 years following the beginning of the planning period (2023-2033). However, the City has coordinated with property owners in extending the expiration date through the next planning period. The City is committed to preserving its stock of affordable housing and will provide technical assistance, see additional nonprofit and for-profit partners, and facilitate financial assistance where available for assisted affordable housing units at-risk of conversion to market-rate units. The City was able to assist in saving 236 lower and moderate-income affordable units during the 4th planning cycle; no units were at-risk during the 5th planning cycle.

Objectives:

- Continue to maintain an inventory of assisted units and establish an early warning system for assisted housing units that have the potential to convert to market-rate units.
- Outreach to and coordinate with property owners with assisted housing units at-risk of converting to market-rate units to preserve affordability – this includes providing technical assistance to property owners and non-profit developers.
- Facilitate and promote tenant outreach, noticing, and education, as well as funding opportunities, as available.
- Proactively seek funding opportunities for units at-risk of converting to market-rate units.

Timeframe: Develop the warning system by December 2028; Review annually thereafter; Outreach to begin by December 2028; Annually seek funding opportunities

Responsible Agency: Community Development Department

Funding Source: General Fund; Housing In Lieu fees; state and federal loans/grants including LEAP, CDBG, and AHSC

Program A.4: Mobile Home Park Conservation Ordinance

Watsonville is home to nine mobile home parks containing approximately 900 homes. Through its existing Mobile Home Park Conversion Ordinance, the City has established requirements and procedures for the control and approval of the conversion of mobile home parks to community mobile home parks, mobile home park condominiums, and non-mobile home park uses. A comprehensive update of the Ordinance was adopted by the City Council in January 2019 to streamline the process, provide greater clarity, and ensure consistency with State law, this includes adoption of a mobile home park overlay district to protect and preserve existing mobile home parks.



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Watsonville's Rent Stabilization Ordinance is also intended to protect the investments of mobile-home owners, preserve the affordability of the lower-income housing stock located in the City's mobile home parks, while at the same time ensuring the continued economic viability and preservation of the mobile home parks by also ensuring that rent limits will not operate to deny park owners a fair rate of return on investments.

Objectives:

- Continue to implement the Mobile Home Park Conversion and Rent Stabilization Ordinances.
- Reach out to mobile home park communities and host a workshop to discuss their specific housing needs.

Timeframe: Continue to implement the ordinances throughout the Planning Period; Conduct outreach and meet with the mobile home park communities by December 2026

Responsible Agency: Community Development Department

Funding Source: General Fund

Program A.5: Replacement Housing:

Existing non-vacant sites included within the sites inventory may contain vacant or demolished residential units that were occupied by lower income households or households subject to affordability requirements within the last five years. Pursuant to Government Code section 65915, the City will adopt replacement housing requirements to ensure the replacement of any existing units occupied by lower income households or households subject to affordability requirements in the last five years that are demolished to construct new housing units.

Objective:

- Formulate replacement housing program requirement and amend the Municipal Code.

Timeframe: Within three years of Housing Element adoption

Responsible Agency: Community Development Department

Funding Source: General Fund

Program A.6: Displacement Protection

The City understands that new development can increase the risk of displacement, especially for sensitive populations. It is also known that sensitive populations are more likely to live in areas susceptible to displacement due to higher costs, poor housing conditions and other environmental factors and the City can work towards mitigating those displacement risks.

Objective:

- Apply for at least one grant per year focused on improving community assets such as recreational facilities and programs, social service programs, parks, streets, active transportation, and infrastructure in areas identified as those in highest need. Target the DWSP area and areas directly outside of the DWSP boundaries.
- Consider anti-displacement policy options, programs, or code amendments, such as additional anti-retaliation policies and programs or a revised first right of refusal to tenants displaced due to



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development, after evaluating the effectiveness of existing anti-displacement strategies and tools and engaging with the community to develop a list of best practices and recommendations. Present options to City Council by December 2027. Target areas at risk of displacement.

Timeframe: Apply for at least one grant per year; Present anti-displacement options to City Council by December 2026 with the goal of adopting some policies or programs by December 2027.

Responsible Agency: Community Development Department

Funding Source: General Fund

2. Housing Assistance

Watsonville is home to various groups with special housing needs, such as: seniors, large families, persons with disabilities, persons experiencing homelessness, single parents, farmworkers, extremely low-income households, and students, among others. These groups may face greater difficulty in finding decent and affordable housing due to special circumstances. Special circumstances may be related to one's income, family characteristics, disability, or health issues. The City remains committed to addressing the special needs of Watsonville residents.

Program B.1: First Time Home Buyer Loans

The City offers home purchase loans for eligible first-time homebuyers. Homebuyers who live and work within the city limits are given priority for these loans. The amount of assistance is based on the lesser of either the Program funding subsidy limits or the gap in affordability. The payments on these loans are deferred for up to 30 years with a 1 percent interest rate. The City will continue to utilize program income from HOME Investment Partnership Program (HOME) and CalHome Programs and will continue to apply for other state and federal funding to support the First Time Homebuyer loans.

Objective:

- Continue to offer First Time Home Buyer Loans. The City aims to assist 60 households at an average of 8 loans per year during the planning period. Assistance to be provided citywide.
- Advertise the availability of this Program through bilingual brochures at City Hall, in the City's bilingual newsletter, and posting on the City's website, conduct bilingual community workshops, continue promoting the program through lenders, realtors, the Board of Realtors and other housing professionals.

Timeframe: The City will continue to utilize program income from HOME Investment Partnership Program (HOME) and CalHome Programs and will continue to apply for other state and federal funding to support the First Time Homebuyer loans annually throughout the Planning Period; Outreach continuously with first workshop by December 2026.

Responsible Agency: Community Development Department

Funding Source: HOME; Cal Home; PLHA, Housing In Lieu Fees

Program B.2: Down Payment Assistance Loans

Some homebuyers are unable to achieve homeownership because they do not have sufficient funds for a down payment and/or closing costs. Recognizing this need, the City offers down payment assistance loans to homebuyers to purchase affordable homes and provide more homeownership opportunities to residents. Buyers who currently live and work within the city limits are given priority for these loans. At



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present, the maximum loan amount is \$60,000 for buyers who live and work in the City. Up to \$30,000 is available to buyers who live or work in the City. Other buyers can borrow a maximum of \$10,000. The payments on these loans are deferred for up to 30 years with a 1% interest rate.

Objective:

- Continue to offer Down Payment Assistance Loans. Assistance to be provided citywide.
- Aim to assist 25 households at an average of 3 loans per year during the planning period.
- Continue to advertise the availability of this program through bilingual brochures at City Hall, in the City's bilingual newsletter, and posting on the City's website, conduct bilingual community workshops, continue promoting the program through lenders, realtors, the Board of Realtors and other housing professionals.

Timeframe: The City will continue to utilize program income from HOME Investment Partnership Program (HOME) and CalHome Programs and will continue to apply for other state and federal funding to support the First Time Homebuyer loans annually throughout the Planning Period; Outreach annually with first workshop by December 2026.

Responsible Agency: Community Development Department

Funding Source: Affordable Housing Program

Program B.3 Housing Choice Voucher (HCV) Rental Assistance

The Housing Authority administers the Housing Choice Voucher (HCV; also known as Section 8) Rental Assistance in Watsonville. The HCV Program extends rental subsidies to very low-income households, including families, seniors, the disabled, and farmworkers. The HCV Program offers a voucher that pays the difference between the current fair market rent (FMR) and what a tenant can afford to pay (i.e., 30 percent of household income). HCVs may also be used to assist certificate holders in purchasing a home.

Objective:

- The City will continue to support Housing Authority efforts to provide rental vouchers to residents in need. The City will continue to encourage the Housing Authority and other agencies to list available rentals.
- Goal of reducing voucher waitlist by 10 percent annually.
- Goal of increasing landlord participation by 5 percent annually.

Timeframe: Throughout the Planning Period; Goal of reducing voucher waitlist by 10 percent annually; Goal of increasing landlord participation by 5 percent annually.

Responsible Agency: Housing Authority

Funding Source: Federal

Program B.4: Relocation Assistance Ordinance

The Relocation Assistance Ordinance requires landlords to pay relocation benefits to tenants who are displaced from dangerous buildings. Specifically, landlords must provide up to three months of rent plus a moving allowance and storage costs for tenants who are displaced from a dangerous building as determined by the Building Official. In conjunction with the Relocation Assistance Program, displaced families can also receive motel vouchers for up to a week and a case worker to help them find and secure



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replacement housing. The City will advance relocation benefits under the Ordinance if the landlord does not pay in a timely manner.

Objective:

- The City will continue to implement the Relocation Assistance Ordinance to assist tenants who are displaced from dangerous buildings.

Timeframe: Throughout the planning period

Responsible Agency: Community Development Department

Funding Source: Community Development Block Grant; General Fund

Program B.5: Child Care Assistance

Watsonville is primarily a family community. Between 2011 and 2021, married-couple family households experienced a small decrease; however, single-parent households increased by approximately 20 percent. To address this trend, the City permits child (day) care homes as an accessory use in all residential zones. Additional smaller day care homes are available options for childcare. The City will continue to support projects offering childcare.

Objective:

- Continue to support the provision of childcare assistance and facilitate the development of new housing with a childcare component.
- Amend the Municipal Code to allow child day care home by-right in all residential zoning districts in compliance with the provisions of the Health and Safety Code.

Timeframe: Throughout the Planning Period, amend the Municipal Code within one year of adoption.

Responsible Agency: Community Development Department

Funding Source: Community Development Block Grant; General Fund

Program B.6: Application for Grants and Loans

In 2000, the voters of California approved Proposition 46, authorizing the issuance of bonds, to support well over \$2 billion in new and continued housing programs. In 2006, voters approved Proposition 1C for 2.8 billion in additional funds for affordable housing and emergency shelters. This will fund affordable housing (both ownership and rental), neighborhood revitalization efforts, special needs housing and supportive services, downtown revitalization, and a variety of other programs that help meet the housing needs of communities across the State. The City has had considerable success in applying for available grants and loans programs and will continue efforts to investigate potential funding sources.

Objective:

Investigate funds available under Proposition 46, 1C and other affordable housing programs, and pursue those that help meet the housing needs of Watsonville residents. Assistance to be provided citywide.

Timeframe: Apply annually throughout the planning period

Responsible Agency: Community Development Department

Funding Source: General Fund



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Program B.7: Promotion of Resources for Large Households

Large households are a special needs group because many communities have a limited supply of adequately sized, affordable housing units. It is common for lower-income large households to reside in smaller units with an inadequate number of bedrooms, which frequently results in overcrowding and can contribute to faster rates of deterioration. The City intends to support efforts that provide resources to help ease the burden of this special needs group.

Objective:

- Encourage the establishment of resources that help meet the large household housing needs of Watsonville residents.

Timeframe: Annually throughout the planning period

Responsible Agency: Community Development Department

Funding Source: General Fund

Program B.8: Promotion of Resources for Female-Headed Households

Female-headed households often require special consideration and assistance. They usually have a greater need for affordable and accessible day care, health care, and other supportive services due to lack of dual incomes in the household. Female-headed households are more likely to have lower incomes than similar two-parent households and require resources that can assist them. The City intends to support efforts that provide resources to help ease the burden of this special needs group.

Objective:

- Encourage the establishment of resources that help meet the female-headed household housing needs of Watsonville residents.

Timeframe: Annually throughout the planning period

Responsible Agency: Community Development Department

Funding Source: General Fund

3. Housing Production

Housing diversity is important to ensure that all households, regardless of age, income level, and household type, have the opportunity to find housing suited to their lifestyle. Part of this diversity is addressed through the regional housing needs assessment process, which encourages the provision of housing for all economic segments in the community. However, housing diversity is also addressed by supporting alternative housing options for residents with special housing needs. The following goals and policies are designed to encourage appropriate and quality housing in Watsonville.

Program C.1: Adequate Sites Program

Maintain a current inventory of vacant and underutilized lands suitable for residential development to ensure adequate capacity to meet the RHNA during the planning period. Ensure that proposed development on housing inventory sites contributes to meeting the RHNA goal or by utilizing appropriate replacement sites. Conduct additional monitoring on mixed-use sites to determine whether further incentives are needed to generate the desired level of affordability.



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Objective:

- Maintain an adequate sites inventory continuously throughout the Housing Element Planning Period and maintain adequate sites at all times to meet remaining unaccommodated need during the Planning Period.

Timeframe: Establish inventory at Housing Element adoption and maintain adequate inventory on the City's website throughout the Planning Period

Responsible Agency: Community Development Department

Funding Source: General Fund

Program C.2: Explore Additional Residential Opportunity Sites

The provisions of AB 2011 and SB 6 are intended to permit residential development on sites currently zoned and designated for commercial or retail uses. To comply with the provisions of AB 2011 and SB 6, the City will adopt implementing Ordinances for AB 2011 and SB 6 requirements and establish a ministerial processing procedure for AB 2011 eligible projects. The Ordinances shall contain all required site criteria, development standards and project criteria, affordable housing requirements, prevailing wage, and other labor requirements.

AB 2295 and SB 4 have similar intentions to AB 2011 and SB 6 for permitting residential development on sites currently not zoned for residential use. However, AB 2295 and SB 4 are intended for sites that are educational and religious sites, respectively. The City will conduct outreach with those respective communities. Should there be interest, the City will adopt implementing Ordinances for AB 2295 and SB 4 requirements. The Ordinances shall contain all required site criteria, development standards and project criteria, affordable housing requirements, prevailing wage, apprentice employment, and other labor requirements.

Objective:

- Research potential AB 2295, AB 2011, SB 6, and SB 4 sites and adopt amendments to the Municipal Code as needed.

Timeframe: Research opportunities within 3 years, and adopt Municipal Code amendments, as necessary, within 4 years of Housing Element adoption.

Responsible Agency: Community Development Department

Funding Source: General Fund

Program C.3: SB 330 Compliance

The City will ensure compliance with state law enacted through Senate Bill 330 and prohibit amendments to the general plan or zoning of properties in a manner that would reduce residential density compared to the designation/district in effect as of January 1, 2018, without concurrent upzoning of equal capacity on property elsewhere in the City.

Objective:

- Maintain consistency with State Housing Law.



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Timeframe: Maintain compliance with State Housing Law.

Responsible Agency: Community Development Department

Funding Source: General Fund

Program C.4: Affordable Housing Ordinance

Under the City's adopted Affordable Housing Ordinance, developers are required to set aside a certain portion of units (up to 20 percent) in projects of seven or more units for targeted income level groups. Due to the cost of single-family homes, homeownership projects are required to set aside units for median, moderate, and above-moderate income households. The term of affordability is a minimum of 45 years. Developers may be eligible for density bonus provisions under State Density Bonus Law by providing the minimum percent of affordable units as required by the Affordable Housing Ordinance.

Objective:

- Continue to implement the Affordable Housing Ordinance to ensure that the private sector assists in meeting the housing needs of all income groups in Watsonville.

Timeframe: Conduct annual reporting of progress and units constructed through the ordinance

Responsible Agency: Community Development Department

Funding Source: General Fund, Affordable Housing Program

Program C.5: Partnership with Non-Profit Housing Agencies

Non-profit housing developers play an important role in providing affordable housing in Watsonville. The City has granted direct financial assistance, land write-downs, regulatory incentives, and other forms of assistance to a number of developers to provide both ownership and rental housing to lower- and moderate-income households. In recent years, the City has assisted South County Housing, Santa Cruz Community Counseling Center, Mid-Peninsula Housing Coalition, Eden Housing, Inc., Habitat for Humanity, Community Housing Improvement Systems and Planning Association, Inc. (CHISPA), and others in the provision of affordable housing.

Objective:

- Continue to grant financial assistance, land write-downs, regulatory incentives, and/or other forms of assistance to non-profit developers of affordable and special needs housing. Assistance to be provided citywide.
- Annually seek and apply for funding opportunities.

Timeframe: Throughout the planning period; annually seek and apply for funding opportunities

Responsible Agency: Community Development Department

Funding Source: Set-aside funds; HOME; CalHome; PLHA; Mobile Home Program; Farmworker Housing Grant; Affordable Housing Program; Community Development Block Grant; Private Funding/Financing

Program C.6: Encourage Mixed-Use Development Opportunity in Commercial Areas

Several areas in Watsonville are suitable for a mix of residential and commercial uses. During the prior Housing Element planning period, the City was successful in permitting mixed-use development in the Downtown corridor. The City will continue to encourage the development of underutilized commercial areas to establish a range of housing types and affordability that are near employment opportunities and



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amenities and contribute to a safe and inclusive community. Should a mixed-use development be proposed, the City shall require that at least 50 percent of the floor area is designated for residential use.

Objective:

- Continue to promote residential uses in commercial areas.
- As feasible, provide financial, technical, and/or other incentives or assistance to facilitate the development of mixed-use housing.
- Review the feasibility of permitting SROs in the CT and CN zones.
- Encourage higher densities for residential uses in commercial zones.

Timeframe: Provide annual monitoring of mixed used development throughout the Planning Period

Responsible Agency: Community Development Department

Funding Source: General Fund

Program C.7: Transitional Housing and Emergency Shelters

The City is actively involved in addressing homelessness. As an active participant in the Santa Cruz County Continuum of Care Coordinating Group, the City Council adopted a resolution (No. 387-91) supporting a coordinated Countywide effort to assist the homeless and prepare a five-year strategic plan.

Locally, the City currently permits transitional housing in the PF zone through an Administrative Use Permit and emergency shelters by-right in the PF and N zones. California Government Code Section 65583(c)(3) requires transitional housing to be permitted in all residential zoning districts under the same restrictions as other residential dwellings of the same type in the same zone. As such, the City will adopt a Zoning Ordinance amendment to update zoning for transitional housing in compliance with State law.

The City also supports the Pajaro Valley Shelter Services and Salvation Army Loma Prieta Transitional Housing Complex. In order to facilitate this housing, the City has allowed a significant reduction in parking requirements and no minimum lot area requirement (unlike other residential uses).

Objective:

- Adopt a Zoning Ordinance amendment to permit transitional housing in all residential zoning districts under the same restrictions as other residential dwellings of the same type in the same zone. Also update the definition of emergency shelter housing in the Code.
- Continue to support the development and expansion of existing transitional housing facilities.
- Continue to participate and provide financial assistance to the Continuum of Care Coordinating Group in developing and implementing the five-year plan.

Timeframe: Adopt Code amendments within one year of adoption

Responsible Agency: Community Development Department

Funding Source: General Fund

Program C.8: Supportive Housing

California Government Code Sections 65583(c)(3) and 65651(a) (AB 2162) respectively require 1) supportive housing to be permitted in all residential zoning districts under the same restrictions as other residential dwellings of the same type in the same zone and 2) permanent supportive housing to be



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permitted by-right in zones where multi-family uses and mixed-use development is permitted, including non-residential zones permitting multi-family uses if they meet the Government Code Section requirements.

The City will also establish a monitoring program to track an inventory of sites appropriate to accommodate transitional and supportive housing and solicit input from organizations who specialize in addressing the needs of persons experiencing homelessness and extremely low-income households.

Objective:

- Amend the Zoning Ordinance to permit permanent supportive housing by-right in all zones where residential uses are permitted.
- Establish a monitoring program to track an inventory of sites to accommodate transitional and supportive housing.
- Collaborate with local organizations and agencies to discuss the needs of persons experiencing homelessness and extremely low-income households.
- Support and, when possible, fund local and regional efforts to address the housing needs of persons experiencing homelessness or at-risk of homelessness.

Timeframe: Amend the Zoning Ordinance and establish a monitoring program by June 2026; Annually seek funding and outreach to local organizations and agencies; Throughout the Planning Period

Responsible Agency: Community Development Department

Funding Source: General Fund

Program C.9: Low-Barrier Navigation Centers

Senate Bill 48 established by-right approval of certain low-barrier navigation centers that meet specified requirements. Low-barrier navigation centers are generally defined as service-enriched temporary living facilities focused on the transition of persons experiencing homelessness or at-risk of becoming homeless into permanent housing. Low-barrier navigation centers connect individuals to income, public benefits, health services, and housing.

The City will amend the Zoning Ordinance to include regulations and procedures for low-barrier navigation centers, as well as establish a ministerial approval process. In the interim, the City will process applications for this type of use in accordance with State law.

Objective:

- Amend the Zoning Ordinance to include procedures and regulations to process low-barrier navigation centers in compliance with State law.

Timeframe: Amend Zoning Ordinance by June 2026

Responsible Agency: Community Development Department

Funding Source: General Fund

Program C.10: Water and Sewer Providers

Pursuant to Government Code Section 65589.7, the City is required to forward its adopted Housing Element, and any amendments thereto, to local water and sewer service providers. This legislation allows for coordination between the City and service providers when considering approval of new residential



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projects. Since the City of Watsonville is the provider of their own water and sewer services, this Housing Element will be delivered to the City's respective divisions.

Objectives:

- Forward the adopted 2023-2031 Housing Element to local water and sewer providers, and any amendments thereto.

Timeframe: Upon adoption of the 2023-2031 Housing Element or any amendments thereto

Responsible Agency: Community Development Department

Funding Source: General Fund

Program C.11: SB 35 Streamlining

The City will establish written procedures to comply with California Government Code Section 65913.4 and publish those procedures for the public, as appropriate, to comply with the requirements of SB 35 (2017).

SB 35 requires local jurisdictions to provide a streamlined ministerial approval process for eligible multi-family residential developments, subject to objective zoning and design review standards. The City of Watsonville is subject to the streamlined ministerial approval process required of SB 35 for proposed developments with an affordability component, as determined by the SB 35 Statewide Determination Summary Report which is updated annually.

Objectives:

- The City will establish streamlining procedures and objective standards for qualifying projects under SB 35 to be approved ministerially. The City will make procedures available to the public on the City's webpage and at the front counter.

Timeframe: Establish written procedures to comply with SB 35 by December 2025

Responsible Agency: Community Development Department

Funding Source: General Fund

Program C.12: Surplus Land Act The Surplus Lands Act (SLA) of California (Government Code Section 54220 et. seq.) and AB 1486 (2019) requires the City to declare property to be "surplus land" before the City can take any action (sale or lease) to dispose of the property. Surplus land is land deemed not necessary for a local agency's use, including that according to a local agency's plan, including but not limited to, utility sites or land used for conservation purposes.

The City will maintain a list of all surplus City-owned lands, including identification of address, APN, General Plan land use designation, zoning, current use, parcel size, and status (surplus land or exempt surplus land), in accordance with State Housing Law. In accordance with State Housing Law, should surplus land be identified in the future, the City will work with non-profits and public agencies to evaluate the feasibility of transferring surplus city-owned lands not committed to other City purposes for development of affordable housing by the private sector. The inventory will be updated annually in conjunction with the Annual Progress Report program. Any disposition of future surplus lands shall be conducted consistent with the requirements of Government Code Section 54220 et. seq.



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Objectives:

- By December 2026, declare City-owned sites as surplus and approve a resolution making the findings that the project will be put out to competitive bid and a successful bidder will be required to enter into a regulatory agreement establishing the minimum affordability requirements.
- The City will facilitate development of City-owned sites by 1) issuing a Request for Proposals (RFP) by January 2026 on the City's website and distributing the RFP to any affordable housing developers; 2) if the City receives a satisfactory response, the City will select a developer by fall of 2026; 3) Target exclusive negotiating agreements by 2027; and 4) Target entitlements by 2028.
- In the event the RFP is not successful by Fall of 2026, the City shall either issue a new RFP in 2027 or conduct annual outreach to affordable housing developers in accordance with the Surplus Lands Act
- The City shall provide assistance to a successful bidder by offering technical assistance; facilitating entitlements; assisting with funding, as available, and/or supporting funding applications.
- The City shall establish and implement a variety of incentives to facilitate development of City-Owned sites, including providing fee waivers, flexibility and reductions to development standards, priority processing, and financial assistance.

Timeframe: By December 2026, declare City-owned sites as surplus and approve a resolution making the findings that the project will be put out to competitive bid. In the RFP is not successful by Fall of 2026, the City shall either issue a new RFP in 2027 or conduct annual outreach to affordable housing developers in accordance with the Surplus Lands Act. The City will assess potential incentive actions and implement incentives within 2 years of adoption of the housing element. Review sites at least annually (no later than December of each year) to make certain the City maintains adequate sites to accommodate the RHNA throughout the 6th Cycle pursuant to Government Code Section 65863 (No Net Loss Law), and, if necessary, rezone sufficient sites within 180 days to accommodate the shortfall.

Responsible Agency: Community Development Department

Funding Source: General Fund

4. Removal of Governmental Constraints

Under State law, the Housing Element must address, and where legally possible, remove governmental constraints affecting the maintenance, improvement, and development of housing at all income levels. The following programs are designed to mitigate government constraints and facilitate development of housing affordable to lower-, moderate-, and above moderate-income households, including families, seniors, and persons with special needs.

Program D.1: Density Bonus Ordinance

California Government Section 65915, as amended is known as State Density Bonus Law and establishes density bonuses that projects may be eligible for. Various amendments and changes to State Density Bonus Law have occurred in recent years. To ensure the Municipal Code is consistent with the requirements of State Density Bonus law, as amended, the City will review current provisions of the Municipal Code to ensure consistency with State law.



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Objective:

- Conduct a comprehensive review of Density Bonus Law requirements in the City's Municipal Code.
- Amend the Density Bonus Ordinance, as applicable, to comply with State law requirements.

Timeframe: Review Municipal Code provision by December 2024. Adopt applicable amendments by December 2025

Responsible Agency: Community Development Department

Funding Source: General Fund

Program D.2: Planned Development District (PD)

A PD designation allows the regulations of the underlying zoning district to be superseded, modified, or amended. In order to create a superior housing product, the City frequently uses the PD designation to permit higher densities through smaller lots, narrower streets, and other deviations from conventional zoning regulations. Using the PD designation, the City has facilitated greater housing affordability by approving small-lot single-family homes and rental projects. PD designations are not pre-applied to sites, and it is not a requirement for development.

Objective:

- Continue to offer the PD zoning designation as an option for developers to create more tailored residential projects.

Timeframe: Continuing allowing PD development throughout the planning period

Responsible Agency: Community Development Department

Funding Source: General Fund

Program D.3: Design Review Process

In April 2001, the City adopted Livable Community Residential Design Guidelines. These Guidelines supplement quantitative standards in the Zoning Ordinance with Neighborhood and architectural design principles. These Guidelines help in part to clarify the City and Community's expectations in the quality and style of projects and ensure that developments are also consistent with General Plan policies. All projects with two or more units are required to comply with the City's Design Review process and the Residential Design Guidelines.

Objective:

- Update and enforce the City's Design Review process and the Residential Design Guidelines to provide objective design standards.

Timeframe: Review the Design Review Process by December 2025, Amend the Residential Design Guidelines by December 2026.

Responsible Agency: Community Development Department

Funding Source: General Fund

Program D.4: Accessory Dwelling Units and Junior Accessory Dwelling Units

Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs) provide additional housing opportunity to accommodate local housing needs. The integration of accessory dwelling units in existing residential neighborhoods creates opportunity to accommodate more affordable rental and for-sale



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housing. In 2020, the City amended the ADU Ordinance in compliance with updates to State law. However, the City's ADU ordinance has been updated to comply with new State laws that went into effect after 2020.

Since adoption of the ADU Ordinance, 81 ADUs have been constructed in the City, half of which are affordable to lower income households. Based on yearly averages, the City has planned for the construction of 184 ADUs during the 2023-2031 Housing Element Planning Period.

The City will continue to encourage the development of ADUs and JADUs citywide by offering permit-ready ADU and JADU plans and establishing a user's guide to assist applicants in the ADU entitlement process.

Objective:

- Maintain compliance with State housing laws for ADUs and JADUs.
- Remove maximum bedroom requirements in the City's ADU Ordinance to comply with State law.
- Establish permit-ready ADU and JADU plans to minimize design costs, expedite permit processing, and provide development certainty.
- Establish and maintain an ADU Manual guiding applicants through the permitting and construction of an ADU.
- Establish an incentive program for deed-restricted affordable ADUs and JADUs such as waived permitting fees and/or priority processing.
- Establish an ADU monitoring program, and biennially review, for development trends for potential gaps. If gaps are identified, implement changes within one year.

Timeframe: Adopt applicable Zoning Ordinance amendments by December 2025; Offer permit ready plans by December 2026

Responsible Agency: Community Development Department

Funding Source: General Fund

Program D.5: Reasonable Accommodations

Pursuant to Government Code Section 65583, the City is obligated to remove potential and actual governmental constraints to the maintenance, improvement, or development of housing for all income levels and for persons with disabilities. The Fair Housing Act, as amended in 1988, requires that cities and counties provide reasonable accommodation to rules, policies, practices, and procedures where such accommodation may be necessary to afford individuals with disabilities equal housing opportunities. Reasonable accommodation provides a basis for residents with disabilities to request flexibility in the application of land use and zoning regulations or, in some instances, even a waiver of certain regulations or requirements to ensure equal access to housing opportunities. The City is required to consider requests for accommodations related to housing for people with disabilities and provide the accommodation when it is determined to be "reasonable" based on fair housing laws and case law interpreting the statutes. The City does not currently have reasonable accommodations procedures in place, which is considered a constraint to housing accessibility for persons with disabilities. The City will adopt reasonable accommodations procedures and provide information on the process to the public.



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Objective:

- Adopt reasonable accommodations procedures.
- Establish and maintain updated information on reasonable accommodations on the City's website and at City Hall.
- Within a year of adopting reasonable accommodations procedures, outreach to local organizations and agencies that address the needs of persons experiencing homelessness to inform them of this update.

Timeframe: By December 2025; Begin outreach within a year of adopting reasonable accommodations procedures

Responsible Agency: Community Development Department

Funding Source: General Fund

Program D.6: Definition of Family

State housing law prohibits a restrictive definition of "Family" which limits the number of unrelated persons and differentiates between related and unrelated individuals living together. The City's Zoning Ordinance does not currently define "Family." The City will amend the Zoning Ordinance to adopt a definition which meets State requirements.

Objective:

- Amend the Zoning Ordinance to include a definition of "Family" which meets State requirements.

Timeframe: Amend Zoning Ordinance definitions by December 2025

Responsible Agency: Community Development Department

Funding Source: General Fund

Program D.7: Zoning Ordinance Update Addressing Development Constraints for Affordable Housing

The constraints analysis in this Housing Element identified multifamily parking requirements as a potential constraint to the development of housing. The City will review and revise parking requirements, as appropriate, to remove any potential constraints. Additionally, the City will meet with the development community to identify any potential constraints.

Objective:

- Meet with development community and the public to identify potential constraints to parking standards and solicit input on Zoning Ordinance Modification.
- Amend the parking requirements in the Zoning Ordinance as appropriate to reduce potential constraints for multifamily developments.
- Amend additional requirements in the Zoning Ordinance should they be deemed as constraints to the development of housing.

Timeframe: Amend Zoning Ordinance by June 2026

Responsible Agency: Community Development Department

Funding Source: General Fund



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Program D.8: Require 50 Percent Residential Use in Downtown Central Core Area

Pursuant to State law, identified opportunity sites that permit a mix of uses must provide a minimum of 50 percent of the proposed floor area to residential uses when a component of mixed use project. Sites identified in the Downtown Watsonville Specific Plan (DWSP) shall incorporate this requirement. The City will incorporate this provision to require a minimum of 50 percent residential use on these sites.

Objective:

- Amend requirements for applicable sites in the Downtown Watsonville Specific Plan to require a minimum of 50 percent of the proposed floor area to be for residential use for mixed use projects.

Timeframe: Amend Zoning Ordinance by June 2024

Responsible Agency: Community Development Department

Funding Source: General Fund

Program D.9: Zoning Ordinance Update to Allow Residential Care Facilities of 7 or More Persons

Pursuant to State law provisions in Title 24, The City will update and amend its Zoning Ordinance, as necessary to permit residential care facilities administratively. This will be done to ensure that no special requirements are placed on residential care facilities dedicated for more than six persons, consistent with State law and fair housing requirements.

Objective:

- Amend requirements for residential care facilities of 7 or more persons in residential zones to allow development through administrative review.
- Remove subjective approval findings that may reduce approval certainty.

Timeframe: Amend Zoning Ordinance by June 2024

Responsible Agency: Community Development Department

Funding Source: General Fund

Program D.10: Manufactured Homes

The City will review the existing provisions and development standards of manufactured homes for consistency with State Law in accordance with Government Section 65852.3. These housing types will be allowed in the same manner and zones as conventional single-family dwelling units.

Objective:

- Review Municipal Code for consistency with State Law and adopt any necessary amendments.
- Allow manufactured homes by-right in all residential zones that allow single-family residential units.

Timeframe: Amend Zoning Ordinance by June 2025

Responsible Agency: Community Development Department

Funding Source: General Fund

Program D.11: Lot Consolidation The City has identified sites that are adjacent to one another – some with common ownership. The City will facilitate the consolidation of these sites through incentives such as, but not limited to, technical assistance, reduction in lot size and setback requirements, and/or parking reductions. Consolidation will provide the opportunity to develop underutilized lots to their fullest



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potential. The City will evaluate the appropriateness of a variety of incentives and provide this information to the developers and other interested parties through the City's website and at City Hall.

Objective:

- Facilitate the consolidation of non-vacant, underutilized sites.
- Adopt and promote incentives online and at City Hall.

Timeframe: Adopt and implement program by January 2026

Responsible Agency: Community Development Department

Funding Source: General Fund

Program D.12: Development Community Outreach The City understands the importance of timely and transparent development review processes in facilitating housing development. It also seeks to use its recently approved objective development standards and another regulatory tools to promote the development of housing.

Objectives:

- Coordinate yearly meetings with the development community (at minimum) to learn about process improvements, housing impediments, and associated policy and code amendments that can be addressed to promote efficiency and predictability in the development review process and implement approaches to improve project feasibility.
- Meet with the development community to discuss potential barriers to the development of alternative types of housing and use that information to adopt policy or code changes that facilitate the production of alternative housing types.
- Continue to engage with affordable housing advocates during the creation of policy and during the development review process to help achieve successful affordable housing outcomes.
- Annually conduct outreach to developers and community organizations to identify development opportunities and incentives for the creation of affordable housing units.

Timeframe: Coordinate yearly meetings with the development community

Responsible Agency: Community Development Department

Funding Source: General Fund

Program D.13: Building Height Limits

Adopt changes to the Downtown Watsonville Specific Plan (DWSP) modifying the four-story height limit for the Downtown Neighborhood and Downtown Industrial zoning districts up to a maximum of six stories and the six-story height limit for the Downtown Core zoning district up to a maximum of eight stories.

Objectives:

- Adopt an amendment to the DWSP increasing height limits for the Downtown Neighborhood and Downtown Industrial zoning districts up to a maximum of six stories and up to a maximum of eight stories for the Downtown Core zoning district.



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Timeframe: By January 2027

Responsible Agency: Community Development Department

Funding Source: General Fund

5. Fair and Equal Housing Opportunity

To adequately meet the housing needs of all segments of the community, the Housing Plan must include programs promoting housing opportunities for all persons regardless of race, color, ancestry, national origin, religion, age, gender, gender identity and expression, marital status, familial status, medical condition or disability, military or veteran status, source of income, sexual orientation, or any other protected characteristic.

Program E.1: Fair Housing Program

The City supports fair housing and refers all alleged cases of discrimination to the State Office of Fair Employment and Housing and the California Rural Legal Assistance (CRLA). The City also prepares an Analysis of Impediments to Fair Housing as part of the consolidated planning process. The City updates the consolidated plan every five years. The City supports equal opportunity lending programs and non-discriminatory practices in selection of residents for participation in the City's housing assistance programs. The City also sponsors an Annual Housing Fair in which CRLA hosts one of the workshops on Landlord and Tenant Rights. The City also distributes the Consumer Affairs "Tenant Rights and Responsibilities" booklet, and Fannie-Mae "Your Credit Rights" booklet at the Annual Housing Fair and the City's Permit Center.

Objective:

- Continue to support the State Office of Fair Employment and Housing, CRLA, and equal opportunity lending programs.
- Continue to support efforts by the Housing Authority and other agencies to list units accessible to disabled persons.

Timeframe: Throughout the Planning Period

Responsible Agency: Community Development Department

Funding Source: Community Development Block Grant

Program E.2: Housing for Persons with Physical Disabilities

The City will continue to collaborate with nonprofit housing partners and keep resources updated on the City website for persons with physical disabilities. The City will take additional steps to facilitate housing units accessible to persons with physical disabilities and a barrier free environment.

Objective:

- Outreach annually to nonprofit housing partners and keep resources updated on the City website.
- Create and promote informational materials on housing accessibility, rehabilitation, and maintenance resources – complete by December 2025.
- Hold a workshop with relevant community organizations and groups to discuss the needs of persons with disabilities and identify whether additional resources and development concessions



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are needed by December 2025. If necessary changes are identified, adopt amendments to the Building Code, Zoning Ordinance, or other relevant policy and regulatory documents as needed within 6 months.

- Extend search times for particular groups with housing choice vouchers, such as larger families with children or persons with disabilities by December 2025.
- Adopt accessibility programs focused on improving access to housing, transit, public buildings and facilities, sidewalks, pedestrian crossings, and businesses by December 2026.

Timeframe: Monitor annually throughout the Planning Period. Evaluate and establish accessibility programs, as appropriate, within the first 3 years of Planning Period.

Responsible Agency: Community Development Department

Funding Source: General Fund

Program E.3: Housing for Persons with Developmental Disabilities

The housing needs of persons with developmental disabilities are typically not fully addressed by local zoning regulations and may require modifications to existing units, varying range of supportive services, and affordable housing. To accommodate residents with developmental disabilities, the City will encourage construction and rehabilitation of housing with supportive services targeted for persons with developmental disabilities in compliance with ADA and other zoning and land use laws. The City will also seek State and Federal funding in support of housing construction and rehabilitation targeted for persons with developmental disabilities.

The City will explore regulatory incentives, such as expedited permit processing and fee deferrals, for projects targeted towards persons with developmental disabilities. To further facilitate the development of units to accommodate persons with developmental disabilities, the City will collaborate with developers of supportive housing.

Objective:

- Encourage construction and rehabilitation of housing with supportive services for persons with developmental disabilities.
- Seek State and Federal funding to support housing construction for persons with developmental disabilities.
- Review and identify regulatory incentives for projects proposing housing for persons with developmental disabilities.
- Collaborate with housing developers and local organizations to identify the needs of local persons with developmental disabilities.
- Collaborate with local organizations and agencies to identify resources and services for persons with disabilities experiencing homelessness.

Timeframe: Review and develop incentives by June 2026; Review funding and incentives annually; Annual outreach to housing developers and local organizations.

Responsible Agency: Community Development Department

Funding Source: General Fund



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Program E.4: Affirmatively Further Fair Housing

Pursuant to AB 686, the City will affirmatively further fair housing by taking meaningful actions that foster inclusive communities free from barriers, which restrict access to opportunities based on protected classes, as defined by State law. To accomplish this, the City will collaborate with local and regional organizations to review any housing discrimination complaints, assist in dispute resolution, and refer select complainants to appropriate state or federal agencies for further investigation, action, and resolution.

The City will continue to collaborate with the community, stakeholders, and appropriate organizations to address potential constraints to fair housing.

Objectives:

- Partner with the Housing Authority to assist lower-income households in finding housing throughout the Planning Period.
- On a project-by-project basis, promote the development of affordable units through the Affordable Housing Ordinance requirements through construction of units versus payment of housing in-lieu fees.
- Biennially review of the number of affordable units built and adopt amendments within one year if there is a trend showing developers are paying housing in-lieu fees rather than building affordable units.
- Facilitate the construction of 184 ADUs.
- Facilitate the construction of 100 units for special needs populations.
- Partner with the County to annually provide HCV rental assistance for up to 350 lower-income households through the end of the Planning Period.
- Partner with the Housing Authority to provide home purchase assistance for a minimum of 20 households by the end of the Planning Period.
- Create and promote a SB 9 factsheet by December 2026.
- Facilitate the construction of 10 units through SB 9 developments.
- Facilitate the development of 150 missing middle housing units.
- Promote public infrastructure improvements in areas near selected Housing Element sites.
- Affirmatively Further Fair Housing by taking the following meaningful actions addressing local contributing factors and fair housing issues:



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Fair Housing Issues, Contributing Factors and Meaningful Actions			
Fair Housing Issue	Contributing Factor	Priority and Geography	Meaningful Action
Fair Housing Outreach	<ol style="list-style-type: none">1. Lack of local private fair housing outreach and enforcement may be a significant contributing factor to fair housing issues in the region. AMBAG area is served by quality private, non-profit fair housing organizations, do not have the capacity to serve the total need for their services. With greater resources, victims of discrimination would be more able to exercise their rights and remedies.2. Lack of local public fair housing outreach and enforcement may also be a significant contributing factor.	High Focus on Downtown Specific Plan area and higher density multi-family zones	<p>The City will continue to disseminate information regarding fair housing in a variety of locations including City Hall, the City website and the public library, and conduct ongoing, proactive outreach to engage members of all socio-economic groups and recruit members of underrepresented groups to participate in City meetings.</p> <p>The City will continue to seek funding to support the Community Action Board, Catholic Charities and other local entities that provide community education, individual counseling, mediation, and low-cost advocacy with the expressed goal of eliminating housing discrimination and guaranteeing the rights of all people to freely choose the housing for which they qualify in the area they desire.</p> <p>The City will collaborate with governmental and non-governmental entities and conduct annual fair housing outreach targeted Watsonville residents and landlords.</p>
Access to Opportunity	Lack of access to opportunity due to high housing costs, lack of housing choices, services and amenities may be a significant contributing factor to fair housing issues in Watsonville and the local region. Increasing housing affordability would make it easier for low-income households to access the types of services and amenities that further social mobility.	High Focus on Opportunity sites in the Downtown Specific Plan area	The City will seek to improve access to opportunity for lower-income households and other protected classes by providing adequate sites for affordable housing development, encouraging the production of ADUs, and facilitating the production of housing for persons with special needs.
Mobility Actions			
Availability of Affordable Housing	General lack of a range of affordable housing opportunities and housing product types.	Medium Focus efforts in single family zones and improve opportunities in	Recruit at least 5 landlords to become participating voucher properties within five years of the planning period. Create and promote informational materials about the location of participating voucher properties and



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Fair Housing Issues, Contributing Factors and Meaningful Actions			
Fair Housing Issue	Contributing Factor	Priority and Geography	Meaningful Action
		the Downtown area	<p>availability of voucher programs/financial assistance.</p> <p>Evaluative Metric(s):</p> <ul style="list-style-type: none">• Reduce voucher waitlist by 10 percent annually.• Increase landlord participation by 5 percent annually.• Reach at least 100 residents on annual basis.• Increase voucher participation in relatively higher opportunity or income areas by at least 20 percent in the planning period.
		High Focus on efforts in single family zones and improve opportunities and new opportunity areas	<p>The City has a substantial amount of land appropriately zoned for low density residential development. To accommodate an expansion in opportunity for a variety of housing options, including development type and affordability, the City will conduct the following actions:</p> <ul style="list-style-type: none">• Implement the Downtown Watsonville Specific Plan and permit a variety of higher density housing types in residential only and mixed used developments. Provide for tailored development standards and densities to encourage the availability of additional housing types and affordability options.• Biannually seek funding and other strategies to promote affordability.• Homesharing: Research and evaluate the feasibility of a homesharing program, including research and coordination with non-profit and other organizations to assist with matching tenants with existing homeowners. The City will market and promote a homesharing program if deemed feasible and effective. The City will provide for annual coordination/meetings with non-profits to further the homesharing program.



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Fair Housing Issues, Contributing Factors and Meaningful Actions			
Fair Housing Issue	Contributing Factor	Priority and Geography	Meaningful Action
			<ul style="list-style-type: none">● In coordination with research being conducted at the State level, evaluate and pursue opportunities to incentivize and provide funding assistance for homeowners to provide affordable units under SB 9.● Accessibility Improvements: Research and pursue funding opportunities at least every other year to make accessibility improvements to homes and community infrastructure.● Alternative Land Use Strategies: The City will explore through the General Plan update, additional alternative land use strategies to facilitate development of a variety of housing choices, including but not limited to higher density opportunities, missing middle housing in addition to SB 9, SB 10 units, adaptive reuse, ADU and JADU, density modifications and other appropriate strategies to enhance housing choice in Watsonville. <p>Evaluative Metric(s):</p> <ul style="list-style-type: none">● General Plan land use amendments by December 2026● Provide Zoning Ordinance implementation amendments for General Plan amendments by December 2027, as appropriate.● Provide additional opportunities to accommodate the City's RHNA obligation for very-low and low-income households through a variety of housing types and design options.● Annual outreach to developers● Review progress by 2026 to ensure significant progress toward increasing housing mobility, choice, and affordability throughout all neighborhoods.



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Fair Housing Issues, Contributing Factors and Meaningful Actions			
Fair Housing Issue	Contributing Factor	Priority and Geography	Meaningful Action
Create an Affordable Housing Database and Outreach toolkit to help lower income families match opportunities based on individual needs	Limited opportunity for access to affordable housing options for families	Medium Focus efforts in single family zones and improve opportunities in the Downtown area	<p>Disseminate affordable housing information and listings on the City's website.</p> <p>Evaluative Metric(s):</p> <ul style="list-style-type: none">Reach at least 500 residents on annual basis
		Medium Focus efforts in single family zones and improve opportunities in the Downtown area	<p>Conduct affirmative marketing to increase awareness and diversity throughout the city and areas with identified displacement risk. This is aimed at ensuring existing residents are not displaced, as well as providing opportunity for residents within the surrounding region.</p> <p>Specifically, this may include, but is not limited to, noticing of affordable units/projects through direct mail targeted outreach to all lower income census tracts and households in the City, publishing advertising materials in multiple language, informing service agencies, outreach to community organizations or places of worship.</p> <p>Provide housing mobility counseling either directly or through referrals. This counseling may include, but is not limited to, information on opportunity areas, housing search skills and tools, workshops, search assistance, referrals, structured support for a time after a move to the City, landlord-tenant mediation, and retention counseling.</p> <p>Evaluative Metric(s):</p> <ul style="list-style-type: none">Reach at least 100 residents on annual basis
Create an Affordable Housing Database and Outreach toolkit to help lower income families match opportunities based on individual needs	Limited opportunity for access to affordable housing options for families	Medium Focus efforts in areas with multiple family housing and lower income households	<p>Coordinate with the Housing Authority to assist with improving voucher mobility at local level by:</p> <ul style="list-style-type: none">Identifying local staff to commit increased administrative function to support voucher mobility programs by December 2025.Establish a customer service framework including dedicated phone number, email and contact information by December 2025



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Fair Housing Issues, Contributing Factors and Meaningful Actions			
Fair Housing Issue	Contributing Factor	Priority and Geography	Meaningful Action
			<ul style="list-style-type: none">Establish an annual monitoring program to evaluate success of voucher mobility program by December 2026. Provide for annual program amendments as necessary. <p>Evaluative Metric:</p> <ul style="list-style-type: none">Target up to 25 percent of total annual Voucher recipients.Develop database and toolkit by December 2026.Target to assist 25 lower income families on an annual basis.
Annually review the Sites Inventory and the location of new, affordable housing development. Promote equal and fair housing development practices by annually reviewing to make sure there remains opportunities for affordable housing development throughout the whole City.	Limited opportunity for residential development in sites accommodating multiple family development	Medium Focus in areas adjacent to services	<p>Make progress in meeting the City's RHNA obligation throughout the Planning Period.</p> <ul style="list-style-type: none">Annual RHNA progressing reporting through APR <p>Evaluative Metrics:</p> <ul style="list-style-type: none">Seek to identify annual progress in bringing 100 percent of needed units to market within the Planning Period.Annual meetings with developers to explore affordable housing and non-traditional single family housing opportunities.Look into place-based strategies in order to improve local infrastructure, especially near Housing Element selected sites.Participation by at least 5 affordable housing developers in the Planning Period

Timeframe: By December 2026 and throughout the Planning Period

Responsible Agency: Community Development Department

Funding Source: General Fund

Program E.5: Energy Conservation

The City will continue to post and distribute information on currently available weatherization and energy conservation programs to residents and property owners through annual mailings in City utility billings, distribution of program information to community organizations and at municipal offices, and the City's website. The City will continue to enforce state requirements, including Title 24 of the California Code of Regulations, for energy conservation in new residential projects and will encourage residential developers



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to employ additional energy conservation measures for the siting of buildings, landscaping, and solar access through programs in the Energy Action Plan.

The City will encourage the development of affordable housing units that use alternative energy, low energy demand appliances, passive and solar heating, and other appropriate methods and provide in-kind assistance to developers to pursue funding to incorporate into development projects.

Objective:

- Increase public awareness and information on energy conservation opportunities and assistance programs for new and existing residential units and comply with state energy conservation requirements.

Timeframe: Throughout the Planning Period

Responsible Agency: Community Development Department

Funding Source: General Fund, State, Federal Funds, Grants

Program E.6: Farmworker and Workforce Housing

The City will update applicable sections of the Municipal Code to comply with provisions for farmworker and workforce housing in compliance with the Employee Housing Act (Sections 17000-17062.5 of the California Health and Safety Code), which states the following:

- Any employee housing providing accommodations for six or fewer employees shall be deemed a single-family structure with a residential land use.
- Any employee housing consisting of no more than 36 beds in a group quarter, or 12 units or spaces designed for use by a single family or household shall be deemed an agricultural land use.
- Additionally, no conditional use permit, zoning variance, or other zoning clearance shall be required of employee housing that serves six or fewer employees and employee housing developments which are located on land classified as agricultural may be subject to a streamlined, ministerial approval process, and is not subject to a conditional use permit.
- Employee housing that serves six or fewer employees or is deemed an agricultural land use shall not be subject to any business taxes, local registration fees, use permit fees, or other fees to which other family dwellings of the same type in the same zone are not likewise subject to.

Objective:

- Amend the Zoning Ordinance to comply with agricultural and employee housing requirements as established by California Health and Safety Code Section 17021.5 and 17021.6.

Timeframe: Revise Zoning Ordinance by December 2025

Responsible Agency: Community Development Department

Funding Source: General Fund, State, Federal Funds, Grants



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Program E.7: Environmental Justice Element

In accordance with SB 1000, the City will incorporate environmental justice objectives, policies, and programs throughout the General Plan as part of the comprehensive 2050 General Plan Update.

Objective:

- Incorporate environmental justice objectives, policies, and programs in the 2050 General Plan Update.

Timeframe: Adopt by December 2026

Responsible Agency: Community Development Department

Funding Source: General Fund

C. Summary of Quantified Objectives

State law requires the Housing Element to include quantified objectives for the maximum number of units that can be rehabilitated, conserved, or constructed. Policies and programs have been established to achieve these objectives. **Table 2-1** summarizes the County's quantified objectives for the 2023-2031 planning period by income group.

Table 2-1: 6 th Planning Cycle Quantified Objectives						
Objectives	Income Level					Total
	Extremely Low-*	Very Low-*	Low-	Moderate-	Above Moderate-	
RHNA	141	142	186	521	1,063	2,053
New Construction						
Projected ADU Construction	92		46	46		184
Pipeline Projects	127		70	315		512
Selected Sites	323		509	1,078		1,868
Conservation and Preservation						
Home Repair/Rehabilitation	12		0	0		12
At-Risk Housing Units	100		0	0		100
Household Assistance						
Rental Assistance**	350		0	0		350

* The Very Low-Income (VLI) category includes Extremely Low-Income (ELI) households (<30% AMI) and accounts for half of the total VLI RHNA. The total ELI RHNA is 141 units.

** Provide housing choice voucher rental assistance for 350 extremely low- and very low-income households each year throughout the Planning Period.

APPENDIX A

REVIEW OF PAST PERFORMANCE

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Review of Past Performance

This Appendix provides a review of the City's housing and program performance throughout the 2015-2023 planning cycle. It is an evaluation of the 5th Cycle's policy actions and considers the City's progress towards completing all programs outlined within the previous 5th Cycle Housing Element. In addition, this review also details the steps the City has taken to provide for the needs of special housing groups.

A. Special Housing Needs Resources

The City of Watsonville has demonstrated a significant effort in working towards accomplishing the objectives set for the programs of the past cycle. During the 5th cycle, the City completed a number of key programs to support housing opportunity and made substantial progress towards many of its programs. The City's successful programs have been identified as continued and ongoing for the 6th cycle, due to their success in the previous cycle.

1. Seniors

Appendix B Shows that 11.3 percent of Watsonville residents are over the age of 65. This percentage has been increasing while children and the middle-aged population decrease. Seniors represented 9.4 percent of the population in 2010, dropped slightly to 9.3 percent in 2015, and jumped to 11.3 percent in 2021. The City supported the senior population through a variety of programs specifically focused on the development of affordable housing as many seniors are on restricted incomes and are in need of affordable housing options.

The City has implemented programs that address housing issues related to seniors. The list of programs provided includes:

- **Program A.3 Preservation of Affordable Housing** – The City has made efforts to protect at-risk affordable housing units, including units designated for seniors.
- **Program B.3 Housing Choice Voucher (HCV) Rental Assistance** – Through joint efforts between the Housing Authority of Santa Cruz (HACSC) and the City, 4,294 project- and tenant-based housing vouchers have been provided to lower income households, which includes seniors.
- **Program C.5: Affordable Housing Ordinance** – The City's Affordable Housing Ordinance has facilitated and helped create a growing affordable housing inventory. With new development projects being required to include up to 20 percent of affordable units, the Ordinance has been impactful in creating affordable living opportunities for Seniors with lower income.
- **Program C.8: Transitional Housing and Emergency Shelters** – In 2018, the City adopted the Emergency Shelter Ordinance. This allowed emergency shelters to be principally permitted in the public facilities (PF) and Institutional (N) zones. Program C.8 will allow transitional and supportive housing to become principally permitted in all residential zones. Program C.8 will allow lower income seniors to bridge the gap between homelessness and permanent housing.
- **Program E.1: Fair Housing Program** – The City continues to promote the Fair Housing Program by referring all alleged fair housing cases to the State Office of Fair Employment and Housing. Additionally, the City is also an active participant in various housing and service provider boards,



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as well as an active collaborator with other local agencies and non-profits that promote senior special need housing.

- **Program E.2: Housing for Persons with Physical Disabilities** – Due to seniors being more likely to experience physical disabilities as they get older, the City continues to promote and support the provision of accessible housing units for seniors with disabilities.
- **Program E.3: Housing for Persons with Developmental Disabilities** – Like physical disabilities, Seniors are more likely to experience developmental disabilities as they get older. The City is an active participant in various housing and service provider boards, as well as an active collaborator with other local agencies and non-profits that promote senior housing for those with special developmental needs.

The City provided information about housing choice vouchers and housing assistance at the counter and on the City's webpage both of which provide important supportive resources for lower income households, including senior households. The HOME Tenant-Based Rental Assistance (TBRA) program provides subsidies to low-income, senior, and disabled households at varying levels based on household income (**Program B.3**). Through the Housing Authority of the County of Santa Cruz (HACSC), Watsonville residents may receive TBRA voucher assistance. The Housing Authority tracks these vouchers by zip codes, which include areas outside of the City's limits. The table below provides the number of project-based and tenant-based vouchers granted throughout the 5th cycle planning period.

Table A-1: TBRA Vouchers		
Project-Based Vouchers	Tenant-Based Vouchers	Total
301	3,993	4,294

Source: Santa Cruz County Housing Authority, Watsonville Consolidated Plan 2020-2024

Elderly homeowners generally tend to prefer to stay in their own homes as long as possible. If family members are nearby, they can also assist with basic care needs, enabling seniors to remain in their homes longer. However, this is not always possible. Senior Network Services helps match seniors in shared housing arrangements.

The City's Senior Center provides elderly residents with social networking opportunities through a variety of activities such as computer classes, social events, and weekday meals, served by meals on wheels. Additionally, home delivery by Meals on Wheels is also available for residents to use. Other services available to seniors in Watsonville are Grey Bears Healthy Food Program and Second Harvest Food Bank; which provide a weekly grocery bag filled with fresh produce and healthy staples and a Farmers Market-style food bank, respectively. Project Scout, a tax assistance service is available to help the elderly understand and do their taxes. Community Bridges also provides the Lift Line service, which provides door-to-door rides to people with mental or physical challenges and elderly residents. This service is free of cost to qualifying residents of Santa Cruz County. As a continuation from the 5th Cycle Housing Element, the City continues to analyze current conditions and implement methods to reduce constraints to special needs housing (**Programs E.1, E.3**).



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Summary of Effectiveness

- The City facilitated affordable housing development, leading to additional units available for seniors on lower or fixed incomes.
- Through the use of HCV's, the City provided opportunity for seniors to have affordable housing on lower or fixed incomes.
- The City ensured that seniors on lower or fixed incomes were not at risk of housing displacement.
- For seniors that were experiencing homelessness, the City provided support through transitional housing to bridge the gap between homelessness and permanent housing.

2. Persons With Disabilities

Persons with disabilities may require various accessibility improvements and may also have a limited ability to earn adequate income. Approximately 13.6 percent of the Watsonville population has at least one disability. The most common disabilities in Watsonville are cognitive, ambulatory, and independent living difficulties.

The City has implemented programs that address housing issues related to persons living with disabilities. The list of programs provided includes:

- **Program A.3: Preservation of Affordable Housing** – The City has made efforts to protect at-risk affordable housing units, including units designated for persons with disabilities. While none are currently at-risk, the City keeps a record of those units, as well as their expiration.
- **Program B.3: Housing Choice Voucher (HCV) Rental Assistance** – Through joint efforts between the (HACSC) and the City, 4,294 project- and tenant-based housing vouchers have been provided to lower income households, which includes homes for persons with disabilities.
- **Program B.4: Relocation Assistance Ordinance** – Housing relocation is considered much more difficult for person with disabilities, as they may not have the ability or means to leave unsafe and substandard housing conditions. In the 5th cycle, the City assisted 66 households in relocating to more safe and secure housing developments.
- **Program C.5: Affordable Housing Ordinance** – The City's Affordable Housing Ordinance has facilitated and helped create a growing affordable housing inventory. With new development projects being required to include up to 20 percent of affordable units, the Ordinance has been impactful in creating affordable living opportunities for persons with disabilities.
- **Program C.8: Transitional Housing and Emergency Shelters** – In 2018, the City adopted the Emergency Shelter Ordinance. This allowed emergency shelters to be principally permitted in the public facilities (PF) and Institutional (N) zones. Program C.8 will allow transitional and supportive housing to become principally permitted in all residential zones. Program C.8 will allow lower income persons with disabilities to bridge the gap between homelessness and permanent housing.
- **Program E.1: Fair Housing Program** – The City continues to promote the Fair Housing Program by referring all alleged fair housing cases to the State Office of Fair Employment and Housing. Additionally, the City is also an active participant in various housing and service provider boards,



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as well as an active collaborator with other local agencies and non-profits that promote housing for persons with disabilities.

- **Program E.2: Housing for Persons with Physical Disabilities** – For those with disabilities that limit their physical mobility, finding housing that is accessible can be a burden. The City continues to promote and support the provision of accessible housing units in projects for persons with physical disabilities.
- **Program E.3: Housing for Persons with Developmental Disabilities** – Similar to physical disabilities, it is much more difficult to find housing that accommodates for those with developmental disabilities. The City is an active participant in various housing and service provider boards, as well as an active collaborator with other local agencies and non-profits that promote and create housing for those with special developmental needs.

Persons with disabilities may experience difficulties locating accessible and affordable rental housing close to public transportation. The Santa Cruz County Human Resources Agency coordinates federal, state, and county government funding for programs and services for disabled populations in the City. A number of services and facilities available to the community are listed in **Appendix F**.

According to Watsonville's 2020-2024 Consolidated Housing Plan, the HACSC has 885 vouchers available for those that are experiencing a disability. There are eight public housing developments in the City with 135 total units, nine of which are wheelchair accessible. Of the 80 units projected to be a part of the Pippin II Apartment Development, 12 units will be designated for households with supportive housing needs. Additionally, housing developments on Freedom Lane and Miles Lane in the City will designate 5 and 7 housing units for people with disabilities, respectively (**Program C.5**).

The City provided assistance to the following social service organizations for persons with disabilities:

- Lift Line (Community Bridges) provides transportation services.
- Meals on Wheels (Community Bridges) provides a daily visit and a nutritious meal.
- Hope Services provide services and assistance for developmentally disabled persons.
- Central Coast Center for Independent living services persons with disabilities and provides continuum of care.
- Encompass provides housing, counseling, substance use recovery, reentry, and health and financial services to individuals, families, and youth with disabilities.
- Family Service Agency of the Central Coast provides resources, support, and counseling.
- Housing Choices Coalition creates housing opportunities for people with developmental and other disabilities.
- San Andreas Regional Center serves individuals with developmental disabilities and their families who reside within Monterey, San Benito, Santa Clara, and Santa Cruz counties.
- Volunteer Center of Santa Cruz County provides transportation services.

Rental subsidies provided by the HACSC also play a key role in providing affordable housing for individuals experiencing disabilities. According to the HACSC 2020 Administrative Plan, Pippin Orchards provides 31



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PBVs for disabled adults, homeless youth with a disability, and families. A centralized database was also created for individuals with disabilities to find accessible housing throughout the City (**Programs E.1, E.2, E.3**). The City continues to analyze current conditions and implement methods to reduce constraints to special needs housing (**Program E.3**).

Summary of Effectiveness

- The City facilitated affordable housing development, leading to additional units available for persons with disabilities on lower or fixed incomes.
- Through the use of HCV's, the City provided opportunity for persons with disabilities to have affordable housing on lower or fixed incomes.
- The City ensured that persons with disabilities on lower or fixed incomes were not at risk of housing displacement.
- For persons with disabilities that were experiencing homelessness, the City provided support through transitional housing to bridge the gap between homelessness and permanent housing.
- For persons with disabilities living in unsafe housing conditions, the City assisted in the relocation those residents through the Relocation Ordinance.

3. Persons Experiencing Homelessness

Homelessness continues to be an important issue in the region and throughout California. There are multiple factors that may contribute to a person experiencing homelessness; **Appendix C** provides a detailed definition of "homelessness" and an analysis of the City and County's unhoused population. Resources available for persons experiencing homelessness are listed in **Appendix F**.

The City has implemented programs that address housing issues related to persons experiencing homelessness. The list of programs provided includes:

- **Program A.3: Preservation of Affordable Housing** – In order to allow homeownership opportunity, preservation of affordable housing units is a vital component. This is particularly true for person experiencing homelessness. The City has made efforts to protect at-risk affordable housing units, including units designated for persons experiencing homelessness. While none are currently at-risk, the City keeps a record of those units, as well as their expiration.
- **Program B.3: Housing Choice Voucher (HCV) Rental Assistance** – For those experiencing homelessness, it is extremely difficult to find housing that is affordable, as their income might be far too low to qualify for loans. Through joint efforts between the HACSC and the City, 4,294 project- and tenant-based housing vouchers have been provided to lower income households, which can include households experiencing homelessness.
- **Program B.6: Application for Grants and Loans** – To further combat housing insecurity, the City actively applies for State and Federal grants and loans to help alleviate the burden of finding housing for persons experiencing homelessness.
- **Program C.5: Affordable Housing Ordinance** – The City's Affordable Housing Ordinance has facilitated and helped create a growing affordable housing inventory. With new development



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projects being required to include up to 20 percent of affordable units, the Ordinance has been impactful in creating affordable living opportunities for persons experiencing homelessness.

- **Program C.6: Partnership with Non-Profit Housing Agencies** – The City continues to collaborate with non-profit housing developers (Mid Peninsula, Habitat for Humanity, etc.) to further combat and solve the issue of housing insecurity in Watsonville. Through these partnerships, a number of affordable housing units have been developed to provide housing opportunity for those that are experiencing homelessness.
- **Program C.8: Transitional Housing and Emergency Shelters** – The 2018 Emergency Shelter Ordinance allowed emergency shelters to be principally permitted in the public facilities (PF) and Institutional (N) zones. Program C.8 will allow transitional and supportive housing to become principally permitted in all residential zones. Program C.8 will be instrumental in bridging the gap between homelessness and permanent housing.
- **Program D.4: Accessory Dwelling Units and Junior Accessory Dwelling Units** – The City uses the Accessory Dwelling Unit Ordinance to provide more affordable and accessible housing opportunity for persons experiencing homelessness. Since ADUs and JADUs can be developed as infill and on smaller lots, they can create much more affordable opportunities.
- **Program E.1: Fair Housing Program** – The City continues to promote the Fair Housing Program by referring all alleged fair housing cases to the State Office of Fair Employment and Housing. Additionally, the City is also an active participant in various housing and service provider boards, as well as an active collaborator with other local agencies and non-profits that promote housing for persons experiencing homelessness.
- **Program E.2: Housing for Persons with Physical Disabilities** – For those with disabilities that limit their physical mobility, finding housing that accessible can be a burden. This is especially true for Watsonville residents that are experiencing homelessness. The City continues to promote and support the provision of accessible housing units in projects for persons with physical disabilities.
- **Program E.3: Housing for Persons with Developmental Disabilities** – Similar to physical disabilities, it is much more difficult to find housing that accommodates for those with developmental disabilities and are experiencing homelessness. The City is an active participant in various housing and service provider boards, as well as an active collaborator with other local agencies and non-profits that promote and create housing for those with special developmental needs experiencing homelessness.

Like other communities in California, the City has been working diligently to address very high levels of unsheltered homelessness. City staff have worked extensively with the Santa Cruz County Continuum of Care (CoC), other jurisdictions, the community, and affected persons to develop and implement new programs, such as new emergency services, emergency shelters, and navigation centers, to address immediate needs (**Program C.8**). This has included coordinating with the Homeless Action Partnership (HAP) Board and HAP Executive Committee to identify program priorities and make funding decisions through the Countywide Permanent Local Housing Allocation (PLHA) Draft Five-Year Plan for the California Emergency Solutions and Housing Program (CESH), Homeless Emergency Aid Program (HEAP), the Homeless Housing Assistance and Prevention Program (HHAP), and for County and City funding sources (**Program B.6**). The implementation of the emergency shelter ordinance (**Program C.8**) and funding for homeless services and



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housing development (**Program B.6**) aims to reduce constraints regarding transitional housing and emergency shelters development (**Programs E.1, E.2, E.3**).

Rental subsidies also played a key role in achieving housing affordability during the 5th planning cycle. HACSC provides project-based vouchers (PBVs) for individuals and families experiencing homelessness at affordable housing sites in Watsonville. According to the HACSC 2020 Administrative Plan, the City housed 14 PBV units for formerly homeless veterans, homeless disabled youth, and homeless families at Resetar Residential Hotel, Pippin Orchards, and the Pajaro Valley Shelter. Currently, 1,600 households participate in the Section 8 program throughout the City (**Program B.3**).

The City coordinates closely with the CoC and all of its members. The CoC covers the entire geography of Santa Cruz County, including the Cities of Watsonville, Santa Cruz, Capitola, and Scotts Valley, as well as large unincorporated areas. The lead planning body for the CoC is the HAP, a community-wide action team that meets regularly. The City of Watsonville participates in all HAP meetings and takes a leadership position in the CoC by serving as a member of the HAP Governing Board, which makes key CoC and other funding and policy decisions. The HAP Executive Committee coordinates the activities of the County and cities around a unified CoC strategy and plan for preventing and ending homelessness. The full HAP includes 30 active organizational and individual members representing all geographic parts of the county, as well as a broad range of stakeholder categories such as nonprofit homeless assistance providers, mental health agencies, health providers, affordable housing developers, Veteran's service providers, youth services providers, and persons with lived experience of homelessness.

The CoC and City of Watsonville work closely together to address the needs of varied homeless populations, including persons experiencing chronic homelessness, families with children, Veterans, unaccompanied youth, as well as the needs of persons who are at risk of homelessness. These efforts are guided and defined by the CoC's and the community's 2015 homeless strategic plan, called All In: Toward a Home for Every County Resident (All In). All In provides the vision and framework for countywide coordination to address the needs of all homeless populations, and includes specific outcome goals, measurable indicators, and action strategies for addressing the following eight strategic priorities:

1. Transforming the Crisis Response System
2. Increasing Access to Permanent Housing
3. Integrating Systems and Community Support
4. Ending Chronic and other Adult Homelessness
5. Ending Family Homelessness
6. Addressing Needs in South County
7. Initiating a Response to Youth and Adult Homelessness
8. Ending Veteran Homelessness

Discharge Planning is a key strategy for preventing homelessness by instigating changes within systems that regularly discharge people directly to homelessness. The County Homeless Persons' Health Project (HPHP) leads implementation of policies and protocols for homeless people leaving hospital care. HPHP's Project Connect provides frequent users of emergency rooms with intensive services to prevent hospitalization and homelessness. Hospital discharge planners contact HPHP when a homeless person is hospitalized. HPHP nurses and caseworkers visit and coordinate with all hospitals (and six (6) community



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clinics) to ensure homeless people receive case management and housing upon discharge. For Medi-Cal individuals discharged from a hospital stay, the first step is often a recuperative care program, such as the 12-bed Coral St. recuperative care unit or the medically frail motel program of Community Action Board. HPHP also works with the following providers (among others) to place those who are ready into long-term housing. The City addresses the needs of individuals experiencing homelessness by ongoing support of local service agencies through the City's Social Service Grant Program. Projects are currently in the pipeline to provide housing for persons experiencing homelessness:

- Pajaro Valley Shelter Services (PVSS) utilized a comprehensive, outcome-oriented approach to homelessness, which also includes childcare and counseling to help move beyond the cycle of poverty.
- The Salvation Army manages the Loma Prieta Transitional Housing Complex, which rehabilitated three homes with FEMA 403 funds and technical assistance by the City's Housing Rehabilitation Program. This program helps houseless individuals transition to permanent housing and independent living.
- In June 2023, the State announced their intent to grant \$8 million in funding to help local agencies create a micro-village homeless shelter community for individuals experiencing homelessness along the Pajaro River. The emergency housing is estimated to provide 34 prefabricated units and will be constructed early in the 6th planning cycle. The shelters will have a limit on tenure, but time limits for a residents stay have not yet been established.

Summary of Effectiveness

- The City facilitated affordable housing development, leading to additional units available for persons experiencing homeless being able to obtain permanent housing.
- Through the use of HCV's, the City provided opportunity for persons experiencing homelessness to have affordable housing.
- For persons that were experiencing homelessness, the City provided support through transitional housing and relocation to bridge the gap between homelessness and permanent housing.
- Through grant applications, loans, and housing vouchers, the City has received funding to help support persons experiencing homeless find a permanent place to live.
- Through collaboration and partnerships with non-profit affordable housing agencies, the City facilitated several affordable housing projects that were developed to provide housing for persons with disabilities.
- The City's programs have been effective in the support of helping persons experiencing homeless, which also includes seniors, and persons with disabilities that are experiencing homelessness.

4. Extremely Low-Income Households

HCD's 2023 State Income Limits define extremely low-income (ELI) households as those that earn 30 percent or less of the area median income (AMI). For Santa Cruz County, that refers to households that make \$34,600 for a 1-person household and \$49,400 for a 4-person household. According to the 2016-2020 Comprehensive Housing Affordability Strategy (CHAS) Data, there are approximately 4,020



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extremely low-income households in Watsonville. Extremely low-income households are generally more likely to experience overpayment, overcrowding, or substandard housing conditions, and are more likely to include transitional and supportive housing.

The City has implemented programs that address housing issues related to ELI households. The list of programs provided includes:

- **Program A.2: Housing Rehabilitation Loans** – Housing rehabilitation can be very costly, and even more so for residents that are considered extremely low-income. The City routinely applies for funding to continue Housing Rehabilitation Loan Program, and has approved some lower income households in Watsonville for these loans in the 5th cycle.
- **Program A.3 Preservation of Affordable Housing** – In order to allow homeownership opportunities, preservation of affordable housing units is a vital component. It is even considered crucial for families that are considered extremely low-income, as these affordable units may be their only path to homeownership. The City has made efforts that help protect at-risk affordable housing units, allowing households at this income level opportunity for homeownership. While none are currently at-risk, the City keeps a record of those units, as well as their expiration.
- **Program B.1: First Time Home Buyer Loans** – For extremely low-income households, First Time Home Buyer Loans are a major method of achieving homeownership. The City has approved a total of 21 First Time Homebuyer Loans since 2018, and will continue to promote opportunities for these loans in the future.
- **Program B.2: Down Payment Assistance Loans** – ELI households are typically not in the position to achieve homeownership due to not having sufficient funds. As such, the City has made efforts to assist households in similar situations. As of 2018, the City has assisted with 6 Down Payment Assistance Loans.
- **Program B.3 Housing Choice Voucher (HCV) Rental Assistance** – ELI households have the opportunity to alleviate their housing burden through the use of HCV assistance. Through joint efforts between the HACSC and the City, 4,294 project- and tenant-based housing vouchers have been provided to lower income households, which can include ELI households.
- **Program B.4: Relocation Assistance Ordinance** – Leaving dangerous or unsafe living conditions can be an impediment for ELI households. Housing costs that are out of an ELI households budget may lead them to staying in these dangerous buildings, as it is more financially feasible. As a result, the City of Watsonville uses the Relocation Assistance Ordinance to assist families in these situations. Since 2018, the City has assisted 66 households in relocating to more safe and secure housing developments.
- **Program C.5: Affordable Housing Ordinance** – The City's Affordable Housing Ordinance has facilitated and helped create a growing affordable housing inventory. With new development projects being required to include up to 20 percent of affordable units, the Ordinance has been impactful in creating affordable living opportunities for ELI households.
- **Program C.6: Partnership with Non-Profit Housing Agencies** – The City continues to collaborate with non-profit housing developers (Mid Peninsula, Habitat for Humanity, etc.) to further combat



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and solve the issue of housing insecurity in Watsonville. Through these partnerships, a number of affordable housing units have been developed to provide housing opportunity for lower incomes such as ELI households.

- **Program C.8: Transitional Housing and Emergency Shelters** – The 2018 Emergency Shelter Ordinance allowed emergency shelters to be principally permitted in the public facilities (PF) and Institutional (N) zones. Program C.8 will allow transitional and supportive housing to become principally permitted in all residential zones. Program C.8 will be instrumental in helping ELI households secure eventual permanent housing.
- **Program D.4: Accessory Dwelling Units and Junior Accessory Dwelling Units** – The City uses the Accessory Dwelling Unit Ordinance to provide more affordable and accessible housing opportunity for ELI households. Since ADUs and JADUs can be developed as infill and on smaller lots, the costs to build them is much less. Thus, ADUs and JADUs can be viable options for ELI households that are struggling with typical rent prices.
- **Program E.1: Fair Housing Program** – The City continues to promote the Fair Housing Program by referring all alleged fair housing cases to the State Office of Fair Employment and Housing. Additionally, the City is also an active participant in various housing and service provider boards, as well as an active collaborator with other local agencies and non-profits that promote housing for lower income households, including ELI households.
- **Program E.2: Housing for Persons with Physical Disabilities** – For those with disabilities that limit their physical mobility, finding housing that is accessible can be a burden. This is especially true for Watsonville residents that are extremely low income, as they have additional financial burden as well. The City continues to promote and support the provision of accessible housing units in projects for persons with physical disabilities.
- **Program E.3: Housing for Persons with Developmental Disabilities** – Similar to physical disabilities, it is much more difficult to find housing that accommodates for those with developmental disabilities and are in ELI households. The City is an active participant in various housing and service provider boards, as well as an active collaborator with other local agencies and non-profits that promote and create housing for those with special developmental needs and ELI.

The City offers assistance in accessing local, state, and federal funding for affordable housing, as well as technical assistance. Throughout the 5th cycle, programs such as Section 8 rental assistance (**Program B.3**) provided rental subsidies to 1,600 very low- and extremely low-income households, 75 of which are project-based vouchers for ELI households. Additionally, the City facilitated the development of two affordable housing projects (125 low-income units) through the affordable housing ordinance (Program 12) and density bonus provisions (**Program D.1**). Recent projects are listed in **Appendix C**. The emergency shelter ordinance conditionally permits transitional housing in multi-family and some commercially designated areas. No applications have been submitted under the ordinance within the 5th planning cycle. The City also provided information about housing choice vouchers and housing assistance at the counter and on the City's webpage both of which provide important supportive resources for lower income households, including extremely low-income households. The City continues to reduce constraints to



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special needs housing (**Programs E.1, E.2, E.3**) for ELI households who may fall into multiple special needs categories such as seniors with disabilities or homeless families.

Summary of Effectiveness

- The City facilitated affordable housing development, leading to additional units available for ELI households to gain access to housing.
- Through the use of HCV's, the City provided opportunity for ELI households to have affordable housing in the form of project- and tenant-based vouchers.
- For ELI households, the City provided support through transitional housing and relocation to bridge the gap between homelessness and permanent housing.
- Through grant applications, loans, and housing vouchers, the City has received funding to help support ELI households find a permanent place to live.
- Through collaboration and partnerships with non-profit affordable housing agencies, the City facilitated several affordable housing projects that were developed to provide housing for ELI households in the City.
- Through the City's efforts in facilitating ADU and JADU development, there has been additional affordable housing opportunity for ELI households.
- The City's programs have been effective in the support of helping ELI households, which also includes seniors, persons with disabilities, farmworkers, and students.

5. Farmworkers

Farmworkers are a prominent portion of the City's population. Farmworkers are traditionally defined by HCD as people whose primary incomes are earned through permanent or seasonal agricultural labor. Generally, permanent farmworkers (working 150 days or more) work in the fields, processing plants, or support activities on a year-round basis. When workload increases during harvest periods, the labor force is supplemented by seasonal farmworkers, often supplied by a labor contractor. For some crops, farms may hire migrant farmworkers, defined as those whose travel distance prevents them from returning to their primary residence daily. Farmworkers have special housing needs because they earn lower incomes than many other workers and move throughout the year from one harvest location to the next. Thus, farmworkers are more likely to experience housing insecurity, housing cost burden, overpayment, and overcrowding.

The City has implemented programs that address housing issues related to farmworkers. The list of programs provided includes:

- **Program A.2: Housing Rehabilitation Loans** – Due to the average income of farmworkers being lower than the median, rehabilitation for their housing can be burdensome. The City routinely applies for funding to continue Housing Rehabilitation Loan Program and has approved 3 very low-income households in Watsonville for these loans since 2018.
- **Program A.3 Preservation of Affordable Housing** – As a result of their median income, it can be troublesome for farmworker households to secure affordable housing. The City has made efforts that help protect at-risk affordable housing units, allowing households at this income level



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opportunity for homeownership. While none are currently at-risk, the City keeps a record of those units, as well as their expiration.

- **Program B.1: First Time Home Buyer Loans** – First Time Home Buyer Loans are useful tools to help lower income households achieve homeownership, such as farmworker households. The City has approved a total of 21 First Time Homebuyer Loans since 2018, and will continue to promote opportunities for these loans in the future.
- **Program B.2: Down Payment Assistance Loans** – Farmworker households are typically not in the position to achieve homeownership due to not having sufficient funds. As such, the City has made efforts to assist households in similar situations. As of 2018, the City has assisted with 6 Down Payment Assistance Loans.
- **Program B.3: Housing Choice Voucher (HCV) Rental Assistance** – Farmworker households have the opportunity to alleviate their housing burden through the use of HCV assistance. Through joint efforts between the HACSC and the City, 4,294 project- and tenant-based housing vouchers have been provided to lower income households, which can include farmworker households.
- **Program B.4: Relocation Assistance Ordinance** – Leaving dangerous or unsafe living conditions can be an impediment for farmworker households. Farmworker household budgets may not allow them these dangerous buildings, as it is more financially feasible. As a result, the City of Watsonville uses the Relocation Assistance Ordinance to assist families in these situations. Since 2018, the City has assisted 66 households in relocating to more safe and secure housing developments.
- **Program C.5: Affordable Housing Ordinance** – The City's Affordable Housing Ordinance has facilitated and helped create a growing affordable housing inventory. With new development projects being required to include up to 20 percent of affordable units, the Ordinance has been impactful in creating affordable living opportunities for farmworker households.
- **Program C.6: Partnership with Non-Profit Housing Agencies** – The City continues to collaborate with non-profit housing developers (Mid Peninsula, Habitat for Humanity, etc.) to further combat and solve the issue of housing insecurity in Watsonville. Through these partnerships, a number of affordable housing units have been developed to provide housing opportunity for lower incomes such as farmworker households.
- **Program C.8: Transitional Housing and Emergency Shelters** – The 2018 Emergency Shelter Ordinance allowed emergency shelters to be principally permitted in the public facilities (PF) and Institutional (N) zones. Program C.8 will allow transitional and supportive housing to become principally permitted in all residential zones. Program C.8 will be instrumental in helping households like farmworkers secure eventual permanent housing.
- **Program D.4: Accessory Dwelling Units and Junior Accessory Dwelling Units** – The City uses the Accessory Dwelling Unit Ordinance to provide more affordable and accessible housing opportunity for farmworker households. Since ADUs and JADUs can be developed as infill and on smaller lots, the costs to build them is much less. Thus, ADUs and JADUs can be viable options for farmworker households that are struggling with typical rent prices.



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- **Program E.1: Fair Housing Program** – The City continues to promote the Fair Housing Program by referring all alleged fair housing cases to the State Office of Fair Employment and Housing. Additionally, the City is also an active participant in various housing and service provider boards, as well as an active collaborator with other local agencies and non-profits that promote housing for lower income households, including Farmworker households.

The U.S. Department of Agriculture, National Agriculture Statistics provides data on hired farmworkers across the United States at both a state and county level. Within Santa Cruz County, there were a total of 16,114 hired farmworkers in 2017. A total of 11,254 are considered permanent and 4,860 were considered seasonal (working less than 150 days annually). The County also reported a total of 2,254 migrant farmworkers.

According to the American Community Survey, 3,624 Watsonville residents work in the agricultural field, with only educational services, healthcare, and social assistance having a higher number of employed residents at 4,457. Also, Watsonville residents employed in Farming, Fishing, and Forestry occupations earn one of the lowest salaries in comparison to other occupations, with an estimated median income of \$19,864. This is considered extremely low-income for Santa Cruz County.

The City offers assistance in accessing local, state, and federal funding for affordable farmworker housing, as well as technical assistance. Throughout the 5th cycle, the City facilitated the development of affordable farmworker housing (**Program C.5**) and partners with non-profit organizations such as MidPen Housing to develop and maintain affordable housing for farmworkers and their families (**Program C.6**). Additionally, 56 place-based vouchers are anticipated to provide stable housing for farmworkers at Jardines del Valle, Villas del Parcuso, and San Andreas housing developments (**Program B.3**). Recent projects are listed in **Appendix C**. The City also provided information about housing choice vouchers and housing assistance at the counter and on the City's webpage both of which provide important supportive resources for lower income households, including extremely low-income households. The City continues to analyze current conditions and implement methods to reduce constraints to special needs housing (**Programs E.1, E.2, E.3**).

Summary of Effectiveness

- The City facilitated affordable housing development, leading to additional units available for farmworker households to gain access to permanent housing.
- Through the use of HCV's, the City provided opportunity for farmworker households to have affordable housing in the form of project- and tenant-based vouchers.
- For farmworker households, the City provided support through transitional housing and relocation to bridge the gap between homelessness and permanent housing.
- Through grant applications, loans, and housing vouchers, the City has received funding to help support farmworker households find a permanent place to live.
- Through collaboration and partnerships with non-profit affordable housing agencies, the City facilitated several affordable housing projects that were developed to provide housing for households such as farmworkers in the City.



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- Through the City's efforts in facilitating ADU and JADU development, there has been more opportunity for farmworkers to have affordable housing.
- The City's programs have been effective in the support of helping farmworker households, which also includes seniors and persons with disabilities.

6. Higher Education

Students are a unique aspect of the City's population as they may live in the City temporarily and are more likely to generally experience housing insecurity, housing cost burden, substandard housing conditions, and overcrowding. For example, students are typically unable to work full-time while attending school full-time. As such, they have much more limited disposable income for housing and often seek roommates to share rental and living costs. Through community outreach to student renters, participants shared stories of living with eight or more roommates in a home or living in illegally converted "bedrooms" (such as garages), unpermitted backyard structures, and personal vehicles. While there is no university in the City itself, the City of Watsonville is located near the University of California, Santa Cruz (UCSC) and Cabrillo College, which could potentially lead some students to looking for housing in Watsonville.

The City has implemented programs that address housing issues related to students. The list of programs provided includes:

- **Program A.3 Preservation of Affordable Housing** – Due to students usually having little to no income during their studies, it is much harder to secure housing that is affordable for them. The City has made efforts that help protect at-risk affordable housing units, allowing households at this income level opportunity for homeownership. While none are currently at-risk, the City keeps a record of those units, as well as their expiration.
- **Program B.1: First Time Home Buyer Loans** – First Time Home Buyer Loans are useful tools to help lower income households achieve homeownership. Students who rent in Watsonville are more likely to obtain permanent residence in the city with the assistance of these loans. The City has approved a total of 21 First Time Homebuyer Loans since 2018, and will continue to promote opportunities for these loans in the future.
- **Program B.3 Housing Choice Voucher (HCV) Rental Assistance** – Student households have the opportunity to alleviate their housing burden through the use of HCV assistance. Through joint efforts between the HACSC and the City, 4,294 project- and tenant-based housing vouchers have been provided to lower income households, which can include student households.
- **Program B.4: Relocation Assistance Ordinance** – Due to having limited income as a student, they are more likely to live and stay in buildings that are more dangerous, as the rent prices will be cheaper. As a result, the City of Watsonville uses the Relocation Assistance Ordinance to assist households in these situations. Since 2018, the City has assisted 66 households in relocating to more safe and secure housing developments.
- **Program C.5: Affordable Housing Ordinance** – The City's Affordable Housing Ordinance has facilitated and helped create a growing affordable housing inventory. With new development projects being required to include up to 20 percent of affordable units, the Ordinance has been impactful in creating affordable living opportunities for students' households.



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- **Program C.6: Partnership with Non-Profit Housing Agencies** – The City continues to collaborate with non-profit housing developers (Mid Peninsula, Habitat for Humanity, etc.) to further combat and solve the issue of housing insecurity in Watsonville. Through these partnerships, a number of affordable housing units have been developed to provide housing opportunity for lower incomes such as student households.
- **Program C.8: Transitional Housing and Emergency Shelters** – The 2018 Emergency Shelter Ordinance allowed emergency shelters to be principally permitted in the public facilities (PF) and RM-3 zones. Program C.8 will allow transitional and supportive housing to become principally permitted in all residential zones. Program C.8 will be instrumental in helping households like students to secure eventual permanent housing.
- **Program D.4: Accessory Dwelling Units and Junior Accessory Dwelling Units** – The City uses the Accessory Dwelling Unit Ordinance to provide more affordable and accessible housing opportunity for lower income households. Since ADUs and JADUs can be developed as infill and on smaller lots, the costs to build them is much less. Thus, ADUs and JADUs can be viable options for student households that are struggling with typical rent costs.
- **Program E.1: Fair Housing Program** – The City continues to promote the Fair Housing Program by referring all alleged fair housing cases to the State Office of Fair Employment and Housing. Additionally, the City is also an active participant in various housing and service provider boards, as well as an active collaborator with other local agencies and non-profits that promote housing for lower income households, including student households.
- **Program E.2: Housing for Persons with Physical Disabilities** – For those with disabilities that limit their physical mobility, finding housing that accessible can be a burden. For students that also have physical disabilities, it can add additional financial burden. The City continues to promote and support the provision of accessible housing units in projects for persons with physical disabilities.
- **Program E.3: Housing for Persons with Developmental Disabilities** – Similar to physical disabilities, it is much more difficult to find housing that accommodates for those with developmental disabilities and are students. The City is an active participant in various housing and service provider boards, as well as an active collaborator with other local agencies and non-profits that promote and create housing for those with special developmental needs.

The City offers assistance in accessing local, state, and federal funding for affordable student housing, as well as technical assistance. Throughout the 5th cycle, the City facilitated the development of affordable housing (**Program C.5**) and partners with non-profit organizations to maintain decent affordable housing conditions (**Program C.6**). Recent projects are listed in **Appendix C**. The City also provided information about housing choice vouchers and housing assistance at the counter and on the City's webpage both of which provide important supportive resources for lower income households, including extremely low-income households.

Summary of Effectiveness

- The City facilitated affordable housing development, leading to additional units available for students to gain access to permanent housing.



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- For students, the City provided support through transitional housing and relocation to bridge the gap between potential homelessness and permanent housing.
- Through grant applications, loans, and housing vouchers, the City has received funding to help support students in finding a permanent place to live in Watsonville.
- Through collaboration and partnerships with non-profit affordable housing agencies, the City facilitated several affordable housing projects that were developed to provide housing for students living in the City.
- Through the City's efforts in facilitating the development of ADUs and JADUs, there has been more affordable housing opportunities for students in the City.



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B. 5th Cycle (2015-2023) Housing Element Program Accomplishments

Table A-2 provides detailed, program specific Accomplishments for 2015-2023. The City has demonstrated significant effort in working towards accomplishing many of the objectives established in the 2015 to 2023 Housing Element. The City's successful programs have been identified as ongoing for the 6th planning cycle. Various programs have been modified in the 6th cycle Policy Plan to account for new requirements and changes in State Law.

Table A-2: 5th Cycle Housing Element Program Accomplishments			
Goals and Programs	Five Year Objective	Program Accomplishments /Effectiveness	Status for 6th Cycle
Goal 1.0 Improve, conserve, and preserve both the safe condition of and the continued availability of Watsonville's existing affordable housing stock in order to meet the housing needs of all economic segments of the community.			
Program A.1 Code Enforcement: Code enforcement is a means to ensure that the character and quality of neighborhoods is enhanced and maintained. Code enforcement efforts in Watsonville focus on bringing substandard units into compliance with City building, housing, and property maintenance codes.	The City will continue to carry out code enforcement activities, including performing property inspections and citing code violations, when necessary.	2018-2022: The City processed a total of 2,121 code enforcement cases from 2018 to 2022. In the time period, the City was working on a backlog of complaints, which led to the number of cases each year decreasing. The City will continue to process these cases in an efficient manner. 2022: The City processed a total of 371 cases. 2021: The City processed a total of 374 cases. 2020: The City processed a total of 407 cases. 2019: The City processed a total of 506. 2018: The City processed a total of 463 cases. The City has been effective in addressing prior backlog of complaints and will continue annual proactive code enforcement activities.	Ongoing
Program A.2 Housing Rehabilitation Loan Programs: To strengthen the City's code enforcement efforts and improve neighborhoods, the City offers home rehabilitation loan programs. Correcting code violations is the top priority of the	The City anticipates assisting 10 renter households and 20 ownership households during the planning period. The City will advertise the availability of this program through bilingual	During the last Cycle, the City met and exceeded their anticipated goals for this program, as shown below: 2022: 17 inquiries were received, and 6 applications distributed.	Ongoing



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Table A-2: 5th Cycle Housing Element Program Accomplishments

Goals and Programs	Five Year Objective	Program Accomplishments /Effectiveness	Status for 6th Cycle
<p>loans. The rental rehabilitation program gives a priority to properties with 11 or fewer units. Assisted rental units must be affordable for at least five years. Rental rehabilitation loans have interest rates of 0% to 6% with payments for up to 30 years. The City will apply annually for funding to support the Rehabilitation Loan programs.</p>	<p>brochures at City Hall, in the City's bilingual newsletter, and posting on the City's website.</p>	<p>2021: 19 inquiries were received, and 4 applications distributed.</p> <p>2020: 16 inquiries were received, 4 applications distributed and 1 received and approved for a very low-income household.</p> <p>2019: 28 inquiries were received, 8 applications distributed and 1 received and approved for a very low-income household.</p> <p>2018: 20 inquiries were received, 14 applications distributed and 1 received and approved for a very low-income household.</p> <p>The City has exceeded numerical goals for this program and will continue this program in the 6th Cycle.</p>	
<p>Program A.3 Preservation of Affordable Housing: Watsonville has a significant stock of affordable housing units receiving public subsidies or regulated by the City's Affordable Housing Ordinance. Approximately 1,240 affordable units have been built (many in recent years). Currently, no tax credit projects are at risk of conversion to market-rate housing. Over the last Housing Element Cycle, the City was able to assist in saving 236 affordable units (Evergreen Apartments and Sunny Meadows) from converting to market rate units.</p>	<p>The City will help reserve the affordability of existing tax credit projects and continue to: 1) monitor status of at-risk projects; 2) provide technical assistance as feasible to property owners and non-profit developers; and 3) conduct tenant notification as required by law for at risk projects. Continue to collaborate with developers to maintain affordability through other assistance programs as they are implemented.</p>	<p>2018-2022: City monitors its housing portfolio annually, refers at risk homeowners to counselors and programs that can provide assistance, and evaluates the purchase of at-risk units on a case-by-case basis. However, there were no at-risk affordable housing units in 2018, 2019, 2020, 2021, or 2022 that necessitated City intervention.</p> <p>The City will continue this program in the upcoming cycle, monitoring its housing portfolio to provide assistance to at-risk units when identified.</p>	Ongoing



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Table A-2: 5th Cycle Housing Element Program Accomplishments

Goals and Programs	Five Year Objective	Program Accomplishments /Effectiveness	Status for 6th Cycle
Program A.4 Mobile Home Park Conversion Ordinance: Watsonville is home to six mobile home parks containing a total of 800 homes. Through its existing Mobile Home Park Conversion Ordinance, the City has established requirements and procedures for the control and approval of the conversion of mobile home parks to community mobile home parks, mobile home park condominiums, and non-mobile home park uses. However, the current Ordinance is outdated, designed for condominium conversions, and conflicts with State law. A comprehensive revision of the Ordinance is necessary to streamline the process, provide greater clarity, and make the process consistent with State law. Watsonville also has a rent stabilization ordinance, which is intended to protect the investments of mobile home owners in their mobile homes, preserve the affordability of the low income housing stock located in the City's mobile home parks, while at the same time ensuring the continued economic viability and preservation of the mobile home parks by also ensuring that its rent limits will not operate to deny park owners a fair rate of return on their investments. Watsonville supported the successful enactment of SB510, which now requires mobile home	The City will help preserve the continued availability and affordability of the current affordable housing stock located in the city's mobile home parks as follows: <ul style="list-style-type: none">● Continue enforcement and defense of the City's mobile home park rent stabilization ordinance;● Enact a SB510 implementation resolution and enforce SB510's provisions; Review and revise the City's Mobile Home Park Conversion Ordinance to streamline the process and to ensure consistency with state law; and● Enact mobile home exclusive use zoning.	2019-2022: On January 22, 2019, the City Council approved a mobile home park overlay district to protect existing mobile home parks. Enacting a SB510 implementation resolution to enforce SB510's provisions – Currently working on a comprehensive revision of WMC Chapter 14-42 – Mobile Home Park Conversions to Resident Ownership or to Any Other Use to implement and enforce provisions of SB510. "Enact mobile home exclusive use zoning" was included in 2019 update of Chapter 14-16.700 – Residential Manufactured Home Park District. 2018: The City drafted a mobile home park overlay district to protect our existing mobile home parks, which was recommended for approval by the Planning Commission to the City Council on November 6, 2018. The ordinance was scheduled for consideration by the City Council on January 22, 2019.	Completed – The City has implemented their Mobile Home Park overlay district, thus completing this program.



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Table A-2: 5 th Cycle Housing Element Program Accomplishments			
Goals and Programs	Five Year Objective	Program Accomplishments /Effectiveness	Status for 6th Cycle
park subdividers to survey mobile home park residents and demonstrate majority support in favor of the proposal prior to subdivision approval. However, several other California cities have adopted SB510-Implementing Resolutions in order to protect their right to enforce the new provisions of SB510.			
Goal 2.0 Expand and protect housing opportunities for all economic segments and special needs groups within the community.			
Program B.1 First Time Homebuyer Loans: The City offers home purchase loans for eligible first-time and move-up homebuyers. Homebuyers who live in or work within the city limits are given priority for these loans. Lower-income first-time home buyers who live or work in Watsonville can borrow the highest amount available, which is \$90,000. Other buyers can borrow a maximum of \$30,000. The payments on these loans are deferred up to 45 years. Instead of charging an interest-rate, these loans are made on a shared appreciation basis. For instance, if the City finances 10% of the purchase price, it will receive 10% of the homes' sales price or appraised value at the time the loans is repaid. The City will apply annually for funding to support the First Time Homebuyers loans.	The City will continue to offer First Time Home Buyer Loans. The City anticipates assisting 60 households during the planning period. The City will advertise the availability of this program through bilingual brochures at City Hall, in the City's bilingual newsletter, and posting on the City's website.	In this time period, the City met and exceeded the amount of assisted households anticipated during the 5 th Cycle. 2022: Responded to 186 inquiries. Received applications for and approved 3 loans. Conducted 3 outreach and education meetings on the programs offered by the Housing Division, which were well attended. 2021: Responded to 216 inquiries. Received applications for and approved 5 loans. Conducted 5 outreach and education meetings on the programs offered by the Housing Division, which were well attended. 2020: Responded to 178 inquiries. Received applications for and approved 7 loans. Conducted 7 neighborhood outreach and education meetings on the programs offered by the Housing Division, which were attended by approximately 350 people in total. 2019: Responded to 205 inquiries. Received applications for and approved 4 loans. Conducted 9 neighborhood outreach and education meetings on the programs	Ongoing



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Table A-2: 5 th Cycle Housing Element Program Accomplishments			
Goals and Programs	Five Year Objective	Program Accomplishments /Effectiveness	Status for 6 th Cycle
		<p>offered by the Housing Division, which were attended by approximately 550 people in total.</p> <p>2018: Responded to 28 inquiries. Received applications for and approved 3 loans. Conducted 3 neighborhood outreach and education meetings on the programs offered by the Housing Division, which were attended by approximately 300 people in total.</p> <p>The City has been effective in proactively assisting households in the last cycle, and will continue to actively assist households through this program in the 6th Cycle.</p>	
Program B.2 Down Payment Assistance Loans: Some homebuyers are unable to achieve homeownership because they do not have sufficient funds for a down payment and/or closing costs. Recognizing this need, the City offers down payment assistance loans to homebuyers who currently live or work within the City limits are given a priority for these loans. At present, the maximum loan amount is \$60,000. Other buyers can borrow a maximum of \$30,000. The payments on these loans are deferred up to 45 years. Instead of charging an interest rate, these loans are made on a shared appreciation basis.	The City will continue to offer Down Payment Assistance Loans and anticipates assisting 25 households during the planning period. The City will advertise the availability of this program through bilingual brochures at City Hall, in the City's bilingual newsletter and posting on the City's website.	<p>In this time period, the City met and exceeded the amount of assisted households in Down Payment Assistance anticipated during the 5th Cycle.</p> <p>2022: Responded to approximately 186 inquiries. Conducted 3 outreach and education meetings on the programs offered by the Housing Division, which were well attended. Since 2018, The City of Watsonville has assisted with 6 Down Payment Assistance Loans.</p> <p>2021: Responded to approximately 216 inquiries. Conducted 5 outreach and education meetings on the programs offered by the Housing Division, which were well attended.</p> <p>2020: Responded to approximately 178 inquiries. Conducted 7 neighborhood outreach and education meetings on the programs offered by the Housing Division, which were attended by approximately 350 people in total.</p> <p>2019: Responded to approximately 167 inquiries. Conducted 9 neighborhood outreach and education</p>	Ongoing



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Table A-2: 5th Cycle Housing Element Program Accomplishments

Goals and Programs	Five Year Objective	Program Accomplishments /Effectiveness	Status for 6th Cycle
		<p>meetings on the programs offered by the Housing Division, which were attended by approximately 550 people in total.</p> <p>2018: Responded to approximately 62 inquiries. Conducted 3 neighborhood outreach and education meetings on the programs offered by the Housing Division, which were attended by approximately 300 people in total.</p> <p>The City has been effective in proactively assisting households in the last cycle and will continue to actively assist households through this program in the 6th Cycle.</p>	
<p>Program B.3 Section 8 Rental Assistance: The County of Santa Cruz Housing Authority administers the Section 8 (now recognized as the Housing Choice Voucher, or HCV) Rental Assistance program in Watsonville. The Section 8 Rental Program extends rental subsidies to very low-income households, including families, seniors, the disabled, and farmworkers. The Section 8 Program offers a voucher that pays the difference between the current fair market rent (FMR) and what a tenant can afford to pay (i.e. 30% of household income). The voucher allows a tenant to choose housing that costs above the payment standard, provided that the tenant pays the extra cost. Currently, 1,600 households in Watsonville receive vouchers. Section 8 may now be used to</p>	<p>The City will continue to support the Housing Authority's efforts to provide rental vouchers to needy residents. The City will continue to encourage the Housing Authority or other agencies to list available rentals.</p>	<p>2018-2022: Continued to refer prospective clients as well as landlords to Housing Authority for participation in the program. Continued an Agreement to provide financial support for Program (Landlord Incentive Program) administered by Housing Authority to encourage landlords through risk mitigation to rent to housing choice voucher holders.</p> <p>The City has been effective in providing support to the County of Santa Cruz Housing Authority and will continue to do so in its efforts to provide rental vouchers to residents in need through the next cycle.</p>	Ongoing



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Table A-2: 5th Cycle Housing Element Program Accomplishments

Goals and Programs	Five Year Objective	Program Accomplishments /Effectiveness	Status for 6th Cycle
assist certificate holders to purchase a home as well.			
Program B.4 Relocation Assistance Ordinance: The Relocation Assistance Ordinance requires landlords to pay relocation benefits to tenants who are displaced from dangerous buildings. Specifically, landlords must provide three months of rent plus moving allowance and storage costs for tenants who are displaced from a dangerous building as determined by the Building Official. In conjunction with the Relocation Assistance Program, displaced families can also receive motel vouchers for up to a week and a case worker to help them find and secure replacement housing. The City will advance relocation benefits under the Ordinance if the landlord does not pay in a timely manner.	The City will continue to implement the Relocation Assistance Ordinance to assist tenants who are displaced from dangerous buildings.	<p>In this time period, the City provided temporary shelter referrals to over 50 families living in unsafe and substandard housing in the City.</p> <p>2022: The Relocation Assistance Ordinance provided referrals for temporary shelter for 27 families who were living in unsafe and substandard housing units in the City.</p> <p>2021: The Relocation Assistance Ordinance provided referrals for temporary shelter for 13 families who were living in unsafe and substandard housing units in the City.</p> <p>2020: The Relocation Assistance Ordinance provided referrals for temporary shelter for 17 families who were living in unsafe and substandard housing units in the City.</p> <p>2019: The Relocation Assistance Ordinance provided referrals for temporary shelter for 7 families who were living in unsafe and substandard housing units in the City.</p> <p>2018: The Relocation Assistance Ordinance provided temporary shelter for 2 families who were living in unsafe and substandard housing units in the City.</p> <p>The City has been effective in implementing the Relocation Ordinance to assist displaced tenants living in the City and will continue to do so in the upcoming 6th Cycle.</p>	Ongoing
Program B.5 Child Care Assistance: Watsonville is primarily a community of families. Between 2000 and 2010, there was a noticeable increase in married	The City will continue to support the provision of childcare assistance and facilitate the	2018-2022: The City continues to support the provision of small and large in-home childcare facilities.	Ongoing



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Table A-2: 5 th Cycle Housing Element Program Accomplishments			
Goals and Programs	Five Year Objective	Program Accomplishments /Effectiveness	Status for 6th Cycle
couples with children in the City. To address this trend, the City permits child (day) care homes as an accessory use in all residential zones. As of 2002, State licensing board records report that 30 childcare centers, 100 large family day care homes, and 8 infant care facilities are licensed in Watsonville. Additional smaller day care homes are available options for childcare. The City also supports projects offering child care. The City encouraged development of the Transit Center Project, with 40 units of affordable rental housing and a child care center serving 36 children.	development of new housing with a childcare component.	In the 6 th Cycle, the City will continue to provide support in the provision of childcare assistance and facilitation of new housing developments with a childcare component.	
Program B.6 Application for Grants and Loans: In 2000, the voters of California approved Proposition 46, authorizing the issuance of bonds to support well over \$2 billion in new and continued housing programs. In 2006, voters approved Proposition 1C for 2.8 billion in additional funds for affordable housing and emergency shelters. This will fund affordable housing (both ownership and rental), neighborhood revitalization efforts, special needs housing and supportive services, downtown revitalization, and a variety of other programs that help meet the housing needs of communities across the State. The City had considerable success in	The City will investigate funds available under Proposition 46, 1C and other affordable housing programs, and pursue those that help meet the housing needs of Watsonville residents.	2023: The State announced the County of Santa Cruz will receive a Permanent Local Housing Allocation estimated at \$3,395,713 over five years for homeless services and permanent housing projects within cities, including Watsonville. 2022: The City applied for its Permanent Local Housing Allocation and waiting to hear from HCD, and we continue to monitor HCD and HUD for funding opportunities. 2018-2021: Continued to monitor HCD and HUD for funding opportunities.	Ongoing



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Table A-2: 5 th Cycle Housing Element Program Accomplishments			
Goals and Programs	Five Year Objective	Program Accomplishments /Effectiveness	Status for 6 th Cycle
applying for available grants and loan programs and will continue efforts to investigate potential funding sources.			
Goal 3.0 Provide housing opportunity for Watsonville's share of the regional housing need for all income groups.			
Program C.1 Adequate Sites Program: A key component of the Housing Element is the identification of adequate sites to accommodate the City's share of regional housing needs as determined by AMBAG. The City has identified a variety of vacant and underutilized sites where new housing may be developed, including infill sites, mixed-use opportunities in underutilized commercial areas, and single-family neighborhoods where second units may be added. During the 1990s, the City pursued multiple large annexations to provide opportunities for new single-family housing, but has been constrained by LAFCO, County growth control policies, and an Urban Limit Line since 2002. The Urban Limit Line (ULL) was renewed and extended in 2022 by Measure Q. The ULL restricts the City's ability to approve projects with new single-family ownership housing.	The City will continue to inventory sites to meet its remaining share of regional housing needs as determined by AMBAG.	2018-2022: The City maintains a list of vacant and underutilized parcels and updates it annually. The City has been effective in consistently maintaining an updated list of vacant and underutilized parcels in the City and will continue to do so to meet its share of regional housing needs in the 6 th Cycle.	Ongoing
Program C.5 Affordable Housing Ordinance: Under the Affordable Housing Ordinance, developers are required to set aside a certain portion of units (up to 20%) in projects of seven or more units for	The City will continue to implement the Affordable Housing Ordinance to ensure that the private sector assists in	During this time period, the City has facilitated the development over 200 housing affordable housing units across Watsonville, actively addressing the City's share of housing needs in the region.	Ongoing



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Table A-2: 5 th Cycle Housing Element Program Accomplishments			
Goals and Programs	Five Year Objective	Program Accomplishments /Effectiveness	Status for 6th Cycle
targeted income level groups. Due to the cost of single-family homes, homeownership projects are required to set aside units for median, moderate, and above moderate-income households. The term of affordability is a minimum of 40 years. Developers who exceed the minimum number of affordable units may be eligible for density bonuses under Chapter 14- 47). The Density bonus provisions have been amended to meet new State requirements.	meeting the housing needs of Watsonville.	<p>2022: Building permits have been issued and construction is underway for three housing projects totaling 269 units (Miles Lane Project for 72 affordable units, 1482 Freedom Boulevard project for 53 affordable units, and Hillcrest Estates project for 144 units with 29 affordable units. The City also supported their efforts and collaborated with both non-profit developers to secure funding from TCAC, Joe Serna Farmworker Program and NPLH Program.</p> <p>2021: Approved an application for an affordable housing project with 72 units (Miles Lane Project) and an application for a housing project with 50 units, 20 percent of which (10 units) were affordable units (558 Main Street Project). Received and approved an application for an affordable housing project with 53 units (1482 Freedom Boulevard Project). 150-unit subdivision (Hillcrest Estates Project) was modified, reducing the total units to 144 with 29 affordable units). The City also supported their efforts and collaborated with both non-profit developers to secure funding from TCAC, Joe Serna Farmworker Program and NPLH Program.</p> <p>2020: Received application for a 72 affordable unit subdivision. This project is currently under construction.</p> <p>2019: Received an application for a housing project with 50 units, 20 percent of which (10 units) were affordable units (558 Main Street Project).</p> <p>2018: Approved entitlements for a 150-unit subdivision which will provide 30 affordable units. This project is currently under construction, with changes in the entitlements in 2021. Conducted a nexus/linkage study and moderately raised residential affordable housing in</p>	



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Goals and Programs	Five Year Objective	Program Accomplishments /Effectiveness	Status for 6 th Cycle
		<p>lieu fees and increased commercial linkage fee from \$.40/sf to \$1.50/sf for new construction.</p> <p>The City has been effective in implementing the Affordable Housing Ordinance, facilitating the development of affordable housing through partnerships with private developers. The City will continue to do so in the 6th cycle in order to ensure Watsonville's share of regional housing needs are being met.</p>	
Program C.6 Partnership with Non-Profit Housing Agencies: Non-profit housing developers play an important role in providing affordable housing in Watsonville. The City has granted direct financial assistance, land write-downs, regulatory incentives, and other forms of assistance to a number of developers to provide both ownership and rental housing to lower- and moderate-income households. In recent years, the City has assisted South County Housing, Santa Cruz Community Counseling Center, Mid-Peninsula Housing Coalition, Habitat for Humanity, CHISPA, and others in the provision of affordable housing.	As available, the City will continue to grant financial assistance, land write-downs, regulatory incentives, and/or other forms of assistance to non-profit developers of affordable and special needs housing.	<p>2018-2022: The City worked with a variety of non-profit housing agencies, including the Homeless Action Partnership, Mid Peninsula Housing, Eden Housing, as well as the Housing Authority of Santa Cruz County and the Santa Cruz County housing department.</p> <p>The City has been effective in successfully collaborating with and assisting non-profit housing agencies in the development of housing in Watsonville. The City will continue to be a partner with these agencies in the 6th Cycle.</p>	Ongoing
Program C.7 Mixed Use Development: Within Watsonville, several areas in the community are suitable for a mix of residential and commercial uses. Adding residential development on some of the City's underutilized commercial areas will	The City will continue to promote residential uses in commercial areas. As feasible, the City will provide financial, technical, and/or other assistance to facilitate mixed-	<p>In this time period, the City has promoted residential uses in commercial areas in the form of mixed use development.</p> <p>2022: The City promoted mixed use development along commercial corridors. The City initiated a Downtown</p>	Ongoing



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Table A-2: 5 th Cycle Housing Element Program Accomplishments			
Goals and Programs	Five Year Objective	Program Accomplishments /Effectiveness	Status for 6th Cycle
<p>create activity along the street, provide a variety of housing types near work and shopping, and enhance public safety. Inclusion of residential uses in new mixed-use development will be encouraged through the use of incentives such as reduced parking requirements and shared parking (between commercial and residential uses). Single room occupancy (SROs) hotels may be encouraged in the CT and CN zoning districts and in high-density residential areas; currently, they are permitted in the CCA and CC zones.</p>	<p>use housing in other areas. The City will review the feasibility of permitting SROs in the CT and CN zones. Whenever feasible, the City will encourage the highest allowable residential densities in commercial zones through the Density Bonus and Planned Development District.</p>	<p>Watsonville Specific Plan (DWSP), which could allow for approximately 4,000 new housing units in the Specific Plan area. The intent is for the majority of these units to be mixed use projects. The DWSP was adopted in October 2023.</p> <p>2021: The City promoted mixed use development along commercial corridors. The City worked with the developer of an approved mixed use development in the Downtown corridor which includes 50 rental units, ten of which will be affordable to Watsonville residents pursuant to the City Affordable Housing Ordinance Chapter 14-46. Project received entitlements in 2021. Building permits are almost ready to issue. Affordable Housing Agreement approved by City Council on November 14, 2023.</p> <p>2018-2020: The City promoted mixed use development along commercial corridors; however, developers expressed concern that mixed use developments are difficult to make successful unless located in high density commercial corridors. City did extensive research and outreach as part of DWSP including interviews with developers, property owners, and realtors, community workshops, stakeholder interviews, to understand developer concerns and foster a development-friendly plan. The DWSP was adopted in October 2023 and includes higher density, objective development standards, adaptive reuse options, and other components to help encourage and streamline development. Currently the 2050 General Plan update process is under way and the City is conducting the same type of outreach activities related to commercial corridors in other areas of the city.</p>	



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Goals and Programs	Five Year Objective	Program Accomplishments /Effectiveness	Status for 6 th Cycle
		<p>The City has effectively promoted the development of residential uses in commercial areas through mixed use development and the adoption of the DWSP. The City will continue to promote these development types and the DWSP in the 6th Cycle.</p>	
Program C.8 Transitional Housing and Emergency Shelters: The City is actively involved in addressing homelessness. As an active participant in the Santa Cruz County Continuum of Care Coordinating Group, the City passed a resolution (No. 387-91) supporting a coordinated Countywide effort to assist the homeless and prepare a five-year strategic plan. Locally, the City conditionally permits transitional housing in the RM-2, RM-3, CC, and CN districts. The City supports the Pajaro Valley Shelter Services and Salvation Army Loma Prieta Transitional Housing Complex. In order to facilitate this housing, the City has allowed a significant reduction in parking requirements and no minimum lot area requirement (unlike other residential uses). Additionally, the City is dedicated to removing constraints to transitional housing by allowing for such facilities in the High Density Residential Zone (RM-3) through a text amendment to the Zoning Ordinance. This endeavor will increase access to transitional and supportive housing within the City.	<p>The City will continue to support the development of new and expansion of existing transitional housing facilities. The City will continue to participate and provide financial assistance to the Continuum of Care Coordinating Group in developing and implementing the five-year plan. In 2003, the City approved changes to the Zoning Ordinance to allow emergency shelters and transitional housing in the PF Zoning district via an Administrative Use Permit. The City will pursue additional amendments to the zoning ordinance within two years of adoption by the City Council to establish transitional housing and emergency housing as principally permitted uses in Public Facilities and RM-3 zoning districts without requiring any type of conditional use permit.</p>	<p>2018-2022: The City Council adopted an Emergency Shelter Ordinance on August 28, 2018. The Ordinance, WMC Chapter 14-43 was certified by the state in Fall, 2018 and determined to be compliant. The City continues support the development of new and existing transitional housing. The City also continues to participate in the Continuum of Care Coordinating Group.</p> <p>The City has effectively supported the development of new and expansion of existing transitional housing facilities in the City. With the adoption of the Emergency Shelter Ordinance in 2018. The City will continue to support the Ordinance and assist the Continuum of Care group in the next cycle.</p>	Completed – The City gained certification by the State for their Emergency Shelter Ordinance, thus completing this program.



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Table A-2: 5 th Cycle Housing Element Program Accomplishments			
Goals and Programs	Five Year Objective	Program Accomplishments /Effectiveness	Status for 6th Cycle
	Additionally, the City will initiate a zoning Ordinance amendment, pursuant to SB2, to allow transitional and supportive housing as principally permitted residential uses only subject to those restrictions that apply to other residential uses of the same type in the same zone without undue special regulatory requirements.		
Goal 4.0 Where appropriate, mitigate unnecessary governmental constraints to the maintenance, improvement, and development of housing			
Program D.1 Density Bonus Ordinance: In 2006, the City Council adopted a new Chapter 14-47 of the Zoning Code regarding Density Bonuses, as mandated by State law. Under the Density Bonus Ordinance, developers who reserve a certain percentage (above the minimum required by the Affordable Housing Ordinance) of units as affordable to qualified very-low, low-, and moderate-income households may be eligible for up to a 35% density bonus, regulatory incentives, and reduced parking requirements. Regulatory concessions include modifications of development standards or zoning requirements that result in identifiable cost reductions (e.g., setbacks, lot size). Upon request, parking	The City will continue to offer density bonuses, incentives, and/or regulatory concessions to facilitate the development of additional affordable housing, particularly in areas with underutilized sites that benefit from deviations in development standards. The City will further publicize the density bonus ordinance via flyers and the City website and make reference to it as development inquiries are received by the community Development Department.	2021-2022: Three applications for density bonus have been approved by the City (one for the Miles Lane Affordable Housing Project for a total of 72 new affordable units, one for the 558 Main Street Housing Project for a total of 50 units, 10 of which are affordable, and one for 1482 Freedom Boulevard Housing Project for 53 affordable units). 2018-2020: No applications for density bonuses were processed in 2018, 2019, or 2020. The City has effectively promoted density bonus incentives through several application approvals to support the development of additional affordable housing and will continue to do so in the next cycle.	Ongoing



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Table A-2: 5 th Cycle Housing Element Program Accomplishments			
Goals and Programs	Five Year Objective	Program Accomplishments /Effectiveness	Status for 6 th Cycle
requirements may be adjusted to the State minimum outlined in AB 1866.			
Program D.2 Planned Development District (PD): A PD designation allows the regulations of the underlying zoning district to be superseded, modified, or amended. In order to create a superior housing product, the City frequently uses the PD designation to permit higher densities through smaller lots, narrower streets, and other deviations from conventional zoning regulations. Using the PD designation, the City has facilitated greater housing affordability by approving small-lot single-family homes and rental projects.	The City will continue to use the PD designation to provide flexibility in developments and facilitate creative housing options as well as explore amendments to the Zoning and Subdivision Ordinances to encourage lot consolidation in districts with substandard lots, fee and development waivers for projects meeting redevelopment criteria and other incentives for developers and property owners in such districts.	2019-2022: The City promotes the utilization of the PD overlay zoning designation to facilitate more creative development projects. 2018: The City promotes the utilization of the PD overlay zoning designation to facilitate more creative development projects. In 2018, 1 project consisting of 150 housing units was approved.	Ongoing
Program D.3 Design Review Process: In April 2001, the City adopted Livable Community Residential Design Guidelines. These Guidelines supplement quantitative standards in the Zoning Code with neighborhood and architectural design principles. These Guidelines help in part to clarify the City and community's expectations in the quality and style of projects and ensure that developments are also consistent with General Plan policies. All projects with two or more units are required to comply with the City's Design	The City will continue to use the Residential Design Guidelines in concert with the City's General Plan, Zoning and Subdivision Ordinance and other area plans. The City will continue to ensure that projects comply with the City's design review process and the Design Guidelines.	2021-2022: The City processed 3 design review permits in 2021 for multi-family development projects. 2020: The City processed 2 design review permits in 2020 for multi-family development projects. 2019: The City processed 3 design review permits in 2019 for multi-family development projects. 2018: The City processed 2 design review permits in 2018 for multi-family development projects. The City has effectively used the Residential Design Guidelines to ensure project compliance with the City's design review process and will continue to do so in 6 th Cycle.	Ongoing



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Table A-2: 5 th Cycle Housing Element Program Accomplishments			
Goals and Programs	Five Year Objective	Program Accomplishments /Effectiveness	Status for 6th Cycle
Review process and the Residential Design Guidelines.			
Program D.4 Accessory Dwelling Unit Development: Accessory Dwelling Units provide an important housing opportunity for seniors, college students, and other special needs groups. Given the dwindling supply of developable land in Watsonville, integrating accessory dwelling units in existing residential neighborhoods present an opportunity for the City to accommodate needed rental housing. In 2003, the City Council adopted Chapter 14-23 of the Zoning Code, regulating Accessory Dwelling Units, in compliance with new State law, which required all jurisdictions to permit such uses by right in residential zones. Since adoption of the Ordinance, 115 accessory units have been constructed in the City.	The City will continue to use the Accessory Dwelling Unit Ordinance to provide in-fill residential housing throughout the City. The City will establish additional approaches to encourage second unit development including revision of the existing ordinance to create greater incentives such as smaller lot size requirements, advertising second-unit development opportunities where possible, and establishing pre-approved design prototypes to encourage and stimulate the development of second units.	<p>In this period, the City used the Accessory Dwelling Unit Ordinance to promote the development of in-fill residential housing across the City, as seen in the consistent increase in permit applications and permits issued through the years.</p> <p>2022: The City received 47 permit applications for accessory dwelling units and issued 30 permits by the end of the reporting period. In addition, and in light of new state regulations regarding accessory dwelling units, the City revised its ADU ordinance to comply with state law.</p> <p>2021: The City received 38 permit applications for accessory dwelling units and issued 30 permits by the end of the reporting period and expect to issue the remaining permits in the next reporting period.</p> <p>2020: The City received and issued 36 permit applications for accessory dwelling units. In light of new state regulations regarding accessory dwelling units, the City revised its ADU ordinance to comply with state law.</p> <p>2019: The City received and issued 12 permit applications for accessory dwelling units.</p> <p>2018: The City received and issued 4 permit applications for accessory dwelling units.</p> <p>The City has effectively used the Accessory Dwelling Units to promote more in-fill residential housing in the City, and will continue to do so in the upcoming cycle.</p>	Ongoing



2023-2031 HOUSING ELEMENT

Table A-2: 5th Cycle Housing Element Program Accomplishments

Goals and Programs	Five Year Objective	Program Accomplishments /Effectiveness	Status for 6th Cycle
Program D.7 Zoning Ordinance Update: The City will amend Title 14 (Zoning) of the Watsonville Municipal Code to address changes in housing priorities. This comprehensive update will include greater density on residential lots, mixed use provisions along transit corridors and throughout the downtown, and greater flexibility in order to address changes in state legislation.	The City will complete a comprehensive Zoning ordinance and map update pending resolution of General Plan litigation. This update will also include consideration of the removal of constraints to developing affordable housing at the RM-3 density for apartment units 16 or greater to require a simple administrative review and design review permits.	2018-2022: The City continually monitors the relevance of the Zoning code and makes changes as necessary. Additionally, the Downtown Watsonville Specific Plan, which was adopted in October 2023, replaced the zoning in the downtown area and allows for greater density for residential and mixed-use development along transit corridors and throughout the downtown. A comprehensive zoning code update will follow adoption of the 2050 General Plan Update, currently slated for 2025. The City has proven effective in promoting affordable housing in the City through the adoption of the DWSP, which will allow for greater residential and mixed-use development densities. The city will continue to do so in the 6 th cycle through a comprehensive zoning code update, following the adoption of the 2050 General Plan.	Ongoing
Goal 5.0 Ensure fair and equal housing opportunity for all persons regardless of race, religion, sex, marital status, family type, ancestry, national origin, color, or other protected status.			
Program E.1 Fair Housing Program: The City supports fair housing and refers all alleged cases of discrimination to the State Office of Fair Employment and Housing and the California Rural Legal Assistance (CRLA). The City also prepares an Analysis of Impediments to Fair Housing. The City supports equal opportunity lending programs and nondiscriminatory practices in selection of residents for participation in the City's housing assistance programs. The City also sponsors an Annual Housing Fair in which CRLA hosts one of the	The City will continue to support the State Office of Fair Employment and Housing, CRLA, and equal opportunity lending programs. The City will support efforts by the Housing Authority or other agencies to list units accessible to disabled persons.	2018-2022: City staff participated on various housing and service provider boards and were actively involved in collaborations with local jurisdictions and non-profit service providers to improve awareness and expansion of available resources as indicated in other sections. Fair housing information was displayed in City Hall and on all housing applications and contracts. Handouts were maintained and provided in English and Spanish. Began discussion on potential collaboration with Housing Authority on a regional assessment of fair housing. The City has been effective in its participation with various housing agencies in the effort to provide equal	Ongoing



2023-2031 HOUSING ELEMENT

Table A-2: 5th Cycle Housing Element Program Accomplishments

Goals and Programs	Five Year Objective	Program Accomplishments /Effectiveness	Status for 6th Cycle
workshops on Landlord and Tenant Rights. The City also distributes the Consumer Affairs "Tenant Rights and Responsibilities" booklet, and Fannie-Mae's "Your Credit Rights" booklet at the Annual Housing Fair and the City's Permit Center.		opportunity lending programs and accessibility to housing units for special need populations. The City will continue to support these efforts in the 6 th cycle.	
Program E.2 Housing for Disabled Persons: Consistent with Senate Bill 520 enacted January 1, 2002, the City analyzed potential constraints to the development, maintenance, and improvement of housing intended for persons with disabilities. The City will outreach to nonprofit housing partners and the City website as the City moves through the process of increasing housing opportunities for this needs group. The analysis included an evaluation of existing land use controls, permit and processing procedures, and building codes. The City's Zoning Ordinance was amended to eliminate the definition of a family as well as the limitations on the number of occupants in a house. Moreover, public meetings on the Housing Element revealed a need for a centralized database in the County to assist disabled persons in finding accessible housing in Watsonville. These actions would improve housing opportunities for persons with disabilities in Watsonville.	The City will support the County's (or other agency) efforts to create a centralized database of affordable rental housing accessible to disabled persons. Further the City will modify Chapter 14-40 (Exceptions and Modifications) of the Watsonville Municipal Code as necessary to allow for modifications to the Zoning regulations for people with disabilities within 18 months of certification by the State.	2018-2022: The City continued to work with the County of Santa Cruz to promote the provision of accessible housing units.	Ongoing



2023-2031 HOUSING ELEMENT

Table A-2: 5th Cycle Housing Element Program Accomplishments

Goals and Programs	Five Year Objective	Program Accomplishments /Effectiveness	Status for 6th Cycle
<p>Program E.3 Special Needs Housing: The City will make other changes to better facilitate the development of housing for persons with special needs. This includes amending the Zoning Ordinance to include a definition of residential care facilities, emergency shelters, transitional housing facilities, and other types of special needs housing. Moreover, the regulations for permitting residential care facilities serving six or fewer persons, emergency shelters, transitional housing, farm worker housing, and other special needs housing are also unclear. Finally, certain zoning and development regulations can impede the construction of residential care facilities, emergency shelters, transitional housing, farm worker housing, and other types of special needs housing. Therefore, the Zoning Ordinance and other local regulations should be analyzed to determine whether such constraints exist. The City has committed to analyze potential constraints and, if found, develop programs to mitigate or remove such constraints.</p>	<p>Consistent with Senate Bill 520 enacted January 1, 2002. The City analyzed potential constraints to the development, maintenance, and improvement of housing intended for persons with disabilities. The analysis included an evaluation of existing land use controls, permit and processing procedures, and building codes. During this process, the City found that several constraints will be mitigated over the planning period of the 2015-2023 Housing Element Cycle. In 2004, the City amended the Public Facilities District to allow transitional housing as an Administrative Use.</p>	<p>2018-2022: City staff participated on various housing and service provider boards and were actively involved in collaborations with local jurisdictions and non-profit service providers to improve awareness and expansion of available resources as indicated in other sections. Fair housing information was displayed in City Hall and on all housing applications and contracts. Handouts were maintained and provided in English and Spanish. Began discussion on potential collaboration with Housing Authority on a regional assessment of fair housing. The City continued to work with the County of Santa Cruz to promote the provision of accessible housing units.</p> <p>2018: The City amended the Zoning Ordinance to include a definition of residential care facilities, emergency shelters, transitional housing facilities, and other types of special needs housing. The City analyzed and developed programs to mitigate or remove such constraints.</p> <p>The City has proven to be effective in removing constraints to housing for special needs populations. The City will continue to mitigate and remove identified housing constraints for special need persons in the upcoming cycle.</p>	<p>Ongoing</p>

Appendix B

HOUSING NEEDS ASSESSMENT

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2023-2031 HOUSING ELEMENT

Housing Needs Assessment

This section provides an overview of the City's housing and population conditions. The community profile analyzes characteristics of the City's population, households, economy, and housing stock, and presents each of these components in a regional context to create a comprehensive evaluation of Watsonville's housing needs. The City of Watsonville strives to achieve a balanced housing stock that meets the varied needs of all income segments of the community. The nature of the existing housing stock and the housing market are comprehensively evaluated to understand the City's housing needs. This assessment serves as the basis for identifying the appropriate goals, policies, and programs for the City to implement during the 2023-2031 Housing Element Cycle.

The Housing Needs Assessment uses the most current data available from the Association of Monterey Bay Area Governments (AMBAG), U.S. Census, American Community Survey (ACS), the California Department of Finance (DOF), the California Employment Development Department (EDD), and other real estate market data resources.

A. Population Characteristics

Understanding the characteristics of a population is critical to plan for the needs of a community. Population growth, age composition, race and ethnicity, and employment trends influence the type and extent of housing needs and the ability of the local population to afford housing costs. The following section describes and analyzes the various population characteristics and trends that affect housing need.

1. Population Growth

Table B-1 below displays the forecasted population growth for Watsonville in comparison to Santa Cruz County and neighboring jurisdictions. According to the U.S. Census and AMBAG Projections, the Watsonville population is forecast to increase 5.3 percent through 2040. From 2015 to 2021, the City experienced minimal growth in population by 0.8 percent. This is a similar trend for the County of Santa Cruz where the population increased 1.1 percent from 2015 to 2021 but is forecasted to grow 7.7 percent by 2040.

Table B-1: Population Growth (2015-2040)

Jurisdiction	Population						Percent Change	
	2015 Actual	2021 Actual	2025 Projected	2030 Projected	2035 Projected	2040 Projected	2015- 2021	2021- 2040
Salinas	155,366	163,004	166,226	170,459	173,393	175,358	4.9%	7.6%
Hollister	36,529	41,077	42,604	43,327	44,421	45,345	12.5%	10.4%
Watsonville	52,543	52,966	52,918	54,270	55,138	55,786	0.8%	5.3%
City of Santa Cruz	62,752	62,714	68,845	72,218	75,257	78,828	-0.1%	25.7%
Santa Cruz County	269,278	272,138	278,641	284,146	288,523	293,156	1.1%	7.7%

Source: 2022 Regional Growth Forecast AMBAG, Table 1-2; ACS Census Data Table S0101, 2015 and 2021.



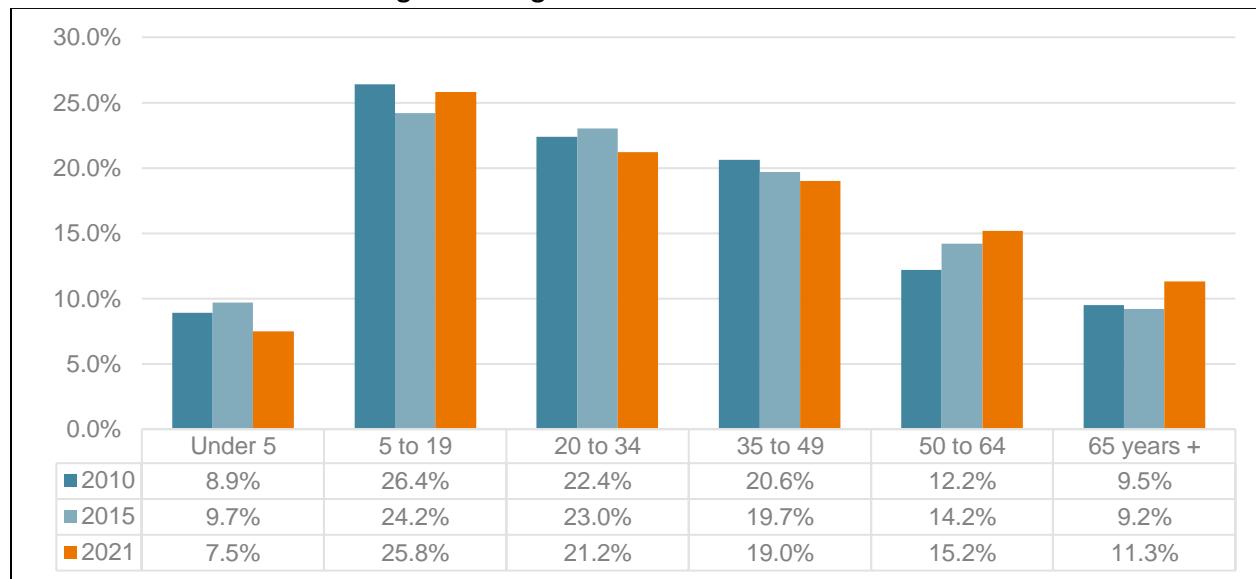
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2. Age Characteristics

Housing choices may differ based on the age of residents. Young adults (18 to 30 years old) and seniors (65 years or older) may favor apartments, low- to moderate-cost condominiums, and smaller or more affordable single-family residences as they generally have limited incomes or smaller families. A variety of housing options is needed to accommodate all stages of life to produce a well-balanced and healthy community.

Figure B-1 below displays ACS data for age distribution in Watsonville. The population of 5- to 19-year-olds makes up the largest age group at 25.8 percent, followed by 65-years and over (11.3 percent). The adult population 50 years and older continued to experience growth since 2010. This indicates an aging population in the City of Watsonville. The senior population aged 50 to 64 years experienced the largest increase of all age groups between 2010 and 2021 – indicating a potential increased need for senior-related housing and services.

Figure B-1: Age Distribution in Watsonville



Source: American Community Survey, Table S0101, 5-Year Estimates, 2010, 2015, and 2021

Table B-2 below shows the age distribution of Watsonville residents in comparison to the surrounding communities in 2021. Watsonville's age distribution aligns closely with nearby jurisdictions. Children aged 5 to 19 make up 25.8 percent of the total population in both Salinas and Watsonville. Compared to Santa Cruz County as a whole, Watsonville's 65 years and older population makes up less than the City of Santa Cruz, and Santa Cruz County. However, Watsonville generally has a younger population (aged 34 and under) compared to Santa Cruz County.



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Table B-2: Age Characteristics/Age Distribution						
Jurisdiction	Under 5	5 to 19	20 to 34	35 to 49	50 to 64	65 years +
Salinas	8.1%	25.8%	21.9%	20.1%	14.6%	9.4%
Hollister	7.1%	24.6%	21.0%	20.8%	16.6%	9.8%
Watsonville	7.5%	25.8%	21.2%	19.0%	15.2%	11.3%
City of Santa Cruz	3.1%	21.2%	32.5%	15.9%	15.0%	12.4%
Santa Cruz County	4.9%	19.6%	22.2%	18.0%	19.8%	17.1%

Source: American Community Survey, Table S0101, 5-Year Estimates, 2021.

3. Race/Ethnicity Characteristics

The racial and ethnic composition of a community is an important component to analyze as different racial and ethnic groups may have varying household characteristics, income levels, and cultural backgrounds that may affect their housing needs, housing choice, and housing type. Cultural influences may reflect preference for a specific type of housing or other characteristics, such as location and mobility.

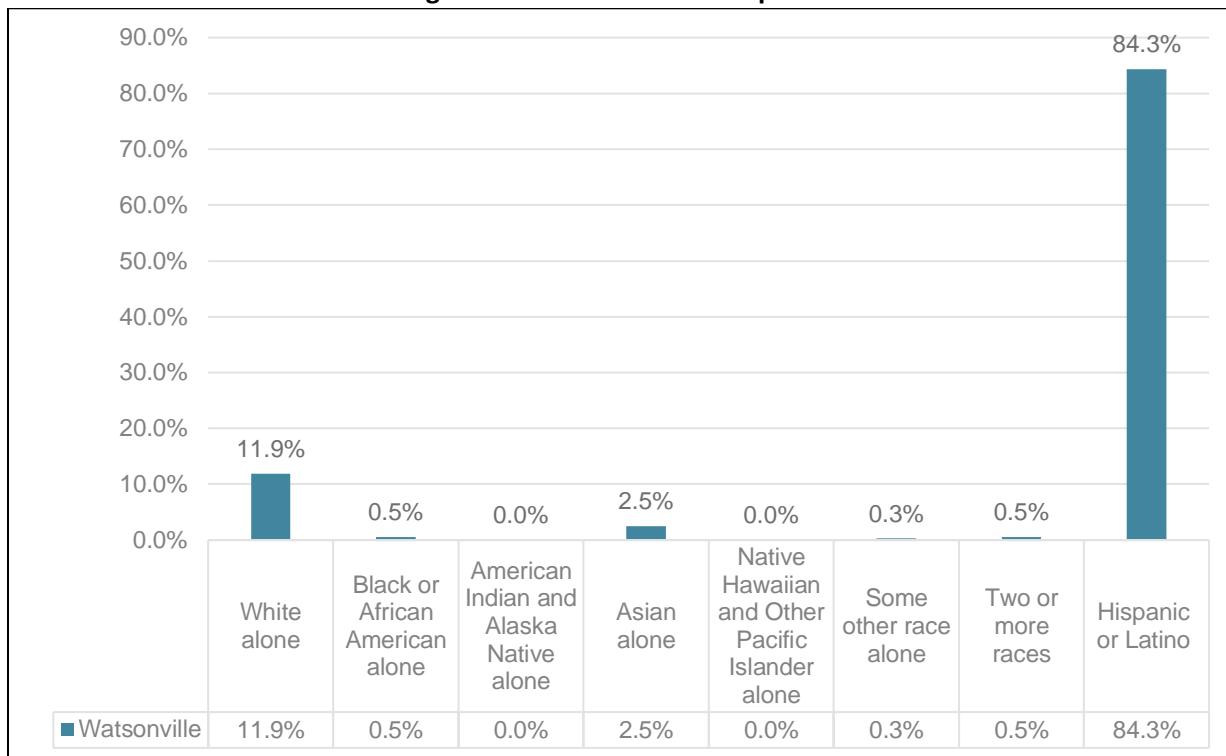
It is important to note that while race and ethnicity are used to identify different sections of a community's population, they are not the same and are not mutually exclusive. The data identified below shows the racial and ethnic composition of Watsonville and nearby jurisdictions using ACS, which allows Census respondents to identify one's race and ethnicity. Therefore, overlap may occur.

As shown in **Figure B-2**, persons who identified as Hispanic or Latino made up the largest ethnic group in Watsonville (84.3 percent); larger than that of the County (34.0 percent). Those who identified as White, not Hispanic or Latino, made up the largest racial group at a much smaller rate of 11.9 percent. Persons who identify as Black or African American, American Indian and Alaska Native, Native Hawaiian/Other Pacific Islander, and some other race alone collectively make up a total of 1 percent of the City's population.



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Figure B-2: Racial Ethnic Composition



Source: American Community Survey, Table B03002, 5-Year Estimates, 2021

The Hispanic or Latino population makes up the largest racial/ethnic composition in the City of Watsonville (84.3 percent) as shown in **Table B-3** below. Those who identify as White make up the second largest racial/ethnic composition (11.9 percent). Compared to surrounding jurisdictions, Watsonville has the highest overall percentage of Hispanic or Latino and lowest overall percentage of White racial/ethnic composition.

Table B-3: Racial/Ethnic Composition

Jurisdiction	White*	Black*	American Indian/ Alaska Native*	Asian*	Native Hawaiian / Other Pacific Islander*	Some Other Race*	Two or More Races*	Hispanic or Latino
Salinas	12.2%	1.1%	0.1%	5.4%	0.0%	0.1%	1.3%	79.8%
Hollister	22.8%	0.7%	0.3%	2.3%	0.2%	0.1%	1.9%	71.6%
Watsonville	11.9%	0.5%	0.0%	2.5%	0.0%	0.3%	0.5%	84.3%
City of Santa Cruz	60.8%	1.8%	0.1%	10.6%	0.1%	0.5%	5.1%	21.1%
Santa Cruz County	56.1%	0.8%	0.1%	4.7%	0.1%	0.4%	3.6%	34.0%

Source: American Community Survey, Table DP05, 2021

*: Not including Hispanic or Latino



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Table B-4 shows moderate changes in racial and ethnic demographics between 2011 and 2021 in the City of Watsonville. Those that identify as White, not Hispanic or Latino, experienced the largest decrease within the decade from 14.7 percent to 11.9 percent. Similarly, the American Indian and Alaska Native, Asian, and two or more races experienced a decrease from 2011 to 2021. In contrast, those that identified as Hispanic or Latino origin increased from 80.1 percent to 84.3 percent. Black or African American and Native Hawaiian/Other Pacific Islander experienced increases by 0.4 percent and 0.1 percent, respectively.

Table B-4: Racial/Ethnic Composition of Watsonville (2011-2021)

Race/Ethnicity	2011	2016	2021	Change 2011 to 2021
White	14.7%	14.1%	11.9%	-2.8%
Black or African American	0.1%	0.3%	0.5%	0.4%
American Indian and Alaska Native	0.3%	0.1%	0.0%	-0.3%
Asian	3.4%	2.8%	2.5%	-0.9%
Native Hawaiian/Other Pacific Islander	0.0%	0.2%	0.0%	0.0%
Some other Race	0.2%	0.0%	0.3%	0.1%
Two or more races	1.1%	0.7%	0.5%	-0.6%
Hispanic or Latino Origin	80.1%	81.8%	84.3%	4.2%

Source: American Community Survey, Table B03002, 5-Year Estimates, 2011, 2016, and 2021.



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B. Economic Characteristics

In addition to demographics, economic characteristics may also indicate different housing needs. Employment and income trends may indicate a need for more affordable units and assistance programs. The data in this section provides valuable insight into Watsonville community's ability to access the housing market and to afford housing. Specifically, incomes associated with different employment sectors and the number of workers in a household may affect housing affordability need and choice. Local employment growth is also linked to local housing demand, and vice versa. Therefore, to consider a healthy balance between jobs and housing, it is important to consider the employment characteristics of a community.

1. Employment and Wage Scale

Employment and income directly affect housing needs as they provide the ability to purchase and rent housing, as well as influence the types of housing residents can afford. Job growth refers to the number of residents in a jurisdiction that are employed. **Table B-5** below outlines the total job growth forecast from 2015 to 2045. By 2045, the City is forecasted to experience a 14.8 percent job growth (approximately 3,900 new jobs). Compared to the nearby jurisdictions, Watsonville is projected to have the smallest growth in total jobs. This may be due to residents possibly commuting to nearby jurisdictions for work, and lasting effects from the COVID-19 pandemic.

Table B-5: Total Job Growth (2015-2045)					
Jurisdiction	2015	2025	2035	2045	% Change 2015-2045
Salinas	73,009	79,577	82,505	85,683	17.4%
Hollister	14,428	15,728	16,655	17,613	22.1%
Watsonville	26,403	28,765	29,505	30,303	14.8%
City of Santa Cruz	40,840	44,317	46,863	49,636	21.5%
Santa Cruz County	130,436	141,391	147,125	153,261	17.5%

Source: Association of Monterey Bay Area Governments, 2022 Regional Growth Forecast

As of 2021, the largest sectors of employed people in Watsonville, as shown in **Table B-6** below, were the education services, health care, and social assistance sector and the agriculture, forestry, fishing and hunting, and mining sector. Those industry sectors contained 19.3 percent and 15.7 percent, respectively, of the City's employed population. A large number of persons were also employed in the retail and manufacturing trades. From 2016 to 2021, arts, entertainments, recreation, and food service had the largest decrease of employment in the City by 33.7 percent. In total, Watsonville's employment is shown to have increased by 0.6 percent from 2016 to 2021 accounting for all industry sectors.



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Industry Sector	Table B-6: Employment by Sector (2010-2021)				
	2016		2021		% Change 2016-2021
	People Employed	City Employment Percent	People Employed	City Employment Percent	
Agriculture, forestry, fishing and hunting, and mining	4,647	20.2%	3,624	15.7%	-29.0%
Construction	1,591	6.9%	1,211	5.2%	-32.2%
Manufacturing	2,309	10.1%	2,011	8.7%	-15.5%
Wholesale trade	919	4.0%	1,027	4.4%	10.0%
Retail trade	2,587	11.3%	2,639	11.4%	1.4%
Transportation and warehousing, and utilities	662	2.9%	1,579	6.8%	57.8%
Information	131	0.6%	295	1.3%	55.3%
Finance and insurance, real estate, and rental leasing	707	3.1%	684	3.0%	-4.0%
Professional, scientific, management, and administrative and waste management services	1,793	7.8%	1,915	8.3%	5.8%
Education services, health care, and social assistance	3,969	17.3%	4,457	19.3%	10.4%
Arts, entertainment, recreation, accommodation, and food services	2,158	9.4%	1,624	7.0%	-33.7%
Other services (except public administration)	827	3.6%	1,139	4.9%	27.0%
Public Administration	654	2.8%	888	3.8%	25.9%
Total	22,954	--	23,093	--	0.6%

Source: American Community Survey, S2404, 5- Year Estimates, 2016 and 2021

Economists estimate a natural unemployment rate of 3.5 percent to 4.5 percent as it reflects the real voluntary economic forces within a city or county¹. Table B-7 below shows the City of Watsonville had an unemployment rate of 8.7 percent in 2016 and 8.1 percent in 2021. While the rate of unemployment went down by 0.6 percent from 2016 to 2021, the rate is still high. It is important to note that in 2016 the country was still recovering from the 2008 financial crisis and in 2021, the country was in the midst of the COVID-19 pandemic, which were both events that caused higher than normal unemployment rates.

Considering these factors, Watsonville still experienced slightly higher unemployment rates compared to neighboring jurisdictions, and significantly higher rates than the county average.

¹ Natural Rate of Unemployment, Its Components, and Recent Trends, Kimberly Amadeo, ed. Eric Estevez, August 30, 2020.



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Table B-7: Unemployment Rate

Jurisdiction	Unemployment Rate*		Change from 2016 to 2021
	2016	2021	
Salinas	7.3%	5.3%	-2.0%
Hollister	10.5%	8.0%	-2.5%
Watsonville	8.7%	8.1%	-0.6%
City of Santa Cruz	8.5%	7%	-1.5%
Santa Cruz County	7.3%	6.4%	-0.9%

**Population 16 years and over*
Source: American Community Survey, Table DP03, 5-Year Estimates, 2016 and 2021.

For those employed, income level can be an indicator to identify housing types that may need to be provided within the City. According to the AMBAG Final Regional Housing Needs Allocation (RHNA), housing needs are broken down into four income categories:

- Very Low-Income (50 percent or less of median family income)
- Low Income (51 to 80 percent of median family income)
- Moderate Income (81 to 120 percent of median family income)
- Above Moderate-Income (Above 120 percent of median family income)

According to the 2023 State Income Limits, the County of Santa Cruz's median income for a household of four is \$132,800. Occupations that fall under \$66,400 would be considered in the very low-income category. As **Table B-8** shows, the majority of the occupational salaries in Santa Cruz County fall below 50 percent of the Area Median Income (AMI). Based on these salaries, housing stock in the City would need to be affordable to accommodate lower-income households.



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Table B-8: Median Salary by Occupation in Santa Cruz County	
Occupation	Salary
Management	\$96,222
Legal	\$87,551
Healthcare Practitioners and Technical	\$86,641
Architecture and Engineering	\$79,419
Computer and Mathematical	\$70,746
Life, Physical and Social Sciences	\$70,708
Business and Financial Operations	\$66,811
Construction and Extraction	\$56,649
Installation, Maintenance and Repair	\$54,640
Education, Training and Library	\$52,376
Community and Social Service	\$50,166
Arts, Design, Entertainment, Sports and Media	\$48,070
Protective Services	\$47,973
Office and Administration Support	\$45,645
Production	\$43,993
Building, Grounds Cleaning, and Maintenance	\$40,481
Transportation and Material Moving	\$40,014
Sales	\$31,611
Farming, Fishing and Forestry	\$30,567
Personal Care and Service	\$30,270
Healthcare Support	\$29,735
Food Preparation and Serving Related	\$28,513

Source: American Community Survey, 5-Year Estimates, 2021

C. Housing Characteristics

Households include all individuals that occupy a single housing unit in a shared state whether they are single occupants, families, or unrelated people sharing a housing unit. Household characteristics provide insight on growth and determining a community's housing needs. Income and affordability are best measured at the household level, as well as the special needs of certain groups, such as large families, single-parent households, or lower-income households.

1. Household Type

Table B-9 shows different household characteristics in the City. Watsonville contains 14,587 total households. This represents approximately 15.1 percent of all Santa Cruz County households. Approximately 22.1 percent of total households in Watsonville are non-family households. This may include unrelated persons living together or persons living alone. Non-family households tend to occupy multi-family units or seek out more affordable housing options. In contrast, married-couple family households make up 52.2 percent of total households. Married-couple families tend to seek occupancy in a single-family residence with multiple bedrooms.



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Table B-9: Household Characteristics							
Jurisdiction	Married-Couple Family HH	Total HH Percent	Female HH, No Spouse Present	Total HH Percent	Non-Family HH	Total HH Percent	Total HH
Salinas	22,444	52.2%	7,638	17.8%	8,967	20.9%	42,984
Hollister	6,693	57.0%	1,795	15.3%	2,203	18.8%	11,736
Watsonville	7,615	52.2%	2,753	18.9%	3,231	22.1%	14,587
City of Santa Cruz	8,179	37.1%	1460	6.6%	11,658	52.8%	22,067
Santa Cruz County	47,067	48.8%	9,852	10.2%	35,289	36.6%	96,476

Note: HH = Households
Source: American Community Survey, Table B11001, 5-Year Estimates, 2021.

Table B-10 illustrates the changes in household types from 2011 through 2021. Watsonville experienced a growth of approximately 1,998 new households from 2011 to 2021. During this time, married-couple family households decreased by 3.3 percent from 2011 to 2021. Female households with no spouse and non-family households increased by 1.6 percent and 1.5 percent, respectively.

Table B-10: Changes in Household Types						
Household Types	2011	Percent	2016	Percent	2021	Percent
Married-Couple Family Households	7,714	51.50%	7,416	48.10%	7,615	48.20%
Female Households, No Spouse	2,367	15.80%	2,499	16.20%	2,753	17.40%
Male Households, No Spouse	946	6.30%	1,240	8%	988	6.30%
Non-Family Households	2,773	18.50%	2,898	18.80%	3,231	20.50%
Householder Age 65 or Above	1,173	7.80%	1,363	8.80%	1,211	7.70%
Total Households	13,800	-	15,416	-	15,798	-

Source: American Community Survey, Table S1101, 5-Year Estimates, 2011, 2016, 2021.

2. Household Size

Understanding household size helps identify the basic unit of demand for housing as it identifies the type and size of housing needed by the community. It is also an indicator of population growth and household character. The measure of person per household provides an indicator of the number of persons residing in a housing unit. Average household size can be both a result and indicator of housing affordability and other household economic conditions and is important in understanding housing need by size and type of housing.

Table B-11 illustrates the household size for the City and nearby communities. Watsonville has approximately 3.6 persons per household making it one of the larger household sizes compared to nearby cities. Larger households may require additional bedrooms and may result in overcrowding.



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Table B-11: Average Household Size	
Jurisdiction	Average Persons per Household
Salinas	3.8
Hollister	3.5
Watsonville	3.6
City of Santa Cruz	2.4
Santa Cruz County	2.7

Source: American Community Service, S1101, 5-Year Estimates 2021

3. Household Income

Household income is connected to affordability. As household income increases, households are more likely to afford market-rate units, larger units, and/or pursue ownership opportunities. On the contrary, as household income decreases, households tend to pay a disproportionate amount of their income for housing. This could lead to increased incidences of overcrowding and substandard living conditions.

HCD has identified the following income categories based on the AMI of Santa Cruz County:

- **Extremely Low-Income:** Households earning up to 30 percent of the AMI
- **Very Low-Income:** Households earning between 31 and 50 percent of AMI
- **Low-Income:** Households earning between 51 percent and 80 percent of the AMI
- **Moderate-Income:** Households earning between 81 percent and 120 percent of the AMI
- **Above Moderate-Income:** Households earning over 120 percent of the AMI

Together, the extremely low-, very low-, and low-income categories are referred to as lower income². Comprehensive Housing Affordability Strategy (CHAS) estimates based on 2016-2020 ACS 5-year average data are used below. The CHAS, developed by the Census Bureau for the U.S. Department of Housing and Urban Development (HUD), provides detailed information on housing needs by income level for different types of households in Watsonville. The most recent available CHAS data for Watsonville was published in May 2022.

Watsonville's household income characteristics directly inform the housing types that would be most beneficial to the City's population. Income characteristics assist in determining what degree of affordable housing is required to meet the needs of a population. Further, above average income levels allow for the occupancy of larger housing units. The majority of the city's households exist within lower income level range as summarized in **Table B-12** below. Households with an extremely low income make up 28.1 percent of the City's households whereas very low-income households make up 19.7 percent of the City's households. In general, it is difficult for lower income households to afford and attain home ownership. This trend is reflected in Watsonville as renter households experience lower incomes than owner

² Federal housing and community development programs typically assist households with incomes up to 80 percent of the AMI and use different terminology. For example, the Federal Community Development Block Grant (CDBG) program refers households with incomes between 51 and 80 percent AMI as moderate-income (compared to low-income based on State definition).



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households. Approximately 39.3 percent of renter households experience extremely low income and 25.7 percent experience very low incomes.

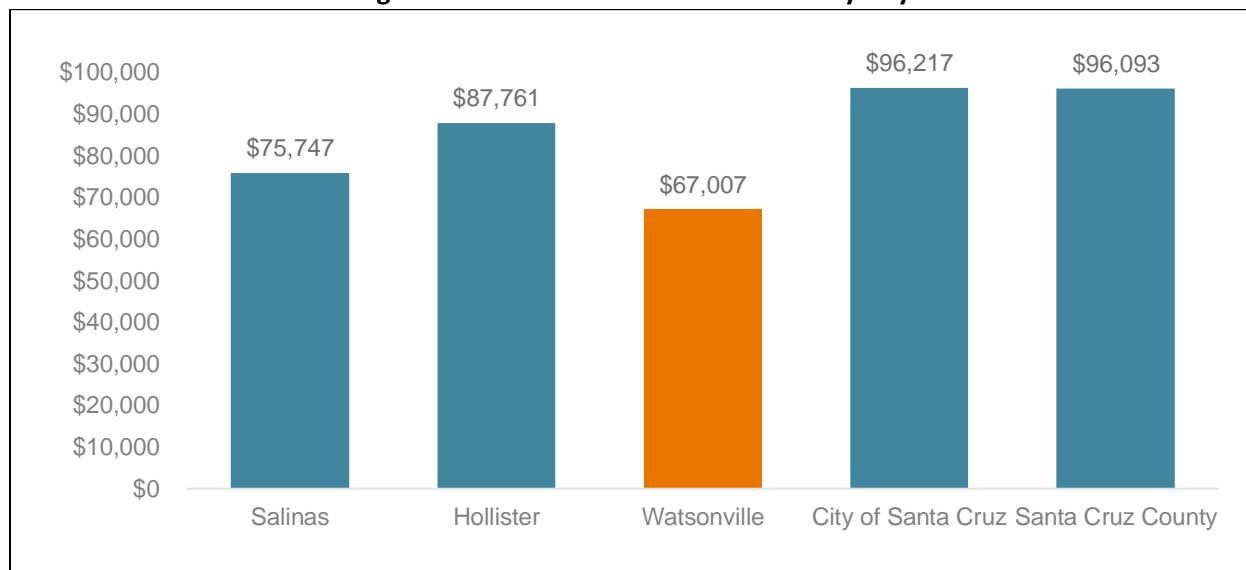
Table B-12: Households by Income Category

Income Category (% of County AMI)	Owner		Renter		Households	
	Total	Percent	Total	Percent	Total	Percent
Extremely Low (30% AMI or less)	925	14.4%	3,095	39.3%	4,020	28.1%
Very Low (31 to 50% AMI)	795	12.4%	2,025	25.7%	2,820	19.7%
Low (51 to 80% AMI)	1,430	22.2%	1,930	24.5%	3,360	23.5%
Moderate or Above (over 80% to 100% AMI)	3,285	51%	830	10.5%	4,115	28.7%
Total	6,435	--	7,880	--	14,315	--

Source: HUD Comprehensive Housing Affordability Strategy (CHAS), 2016-2020.

The ACS 2021 data shown in **Figure B-3** shows the median household income for Watsonville, two nearby jurisdictions, and Santa Cruz County. Watsonville has a median household income of \$67,007, which is \$29,086 lower than Santa Cruz County. The City has the lowest median household income in the area. Households with lower median incomes are more susceptible to housing cost burdens and may have fewer choices. Additionally, lower-income households may not be able to afford adequate housing. Low-income households may have a challenging time finding housing that can fit the needs of a larger household because larger housing tends to be owned, rather than rented, and is more expensive than smaller rental units. As a result, cost burden, displacement, and overcrowding may occur.

Figure B-3: Median Household Income by City



Source: American Community Survey Table S1901, 5-Year Estimates, 2021.

Table B-13 shows the median household income of nearby jurisdictions and compares the percentage difference with the Santa Cruz County median income. Watsonville's median household income is less than all other comparative jurisdictions. The City of Santa Cruz has a median household income that is 43.6 percent higher than Watsonville's. The City also has the greatest difference compared to the County's Median Household Income.



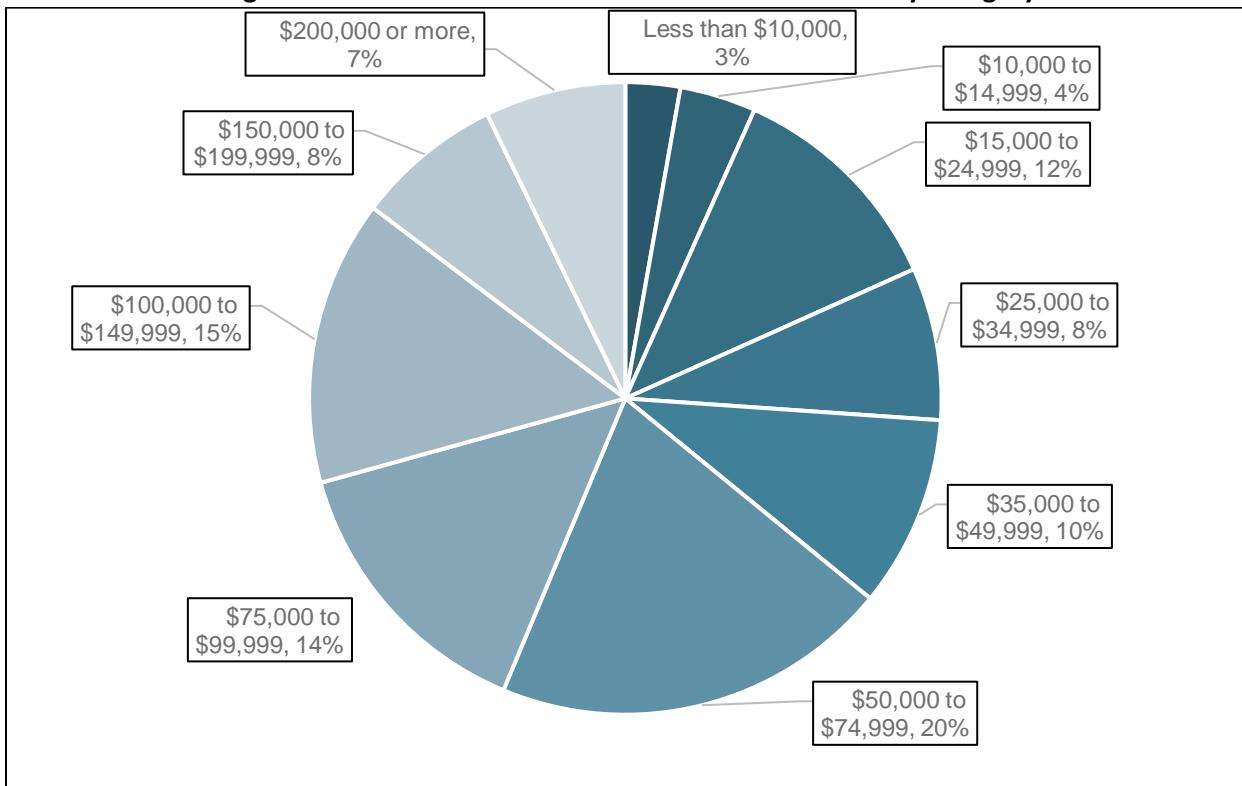
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Table B-13: Median Household Income		
Jurisdiction	Median Income	Difference with Watsonville
Salinas	\$75,747	13.0%
Hollister	\$87,761	31.0%
Watsonville	\$67,007	--
City of Santa Cruz	\$96,217	43.6%
Santa Cruz County	\$96,093	43.4%

Source: American Community Survey, Table S1901, 5-Year Estimates, 2021.

Figure B-4 below outlines Watsonville's income, broken down by income level. 85.3 percent of Watsonville households earn an income below \$150,000, with 35.9 percent earning less than \$50,000 and 2.8 percent earning an income below \$10,000. Approximately 7 percent of Watsonville's households earn \$200,000 or more annually.

Figure B-4: Watsonville Household Income Breakdown by Category



Source: American Community Survey, Table S1901, 5-Year Estimates, 2021.



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D. Housing Problems

The CHAS developed by the Census Bureau for HUD provides detailed information on housing problems by income level for different types of households in the City. The most recent available CHAS data was published in May 2022 and is based on 2020 ACS data. Housing problems considered by CHAS include:

Housing Problems:

- Units with physical defects (lacking complete kitchen or bathroom);
- Overcrowded conditions (more than one person per room); or
- Cost burdens exceeding 30 percent of gross income (including utilities).

Severe Housing Problems:

- Units with physical defects (lacking complete kitchen or bathroom);
- Overcrowded conditions (more than 1.5 persons per room); or
- Cost burdens exceeding 50 percent of gross income (including utilities).

Types of housing challenges in Watsonville vary according to household income, type, and tenure. **Table B-14** shows the housing assistance needs of lower-income households. In general, there are more renter-occupied households (38.4 percent) with housing challenges than owner-occupied households (16.3 percent) in Watsonville. The City of Watsonville has more households that have at least one of four housing challenges (54.7 percent) than households that don't (45.3 percent). Approximately 38.7 percent of Watsonville households experience at least one severe housing challenge. More renters (28.3 percent) than owners (10.4 percent) experience a severe housing challenge. These findings may reflect the level of control over maintenance and repairs that owners have but renters do not. Renters typically rely on property owners and management companies to provide repair services and maintenance, which can result in higher levels of housing problems.



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Table B-14: Housing Assistance Needs of Lower-Income Households						
Housing Challenge	Owner	Total HH Percent	Renter	Total HH Percent	Total	Total HH Percent
Housing Challenge Overview*						
Household has at least one of four Housing Challenge	2,340	16.3%	5,490	38.4%	7,830	54.7%
Household has no Housing Challenges or cost burden not available, no other challenges	4,100	28.6%	2,390	16.7%	6,490	45.3%
Total	6,435	45.0%	7,880	55.0%	14,315	100%
Severe Housing Challenge Overview**						
Household has at least one of four Severe Housing Challenges	1,495	10.4%	4,050	28.3%	5,545	38.7%
Household has no Severe Housing Challenges or cost burden not available, no other challenges	4,945	34.5%	3,830	26.8%	8,775	61.3%
Total	6,435	45.0%	7,880	55.0%	14,315	100%

Note: "% of total HH" equals Percent of total Households in the City of Watsonville

** The four housing challenges are: incomplete kitchen facilities, incomplete plumbing facilities, more than one person living per room, and cost burden greater than 30 percent.*

*** The four severe housing challenges are: incomplete kitchen facilities, incomplete plumbing facilities, more than 1.5 persons per room, and cost burden greater than 50 percent.*

Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) 2016-2020

1. Overcrowding

“Overcrowding” is generally defined as a housing unit occupied by more than one person per room in a unit (including bedrooms, living room, and dining room, but excluding hallways, the kitchen, and bathrooms). An overcrowded household results from either a lack of affordable housing (which forces more than one household to live together) and/or a lack of available housing units of adequate size, especially for large families.

Overcrowded (more than one person per room) and severely overcrowded (more than 1.5 persons per room) households can lead to neighborhood deterioration due to the intensive use of individual housing units leading to excessive wear and tear, and the potential cumulative overburdening of community infrastructure and service capacity. Furthermore, overcrowding in neighborhoods can lead to an overall decline in social capacity. Furthermore, overcrowding in neighborhoods can lead to an overall decline in social cohesion and environmental quality. Such decline can often spread geographically and impact the quality of life and the economic value of property. The combination of lower incomes and high housing costs results in many households living in overcrowded housing conditions.

Table B-15 illustrates the severity of overcrowding in Watsonville by household tenure. About 2.6 percent of owner-occupied units experienced overcrowding, while 10.2 percent of renter-occupied units experienced overcrowding. Approximately 1.3 percent of owner-occupied units experienced severe overcrowding, while 5.6 percent of renter-occupied units experienced severe overcrowding. Overall, 2,872 units (19.7 percent) experience some form of overcrowding in Watsonville. Increasing the



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opportunities for housing of all types and appropriate sizes for different households can help mitigate overcrowded units.

Table B-15: Overcrowding by Tenure						
Tenure	Overcrowded Units (1.0 to 1.50 persons/room)		Severely Overcrowded Units (>1.51 persons/room)		Total Overcrowded Occupied Units	
	Count	Percent of Total Occupied Units	Count	Percent of Total Occupied Units	Count	Percent of Total Occupied Units
Owner Occupied	372	2.6%	192	1.3%	564	3.9%
Renter Occupied	1,489	10.2%	819	5.6%	2,308	15.8%
Total	1,861	12.8%	1,011	6.9%	2,872	19.7%

Source: American Community Survey, Table B25014, 5-Year Estimates, 2021.

Table B-16 shows that owner-occupied housing units make up 19.7 percent of the overcrowded units in the City. Of the total, renter-occupied units make up 80.4 percent of overcrowded units. Watsonville has the second highest percentage of total overcrowded units compared to nearby jurisdictions and the county.

Table B-16: Overcrowded Housing Units by Tenure						
Jurisdiction	Owner-Occupied Overcrowded Units		Renter-Occupied Overcrowded Units		Total Overcrowded Units	
	Count	Percent	Count	Percent	Total	Percent
Salinas	2,422	15.9%	6,691	84.1%	9,113	21.2%
Hollister	451	53.8%	714	46.2%	1,165	9.9%
City of Santa Cruz	170	1.6%	898	7.5%	1,068	4.8%
Watsonville	564	19.6%	2,308	80.4%	2,872	19.7%
Santa Cruz County	1,980	29.2%	4,795	70.8%	6,775	7%

Source: American Community Survey, Table B25014, 5-Year Estimates, 2021.

2. Overpayment (Cost Burden)

State and federal standards have determined that paying more than 30 percent of a household's income for housing is overpayment. Overpayment for housing can cause an imbalance on the remainder of a household's budget.

Table B-17 below summarizes Watsonville's cost burdened households utilizing 2016-2020 ACS Census Bureau data from HUD CHAS. According to CHAS data, the City has 6,435 owner-occupied households and 7,880 renter-occupied households. Approximately 26.5 percent of owners are cost burdened, and 13.2 percent severely cost burdened. In comparison, 57.9 percent of renters are cost burdened, and 30.8 percent are severely cost burdened. As shown below, owners are less likely to experience a severe cost burden but still may experience a cost burden as cost of living increases.



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Income by Cost Burden*	Owner				Renter			
	Cost Burden > 30%	% of Owner HH	Cost Burden > 50%	% of Owner HH	Cost Burden > 30%	% of Renter HH	Cost Burden > 50%	% of Renter HH
Household Income is < 30% HAMFI	755	11.7%	620	9.6%	2,730	34.6%	2,085	26.5%
Household Income is 31% to 50% HAMFI	240	3.7%	200	3.1%	1,410	17.9%	325	4.1%
Household Income is 51% to 80% HAMFI	350	5.4%	20	0.3%	365	4.6%	15	0.2%
Household Income is 81% to 100% HAMFI	225	3.5%	10	0.2%	55	0.7%	0	0%
Household Income is >100% HAMFI	135	2.1%	0	0%	0	0%	0	0%
Total	1,705	26.5%	850	13.2%	4,560	57.9%	2,425	30.8%

Note: HAMFI equals HUD area median family income, this is the median-family income calculated by HUD for each jurisdiction, to determine Fair Market Rents (FMRs) and income limits for HUD programs. HAMFI will not necessarily be the same as other calculations of median incomes (such as a simple Census number), due to a series of adjustments that are made.

** Cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is "select monthly owner costs", which includes mortgage payment, utilities, association fees, insurance, and real estate taxes.*

Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) 2016-2020



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E. Special Needs Groups

Special needs populations include seniors, persons with disabilities, female-headed households, large households, farmworkers, persons experiencing homelessness, and students. Special needs groups may have lower incomes because of their specific needs or conditions. Special circumstances may be related to one's employment and income, family characteristics, disability and household characteristics, or other factors. Consequently, certain residents in Watsonville may experience higher incidences of housing overpayment (cost burden), overcrowding, or other housing problems.

1. Seniors

The senior population is generally defined as those 65 years or older. They may be subject to multiple constraints, such as limited and fixed incomes, high health care costs, higher incidence of mobility and self-care limitations, and transit dependency. As a result, the senior population may have specific housing needs which include affordable housing, care facilities, and other housing that includes planned service components. **Table B-18** shows that the City of Watsonville has the third highest percentage of persons aged 65 and over (11.3%), compared to nearby jurisdictions and the County.

Table B-18: Persons Aged 65 and Over		
Jurisdiction	Population Count	Percent of Total Population
Salinas	15,394	9.4%
Hollister	4,040	9.8%
City of Santa Cruz	7,747	12.4%
Watsonville	5,982	11.3%
Santa Cruz County	45,785	16.8%

Source: American Community Survey, Table S0101, 5-Year Estimates, 2021.

Table B-19 shows the income of senior householders in the City. Of all senior householders, 42 percent earn less than 30 percent of the median household income (MHI), and 58.2 percent earn less than 50 percent of the MHI. In total, 71.1 percent of senior households are considered low-income and earn less than 80 percent of the MHI.

Table B-19: Elderly Householders by Income		
Income Category	Total	Percent of Total Elderly Householders
Extremely Low (<30% MHI)	1,486	42%
Very Low (31% to 50% MHI)	571	16.2%
Low (51% to 80% MHI)	455	12.9%
Moderate (81% to 100% MHI)	286	8.1%
Above Moderate (>100% MHI)	736	20.8%
Total	3,534	100%

Note: Median Household Income (MHI) 2017-2021 - \$96,217
Source: American Community Survey, Table B19037, 5-Year Estimates, 2021.

Table B-20 shows the number of seniors in Watsonville by housing tenure. Totaling at 8,314 residents aged 60 years old and over, the table shows that seniors are predominantly owners in the City, with an estimate of 65.8 percent.



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Table B-20: Seniors by Tenure (Owner vs. Renter)		
Tenure	Total	Percent of Total Elderly Householders
Owner	5,471	65.8%
Renter	2,843	34.2%
Total	8,314	100%

Source: American Community Survey, Table B19037, 5-Year Estimates, 2021.

2. Persons with Physical and Developmental Disabilities

Physical and developmental disabilities can hinder access to traditionally designed housing units as well as potentially limit the ability to earn adequate income. Physical, mental, and/or developmental disabilities may deprive a person from earning income, restrict mobility, or make self-care difficult. Thus, persons with disabilities often have special housing needs related to limited earning capacity, a lack of accessible and affordable housing, and higher health costs. Some residents suffer from disabilities that require living in a supportive or assisted-living setting.

Housing opportunities for persons with disabilities can be addressed through the provision of affordable, barrier-free housing. Rehabilitation assistance can be targeted toward renters and homeowners with disabilities for unit modification to improve accessibility.

The ACS identifies six disability types: hearing, vision, cognitive, ambulatory, self-care, and independent living. The U.S. Census and ACS provide clarifying questions to determine persons with disabilities and differentiate disabilities within the population. The ACS defines a disability as a report of one of the six disabilities identified by the following questions:

- **Hearing Disability:** Is this person deaf or do they have serious difficulty hearing?
- **Visual Disability:** Is this person blind or do they have serious difficult seeing even when wearing glasses?
- **Cognitive Difficulty:** Because of a physical, mental or emotional condition, does this person have serious difficulty concentrating, remembering, or making decisions?
- **Ambulatory Difficulty:** Does this person have serious difficulty walking or climbing stairs?
- **Independent Living Difficulty:** Because of a physical, mental, or emotional condition, does this person have difficulty doing errands alone such as visiting a doctor's office or shopping?

According to the 2021 ACS data, about 13.6 percent of Watsonville's population has a disability (**Table B-21**). The most prominent disability type in the City is ambulatory (walking) difficulty at 6.2 percent, and the least common disability type is self-care difficulty at 2.6 percent. The population with independent living and cognitive difficulties follow closely behind ambulatory difficulties at 5.4 and 5.3 percent, respectively.



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Table B-21: Disability Status						
Disability Type	Population with a Disability			Total	Percent of Population with Disability	Percent of Total Population
	Under 18	18 to 64	65 and Over			
Population with a Hearing Difficulty	637	742	987	2,366	16.7%	4.5%
Population with a Vision Difficulty	261	805	454	1,520	10.7%	2.9%
Population with a Cognitive Difficulty	545	1,616	648	2,809	19.8%	5.3%
Population with an Ambulatory Difficulty	165	1,360	1,739	3,264	23.1%	6.2%
Population with a Self-Care Difficulty	165	576	610	1,351	9.5%	2.6%
Population with an Independent Living Difficulty	-	1,635	1,208	2,843	20.1%	5.4%
Total	1,773	6,734	5,646	14,153	100%	26.8%

Source: American Community Survey, Table S1810, 5-Year Estimates, 2021.

The California Department of Developmental Services (CDDS) provides estimates of persons with developmental disabilities in Watsonville, as shown in **Table B-22** below. As of January 2022, CDDS identified 362 juvenile persons and 383 adults as having developmental disabilities in the ZIP code 95076.

Table B-22: Developmental Disability Status for ZIP Code 95076	
Disability Type	Number of Residents
Living Arrangement	
Home of Parent/Guardian	640
Independent/Supported Living	48
Community Care Facility	48
Intermediate Care Facility	0
Foster/Family Home	<11
Other	<11
Age Range	
0-17 Years Old	362
18+ Years Old	383

Source: CA DDS data by ZIP Code, January 2022

Many people with developmental disabilities can live and work independently within a conventional housing environment. Individuals with more severe developmental disabilities may require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for persons with developmental disabilities is the transition from the person's living situation as a child to an appropriate level of independence as an adult.



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Additionally, Housing Choices, a nonprofit service provider, conducted their own studies on the County of Santa Cruz to support people with developmental and other disabilities to find and retain affordable housing throughout Santa Cruz County.

Pursuant to SB 812, San Andreas Regional Center (SARC) has contracted Housing Choices to engage with cities throughout Santa Cruz County as they update their Housing Elements. The opportunity allows jurisdictions and the SARC to provide data on the housing needs and best practices for inclusion of people with developmental disabilities in their housing plans. Below is their analysis of issues that persons with developmental disabilities face in the City.

Rate of Adults with Developmental Disabilities Living in City of Watsonville. Of all Santa Cruz County residents with developmental disabilities, nearly 40 percent live in the City of Watsonville. This high percent gives the City a key role in providing housing for those with developmental disabilities. The City of Watsonville is home to 535 people with developmental disabilities of whom 67 percent are adults 18 years of age and older. The proportion of people under the age of 18 with developmental disabilities is higher in the City, at 33 percent, than the County average of 29 percent respectively. These higher percentages are most likely attributable to the amount of affordable housing in the City for people with developmental disabilities as compared to neighboring jurisdictions. **Table B-23** provides the population with developmental disabilities in both the City and County.

Table B-23: Population with Developmental Disabilities				
Age	Watsonville		Santa Cruz County	
	Count	Percent of Total Population	Count	Percent of Total Population
Under 18	176	33%	407	29%
18 and older	359	67%	1,009	71%
Total	535	100%	1,416	100%

Note: The City of Watsonville population with developmental disabilities was provided by San Andreas Regional Center as of November 2021. The Santa Cruz County population with developmental disabilities is based on County-level data published by the Department of Developmental Services as of June 2021.

Living Arrangements of City of Watsonville Adults with Developmental Disabilities. Assessing the housing needs of adults with developmental disabilities is of particular importance because as they age the adults will require a residential option outside the family home, whereas the family home is the preferred living option for children with developmental disabilities. As of November 2021, SARC reported that 76 percent of Watsonville adults with developmental disabilities still lived in the family home. This is significantly higher than the County overall where only 62 percent of adults with developmental disabilities live at home. As discussed below, overreliance on aging parents to provide housing for adults with developmental disabilities puts them at greater risk of homelessness or displacement as they age in place. Due to the lack of deeply affordable housing in the City of Watsonville only 13 percent of adults with developmental disabilities have been able to transition from the family home into their own apartment with supportive services, nearly half the rate of Santa Cruz County adults with developmental disabilities. Overall, 25 percent of Santa Cruz County adults with developmental disabilities have transitioned to independent living. By increasing the production of inclusive housing options for people with developmental disabilities, the City can reduce the number of adults with developmental disabilities being displaced from the community or falling into homelessness. The existing living arrangements of



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adults with developmental disabilities in the City of Watsonville compared to Santa Cruz County are shown below.

Adult Living Arrangements	Watsonville		Santa Cruz County	
	Count	Percent of Total Population	Count	Percent of Total Population
In the Family Home	272	76%	630	62%
Own Apartment with Supportive Services	48	13%	248	25%
Licensed Facilities	34	10%	125	12%
Other	5	1%	6	1%
Total Adults	359	100%	1,009	100%

Note: The City of Watsonville population with developmental disabilities was provided by San Andreas Regional Center as of November 2021. The Santa Cruz County population with developmental disabilities is based on county-level data published by the Department of Developmental Services as of June 2021.

Decline in Licensed Care Facilities in Santa Cruz County. The CDDS reports that between September 2015 and June 2021, there was a 7 percent decrease in the number of people with developmental disabilities being housed in licensed care facilities (including Community Care Facilities, Intermediate Care Facilities, and Skilled Nursing Facilities) in Santa Cruz County, even as the adult population in need of residential options outside the family home grew. The County's reduced supply of licensed care facilities increases the likelihood that City of Watsonville adults with developmental disabilities have to rely on family. **Table B-25** illustrates the changes in living arrangements for adults with developmental disabilities from 2015-2021 in Santa Cruz County.

Table B-25: 2015-2021 Changes in Living Arrangements for Adults with Developmental Disabilities			
Adult Living Arrangements	2015	2021	Percent Change
In the Family Home	477	630	32%
Own Apartment with Supportive Services	231	248	7%
Licensed Facilities	135	125	(-7%)
Other (including homeless)	5	6	20%
Total Adults	848	1009	19%

Source: Department of Developmental Services Quarterly Report by County.
Note: These data assume that all people with developmental disabilities under age 18 live in the family home. The impact of this assumption, if incorrect, is to underestimate the number of adults living in the family home who may need other residential living options.

Increase of Autism Diagnosis Reflected in Increase in Adults in their 20s and 30s. Growth in the Santa Cruz County adult population with developmental disabilities correlates with a well-documented annual increase in the diagnosis of autism that began in the mid-1980s and did not level out until after 2015. The cumulative impact of this trend is already seen in the growth of the Santa Cruz County population aged 18 to 41 with developmental disabilities and will likely continue in the future. This trend has significant implications for housing needs among City of Watsonville adults with developmental disabilities as the population can be expected to continue to grow at a faster rate than the general population. **Table B-26** provides data on the age distribution changes in the adult population of Santa Cruz County.



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Table B-26: Changes in Age Distribution of Adult Population in Santa Cruz County			
Age	2015 Population	2021 Population	Percent Change
18 to 31	395	484	23%
32 to 41	185	192	4%
42 to 51	103	135	31%
52 to 61	118	114	(-3%)
62 and above	47	84	79%
Total Adults	848	1,009	19%

Source: Department of Developmental Services data reported at the county level in June 2021 and September 2015.

Longer Life Spans. Between September 2015 and June 2021, the CDDS reports that the number of Santa Cruz County residents with developmental disabilities age 62 and older grew by 79 percent (**Table B-26**). This increase is generally attributable to well-documented gains in life span rather than migration of seniors into high-cost Santa Cruz County. Longer life spans mean that more adults with developmental disabilities will outlive their parents and family members who are the largest source of housing for people with developmental disabilities in the City of Watsonville.

Displacement. Notwithstanding 19 percent growth in Santa Cruz County's total population of adults with developmental disabilities, the Department of Developmental Services has documented a 3 percent decline in the age group 52 to 61 in Santa Cruz County between September 2015 and June 2021. In light of gains in life expectancy, this loss can reasonably be attributed to displacement from the county because of a lack of residential living options (either licensed care facilities or affordable housing) when an elderly family caregiver passes away or becomes unable to house and care for the adult. Due to increased reliance on the family home as a living arrangement (based on a 32 percent increase of adults remaining in the family home in Santa Cruz County between 2015-2021) this trend is expected to continue to worsen unless more inclusive affordable housing is developed during the 2023-2031 RHNA cycle. Displacement takes a particular toll on adults with developmental disabilities who depend on familiarity with transit routes and shopping and services, as well as support from community-based services and informal networks built up over years of living in the City of Watsonville.

Higher Rates of Physical Disabilities. People with developmental disabilities are more likely than the general population to have an accompanying physical disability. According to the CDDS. 26 percent of Santa Cruz County residents with developmental disabilities have limited mobility, 9 percent have a vision impairment and 4 percent have a hearing impairment. The need for an accessible unit coupled with the need for coordinated supportive services compounds the housing barriers faced by those with both cognitive and physical disabilities.

Ineligibility for Many Affordable Rental Units. Some adults with developmental disabilities depend on monthly income from the Supplemental Security Income (SSI) program, pricing them out of many of the limited number of affordable housing units in the City of Watsonville. Those with employment tend to work part-time in the lowest paid jobs and struggle to income-qualify for many of the affordable housing units now available for rent in the City of Watsonville.

Transit-Dependent. Many adults with developmental disabilities do not drive or own a car so rely on public transit as a means to integration in the larger community.



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There are resources that may be beneficial for people living with a development disability, including rent subsidized homes, licensed and unlicensed single-family residences, inclusionary housing, Section 8 vouchers, special programs for home purchase, HUD housing, and SB 962 (veterans) homes. Housing-accessibility modifications, the proximity to services and transit, and the availability of group living opportunities represent some of the types of considerations that are important in serving the needs of this group. Incorporating 'barrier-free' design in new multifamily residences (as required by California and Federal Fair Housing laws) is especially important to provide the widest range of choices for residents with disabilities. Special consideration should also be given to the affordability of housing, as people with disabilities may be living on a fixed income.

3. Large Households

Large households are defined as those consisting of five or more members. These households comprise a special needs group because many communities have a limited supply of adequately sized, affordable housing units. It is common for lower-income large households to reside in smaller units with an inadequate number of bedrooms, which frequently results in overcrowding and can contribute to faster rates of deterioration.

Securing housing large enough to accommodate all members of a household is more challenging for renters, because multifamily rental units are typically physically smaller than single-family ownership units. While apartment complexes offering two and three bedrooms are common, apartments with four or more bedrooms are rare. It is more likely that large households will experience overcrowding in comparison to smaller households. Additionally, throughout the region, single-family residences with higher bedroom counts, whether rental or ownership units, are rarely affordable to lower-income households.

Table B-27 below provides a breakdown of large households by tenure in Watsonville. The table below analyzes the household size of homeowners and renters living in a large household. Large households are units with five or more occupants. About 18.7 percent of all households in Watsonville are large households. There are more renter-occupied units (20.9 percent) with five or more occupants than owner-occupied households (16.1 percent). A program has been added in the Policy Plan to encourage more resources to be provided for large households in the City.

Table B-27: Large Households by Tenure

Household Size	Owner		Renter		Total	
	Count	Percent of Owner HH	Count	Percent of Renter HH	Count	Percent of Total HH
5-Person Household	925	9.1%	1,265	10.6%	2,190	9.9%
6-Person Household	392	3.9%	681	5.7%	1,073	4.9%
7-or-More Person Households	315	3.1%	554	4.6%	869	3.9%
Total	1,632	16.1%	2,500	20.9%	4,132	18.7%

Source: American Community Survey, Table B25009, 5-Year Estimates, 2021.



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4. Single-Parent Households

Single-parent households often require special consideration and assistance. They have a greater need for affordable and accessible day care, health care, and other supportive services. Female-headed households are more likely to have lower incomes than similar two-parent households.

The City of Watsonville has 1,669 single-parent households, as shown in **Table B-28**. Of all single-parent households in the City, 3.7 percent are single-parent males and 11 percent are single-parent females. In comparison, 3.3 percent of Santa Cruz County single-parent households are single-parent males and 7.1 percent are single-parent female. In the City, approximately 12.8 percent of households are single parents living in poverty.

Table B-28: Single Parent Households								
Jurisdiction	Single-Parent Male, No Spouse Present		Single Parent-Female, No Spouse Present		Single-Parent HH Living in Poverty		Single Parent HH	
	Count	Percent Total ¹	Count	Percent Total ¹	Count	Percent Total ¹	Count	Percent Total ¹
Watsonville	417	3.7%	1,252	11.0%	1,456	12.8%	1,669	14.7%
Santa Cruz County	2,048	3.3%	4,374	7.1%	626	1.0%	6,422	10.5%

Note: HH = Households
1. Percent of total Households
Source: American Community Survey, Table B17010, 5-Year Estimates, 2021

Table B-29 shows the breakdown of female-headed households in Watsonville. Of the total households in Watsonville, 24.2 percent are single female households with no spouse present. From those households, 6 percent are living in poverty. The percentage of single-parent female households living in poverty in Watsonville is similar to the County, 1.6 and 1.8 percent, respectively. A Program has been added in the Policy Plan to encourage providing more housing resources for female-headed households in the City.

Table B-29: Female Headed Households								
Jurisdiction	Single Female HH, No Spouse Present		Single Female HH Living in Poverty		Single Parent Female, No Spouse Present		Single Parent Female HH Living in Poverty	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Watsonville	2,753	24.2%	676	6.0%	769	6.8%	181	1.6%
Santa Cruz County	9,852	16.1%	1,463	2.4%	5,448	8.9%	1,074	1.8%

Note: HH = Households
Source: American Community Survey, Table B17012, 5-Year Estimates, 2021



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5. Farmworkers

Farmworkers are traditionally defined by HCD as people whose primary incomes are earned through permanent or seasonal agricultural labor. Generally, permanent farmworkers (working 150 days or more) work in the fields, processing plants, or support activities on a year-round basis. When workload increases during harvest periods, the labor force is supplemented by seasonal farmworkers, often supplied by a labor contractor. For some crops, farms may hire migrant farmworkers, defined as those whose travel distance prevents them from returning to their primary residence daily. Farmworkers have special housing needs because they earn lower incomes than many other workers and move throughout the year from one harvest location to the next.

The U.S. Department of Agriculture, National Agriculture Statistics provides data on hired farmworkers across the United States at both a state and county level. Within Santa Cruz County, there were a total of 16,114 hired farmworkers in 2017. A total of 11,254 are considered permanent and 4,860 were considered seasonal (working less than 150 days annually). The County also reported a total of 2,254 migrant farmworkers. There has been a decline in the farmworker population in Santa Cruz County but an increase in nearby regions such as Monterey County. A majority of the County's farmworker population lives in incorporated areas of Santa Cruz County.

According to the American Community Survey, Watsonville residents employed in Farming, Fishing, and Forestry occupation earn one of the lowest salaries in comparison to other occupations, with an estimated median income of \$30,567 which is categorized as extremely low-income in Watsonville. Within the City, there is no agricultural production or land zoned for agricultural uses. Most agricultural activities occur in the adjacent unincorporated areas of the County of Santa Cruz and the County of Monterey. While Watsonville is surrounded by agricultural land, many of the food processing industries that traditionally occupied the City's industrial areas have closed or left the area.

Due to a combination of limited English language skills and very low household incomes, the ability of farmworkers to secure rental housing or obtain housing loans for home purchase is extremely limited. A growing number of migrant workers do not leave California during the non-farm season, but instead stay in the area and perform non-agriculture work such as construction and contracted jobs. Housing needs of this migrant, but non-farmworker population are partially addressed by permanent housing units, but additional migrant or temporary housing units are needed. Migrant and other seasonal farmworkers usually do not have a fixed physical address and work intermittently in various agricultural and non-agricultural occupations during the year. Many farmworkers or their families live in rural or remote areas and are reluctant to voice their housing needs and concerns to local governments or housing authorities. Because market-rate housing may be more than farmworkers can afford, many farmworkers are forced to share a housing unit with other farmworkers or families, causing a severely overcrowded living situation. Migrant and seasonal farmworkers face several housing challenges, but primarily substandard housing conditions.

A recent study conducted by the University of California, Merced, reveals that farmworkers in the State are predominantly renters, with the majority residing in single-family homes. These homes often suffer from poor maintenance, making it challenging for renters to regulate indoor temperatures. Additionally, the study found that farmworkers typically live in overcrowded conditions, with a median household size of four persons, compared to the California average of three persons per household. In some agricultural



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communities, there has been a decline in farm labor due to the shortage of available and affordable housing and employee housing. These communities continue to face concerns regarding housing conditions. According to many code enforcement agencies in agricultural jurisdictions, inspections of farmworker housing frequently reveal safety violations. Additionally, the study highlights the need for third-party housing as many farmers lease the land therefore, they may not be able to develop workforce housing on the property. The study calls for collaboration with third parties to address the special housing needs of farmworkers.

It is difficult to identify farmworker housing needs due to the varying nature of agriculture work. Farmworkers employed on a year-round basis generally live with their families and seek permanent affordable housing much like other lower-income households. Migrant farmworkers who follow seasonal harvests generally need temporary housing only for the workers themselves and may not include whole families or households. Because there is no agricultural production or land zoned for agricultural uses within the City, the demand for housing generated by farmworkers in the City is likely to be nominal and can be addressed through other types of affordable housing. The City is aware of the housing issues for farmworkers in the broader region and is collaborating with other jurisdictions in the region to address them.

A regional survey and study of farmworker housing in the Salinas Valley (County of Monterey) and the Pajaro Valley (County of Santa Cruz) was conducted in 2018, showing that regionally 5,372 units of permanent affordable farmworker housing is needed to maintain the present "access rate" of 7.6 percent. This study led to the development of a Regional Action Plan to address farmworker housing needs. Countywide resources that address farmworker needs come from nonprofit organizations and the County itself. The City also has two affordable housing projects currently under construction and one housing project in the entitlement process that received funding from the Joe Serna, Jr. Farmworker Housing Grant Program. These affordable housing projects have a specific focus on providing housing to the existing farmworker community that is in the City and will provide a total of 130 new housing units for farmworkers. This will help reduce the need for permanent housing units throughout the region, as identified in the Regional Action Plan.

The Housing Authority of Santa Cruz County owns and manages two sites accommodating 70 two- and three-bedroom for households where at least one household member earns a portion of their income as farm laborers. One of the sites is in Watsonville while the other is just outside of the City's boundaries. These units have a low turnover rate as the U.S. Department of Agriculture-Rural Housing Service (USDA-RHS) allows tenants to stay as long as they are program eligible. Other funding opportunities include U. S. Department of Agriculture's (USDA) Off-Farm Labor Housing Direct Loans & Grants program, USDA's Farm Labor Housing Loans and Grants Program, and Agri-Culture, an educational nonprofits Farm Worker Housing Fund.

The City of Watsonville is committed to address the special housing needs of farmworkers. Housing Program E.6 Farmworker and Workforce Housing will update applicable sections of the Municipal Code to comply with provisions for farmworker and workforce housing in compliance with the Employee Housing Act.



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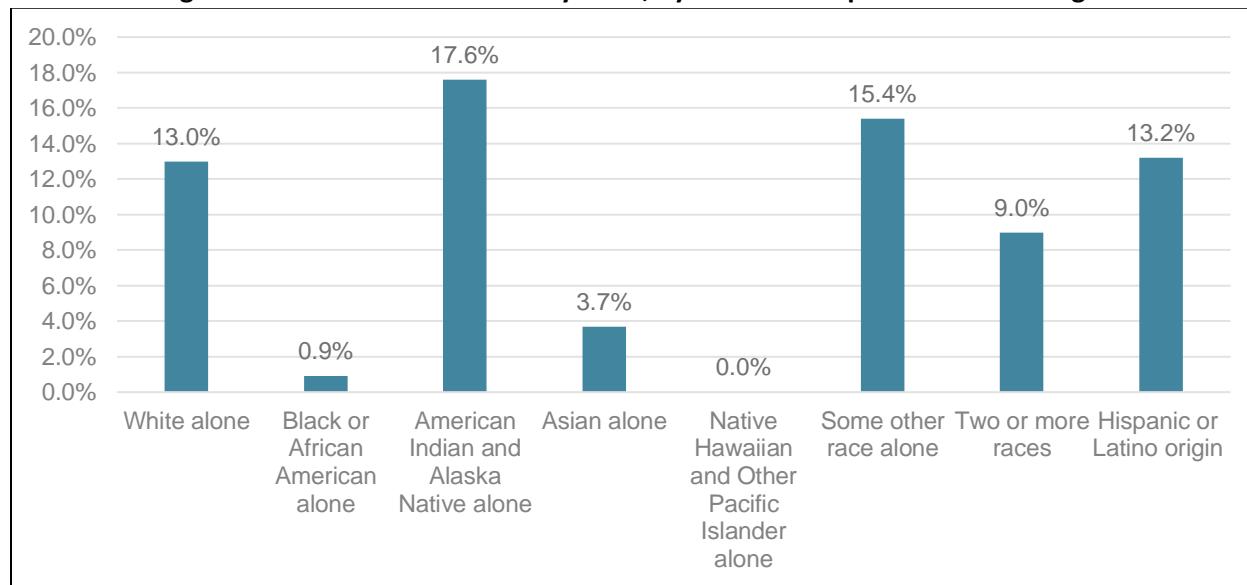
6. Extremely Low-Income (ELI) and Poverty Status

According to the CHAS data, there are approximately 2,985 low-income households and 3,370 very low-income households in Watsonville. Very low-income households are those households that earn 50 percent or less than the AMI for Santa Cruz County. Extremely low-income households are those households that earn less than 30 percent of AMI. Extremely low-income households are generally more likely to experience overpayment, overcrowding, or substandard housing conditions, and are more likely to include transition and supportive housing.

CHAS data indicates there are approximately 4,105 extremely low-income households in Watsonville (renters and owners). **Table B-30** Shows the data characterizing the affordability and cost burden for various income groups. Renters are more likely to experience at least one housing challenges than homeowners. The extremely low-income household need is generally estimated as 50 percent of the very low-income RHNA. The City's very-low-income RHNA is 283 units, therefore, the projected housing need for extremely low-income households is 141 units.

According to 2021 ACS data, 12.9 percent of Watsonville's population lives in poverty. **Figure B-5** illustrates the percentage of people within each racial and ethnic group living below the poverty level. American Indians and Alaska Natives have the highest percentage among the different racial and ethnic group that experienced poverty at 17.6 percent. Some Other Race alone, Hispanic, and White (not Hispanic or Latino) racial and ethnic groups also had high percentages of poverty.

Figure B-5: Percent below Poverty Level, by Race and Hispanic or Latino Origin



Source: American Community Survey, Table S1701, 5-Year Estimates, 2021



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Table B-30: Housing Challenges for All Households by Income Category				
Income Category	Homeowner			
	Household has at least one of four Housing Challenges	% of Owner HH	Household has no Housing Challenges OR cost burden not available	% of Owner HH
Extremely Low (< 30%)	495	7.8%	175	2.8%
Very Low (31% to 50% HAMFI)	400	6.3%	530	8.3%
Low (51% to 80% HAMFI)	510	8.0%	830	13.1%
Moderate (81% to 100% HAMFI)	550	8.7%	770	12.1%
Above Moderate (>100% HAMFI)	345	5.4%	1,745	27.5%
Total	2,300	36.2%	4,050	63.7%
Income Category	Renters			
	Household has at least one of four Housing Challenges	% of Renter HH	Household has no Housing Challenges OR cost burden not available	% of Renter HH
Extremely Low (< 30%)	3,045	36.4%	395	4.7%
Very Low (31% to 50% HAMFI)	2,170	25.9%	270	3.2%
Low (51% to 80% HAMFI)	950	11.4%	695	8.3%
Moderate (81% to 100% HAMFI)	135	1.6%	195	2.3%
Above Moderate (>100% HAMFI)	85	1.0%	425	5.1%
Total	6,385	76.3%	1,980	23.7%
TOTAL HOUSEHOLDS	8,685	59.0%	6,030	41.0%

*The four housing challenges are: incomplete kitchen facilities, incomplete plumbing facilities, more than one person per room, and cost burden greater than 30%

** The four severe housing challenges are: incomplete kitchen facilities, incomplete plumbing facilities, more than 1.5 persons per room, and cost burden greater than 50%

Note: HAMFI equals HUD Area Median Family Income, this is the median family income calculated by HUD for each jurisdiction, to determine Fair Market Rents (FMRs) and income limits for HUD programs. HAMFI will not necessarily be the same as other calculations of median incomes (such as a simple Census number), due to a series of adjustments that are made.

Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) 2015-2019

7. Persons Experiencing Homelessness

Homelessness has become an increasingly important issue across the State and the region. General factors contributing to the rise in homelessness include increased unemployment and underemployment, a lack of housing affordable to lower- and moderate-income persons (especially extremely low-income persons), reductions in public subsidies to the poor, and the de-institutionalization of the mentally ill.

State law mandates that municipalities address the special needs of homeless persons within their jurisdictional boundaries. “Homelessness” as defined by HUD has been updated to include the following descriptions for homeless:

- People who are living in a place not meant for human habitation, in an emergency shelter, in transitional housing, or in an existing institution where they temporarily resided.
- People who are losing their primary nighttime residence, which may include a motel or hotel or a doubled-up situation, within 14 days and lack resources or support networks to remain in housing.



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- Families with children or unaccompanied youth who are unstably housed and likely to continue in that state. This applies to families with children or unaccompanied youth who have not had a lease or ownership interest in a housing unit in the last 60 days, and who are likely to continue to be unstably housed because of disability or multiple barriers to employment. People who are fleeing or attempting to flee domestic violence, have no other residence, and lack the resources or support networks to obtain other permanent housing.

These definitions do not include persons living in substandard or overcrowded housing units, persons being discharged from mental health facilities (unless the person was homeless when entering and is considered homeless at discharge), or persons who may be at risk of homelessness.

The Homeless Point-in-Time (PIT) Count and Survey is conducted at least every two years, typically during the last 10 days of January. The survey approximates the number of people experiencing homelessness in each community and collects information on individuals and families residing in emergency shelters and transitional housing. This includes persons sleeping on the streets, in cars, abandoned properties, or other places not meant for human habitation (the unsheltered). The 2023 Santa Cruz County PIT Count was taken on February 23, 2023. **Table B-31** shows the breakdown of the homelessness count in Watsonville, nearby jurisdictions, and Santa Cruz County. From 2022 to 2023, Watsonville had a slight increase.

Jurisdictions	Unsheltered		Sheltered		Total		
	2022	2023	2022	2023	2022	2023	22-23 Net Change
Scotts Valley	48	24	0	0	48	24	-50%
Watsonville	175	322	144	99	366	421	15%
City of Santa Cruz	1,046	749	381	279	1,439	1,028	-29%
San Benito County*	169	268	114	89	283	357	26%
Santa Cruz County	396	249	0	0	396	249	-37%

1. San Benito County conducted a holistic assessment, so no city-specific data is available for Hollister.

Source: Santa Cruz County Homeless Census & Survey Comprehensive Report 2023, San Benito County Homeless Census Executive Summary Report 2019, Monterey County Census Report 2022

8. Students

The need for student housing is another significant factor affecting housing demand. Student housing often only produces a temporary housing need based on the duration of the school year. The impact upon housing demand is critical in areas that surround universities and colleges. Monsbey College and Cabrillo College Watsonville Center are located in Watsonville. Colleges near Watsonville include University of California at Santa Cruz, Cabrillo College, Gavilan College, Central Coast College, Hartnell College, and California State University at Monterey Bay. Based on 2021 Census data, there are young adults from the ages 18 to 24 years in the City. Watsonville has an estimated 2,795 persons with some college or Associate's Degree and 436 people with a Bachelor's Degree or higher.

Generally, students tend to have lower incomes and may be additionally affected by a lack of affordable housing, especially housing within easy commuting distance from campus. Students may seek shared housing situations to decrease expenses and can be assisted through roommate referral services offered on and off campus. A lack of affordable housing also influences choices students make after graduating.



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F. Housing Stock Characteristics

Watsonville's housing stock includes all housing units located within its jurisdiction. Housing stock growth, type, age and condition, tenure, vacancy, and cost are all important factors in determining the community's housing needs. This section details the City's housing stock characteristics to identify how well the needs of current and future residents are addressed.

1. Housing Growth

Table B-32 displays the housing stock growth data for Watsonville and nearby jurisdictions. According to the ACS data, Watsonville added 723 additional housing units between 2016 and 2021, a 5.1 percent increase.

Table B-32: Housing Unit Growth Trends					
Jurisdiction	2011	2016	2021	Percent Change 2011 to 2016	Percent Change 2016 to 2021
Salinas	43,216	42,234	44,317	-2.2%	4.9%
Hollister	10,869	10,669	12,056	-1.8%	13.0%
Watsonville	14,494	14,500	15,233	0.1%	5.1%
City of Santa Cruz	23,815	23,974	24,036	0.7%	0.3%
Santa Cruz County	104,278	105,255	106,110	0.9%	0.8%

Source: American Community Survey, Table DP04, 5-Year Estimates, 2011, 2016, 2021.

2. Housing Types

Table B-33 provides a breakdown of number of housing units by type for Watsonville and Santa Cruz County. A majority of the housing in the City is single-family detached (55.5 percent). Approximately 29.3 percent of the City's housing units are multi-family residences. Mobile homes, boats, and other types of housing make up the smallest housing units by type.

Jurisdiction	Single-Family Detached		Single-Family Attached		Multi-Family		Mobile Homes, Boats, and other Types of Housing	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Watsonville	8,099	55.5%	1,484	10.2%	4277	29.3%	727	5.0%
Santa Cruz County	61,752	64.0%	7,759	8.0%	20,698	21.5%	6,267	6.5%

Source: American Community Survey, Table S2504, 5-Year Estimates, 2021.

3. Housing Availability and Tenure

Housing tenure and vacancy rates generally influence the supply and cost of housing. A community's tenure can represent trends in the housing market, such as affordability, household stability, and availability of unit types. In many communities, tenure distribution can correlate with household income, composition, and age of the resident.

Table B-34 shows that in 2011, 73.1 percent of all owner-occupied units were single-family detached units. In comparison, only 36.7 percent of all renter-occupied units were single-family detached units. A majority



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of renter-occupied units were multi-family units (51.3 percent). In 2021, the percentage of owners that occupied single-family detached units went up by 2.1 percent from 2011. From 2011 to 2021, the percentage of owners that occupied single-family attached units went up by 4 percent while other types of housing units went down by 4 percent.

Table B-34: Occupied Housing Units by Type and Tenure (2011-2021)						
Housing Type	Owner Occupied (2011)	Owner Occupied (2021)	Renter Occupied (2011)	Renter Occupied (2021)	Percent OO Change (2011-2021)	Percent RO Change (2011-2021)
Single-Family Detached	73.1%	75.2%	36.7%	40.1%	2.1%	3.4%
Single-Family Attached	9.1%	13.0%	8.1%	7.9%	3.9%	-0.2%
Multi-Family	4.6%	2.6%	51.3%	50.3%	-2.0%	-1.0%
Mobile Homes, Boats, and Other Housing Types	13.2%	9.2%	3.9%	1.7%	-4.0%	-2.2%
Total Number of Occupied Units	6,481	6,419	7,319	8,168	-9.6%	11.6%
Total Percent of Occupied Units	47.0%	44.0%	53.0%	56.0%	-	-

Source: American Community Survey Table B25032, 5-Year Estimates, 2021.

Watsonville has a larger average owner household size compared to the nearby jurisdictions. Watsonville also has a larger average renter household size and renter-occupied households compared to the nearby jurisdictions. Watsonville has a larger percentage of renter households than owner households.

Table B-35: Average Household Size by Tenure				
Jurisdiction	Owner-Occupied Households	Average Owner Household Size	Renter-Occupied Households	Average Renter Household Size
Salinas	47.0%	3.53	52.0%	3.96
Hollister	65.0%	3.48	35.0%	3.51
City of Santa Cruz	60.5%	2.51	39.5%	2.25
Watsonville	44.0%	3.26	56.0%	3.87
Santa Cruz County	60.0%	2.67	40.0%	2.71

Source: American Community Survey Table B25010 and B25032, 5-Year Estimates, 2021

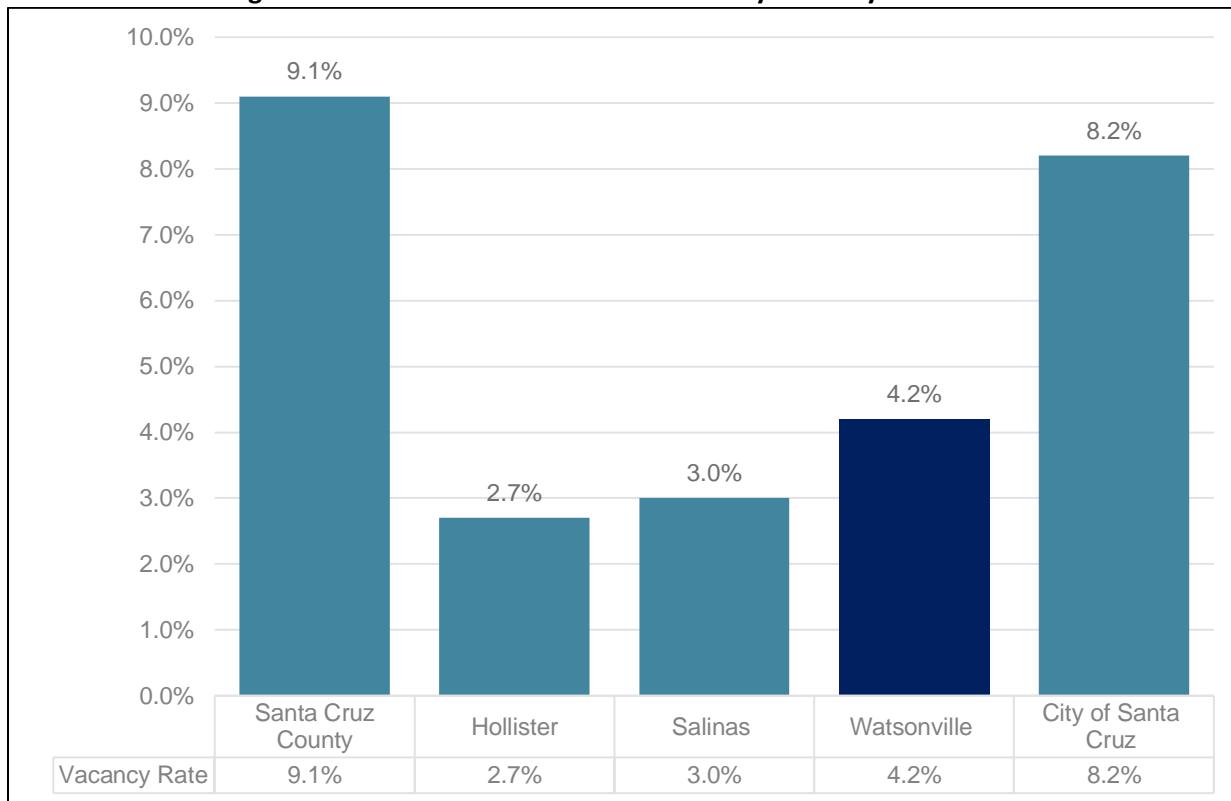
Vacancy rates are also an important housing indicator as they indicate the degree of housing choices available. High vacancy rates usually indicate low demand and/or high supply conditions in the housing market. High vacancy rates can make it difficult for owners trying to sell or rent. Low vacancy rates indicate high demand and /or low supply conditions in the housing market. Low vacancy rates can inflate prices making it difficult for lower- and moderate-income households to find housing. Vacancy rates between two or three percent are typically considered healthy for single-family or ownership housing, and vacancy rates of five to six percent are considered healthy for multi-family or rental housing. Vacancy rates are to



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be viewed in the context of all local and regional market characteristics. Watsonville has the third lowest vacancy rate compared to nearby jurisdictions, with the City of Santa Cruz and the County of Santa Cruz having significantly higher rates. Watsonville has a vacancy rate of 4.2 percent which is a healthy rate for the City.

Figure B-6: For-Sale and Rental Unit Vacancy Rates by Jurisdiction



Source: American Community Survey, CP04, 5-Year Estimates, 2021.

Table B-36 below displays ACS data for vacancy rates in Watsonville. Housing for “other vacancy” use has the largest percent of vacancy (52.2 percent), followed by for rent use (28.8 percent). Rented, but not occupied and migrant worker housing types had no vacant units in Watsonville.

Table B-36: Vacant Housing Units by Type

Type of Housing	Estimate	Percent of Vacant
For rent	186	28.8%
Rented, not occupied	0	0.0%
For sale only	55	8.5%
Sold, not occupied	38	5.9%
For seasonal, recreational, or occasional use	30	4.6%
For migrant workers	0	0.0%
Other vacant	337	52.2%
Total	646	100%

Source: American Community Survey, Table B25004, 5-Year Estimates, 2021



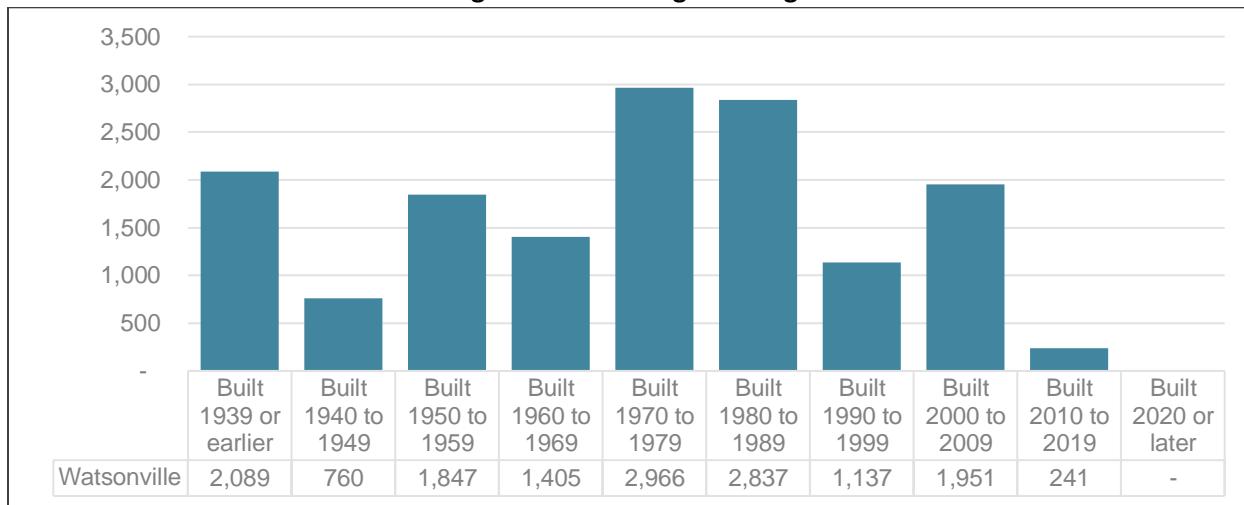
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4. Housing Age and Conditions

Housing age can be an important indicator of housing conditions within a community. Housing that is over 30 years old is typically in need of some major rehabilitation, such as a new roof, foundation, plumbing, etc. Many federal and state programs also use the age of housing as one factor in determining housing rehabilitation needs.

Figure B-7 shows the age of the housing in Watsonville. A majority of the housing stock was built between 1970 to 1979 (19.5 percent) followed by 1980 to 1989 (18.6 percent). Additionally, it is important to note that a significant portion of the City's housing stock was built prior to 1970. The City's Environmental Justice Element and the Existing Conditions report uses the Housing Stock Age shown in **Figure B-7** as a proxy for likely housing conditions. This may indicate that the City has an aging housing stock that may be in need of rehabilitation.

Figure B-7: Housing Stock Age



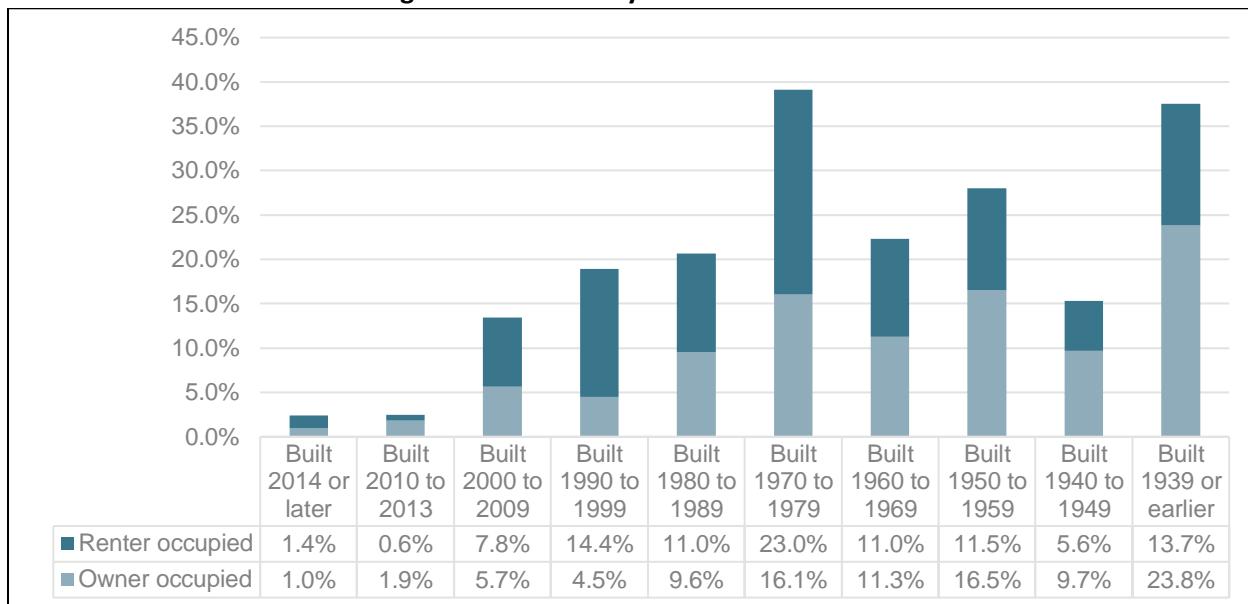
Source: American Community Survey, Table B25034, 5-Year Estimates, 2021.

Figure B-8 below displays housing units by the year they were built and sorted by tenure. Approximately 23 percent renters live in units built from 1970 to 1979. Many owners live in units built in 1939 or earlier.



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Figure B-8: Tenure by Year Structure Built



Source: American Community Survey, Table B25036, 5-Year Estimates, 2021.

5. Housing Costs and Affordability

Table B-37 displays the median home value by community. Watsonville had a median home value of \$820,096 in 2023. This is below the County median home value at \$1,143,107. This places Watsonville at one of the lowest median home values compared to nearby jurisdictions.

Table B-37: Median Home Value by Community (2023)	
Jurisdictions	Median Home Value
Salinas	\$695,855
Hollister	\$765,821
City of Santa Cruz	\$1,313,772
Watsonville	\$820,096
Santa Cruz County	\$1,143,107

Source: Zillow Estimates, Accessed September 21, 2023.

Table B-38 shows the median monthly rental rates for units in Watsonville. The monthly rental rates for all unit types increased from 2017 to 2021, with the highest increase to studios (80.7 percent change). The true cost of rent may be higher than the ACS estimates but the overall trend and increase in rental costs highlights the dramatic increase in less than a decade.



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Table B-38: Median Gross Rent by Bedroom (2017-2021)						
Unit Type	2017	2018	2019	2020	2021	% Change 2017-2021
Studio	\$746	\$768	\$770	\$1,217	\$1,348	80.7%
1 bedroom	\$989	\$1,019	\$1,063	\$1,108	\$1,206	21.9%
2 bedrooms	\$1,356	\$1,411	\$1,489	\$1,539	\$1,652	21.8%
3 bedrooms	\$1,661	\$1,683	\$1,604	\$1,686	\$1,869	12.5%
4 bedrooms	\$2,217	\$2,257	\$2,209	\$2,244	\$2,460	11%
5 or more bedrooms	-	\$920	\$782	-	\$2,203	-

Source: American Community Survey, Table B25031, 5-Year Estimates, 2017, 2018, 2019, 2020, 2021

Housing affordability can be analyzed by comparing the cost of renting or owning a home in the City with the maximum affordable housing costs for households at different income levels. This information can help estimate the affordability of different sizes and types of housing and indicate the type of households most likely to experience overcrowding and overpayment.

The Federal Department of Housing and Urban Development (HUD) conducts annual household income surveys nationwide to determine a household's eligibility for federal housing assistance. Based on this survey, HCD developed income limits, based on the Area Median Family Income (AMFI), which can be used to determine the maximum price that could be affordable to households in the upper range of their respective income category. Households in the lower end of each category can afford less by comparison to those at the upper end. The maximum affordable home prices without overpayment for residents in Santa Cruz County are shown in **Table B-39** and **Table B-40**.

Extremely Low-Income Households

Extremely low-income households earn 30 percent or less of the County AMI – up to \$34,600 for a one-person household and up to \$53,400 for a five-person household in 2023. Extremely low-income households cannot afford market-rate or ownership housing in Watsonville without assuming a substantial cost burden.

Very Low-Income Housing

Very low-income households earn between 31 percent and 50 percent of the County AMI – up to \$57,650 for a one-person household and up to \$88,950 for a five-person household in 2023. The maximum affordable price for very low-income households is \$173,000 for a one-person household and \$250,200 for a five-person household. A one-person very low-income household can afford to pay up to \$1,200 in monthly rent and five-person very low-income household can pay up \$1,757 in monthly rent. Given housing costs, very low-income households cannot afford market-rate rental or ownership housing in Watsonville without assuming a substantial cost burden.

Low-Income Housing

Low-income households earn between 51 percent and 80 percent of the County's AMI - up to \$92,500 for a one-person household and up to \$142,700 for a five-person household in 2023. The maximum affordable home price for a low-income household is \$303,300 for a one-person household and \$451,100 for a five-person household. A one-person low-income household could afford to pay up to \$2,072 in rent per month and a five-person low-income household could afford to pay as much as \$3,101 per month.



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Low-income households in Watsonville would not be able to find adequately sized affordable apartment units (Table B-35).

Moderate-Income Housing

Persons and households of moderate-income earn between 81 percent and 120 percent of the County's AMI – up to \$111,550 for a one-person household and up to \$172,100 for a five-person household in 2023. The maximum affordable home price for a moderate-income household is \$374,300 for a one-person household and \$561,000 for a five-person household. Moderate income households may be able to purchase a home in Watsonville, depending on the household size. The maximum affordable rent payment for moderate-income households is between \$2,547 and \$3,836 per month. Appropriately sized, market-rate rental housing is generally affordable to moderate-income households.



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Table B-39: Affordable Housing Costs for Homeowners (2023)						
Annual Income		Mortgage	Utilities ¹	Tax and Insurance	Total Affordable Monthly Housing Cost	Affordable Purchase Price
Extremely Low-Income (30% of AMI)						
1-Person	\$34,600	\$494	\$241	\$130	\$865	\$87,000
2-Person	\$39,550	\$549	\$291	\$148	\$988	\$96,600
3-Person	\$44,500	\$604	\$342	\$167	\$1,113	\$106,300
4-Person	\$49,400	\$645	\$405	\$185	\$1,235	\$113,500
5-Person	\$53,400	\$668	\$467	\$200	\$1,335	\$117,500
Very Low-Income (50% of AMI)						
1-Person	\$57,650	\$984	\$241	\$216	\$1,441	\$173,000
2-Person	\$65,900	\$1,110	\$291	\$247	\$1,648	\$195,200
3-Person	\$74,150	\$1,234	\$342	\$278	\$1,854	\$217,000
4-Person	\$82,350	\$1,345	\$405	\$309	\$2,059	\$236,500
5-Person	\$88,950	\$1,423	\$467	\$334	\$2,224	\$250,200
Low-Income (80% AMI)						
1-Person	\$92,500	\$1,725	\$241	\$347	\$2,313	\$303,300
2-Person	\$105,700	\$1,956	\$291	\$396	\$2,643	\$344,000
3-Person	\$118,900	\$2,185	\$342	\$446	\$2,973	\$384,100
4-Person	\$132,100	\$2,403	\$405	\$495	\$3,303	\$422,500
5-Person	\$142,700	\$2,566	\$467	\$535	\$3,568	\$451,100
Moderate-Income (120% AMI)						
1-Person	\$111,550	\$2,129	\$241	\$418	\$2,788	\$374,300
2-Person	\$127,500	\$2,419	\$291	\$478	\$3,188	\$425,300
3-Person	\$143,400	\$2,705	\$342	\$538	\$3,585	\$475,600
4-Person	\$159,350	\$2,981	\$405	\$598	\$3,984	\$534,100
5-Person	\$172,100	\$3,191	\$467	\$645	\$4,303	\$561,000

1. Utilities include garbage, sewer, water, refrigerator, range, water heating, cooking, heating, and general utilities such as lights.

Source: Santa Cruz County Housing Authority Utility Allowance Schedule; California Department of Housing and Community Development, 2023 State Income Limits, and Kimley Horn and Associates.



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Table B-40: Affordable Monthly Housing Cost for Renters (2023)				
Annual Income		Rent	Utilities ¹	Total Affordable Monthly Housing Cost
Extremely Low-Income (30% of AMI)				
1-Person	\$34,600	\$624	\$241	\$865
2-Person	\$39,550	\$697	\$291	\$988
3-Person	\$44,500	\$771	\$342	\$1,113
4-Person	\$49,400	\$830	\$405	\$1,235
5-Person	\$53,400	\$868	\$467	\$1,335
Very Low-Income (50% of AMI)				
1-Person	\$57,650	\$1,200	\$241	\$1,441
2-Person	\$65,900	\$1,357	\$291	\$1,648
3-Person	\$74,150	\$1,512	\$342	\$1,854
4-Person	\$82,350	\$1,654	\$405	\$2,059
5-Person	\$88,950	\$1,757	\$467	\$2,224
Low-Income (80% AMI)				
1-Person	\$92,500	\$2,072	\$241	\$2,313
2-Person	\$105,700	\$2,352	\$291	\$2,643
3-Person	\$118,900	\$2,631	\$342	\$2,973
4-Person	\$132,100	\$2,898	\$405	\$3,303
5-Person	\$142,700	\$3,101	\$467	\$3,568
Moderate-Income (120% AMI)				
1-Person	\$111,550	\$2,547	\$241	\$2,788
2-Person	\$127,500	\$2,897	\$291	\$3,188
3-Person	\$143,400	\$3,243	\$342	\$3,585
4-Person	\$159,350	\$3,579	\$405	\$3,984
5-Person	\$172,100	\$3,836	\$467	\$4,303

1. Utilities include garbage, sewer, water, refrigerator, range, water heating, cooking, heating, and general utilities such as lights.

Source: Santa Cruz County Housing Authority Utility Allowance Schedule; California Department of Housing and Community Development, 2023 State Income Limits, and Kimley Horn and Associates.

APPENDIX C

HOUSING RESOURCES

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Housing Resources

The City of Watsonville provides a variety of resources and services to assist the community in accessing housing which meets their needs and income levels. This Appendix provides a summary of those resources and services.

A. Neighborhood Assets

The City has a number of resources that serve the needs of different household types. Community resources in the City include, but are not limited to, the following:

- **La Manzana Community Center:** A part of the Community Bridges Program, this center provides food distribution, parent education, public benefits assistance, and counseling, among other programs. La Manzana is located in on Main Street.
- **Gene Hoularis & Waldo Rodriguez Youth Center:** Located downtown, the youth center offers numerous programs for youth ages between the ages of 6 and 22. In addition to activities offered by the center, youth are able to get homework help, a variety of trips, classes, and special late-night events for middle and high school students.
- **Park Facilities:** Ramsay Park – a major community park with a community center; skate park; trail/levee access; soccer fields; baseball/softball fields; tennis, basketball, and volleyball courts; and playgrounds for children and toddlers
 - Seaview Park
 - Emmett Courts Park
 - Franich Park
- **Watsonville Farmers Market:** A year-round market located at the Watsonville City Plaza, between Peck and Union Streets.

B. Resources for Special Housing Needs Groups

1. Seniors

Seniors (persons 65 years of age and older) typically prefer to stay in their own homes as long as possible. If family members are nearby, they can also assist with basic care needs, enabling seniors to remain in their homes longer. However, this is not always possible. Senior Network Services helps match seniors in shared housing arrangements.

Additional resources are available for seniors throughout the community, including:

- **Watsonville Senior Center:** Provides the elderly with social network opportunities through a variety of activities such as computer classes, social events, and weekday lunches.
- **HOME Tenant-Based Rental Assistance:** The HOME Tenant-Based Rental Assistance (TBRA) program provides subsidies to low-income, senior, and disabled households at varying levels based on household income. Through the Santa Cruz County Housing Authority, Watsonville residents may receive TBRA Voucher assistance.



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- **Senior Network Services:** A nonprofit agency providing senior citizens and persons with disabilities with information, guidance, and assistance in coordinating existing resources to promote independence and the highest quality of life. Some of the services required include information and assistance services, Medicare counseling, case management, money management, family caregiver support, home help and respite care registry, and Senior Network Housing.
- **Other resources include:**
 - Home delivery by Meals on Wheels.
 - Project Scout for tax assistance services.
 - Grey Bears Healthy Food Program is a service to provide a weekly grocery bag of fresh produce and healthy staples.
 - Second Harvest Food Bank offers a Farmers Market style food bank for citizens.

2. Persons with Disabilities

The City of Watsonville is a part of the Watsonville/Santa Cruz County Continuum of Care (CoC). Within this CoC, there are multiple agencies that help provide resources for the CoC to serve residents with special needs, such as disabilities. Participating agencies include Monarch Services, Housing Matters (Formerly Housing Services Center), Pájaro Valley Shelter Services, and Families in Transition. The County of Santa Cruz Human Resources Agency coordinates Federal, State, and County government funding for programs and services for disabled populations in Watsonville.

Other available community resources for people returning from mental and physical health institutions are the Santa Cruz County Mental Health Team with services that include:

- **Coordinated Care Treatment Teams for Older Adults Team (60 and above with a complex medical condition) and Services:** Focused on older adults with a major mental illness and complex medical conditions who are in need of case management and medication services.
- **Recovery Team (26 and above):** Provides coordinated care to individuals with chronic mental illness and/or with severe functional impairments.
- **South County Adult (SCA) Team:** Provides coordinated care to mental health patients living in Watsonville and the southern areas of Santa Cruz County who are in need of case management, medication services, and therapy.
- **Transition Age Youth (TAY) Team (Youth 18-25):** Will coordinate care to young adults with a major mental illness who are in need of case management, medication services, therapy as well as vocational and educational supports.

3. Persons Experiencing Homelessness

Homelessness is one of the more pressing issues in Santa Cruz County as a whole. In 2022, the Santa Cruz County Homeless Census and Survey documented 2,299 homeless persons in Santa Cruz County, of who 366 resided in Watsonville. The primary reason for homelessness in Santa Cruz County unemployment.

The following lists services and facilities in place to address the needs of persons experiencing homelessness:



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- **Monarch Services**: Offers immediate crisis response to victims of domestic violence and sexual assault. Support services include emergency shelter for victims and their children, peer counseling, advocacy, information, referrals, drop-in support groups, and assistance. Monarch also provides community education presentations to schools, community groups and service providers.
- **Pájaro Valley Shelter Services**: Provides families with a path to stable, self-sufficient futures through short- and longer-term housing and supportive services. 1-year, 2-year, and long-term supportive housing is offered through PVSS, along with programs that also help promote the acquisition of permanent housing.
- **Families in Transition**: Provides services that help provide temporary rental assistance and case management to families who are experiencing housing instability or are at imminent risk of becoming homeless. Case managers work closely with program participants to identify challenges to housing stability and come up with individualized housing stability plans to ensure client success. They are partnered with many different government agencies to achieve these goals as well.
- **Santa Cruz Community Counseling Center**: A private rehab facility located in Watsonville. The center specializes in the treatment of mental health and substance abuse, opioid addiction, and alcoholism.
- **Encompass Community Services (ECS)**: Encompass has about three dozen programs ranging from Head Start, Parenting groups, mental health and substance abuse recovery, and supportive housing. It also operates the River Street Shelter, a 32-bed facility for homeless adults on the Housing Matters campus with a focus on those with mental illness. Encompass also operates the TAY Drop-In Center, which assists current and former foster, probation placement, and homeless youth ages 15-24 in building the skills, self-esteem, and support system. The Drop-In Center is equipped with a cozy living room, kitchen, laundry, and computer lab, and offers counseling services, food, and clothing donations, as well as a daily hot meal.
- **HERO: The Homeless Engagement Resources Officers**: links two police officers with the County's Homeless Outreach, Proactive Engagement Services (HOPES) Team, to better engage homeless people on the streets and connect them with appropriate behavioral health and other services.
- **County Office of Education Students in Transition Project**: provides a homeless project specialist to ensure educational rights and protections for children and youth experiencing homelessness. The program provides services for 1,500 students who are homeless and serves as an educational liaison for all public and private districts and schools.
- **Community Action Board Shelter Project**: daily hotline with information and referral to shelters and other services. The Project also provides a countywide homeless housing and service resource guide, Voicemail for homeless people, emergency motel vouchers for medical emergencies, and eviction/foreclosure assistance. Also partners with County Office of Education (above) to implement the Youth Homelessness Response Team, providing and integrated services team approach for youth experiencing homelessness.



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- **Association of Faith Communities (AFC):** Rotating Faith-Based Community Shelter Program sheltering 20 persons per night in different host sites each night. Includes evening meal breakfast, and portable shower. AFC also operates a safe parking program for persons living in vehicles.
- **Other Population-Specific Shelters:** Pagett Center, 12 beds for homeless Veterans; Siena House, 10 beds for pregnant/newly parenting women; Monarch Services, Mariposa House 18 beds for women/children fleeing domestic violence; Jesus, Mary, and Joseph Home, 12 bed families with children and terminally ill persons.
- **HUD-Veterans Affairs Supportive Housing Program (VASH):** combines HUD rental assistance for 200 homeless Veterans with case management and clinical services provided by a Veterans Affairs caseworker.
- **Supportive Services for Veterans Families (SSVF):** prevention and rapid rehousing services programs provided by Housing Matters (above) and the Veterans Resource Center.
- **Families in Transition (FIT):** operates a series of prevention and RRH programs for families experiencing homelessness, funded by HUD HOME TBRA, HUD CoC, County CHAMPS Program, CalWorks Welfare-to-Work, and the California Bringing Families Home Program.

Additionally, the City has two emergency shelters to assist persons experiencing homelessness. These include:

- **Rebelle Family Shelter:** 90-bed facility for homeless families with children to reside while working toward obtaining permanent housing. Case managers provide support as well as coordination of community services and resources to help families build stability and long-term self-sufficiency.
- **Paul Lee Loft Shelter:** 46-bed adult focused shelter for those experiencing homelessness and are partnering with Housing Matters to end their homelessness. The goal of this shelter program is to provide a temporary and safe place while clients actively work on finding permanent, stable housing.

4. Female-Headed & Large Households

Female-headed households may benefit from resources like affordable and accessible daycare, financial assistance, and other supportive services. Female-headed households may have lower household incomes compared to two parent households, and it may be more likely they will need more assistance. Larger households also face similar issues due to the amount of people that need support, and it is likely that the household income is not sufficient to do so.

In 2022, the City of Watsonville there are 1,669 single-parent households, with a total of 1,456 female single parent households. Additionally, there are 2,190 units in the City that are considered large households. While the City does not have local-oriented resources, the County of Santa Cruz works with the non-profit organizations to provide needed assistance to these households.

The following is a list facilities and resources that aim to support female-headed and large households:

- **Community Bridges:** works to provide support for families in the County of Santa Cruz to address various needs. Types of assistance includes nutrition, early childcare and education, public benefits enrollment, and support for women who are pregnant or new mothers.



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- **Salud Para La Gente**: provides healthcare services and support for families. Salud also assists in applying for various types of health insurance as well as programs like CalFresh.
- **Monarch Services**: aims to provide assistance to women that are in unsafe or domestic violence situations. Monarch also provides aid for women's health, mental health, and emergency shelter.

C. Publicly Owned Land

Effective January 2021, eight former “public housing” complexes located in the City were converted for use in the Housing Choice Voucher (HCV) program. These complexes are now owned and operated by New Horizons Affordable Housing and Development Inc., a nonprofit subsidiary of the Housing Authority of the County of Santa Cruz (“Housing Authority”). The Housing Authority offers tenant-based Housing Choice Vouchers that can be used in Watsonville. The Housing Authority also offers Project Based Vouchers (PBVs), which are allocated to specific units, and have been utilized to fully develop and occupy two projects in Watsonville, at the Pippin Orchard Apartments and Pajaro Valley Shelter Services. The Housing Authority and New Horizons have their own policies and procedures for inspections and maintenance of the units they own or manage that are occupied by voucher users.

The Housing Authority has issued a request for proposals for Project Based Vouchers (PBV). The Request for Proposals (RFP) is typically published on an ongoing basis to provide interested parties in the community with the opportunity to request Project Based Vouchers. The Housing Authority has conditionally approved Project Based Vouchers for:

- 37 units in Eden Housing’s 1482 Freedom Boulevard development;
- 43 units for MidPen’s Miles Lane development;
- 37 units for MidPen’s Pippin Phase II development; and
- 78 units for Shangri-La’s 1620 West Beach Street Project Homekey development.

The commitment of Project Based Vouchers is often vital to the successful financing of an affordable housing development. The Housing Authority invites affordable housing development through the PBV RFP process as published on their website.

D. Financial Resources

Providing an adequate supply of decent and affordable housing requires funding from various sources. The City, developers, and residents have access to the following funding sources.

1. Housing Choice Vouchers (HCV)

The Housing Choice Voucher (HCV) program is a federal government program to assist very low-income families, the elderly, and the disabled with rent subsidy payments in privately owned rental housing units. HCV participants may choose any housing that meets the requirements of the program and are not limited to units located within subsidized housing projects. They typically pay 30 to 40 percent of their income for rent and utilities. The Santa Cruz County Housing Authority administers and manages the HCVs within



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Watsonville. **Table C-1** provides rental housing projects that are provided by HCVs. The City shares information about HCVs and other resources available on the City website and at the public counter.

Table C-1: Assisted Affordable Rental Housing Through HCVs in Watsonville

Project Name	Affordable Units	Type	Owner/Operator
Vista Montana Apartments	132	-	Clarum Homes & Communities
Villa La Posada	42	-	CHISPA Housing
Tierra Linda Apartments	18	-	Eden Housing Management, Inc.
Pajaro Court	10	-	Eden Housing Management, Inc.
Pacific Terrace Associates	28	-	Eden Housing Management, Inc.
Pacifica Apartments	20	-	Infinity Management
Pippin Orchards Apartments	46	6 units for persons who will benefit from supportive services and 2 units for homeless persons with disabilities	Mid-Pen Housing
Project Based Vouchers: Resestar – 15 W Lake Ave	52	47 households with Special Needs and 5 referrals from Veteran Administration	Abode Services, Housing Authority
Mod Rehab	6	-	Housing Authority
Mod Rehab	6	-	Housing Authority
Mod Rehab	7	-	Housing Authority
Affordable Housing – 160 Blackburn Ave.	14	-	Housing Authority
Affordable Housing – 308 Clifford Ave.	16	-	Housing Authority
Affordable Housing – 310-314 Clifford Ave.	16	-	Housing Authority
Affordable Housing – 50 Arista Ct.	16	-	Housing Authority
Affordable Housing – 55 Arista Ct.	15	-	Housing Authority
Affordable Housing – Crestview Dr.	16	-	Housing Authority
Affordable Housing – Montebello Dr.	16	-	Housing Authority
Affordable Housing – Seneca Ct.	24	-	Housing Authority
Casa Pajaro USDA	34	Farmworker	Housing Authority
Tierra Alta USDA	36	Farmworker	Housing Authority
Migrant Center	104	Farmworker	Housing Authority
Jardines del Valle	43	Farmworker	MidPen Housing Corporation
San Andreas Farm Labor Camp	43	Farmworker	MidPen Housing Corporation
Villas del Paraiso	51	-	MidPen Housing Corporation
Via del Mar	40	-	Mid Pen Housing Corporation
Sunny Meadows Apartments	200	-	MidPen Housing Corporation



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Table C-1: Assisted Affordable Rental Housing Through HCVs in Watsonville			
Project Name	Affordable Units	Type	Owner/Operator
Schapiro Knolls	88	People working/ living in SC County	MidPen Property Management
Pippin Orchard Apartments	46	6 units for persons with Special Needs and 2 units for transition-aged-youth with special needs	MidPen Housing Corporation
Northgate Apartments	81	-	PacCom Management Services
Stone Creek Apartments	120	-	Winn Residential
Paloma del Mar	129	Senior (55 or older)	The John Stewart Company
Pajaro Vista	106	Senior (65 or older)	Woodmont Real Estate Services
Clifford Manor	35	Senior/ Persons with Disabilities	The John Stewart Company
Independence Square	100	Senior/ Persons with Disabilities	Independence Square Housing Corporation
Monarch Corporation	4	Persons with Disabilities	Encompass Community Services
Casa de Exito	5	Persons with Disabilities	Encompass Community Services
CFSC, Inc. – 536/538 Lincoln St.	4	Persons with Disabilities	Encompass Community Services
CFSC, Inc. – 2718 Freedom Blvd.	9	Persons with Disabilities	Encompass Community Services
CFSC, Inc. – 120 Anderson	5	Persons with Disabilities	Encompass Community Services
Pajaro Valley Shelter Services (PVSS)	4	Family	Pajaro Valley Shelter Services (PVSS)

Sources: List of Rental Units with Low Income and Other Eligibility Requirements in Santa Cruz County (Santa Cruz County Housing Authority)

2. Community Development Block Grants

The Community Development Block Grant (CDBG) program provides annual grants on a formula basis to cities to develop viable urban communities by providing a suitable living environment and by expanding economic opportunities, principally for low- and moderate-income persons (up to 80 percent AMI).

CDBG funds can be used for a wide array of activities, including:

- Housing rehabilitation;
- Lead-based paint screening and abatement;
- Acquisition of building and land;
- Construction or rehabilitation of public facilities and infrastructure; and
- Public services for low-income households and those with special needs

Each year, the City receives CDBG funds from the U.S. Department of Housing and Urban Development. The City Administration is responsible for administering these funds. These funds must be used to develop viable communities by promoting integrated approaches that provide that provide items such as decent housing, a suitable living environment, and expand economic opportunities for low- and moderate-income persons.



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The City administers its own CDBG program and receives approximately \$750,000 annually in CDBG funds from HUD. To obtain funding applicant projects or programs must meet eligibility requirements and demonstrate that they benefit very low- and low-income persons within the City.

3. SB 2 Grant

The SB 2 grant is intended to fund improvements to expedite local planning processes. The City has been awarded an SB 2 grant and received \$160,000.

E. Energy Conservation

1. Energy Use and Providers

Pacific Gas and Electric Company (PG&E) provides electricity and natural gas service for the City. Natural gas is a “fossil fuel” and is a non-renewable resource. The natural gas transmission pipelines within the City are owned and operated by PG&E. Pacific Gas and Electric Company has the capacity and resources to deliver gas except in certain situations that are noted in state law. As development occurs, PG&E will continue to extend its service to accommodate development and supply the necessary gas lines. Electricity is provided on an as-needed basis to customers within existing structures in the City. Every year SCE expands and improves existing facilities according to demand.

Pacific Gas and Electric Company offers programs to promote the efficient energy use and assist lower-income customers. Pacific Gas and Electric Company participates in the Low-Income Home Energy Assistance Program and Energy Saving Assistance Program to help homeowners and renters conserve energy and control costs. Eligible customers receive no-cost weatherization, including attic insulation, energy efficient refrigerators, energy-efficient furnaces, weather stripping, caulking, low-flow showerheads, water heater blankets, and door and building envelope repairs which reduce air infiltration.

2. Energy Conservation

The primary uses of energy in urban areas are for transportation lighting, water heating, and space heating and cooling. The high cost of energy demands that efforts be taken to reduce or minimize the overall level of urban energy consumption. Energy conservation is important in preserving non-renewable fuels to ensure that these resources are available for use by future generations. There are also a number of benefits associated with energy conservation including improved air quality and lower energy costs.

Energy conservation strategies can help reduce energy consumption which would reduce monthly costs to homeowners and renters. Examples of energy conservation strategies include weatherization such as installation of more efficient appliances and solar energy systems. Buildings can also be designed to incorporate energy conservation strategies such as cooling materials and building orientation. The City has a Climate Action and Adaptation Plan (CAAP) that was adopted and incorporated into the City’s 2005 General Plan on October 26, 2021, under Resolution No. 293-21. The CAAP includes initiatives related to climate action, climate adaptation, and climate restoration. The CAAP is also a CEQA-qualified Greenhouse Gas (GHG) reduction plan pursuant to CEQA Guidelines §15183.5 and may be used to streamline the analysis of GHG emissions for projects. The CAAP encourages energy conservation strategies and since adoption of the CAAP the City has seen an increase in solar energy system installations.

APPENDIX D

HOUSING CONSTRAINTS

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Housing Constraints

A variety of constraints may affect the provisions and opportunities for adequate housing in the City. Housing constraints consist of both governmental constraints (including, but not limited to, development standards and building codes, land use controls, and permitting processes) and non-governmental or market constraints (including, but not limited to, land costs, construction costs, and availability of financing). Potential infrastructure and environmental obstacles are also classified as housing constraints. Combined, these factors can create barriers to availability and affordability of new housing, especially for lower and moderate-income households.

A. Non-Governmental Constraints

Non-governmental constraints largely affect the cost of housing in Watsonville and can produce barriers to housing production and affordability. These constraints may include real wages, the availability and cost of land for residential development, the demand for housing, financing, lending, construction costs, and the availability of labor. This can make it expensive for developers to build any housing, especially affordable housing. The following highlights the primary market factors that affect the production of housing in the City.

1. Land Costs and Construction

Construction costs vary widely according to the type of development, with multi-unit housing generally less expensive per unit to construct than single-unit homes. However, there is a variation within each construction type, depending on the size of the unit and the number and quality of amenities provided. An indicator of construction costs is Building Valuation Data, compiled by the International Code Council (ICC). The International Code Council was established in 1994 with the goal of developing a single set of national model construction codes, known as the International Codes, or I-Codes. The ICC updates the estimated cost of construction at six-month intervals, providing estimates for the average cost of labor and materials for typical Type VA wood-frame housing. Estimates are based on "good-quality" construction, providing for materials and fixtures well above the minimum required by state and local building codes. In August 2023, the ICC estimated that the average per square-foot cost for good-quality housing was approximately \$154.36 for multi-unit housing, \$175.86 for single-unit homes, and \$193.82 for residential care/assisted living facilities. Construction costs for custom homes and units with extra amenities, run even higher. Construction costs are also dependent upon materials used and building height, as well as regulations set by the City's adopted Building Code. For example, according to the ICC, an accessory dwelling unit (ADU) or converting a garage using a Type VB wood framed unit would cost about \$165.67 per square foot. Although construction costs are a significant portion of the overall development cost, they are consistent throughout the region and, especially when considering land costs, are not considered a major constraint to housing production in Watsonville.

Land costs can also pose a significant constraint to the development of affordable and middle-income housing and represents a significant cost component in residential development. Land costs may vary



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depending on whether the site is vacant or has an existing use that must be removed. Similarly, site constraints such as environmental issues (e.g., steep slopes, soil stability, seismic hazards, flooding) can also be factored into the cost of land. Additional costs may be associated with redeveloping and/or converting sites which may influence the cost of the rental units or home value.

A Zillow search for vacant lots sold between September 2020 to September 2023 returned lots ranging from 0.25 acres to 6.23 acres. Of the lots listed, the cost ranged significantly depending on the area of the City. For available lots of land located on the outskirts of the City's urban area, the pricing of land cost less than those located in the more urbanized parts of Watsonville. **Table D-1** shows the acreage cost of vacant land in Watsonville compared to neighboring jurisdictions.

Table D-1: Average Vacant Land Cost		
Jurisdiction	Average Lot Acreage	Cost Per Square-Foot
Salinas	2.11 acres	\$3.93/sq. ft.
Hollister	3.46 acres	\$5.13/sq. ft.
City of Santa Cruz	4.69 acres	\$16.67/sq. ft.
Watsonville	3.32 acres	\$2.59/sq. ft.

Source: Zillow (September 2020-2023)

2. Availability of Financing

The availability of financing in a community depends on a variety of factors such as the type of lending institutions active in a community, lending practices, algorithms, rates, fees charged, laws and regulations governing financial institutions, and equal access to such loans. Additionally, availability of financing affects a person's ability to purchase or improve a home. Under the Home Mortgage Disclosure Act (HMDA), lending institutions are required to disclose information on the disposition of loan applications and the income, gender, and race of loan applicants. Determining whether home financing is available to all residents of a community is the primary concern in a review of lending activity, regardless of income, sex, race, or ethnicity. The provided data includes the disposition of loan applications submitted to financial institutions for home purchase, home improvement, and refinancing in the Santa Cruz-Watsonville MSA/MD.

Table D-2 below displays the loan applications for the Santa Cruz-Watsonville MSA/MD per the 2021 Home Mortgage Disclosure Act report. Based on the data, applications in the 100-119 percent of the MSA/MD median had the highest rates of loan approval. Within that income category, those who identify as Native Hawaiian or other Pacific Islander had the highest rates of loan approval (80%), while those who identify as American Indian and Alaska Native and Hispanic or Latino had the lowest rates (60 and 65.2 percent, respectively). General trends across the data show that as income increased, the approval percentages increased. Applicants who identify as White had significantly more applications than any other racial or ethnic group; they accounted for 81 percent of all applications received. According to the data, applicants who identify as Black or African American were on average more likely than other race/ethnicities to receive a loan approval (70.1 percent). On average, applicants who identify as Black or African American had approval rates approximately 24 percent higher than the lowest approval rate of all



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race or ethnicity groups (American Indian and Alaska Native with 45.2 percent approval). Given the generally high rates of loan approvals, home financing is typically available and not considered to be a constraint to the provision and maintenance of housing in Watsonville.

Table D-2: Disposition of Loan Applications by Race/Ethnicity – Santa Cruz-Watsonville MSA/MD				
Applications by Race/Ethnicity	Percent Approved	Percent Denied	Percent Other¹	Total Count
LESS THAN 50% OF MSA/MD MEDIAN				
American Indian and Alaska Native	21.4%	42.9%	35.7%	14
Asian	35.7%	31.0%	33.3%	42
Black or African American	61.5%	23.1%	15.4%	13
Native Hawaiian or other Pacific Islander	0.0%	100.0%	0.0%	2
White	48.6%	26.1%	25.3%	1,086
Hispanic or Latino	41.9%	32.6%	25.6%	227
50-79% OF MSA/MD MEDIAN				
American Indian and Alaska Native	46.2%	23.1%	30.8%	13
Asian	46.7%	30.7%	22.7%	75
Black or African American	50.0%	25.0%	25.0%	12
Native Hawaiian or other Pacific Islander	66.7%	16.7%	16.7%	6
White	65.0%	14.9%	20.1%	1,942
Hispanic or Latino	60.2%	17.1%	22.7%	467
80-99% OF MSA/MD MEDIAN				
American Indian and Alaska Native	33.3%	66.7%	0.0%	6
Asian	56.0%	8.0%	36.0%	25
Black or African American	100.0%	0.0%	0.0%	3
Native Hawaiian or other Pacific Islander	50.0%	0.0%	50.0%	2
White	69.1%	8.8%	22.1%	748
Hispanic or Latino	61.4%	14.3%	24.3%	140
100-119% OF MSA/MD MEDIAN				
American Indian and Alaska Native	60.0%	20.0%	20.0%	10
Asian	69.9%	8.7%	21.4%	103
Black or African American	76.5%	11.8%	11.8%	17
Native Hawaiian or other Pacific Islander	80.0%	20.0%	0.0%	5
White	73.6%	8.7%	17.7%	2,212
Hispanic or Latino	65.2%	10.5%	24.3%	362
120% OR MORE OF MSA/MD MEDIAN				
American Indian and Alaska Native	65.2%	4.3%	30.4%	23
Asian	71.3%	6.6%	22.1%	470
Black or African American	62.5%	12.5%	25.0%	32
Native Hawaiian or other Pacific Islander	71.4%	7.1%	21.4%	14
White	74.5%	7.5%	18.0%	7,018
Hispanic or Latino	68.9%	12.7%	18.4%	550

1. "Other" includes: applications withdrawn, files closed for incompleteness, and purchased loans.

Source: Consumer Financial Protection Bureau, *Disposition of loan applications, by Ethnicity/Race of applicant, 2021*.

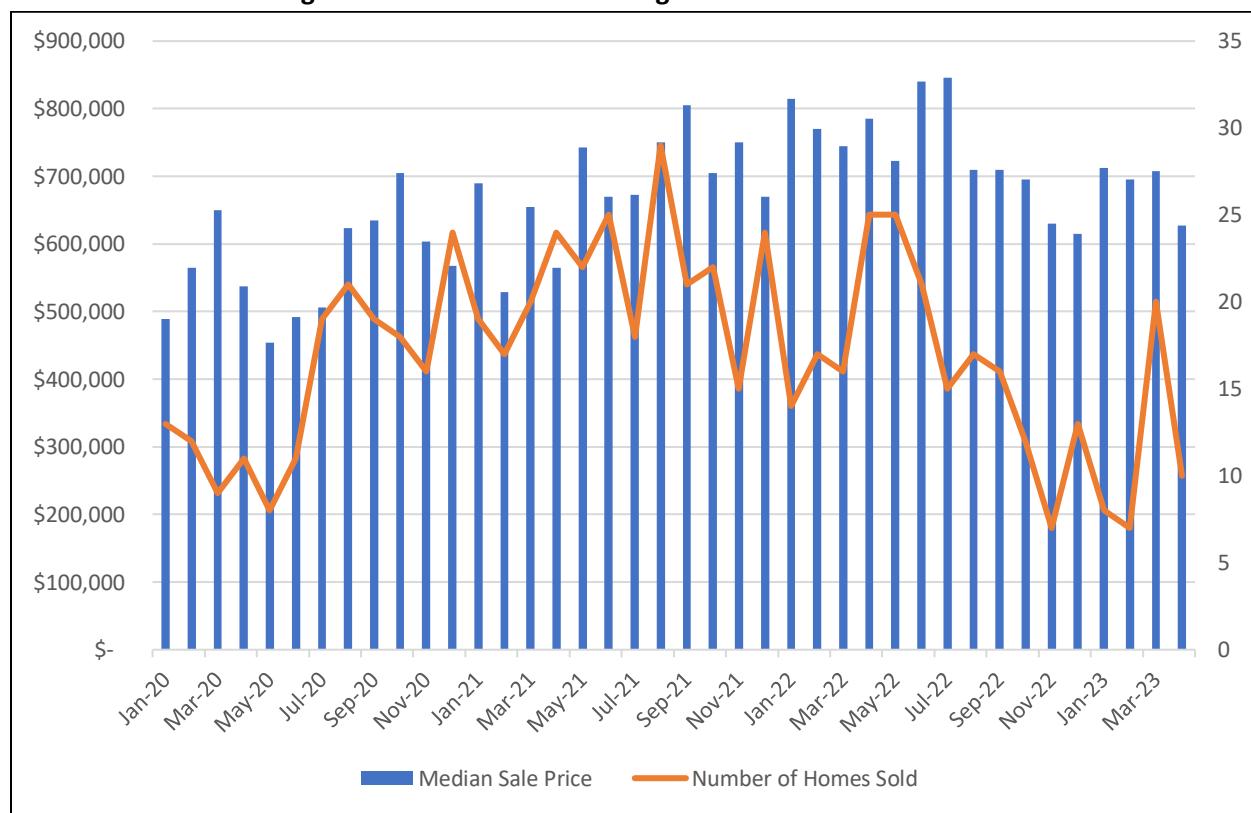


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3. Economic Constraints

The market forces on the economy and the trickle-down effects on the construction industry can act as a barrier to housing construction and especially to affordable housing construction. It is estimated that housing price growth will continue in the City and the region for the foreseeable future. As **Figure D-1** shows, the housing market maintained general growth through Summer 2022. Since then, the median sale price has periodically increased, but general remained consistent. The number of homes sold have, however, been on the decline since mid-2021. This may indicate disparity between the price of housing and the community's ability to afford what is currently available – indicating a need for more affordable housing options.

Figure D-1: Watsonville Housing Market Trends 2020-2022



Source: Redfin, Watsonville Housing Market Trends (Accessed January 11, 2023).

The California Association of Realtors (CAR) report from March 2023 found that single-family homes in Santa Cruz County had a median home value of \$1,315,000 and experienced varied price changes from 2021 to 2023. A positive year-to-year home value change occurred from 2021 to 2023 of 9.6 percent; however, there has been a steady decrease in the median sales price. From July 2021 to July 2022, there was a 17.4 percent decrease in median sales price. Lastly, from 2022 to 2023, there was a decrease of 36.8 percent.



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According to a CAR First-Time Buyer Housing Affordability Index report for the third quarter of 2022, the median home price for a single-family home in Santa Cruz County was \$1,066,750 with monthly payments of \$6,120 (including taxes and insurance). This required a minimum qualifying income of \$183,600.

The cost of land and home prices in Watsonville may be considered a constraint to the development and accessibility of housing, particularly affordable housing; however, these trends are consistent with jurisdictions in the region and are not unique to Watsonville.

B. Environmental Constraints

Environmental constraints may inhibit housing development or pose potential threats to existing developments. Features such as hillsides and waterways can present risks due to flood, geologic, and seismic hazards. In addition, human-caused risks, such as hazardous materials, can pose risks to community health and safety. Effective planning to prepare for and mitigate the adverse effects of these risks can help ensure that Watsonville maintains a high level of safety for its community. All candidate sites were analyzed for environmental constraints analyzed below as well as any known conditions that preclude or significantly impact development in the planning period. Examples of other known conditions include shape, access, property conditions, easements, conservation easements, Williamson Act contracts, overlays, contamination, and airport and military compatibility. Based on this analysis, the City determined that all candidate sites can feasibly develop housing and do not experience any known environmental constraints.

With the passing of California Assembly Bill 747 and Senate Bill 99, the State requires that Counties and Cities adopt comprehensive, long term safety elements within their General Plans to identify viable evacuation routes under a range of emergency scenarios. In 2021, the Safety Element was amended by incorporating by reference the 2020 Local Hazard Mitigation Plan (Resolution No. 42-21 (CM)). As part of this effort, the City also prepared an emergency evacuation route analysis in accordance with AB 747 (2019) and SB 99 (2019). This analysis provides an assessment of the transportation network's capacity, safety, and viability under a range of emergency scenarios, and is attached as Appendix D to the Watsonville 2005 General Plan. The City's analysis did not identify any residential parcels with less than two available evacuation routes.

1. Geological and Seismic Hazards

Geologic and seismic hazards in Watsonville include those related to earthquakes, steep slopes and landslides, erosion, and soil subsidence. According to the USGS Interactive Fault Map, major faults near Watsonville include the Zayante-Vergeles fault and San Andreas fault. The Zayante-Vergeles Fault Zone is located approximately three miles north of Watsonville and is the closest major fault to the City. The Zayante-Vergeles and San Andreas faults have the estimated potential to produce magnitudes of 8.0 and 7.4, respectively. Residential development within a seismically active zone could expose Watsonville community members to adverse effects.

A lesser geologic hazard relates to soil stability in the City. Hillsides located mostly on the periphery of the City can be subject to landslides and portions of the City have expansive soil types. In addition, areas found



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in the City may be subject to liquefaction during a seismic event if groundwater is present near the surface. To ensure structural stability, seismic and geologic hazards are addressed through the environmental and development review and permitting process. The City's 2030 General Plan also establishes policies to address potential hazards.

2. Flood Hazards

Potential flooding in Watsonville is attributable to intense rainfalls, localized drainage problems, and failures of flood control. Flooding becomes particularly hazardous when development encroaches onto floodplains, modifying the landscape and altering natural patterns of conveying excess water during floods. The Pajaro River, Salsipuedes Creek, and Corralitos Creek have a long history of flooding; in response, the City has implemented the floodplain management standards of the National Flood Insurance Program and requires new construction within the flood plain to be elevated above the 100-year flood level or flood proofed. To further mitigate this risk, in 2014 Santa Cruz County, in conjunction with the U.S. Army Corps of Engineers conducted a study to determine improvements that could be made throughout the Pajaro Valley Drainage Basin to improve flood capacity. In the Watsonville area, this study was intended to make recommendations relative to the Corralitos and Salsipuedes Creeks and the Pajaro River, which are the greatest potential flood hazards in proximity to the City. In addition, the City and County are currently working with the Department of Fish and Game to allow some clearing of vegetation, which could improve the carrying capacity of these channels by an additional three-year storm capacity.

In October 2022, the Federal and State governments funded the Pajaro River Flood Risk Management Project in order to rebuild the Pajaro River levee system, a system that was constructed in 1949. Currently, the system only provides five to seven years of flood protection before failing; with the system experiencing six major failures since its creation. Once rebuilt, the updated levee system will provide up to 100-year flood protections and construction is expected to begin in 2025.

When streets, buildings, and parking lots cover the natural ground surface, adequate storm drainage facilities must be substituted for the soil's ability to absorb rainfall. New development is required to provide adequate mitigation measures to accommodate storm water run-off. In Watsonville, the natural drainage pattern has been supplemented by a system of structures, which is described in the 1980 Storm Drainage Master Plan. There are five separate drainage zones within the City – the Watsonville Slough, Struve Slough, West Branch Struve Slough, Downtown, and the Salsipuedes Creek. **Figure D-2** illustrates the flood risk in the City with the following risk areas:

Moderate to Low-Risk Areas

- X- Areas outside the 1 percent annual chance sheet flow flooding where average depths are less than 1 foot, areas of 1 percent annual chance stream flooding where the contributing drainage area is less than 1 square mile, or areas protected from the 1 percent annual chance flood by levees. No Base Flood Elevations or depths are shown within this zone. Insurance purchase is not required in these zones.



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High Risk Areas

- **A** – Areas with 1 percent annual chance of flooding and a 26 percent chance of flooding over the life of a 30-year mortgage. Because detailed analyses are not performed for such areas; no depths or base flood elevations are shown with these zones.
- **AE** – Areas with 1 percent annual chance of flooding and a 26 percent chance of flooding over the life of a 30-year mortgage. In most instances, base flood elevations derived from detailed analyses are shown at selected intervals within these zones.
- **AH** – Areas with 1 percent annual chance of shallow flooding, usually in the form of a pond, with an average depth ranging from 1 to 3 feet. These areas have a 26 percent chance of flooding over the life of a 30-year mortgage. Base flood elevations derived from detailed analyses are shown at selected intervals within these zones.
- **AO** – River or stream flood hazard areas, and areas with a 1 percent or greater chance of shallow flooding each year, usually in the form of sheet flow, with an average depth ranging from 1 to 3 feet. These areas have a 26 percent chance of flooding over the life of a 30-year mortgage. Average flood depths from detailed analyses are shown within these zones.

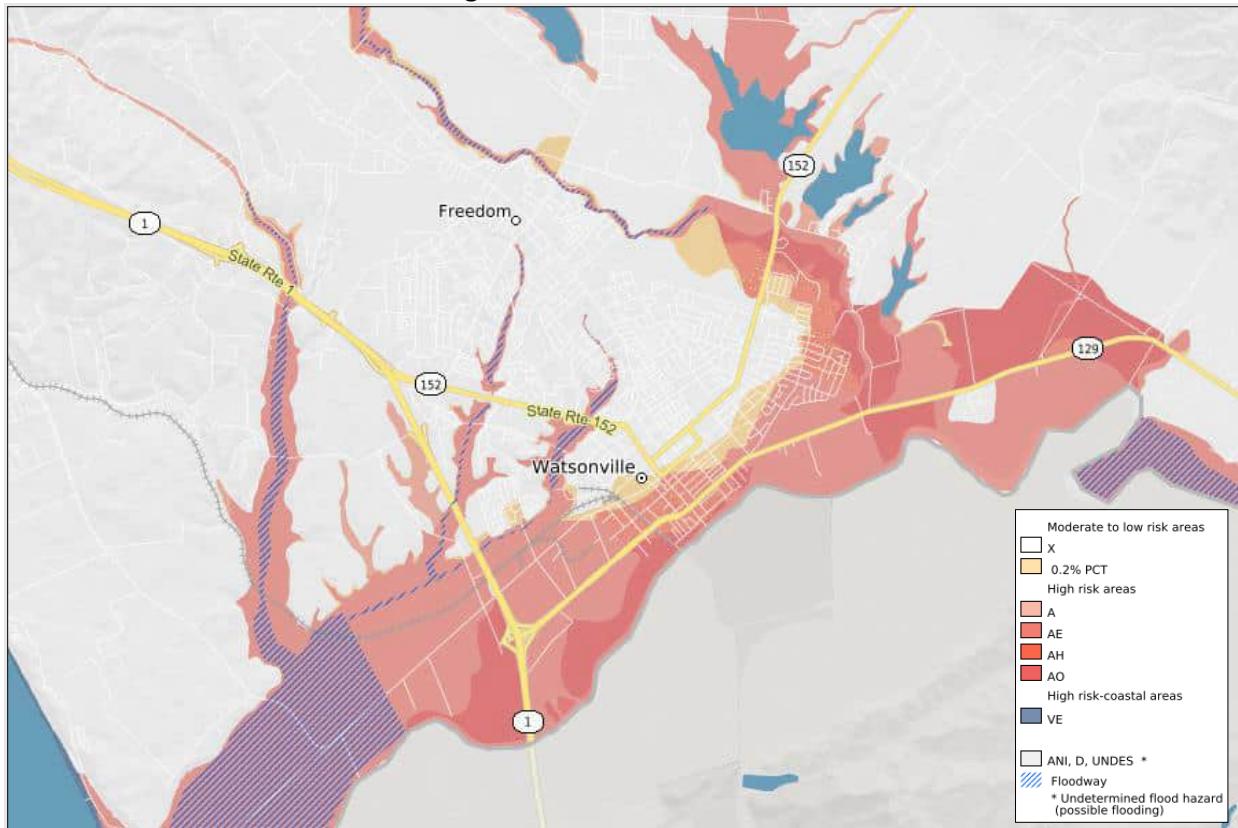
High Risk – Coastal Areas

- **VE** – Coastal areas with a 1 percent or greater chance of flooding and an additional hazard associated with storm waves. These areas have a 26 percent chance of flooding over the life of a 30-year mortgage. Base flood elevations derived from detailed analyses are shown at selected intervals within these zones.



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Figure D-2: FEMA Flood Zones



Source: Federal Emergency Management Agency Flood Maps (Accessed January 11, 2023)



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3. Fire Hazards

According to the 2005 General Plan, there are high fire potential for certain areas in the city. For land use planning purposes, the City classifies fires into two categories: Wildland fires that occur in underdeveloped areas and urban fires that involve structures and vehicles. Both types are a threat to life and property in the Watsonville Planning Area. Due to a combination of older housing stock, overcrowding, and substandard building conditions, these factors together allow opportunity for large fires to breakout. Additionally, as a major food processing center, Watsonville has a highly concentrated aggregation of cold storage plants, freezing plants, canneries, and packing plants. The large buildings, intense use of plant equipment, chemicals, and methods of production pose a potential fire safety problem. However, important fire prevention precautions have been taken to achieve an acceptable level of risk, including extensive use of

- Sprinkler systems;
- Fire detectors linked to an approved central receiving station;
- Frequent inspections; and
- Improved access.

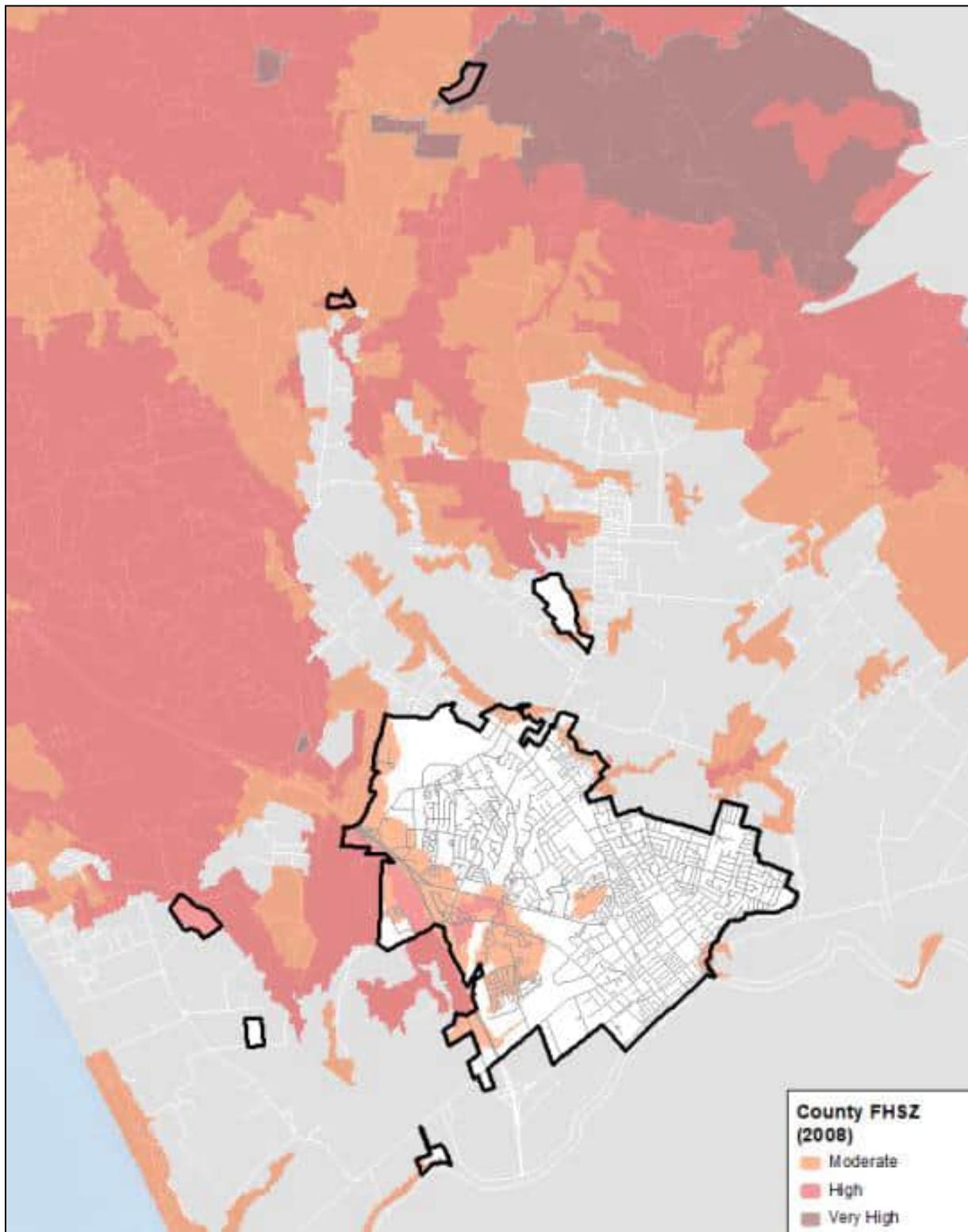
Wildland fires occasionally break out in the grasslands and on the dry, chaparral-covered hills. They are normally contained long before they pose a threat to the urbanized area. The California Division of Forestry has primary responsibility for fire suppression in watershed areas; but under provisions of mutual aid agreements, the City will provide reciprocal aid to other jurisdictions in time of emergency. The Pajaro Valley and County fire departments each have district boundaries and primary response within portions of different service areas.

In addition to measures taken by the City to mitigate wildfire hazards, the California Department of Forestry and Fire Protection (CDF) has mapped the relative wildfire risk in areas of significant population by intersecting residential housing density with proximate fire threat. **Figure D-3** the CDF map shows three risk levels: Moderate, High, and Very High. Some portions of the City are located in the moderate to high risk levels.



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Figure D-3: CALFire Fire Hazard Severity Zones – Watsonville





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C. Governmental Constraints

In addition to market constraints, local policies and regulations may also affect the price of housing and the provision of affordable units. For example, State and Federal regulations affect the availability of land for housing and the cost of housing production, making it difficult to meet the demand for affordable housing, increasing the cost of housing production, and limiting housing supply in a region. Regulations related to environmental protection, building codes, and other topics may have significant, often adverse, impacts on housing cost and affordability.

While the City has no control over State and Federal policies and regulations that affect housing, the City's Housing Element can address local policies and regulations which create constraints on the development of housing, and particularly affordable housing.

1. Land Use Controls

Jurisdictions in California are required by law to prepare a comprehensive, long-term General Plan to guide future development. The Land Use Element of the General Plan establishes permitted land uses and development density throughout the Watsonville. These land uses provide a wide variety of housing types throughout the City, while also ensuring compatibility between neighboring uses. **Table D-3** lists the land uses that permit residential developments and their density ranges – this information is readily available on the City's website through the municipal code, in compliance with State transparency requirements.

Table D-3: Residential Land Uses and Density Ranges		
General Plan Land Uses	Density Range (Dwelling Units per Acre)	Floor Area Ratio
Residential Low Density	Up to 7.99	-
Residential Medium Density	8 to 13.99	-
Residential High Density	14 to 36.99*	-
Downtown Mixed Use	Up to 85	2.0
Downtown Central Core	Up to 125	Total FAR: 3.0 Minimum Commercial FAR: 0.15
General Commercial	-	0.45 to 1.0 FAR
Industrial	-	1.5 FAR

*Note: Up to 42.99 units/acre are allowable for studio or single room occupancy development

Source: Watsonville 2005 General Plan, Land Use Designations and Standards of Density and Intensity

The Land Use Element of the General Plan identifies the following categories that can accommodate housing:

- **Residential Low Density** – This land use category provides a family living environment through single-family housing at densities equal to or less than 7.99 dwelling units per net acre. Most residences in this category are available only at market rate; few can be categorized as affordable. These properties, however, do offer opportunities for accessory dwelling units.
- **Residential Medium Density** - This land use category provides family living environments through cluster developments, mini-lot subdivisions, condominiums, townhomes, apartments,



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and mobile homes at densities equal to 8, up to and including 13.99, dwelling units per net acre. Most affordable family housing units can be delivered in the upper strata of this density range.

- **Residential High Density** - This land use category provides living environments through multi-story apartment and condominium type housing at densities equal to 14, up to and including 36.99, dwelling units per net acre. Densities of up to, and including, 42.99 units to the net acre are allowable for studio or single room occupancy development. A fair portion of the City's affordable housing goals can be accomplished at these densities, particularly for smaller households. Note, however, many locations adjacent to the downtown with this designation will remain at the lower end of the density spectrum. Many of these properties are within stable neighborhoods or historically significant areas. Any modifications to a property towards intensified use will typically be in the form of adding an accessory dwelling unit.
- **Downtown Central Core** - This land use category provides an active and intense development pattern generally flanking Main Street in Downtown Watsonville. Active ground floor uses are required. Upper floors may contain residential units or office space.
- **Downtown Mixed Use** - This land use category provides a similar mix of active and residential uses as the Downtown Central Core designation. The intensity of development is lower than the Downtown Central Core designation with residential uses permitted on the ground floor.

2. Zoning Districts

Seen in **Figure D-4**, the City's Zoning Code establishes the following zone districts that permit residential uses:

- **Single-Family Residential District (R-1)** – The purpose of the Single-Family Residential (Low Density) District is to stabilize and protect the residential characteristics of the district, to promote and encourage a suitable environment for family life, and to provide for detached single-family dwellings and the services appurtenant thereto.
- **Single-Family Planned Residential District (R-1P)** – The purpose of the Single-Family Planned Residential District is to stabilize and protect the residential characteristics of the district, to promote and encourage a suitable environment for family life, to provide for single-family dwellings on individual lots and the services appurtenant thereto, and to retain in perpetuity the special conditions and modifications of the Master Plan and tentative maps imposed on all development located within the R-1P District.
- **Multiple Residential District (RM-2)** - The purpose of the Multiple Residential District (Medium Density) is to provide rental opportunities for all persons who, by choice or need, may not be purchasing a home and to provide for the development of new subdivisions which meet the density levels prescribed, including planned developments, mini-lot subdivisions, condominiums, stock cooperatives, and community apartment subdivisions.
- **Multiple Residential District (RM-3)** - The purpose of the Multiple Residential District (High Density) is to provide for the development of areas for greater residential density; to stabilize and protect residential characteristics of the district; and to promote a suitable environment for the lives of families and single persons living in the district.
- **Residential Manufactured Home Park District (R-MH)** - The R-MH Overlay District is intended to implement Policy 1.5 of Watsonville's 2015—2023 Housing Element of adopting "mobile home park exclusive use zoning" as a method to "preserve the existing stock of affordable housing,



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including mobile home parks through City regulations and land use and development controls" and Goal 1.0 to "improve, conserve and preserve both the safe condition and the continued availability of Watsonville's existing affordable housing stock in order to meet the needs of all economic segments of the community." It is also intended to meet the Housing Element's Five-Year Objective No. 4 to "enact mobile home exclusive use zoning" in order to "preserve the continued availability and affordability of the current affordable housing stock located in the city's mobile home parks."

- **Public Facilities District (PF) and Institutional District (N)** – The purpose of the Public Facilities and Institutional Districts is to clearly separate the development standards and Land use regulations for Public Facilities owned and operated by City or County Government agencies with uses that are available to the general public and other institutional facilities that provide uses that are available to the public but are either privately owned or operated by State and Federal agencies. The Development Standards are intended to outline allowable uses within both the Public Facilities and Institutional zones. While certain uses owned by the State or Federal agencies may not be totally under the jurisdiction of City regulatory controls, the City may still make the determination as to where such facilities should be located and administer a site plan review procedure.
- **Downtown Watsonville Specific Plan (DWSP)** – The purpose of the DWSP District is to deliver the physical outcomes for downtown Watsonville, based on the community's Vision, Goals, and Policy Direction as described in Chapter 2 of the DWSP and to enable a lively and dynamic mix of diverse land uses within a safe, comfortable, pedestrian-oriented, mixed-use downtown environment. Shown in **Figure D-5**, the DWSP concentrates urban activity and intensity in the center of downtown and allows development to transition to existing lower-intensity neighborhood settings at the periphery of the DWSP plan area and to industrial activity to the south. The DWSP District includes four zones and three overlay zones:
 - **Downtown Core** - The Downtown Core Zone is an active, walkable environment, characterized by buildings up to 6 stories. This is the heart of Downtown—generally flanking Main Street—where the most active and intense development patterns and uses are anticipated. Upper floors contain residential units or office space. Buildings are close to the sidewalk and have little-to-no side setbacks.
 - **Downtown Neighborhood** - The Downtown Neighborhood Zone is characterized by smaller scale buildings than those of the Downtown Core Zone and generally includes a similar mix of active and residential uses.
 - **Downtown Industrial** - The Downtown Industrial Zone is where existing industrial uses may continue to exist and operate, while adaptive re-use of those buildings and infill development of a flexible mix of uses—including new housing—are anticipated over time. Per WMC Section 14-12.400, all new industrial development, as with all new development, will be subject to required findings of compatibility between adjacent uses related to traffic, noise, odors, visual nuisances, and other similar adverse effects. Additional standards for new residential development in this zone must also be followed.
- **Public Facilities** - New development on parcels zoned Public Facilities shall be subject to the development and use standards that are set forth in WMC Section 14-16.800-803.



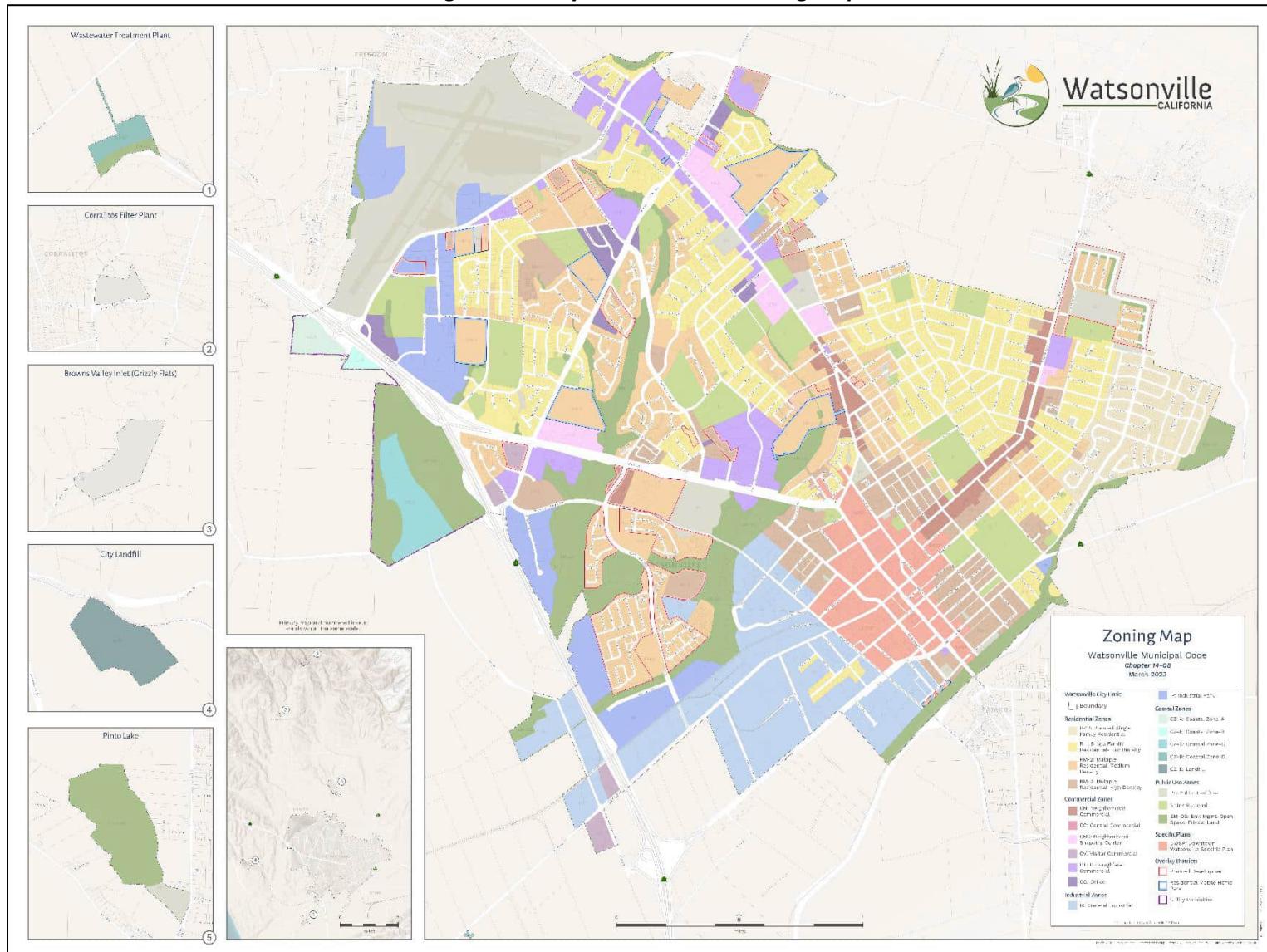
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- **Main Street Overlay** - The Main Street Overlay is where the most active ground floor uses occur, and the highest quality frontages are required. The overlay is contiguous so that the “main street” environment is concentrated and not interrupted by pockets of less active environments.
- **Gateway Overlay** - The Gateway Overlay is provided to extend some of the characteristics of the Main Street Overlay further down Main Street and onto select cross streets – but with some flexibility.
- **Neighborhood Transition Overlay** - Development within this overlay transitions down in scale to that of the adjoining neighborhoods.
- **Thoroughfare Commercial District (CT)** – The purpose of the Thoroughfare Commercial District is to provide for retail, commercial, service, amusement, and transient-residential uses which are appropriate to thoroughfare location and dependent upon thoroughfare travel; to be located only in the immediate vicinity of major streets and arterials or on the service drives thereof; and to provide convenient vehicular access and parking for the public. Residential uses permitted with a Special Use Permit.
- **Neighborhood Commercial District (CN)** - The purpose of the Neighborhood Commercial District is to provide limited centers for convenience shopping in the residential communities and neighborhoods of the City; to provide for a limited amount of retail and service uses adequate to supply the day-to-day needs of the surrounding area; but not to permit the development of a commercial center of such scope and variety as to attract substantial volumes of traffic from outside the neighborhood. Residential uses permitted with a Special Use Permit.
- **Exclusive Agricultural District (EM-A-1)** – The purpose of the Exclusive Agricultural District is to protect and foster agriculture, to permit all normal uses related to agriculture, and to prohibit those that would be in conflict. Insofar as is practicable, it is the intention to retain solely for agricultural production lands of predominantly Class I and Class II soils. Single-family dwelling units are a principally permitted use.
- **Interim Agricultural District (EM-A-2)** – The purpose of the Interim Agricultural District is to preserve land in interim agricultural use and protect against premature urban development, which are presently unneeded, and for which it may be uneconomic to provide urban services. One single family unit is permitted principally as long it is under the owner/leasee or employee of the land upon which the use or permitted use is carried on.



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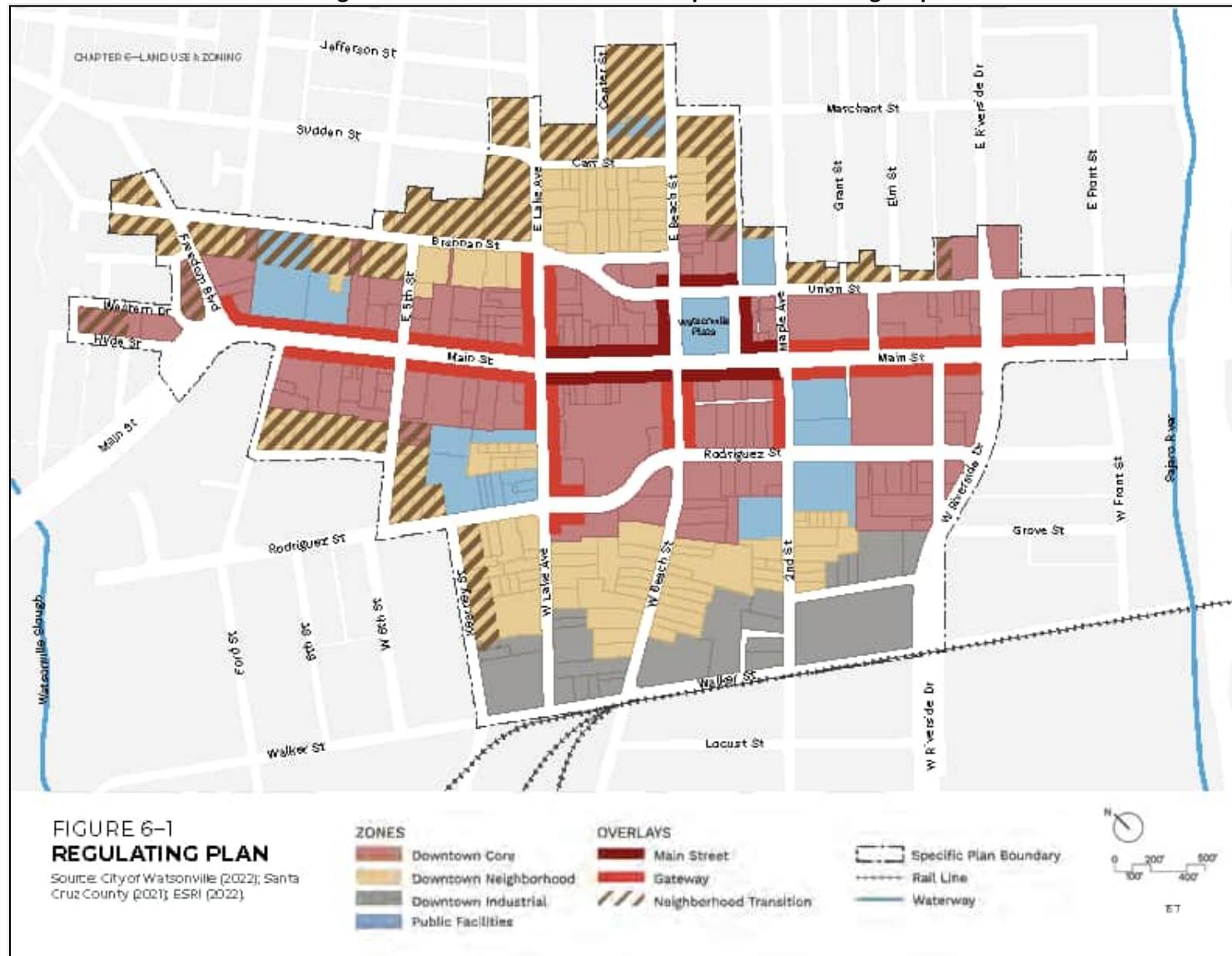
Figure D-4: City of Watsonville Zoning Map





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Figure D-5: Downtown Watsonville Specific Plan Zoning Map





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3. Overlay Districts

An overlay district is a regulatory tool that adds special provisions and regulations to an area in the City. An overlay district may be added to a neighborhood or corridor on a map, or it may apply to the City as whole and be applied under certain circumstances. All proposed developments within the overlay district must comply with the district's applicable development standards in addition to the Zoning Code standards. Overlay districts may be a constraint to the development of housing when it sets standards which are more restrictive than the Zoning Code. Below are Watsonville's overlay districts which address housing development:

- **Residential Manufactured Home Park District (R-MH)** - The R-MH Overlay District is intended to implement Policy 1.5 of Watsonville's 2015—2023 Housing Element of adopting "mobile home park exclusive use zoning" as a method to preserve the existing stock of affordable housing, including mobile home parks through City regulations and land use and development controls, and Goal 1.0 to improve, conserve and preserve both the safe condition and the continued availability of Watsonville's existing affordable housing stock in order to meet the needs of all economic segments of the community.
- **Seismic Safety District (EM-SS)** – The purpose of the Seismic Safety District is to implement the Seismic Safety Element of the General Plan and the Alquist-Priolo Special Studies Zone Act and to reduce the loss of life, injury, and damage to public and private property and government costs for disaster relief associated with geologic hazards.
- **Planned Development District (PD)** – The purpose of the Planned Development District is to provide a technique to foster development plans for eligible lands which serve public objectives more fully than development plans permitted under conventional zoning regulations; and to establish criteria for identifying those parcels of land which are eligible for the special procedures available for creative development plans requiring special review and approval procedures.

4. New Growth Areas

Measure U, adopted in 2002, established an Urban Limit Line (ULL) for the City of Watsonville. The measure identified several areas within the City's Urban Growth Boundary but outside the current City limits as having the potential to accommodate future housing and economic job-generating uses. These areas are referred to as the New Growth Areas. Any annexations outside of the ULL or the designated growth areas would require a vote of the people in addition to the standard annexation process. Measure U required that portions of the ULL expire in 2022 and 2027.

In 2022, voters were presented with two measures related to the extension of the ULL past the 2022 and 2027 expiration dates: Measure Q and Measure S.

Measure Q

In 2021, the Committee for Planned Growth drafted the "Watsonville Planned Growth and Farmland Protection Initiative" ("Initiative"). The stated purpose of the initiative was to promote stability in long-term planning for the City of Watsonville by extending key features of Measure U while allowing flexibility within those limits to respond to the City's changing needs over time. The initiative included the following components:

- Extension of the expiration date of the three ULL segments to 2040;



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- Removal of specific plan and phasing requirements for growth areas, including Buena Vista and Atkinson Lane; and
- An option for the City Council to amend the ULL if “necessary to comply with state or federal law regarding the provision of housing,” subject to several findings.

Supporters of the Initiative collected sufficient signatures and the initiative was placed on the November 8, 2022 General Election ballot as Measure Q.

Measure S

In response to the Initiative, the City of Watsonville engaged Economic & Planning Systems (EPS) to assist with a City-led process to evaluate the fiscal and economic impacts of a renewal of the Urban Limit Line (ULL) established under Measure U. The final EPS report made the following findings:

1. While the existing ULL (established by Measure U) has restricted development of prime farmland and environmentally sensitive open space, minimal new development has occurred in growth areas defined by the measure.
2. A range of public- and private-sector housing demand projections as well as policy goals for new housing reveal significant variation in potential future residential development in Watsonville, and renewal of the ULL likely will cause a land supply constraint, with insufficient developable area to accommodate projected growth in more than half (four of seven) of the demand projections considered.
3. Allowing development in currently restricted, new strategic growth areas creates new land supply to meet housing demand projections, but even if new strategic growth areas are opened for development, land supply constraints will continue to affect the City's ability to meet policy goals for housing development.
4. New development in Watsonville, whether infill within the City limits or development of new strategic areas at the City's edge, will have one-time infrastructure improvement requirements.
5. Interviews with Police, Fire, and Public Works departments confirm that population growth increases service burdens and department costs under any growth pattern scenario, with the Police department indicating that providing service to new neighborhoods on the urban edge will be more expensive than serving infill development.
6. Creating strategic growth areas at the urban edge could support new economic development opportunities, including a potential visitor-serving development at the intersection of Highway 1 and State Route 129.

Based on the EPS analysis, City Staff engaged and negotiated with the Initiative proponents over several months to see if a revised ballot measure could be crafted that would extend the ULL but allow the City to annex a limited number of additional parcels to accommodate housing and economic development. Negotiations yielded a compromise measure that allowed the City to annex one additional parcel for economic development.

Concurrently, City Staff drafted a countermeasure that would allow the City to amend the location of the ULL to include parcels identified in the 2050 General Plan update process, subject to community input and environmental review, without a vote of the people.



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On July 7, 2022, the City Council considered the compromise measure, called the “City Modified Initiative,” as well as the countermeasure. The City Council adopted Resolution No. 143-22, approving the countermeasure and directing that it be placed on the November 8, 2022, General Election ballot.

The result was two measures, Measure Q and Measure S, in direct competition on the November 8, 2022, General Election ballot. Both measures passed, but Measure Q was enacted because it garnered a higher number of votes. As a result, the ULL was extended to 2040 with no opportunities for development outside of the growth areas identified in 2002, which remain vacant due to the constraints discussed below.

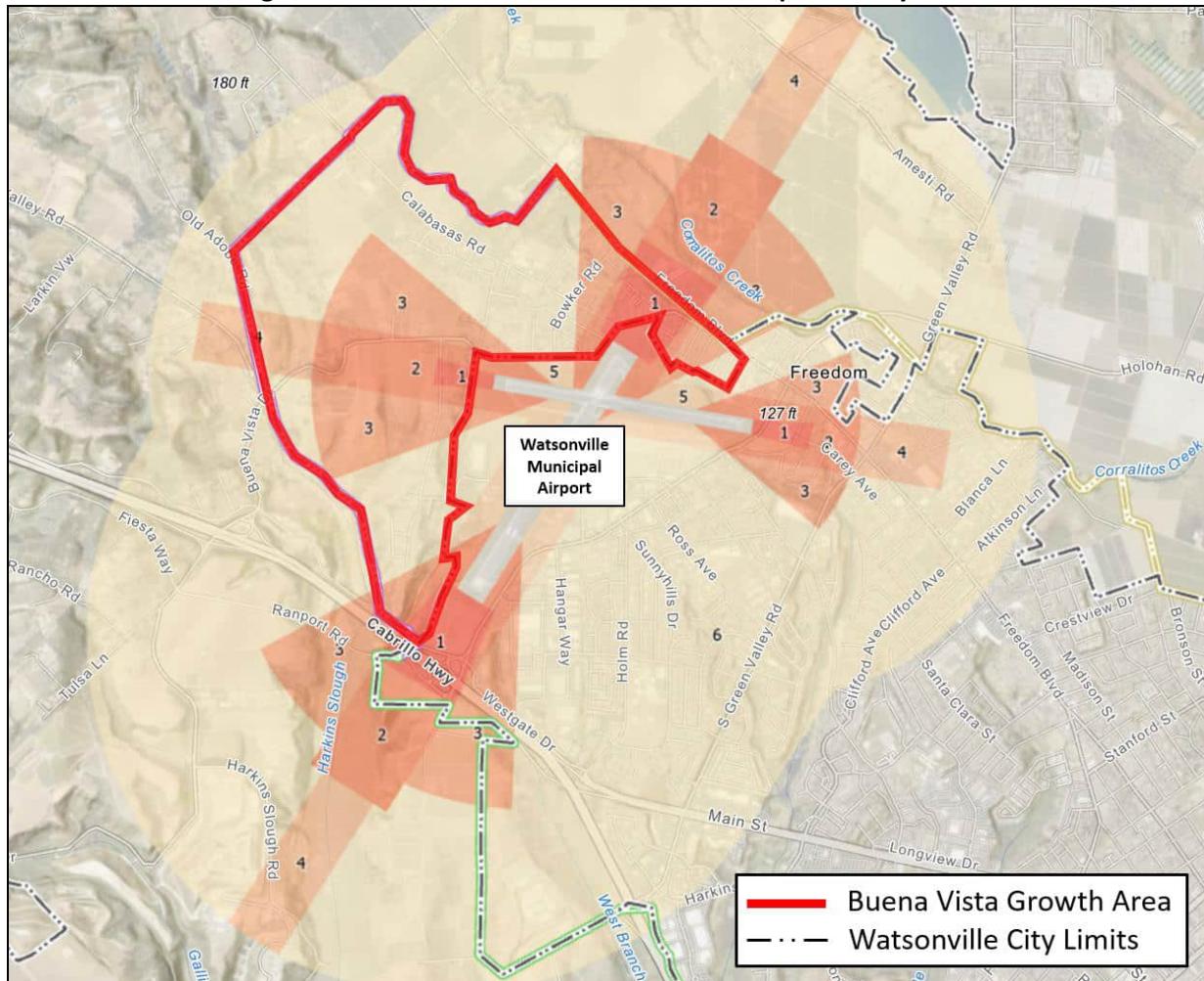
Buena Vista

The Buena Vista area is adjacent to the northwestern edge of the City. There are significant constraints on development in the Buena Vista area, such as steep hillsides and close proximity to the Watsonville Municipal Airport. As shown in **Figure D-6**, Airport Safety Zones 2, 3, and 4 encompass most of the Buena Vista development area. Any future growth in the Buena Vista area would have to include very low-density housing in order to comply with the strictest interpretation of the Caltrans Airport Land Use Planning Handbook. For instance, only 1 unit per 5 acres would be allowed on land in Airport Safety Zones 3 and 4, and no more than 1 unit per 20 acres would be permitted in Zone 2. In addition, annexation would require concurrent annexation of the Freedom and/or South Manfre Road areas, which would involve the City taking on significant costs related to maintenance and replacement of outdated County infrastructure in those developed residential areas.



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Figure D-6: Buena Vista Growth Area with Airport Safety Zones





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Atkinson Lane

This area is located along the northeastern edge of the City, south of Corralitos Creek. The City prepared a Specific Plan for the future development of the area in 2009, which was set aside after a legal challenge to the planning effort by the California Farm Bureau. The Specific Plan envisioned approximately 34.7 net-acres for residential uses for the construction of approximately 450 units, including 10.5 net-acres for Residential-High Density; 14.2 net-acres for Residential-Medium Density; 10 net-acres for Residential-Low Density; and 3.5 acres of parks/recreational uses.

As part of the settlement, the County of Santa Cruz was able to rezone two parcels in the Atkinson Lane Specific Plan area for high-density affordable housing. The first parcel was developed by MidPen Housing in concert with the City and created a 46-unit affordable housing complex known as Pippin Apartments. The entire project was then annexed into the City. The second development, Pippin 2, will provide 80 units of affordable housing and is directly adjacent to the City. It is anticipated that after development is completed, the City will annex the parcel.

5. Specific Plans

The purpose of a Specific Plan is to implement the goals and objectives of a City's General Plan in a more focused and detailed manner that is area and project specific. Specific Plans contain their own development standards and requirements that may be more or less restrictive than those defined for the City as a whole. The City has two adopted Specific Plans (detailed below) which allow for residential development.

Manabe-Ow Business Park Specific Plan

In 2002, after Measure U was passed, a Specific Plan was prepared for the Manabe-Ow area in Watsonville. The Manabe-Ow Business Park Specific Plan (MOBSP) was adopted on November 26th, 2010. The purpose of this 95-acre area was to meet one of the City's primary economic growth objectives by accommodating up to 2,000 new employment-generating uses, from office and flexible-industrial use spaces to light industrial uses and a small commercial retail area. In addition, a modest workforce housing component was also included. The remaining acreage was set aside for environmental protection and expansion of the Watsonville Slough and slough trail system.

As part of the annexation of the Manabe-Ow property, the owners agreed to the recordation of deed restrictions on the site that prohibits big box retail stores and auto dealers. The deed restriction will expire on December 31, 2030. The amount of retail square footage is limited to 5% of the industrial square footage, with no retail building exceeding 20,000 square feet. The residential portion of the project has been in construction since 2017 and will consist of 87 single family attached and detached homes, including 17 affordable units.

Downtown Watsonville Specific Plan

The Downtown Watsonville Specific Plan (DWSP) area consists of roughly 195.5 acres, with approximately 55.5 acres dedicated to streets and rights-of-way. The purpose of this Specific Plan is to revitalize the Downtown Watsonville area and incorporate additional housing and economic opportunities through



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higher density infill along the City's major corridors, which include downtown. The Specific Plan helps achieve these objectives by accommodating up to 3,900 additional residential uses in a compact and active mixed-use environment through both new construction and adaptive reuse of historic buildings. It is important to note that not all sites in the Specific Plan area that can accommodate housing are needed to accommodate the 6th cycle RHNA needs. **Appendix F – Sites Analysis** contains more information on which sites within the DWSP were selected for the 6th Cycle Housing Element analysis.

The City has received interest from developers seeking to build new mixed-use and residential projects in Downtown Watsonville. Based on this growing interest and attention, the City established the Downtown Watsonville Specific Plan (DWSP) as the visionary guide for Downtown Watsonville to foster significant infill development.

The DWSP allows higher density and intensity development and encourages mixed-use neighborhoods in the downtown area by building on its historic origins and knitting the historic downtown together with adjacent industrial and residential areas to create walkable and complete neighborhoods with a mix of retail, services, amenities, employment, and residential uses. It also encourages compact development near transit to decrease automobile dependency, reduce both local and regional traffic congestion and related greenhouse gas emissions, and provide additional guidance and plans to increase multimodal access to and from the historic Downtown area.

In order to accomplish these goals, the City amended the development standards in the DWSP area, increasing building heights, increasing the maximum density and FAR, reducing parking requirements, creating objective design standards, and providing for administrative approval for new mixed-use developments. By making these changes, which reduce processing time and risk, adds design flexibility, and removes subjectivity and the associated uncertainty from the review process, the City is determined to attract the same type of developments currently occurring in the City of Santa Cruz, particularly in the downtown area.

Community Engagement Summary

The Downtown Watsonville Specific Plan process presented a unique and important opportunity for community members to participate and share their ideas to guide Downtown's future. A primary objective of the Plan was to accurately reflect community aspirations and ideas. The information gathered through engagement activities were recorded and compiled to ensure City staff, the Advisory Committee, the public, and decision-makers had a full understanding of community and stakeholder opinions when drafting, reviewing, and adopting the Downtown Watsonville Specific Plan.

Stakeholder Meetings

On September 25th and 26th of 2019, the project team met with a range of members from the Watsonville community – community groups, business leaders, advocacy organizations, and community leaders – and conducted 11 stakeholder interviews discussing key issues and opportunities for the Downtown Watsonville Specific Plan. The comments received at these meetings were categorized into five major



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categories – opportunities, challenges, needs, other comments, and examples of desirable, model communities and areas.

Amongst the business leaders interviewed, two were local for-profit housing developers, one was a non-profit housing developer, and one represented the local chamber of commerce. They spoke to a range of challenges facing development (e.g., Watsonville is in the shadow of Santa Cruz, property owners are not building on vacant land). In terms of development constraints, they noted that buildings with large floorplates are difficult to lease, given the cost of construction and market rents. Building height limits were not identified as a constraint. Many stakeholders also referenced tall buildings, such as the Resetar building, as having an appropriate height and not being out of scale for a Downtown. The Resetar building is five stories and is located in the newly established Downtown Core Zone, which allows six stories.

Business Focus Group Meeting

A business focus group was held on December 17th, 2020. The purpose of the focus group was the following:

- Review market and regulatory context,
- Share community feedback,
- Discuss what works and what doesn't, future land uses, and the development framework and process, and
- Explore the viability of potential opportunity sites

The group discussed existing land use regulations, including the need for amending zoning regulations to better accommodate infill housing and revitalize Downtown. Zoning topics of discussion included base zoning, allowed uses by right, densities, height, setbacks, and parking requirements. Taller six-story buildings in the downtown core area were deemed appropriate (i.e., along Main Street) with transitions down to four stories in the nearby residential neighborhoods.

Advisory Committee Meetings

The City Council helped to establish an Advisory Committee for the project, made up of 15 individuals. Advisory committees are a structured way for individual community members to share their opinions and perspectives, study issues, and develop recommendations in a focused, small group format. Members included local for- and non-profit housing developers. Nine meetings were held during the planning process, at which members reviewed plan concepts, helped to guide the engagement process, and provided advice on the Plan's direction. These meetings were open to the public through public noticing and Spanish translation was provided at every meeting.

The fifth Advisory Committee meeting included a discussion on the proposed zoning framework. During this meeting, 90 percent of participants indicated that 4-6 story buildings were appropriate for the downtown core area. Similarly, most participants considered building heights of 2-4 stories appropriate for neighborhood-scale buildings. No objections were raised during subsequent Advisory Committee



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meetings about buildings up to six stories in the downtown core area or up to four stories in adjoining neighborhoods. The local developer on the Advisory Committee that had recently finished a housing project at 445 Main Street did not express concern that a maximum building height of six stories represented a development constraint for any future projects.

Calibrated Development Standards

The consultant team (Raimi + Associates and Sargent Town Planning) and City staff used this feedback along with current market conditions, construction techniques and Building/Fire Codes to calibrate the development standards, including height, density and building intensity (FAR), to allow for taller buildings in the new Downtown Core Zone of up to six stories with a maximum density of 125 du/ac and FAR of 3.0. In the adjoining Downtown Neighborhood Zone, buildings were allowed at the upper range of four stories with a maximum density of 85 du/ac and FAR of 2.0. These land use regulations were designed to align with market conditions and desired development for the Downtown Core and Neighborhood Zones.

The Downtown Neighborhood (DN) and Downtown Industrial (DI) zones allow up to 85 du/acre with a 4-story height limit. These development standards were developed with input from the development community, applicant interest, and development proposals the City has received. **Figure D-7** provides an example of a 4-story development that exceeds the anticipated density for the DN and DI zones in the City, showing the realistic capacity for development in the City. The Downtown Core (DC) zone allows up to 125 du/acre with a 6-story height limit. Additional recent examples of projects built in the Watsonville downtown area following these standards are described in **Appendix F** in the “Developer Interest and Pre-Applications” section. Many of the examples listed are within the DWSP areas and comply with the existing development standards without exceptions. These examples demonstrate that there is currently a market for the type of development allowed within the DWSP area.

Jane Barr, a former affordable housing developer for both MidPen and Eden Housing with ties to many projects in Watsonville, Santa Cruz, Santa Cruz County, and the greater Bay Area, does not see the Downtown Watsonville Specific Plan density and height limits as an impediment to housing development and informed the City that MidPen and Eden regularly build projects that exceed 10 dwelling units per acre per floor. She was an Advisory Committee member for the DWSP design process, and identified zero lot line setbacks and reduced parking requirements as examples of ways in which the City drafted the plan to encourage and support housing development.

As an example project, Mrs. Barr referenced the Via Del Mar development located at 124 West Beach Street in Watsonville. The project was developed on a 0.65-acre site, has three stories on top of podium parking, and has a density of 13 units per floor.

The development standards in the DWSP are substantially similar to those of the City of Santa Cruz Downtown Expansion Plan, and City staff identified multiple projects in the City of Santa Cruz that fall within the 4 to 6 story range that redeveloped with densities even higher than those proposed in the DWSP, shown in **Table D-4**.



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On September 5, 2023, the City of Watsonville Planning Commission adopted the following resolutions:

- Resolution No. 11-23, recommending the City Council adopt and certify a Final Environmental Impact Report for the Downtown Watsonville Specific Plan and adopting concurrently environmental findings, a mitigation monitoring and reporting program, and a statement of overriding considerations for the project;
- Resolution No. 12-23, recommending the City Council adopt the twenty-ninth amendment to the Watsonville 2005 General Plan to (1) add two new mixed use land use designations to Chapter 4 (Land Use), (2) amend the Land Use Diagram to include these two new land use designations, (3) amend Implementation Measures 4.A.3, 4.C.6, and 10.C.2, and (4) add a new Implementation Measure 4.A.7;
- Resolution No. 13-23, recommending the City Council adopt the Downtown Watsonville Specific Plan; and
- Resolution No. 14-23, recommending the City Council adopt an uncodified ordinance of the City of Watsonville, amending the Zoning Map to reflect the boundaries of the Downtown Watsonville Specific Plan area and an ordinance of the City of Watsonville amending the Zoning Code (Title 14 of the Watsonville Municipal Code) to add a new Part 26 "DWSP District" to Chapter 14-16 in order to refer to the permitted uses and development standards in Chapter 6 of the Downtown Watsonville Specific Plan.

On October 10, 2023, the City of Watsonville City Council adopted the following resolutions:

- Resolution No. 198-23, adopting and certifying a Final Environmental Impact Report for the Downtown Watsonville Specific Plan; and adopting concurrently environmental findings and a statement of overriding considerations for the project and a mitigation monitoring and reporting program in accordance with the California Environmental Quality Act; and
- Resolution No. 199-23, approving the twenty-ninth (29th) amendment to the Watsonville 2005 General Plan to (1) add two new mixed use land use designations to Chapter 4 (Land Use), (2) amend the Land Use Diagram to include two new land use designations, (3) amend Implementation Measures 4.A.3, 4.C.6, and 10.C.2, and (4) add a new Implementation Measure 4.A.7.

On October 24, 2023, the City of Watsonville City Council adopted the following ordinances:

- Ordinance No. 1457-23, adopting an uncodified ordinance of the City Council of the City of Watsonville adopting the Downtown Watsonville Specific Plan, a specific plan pursuant to Government Code Section 65460 et seq; and
- Ordinance No. 1458-23, adopting an uncodified ordinance of the City Council of the City of Watsonville amending the Zoning Map to reflect the boundaries of the Downtown Watsonville Specific Plan Area; and
- Ordinance No. 1459-23, adopting an ordinance of the City Council of the City of Watsonville amending section 14-16.100 (Districts) and adding Part 26 (Downtown Watsonville Specific Plan District) to Chapter 14-16 (District Regulations) of Title 14 (Zoning) of the Watsonville Municipal



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Code in order to refer to the permitted uses and development standards in Chapter 6 of the Downtown Watsonville Specific Plan.

On November 24, 2023, thirty days after the adoption of the ordinances listed above, the DWSP went into effect.

Hypothetical High-Density Development Projects in the Downtown Core and Downtown Neighborhood Zoning Districts

Downtown Core Zoning District

The average lot size of parcels zoned DC (Downtown Core) in the candidate sites inventory is 0.47 acres (approximately 20,473 square feet). A theoretical parcel zoned DC measuring 20,473 square feet (100 feet wide and 205 feet deep) has a maximum density of 125 dwelling units per acre, which equates to 59 units. There are no front or side setback requirements in the DC zone and only a 5-foot rear setback, therefore lot coverage would be 98 percent, which provides a buildable footprint of 20,000 square feet (assuming the maximum height of 6 stories (with the 5th and 6th floors set back 15 feet from the street facade). The maximum potential square footage of the project is 117,000 square feet. However, there is a maximum FAR of 3.0, so the total allowable floor area is 61,419 square feet.

Assuming a mix of approximately 10% 3-bedroom units, 35% 2-bedroom units, 35% 1-bedroom units, and 18% studio units, parking standards for the 59-unit project would require a total of 71 parking spaces. 71 parking spaces require a total of 12,141 square feet, which is not included in the FAR calculation. These parking spaces can be accommodated on the first floor of the structure below and behind the 59 permitted units. Subsequently, 12,141 square feet would be removed from the FAR calculation if it were included under the building.

A proposed development with the unit mix percentages listed above would have a total of six 3-bedroom units, 21 2-bedroom units, 21 1-bedroom units, and 11 studio units, with a total of 41,000 square feet of floor area. Assuming 20% additional floor area per floor for hallways, elevators, etc. on floors 2-6, and counting the 15% commercial floor area and 10% other floor area of the first story, the gross floor area for the building, would be 61,250 square feet (2.99 FAR), which is below the maximum of 61,419 square feet (3.0 FAR).

As such, the City's standards for maximum density, lot size, setbacks, height, FAR, and parking are not considered a constraint to reaching the maximum units permitted through the DC zoning district.

Downtown Neighborhood Zoning District

The average lot size of parcels zoned DN (Downtown Neighborhood) in the candidate sites inventory is 0.57 acres (approximately 24,829 square feet). A theoretical parcel zoned DN measuring 24,829 square feet (100 feet wide and 248 feet deep) has a maximum density of 85 dwelling units per acre, which equates to 48 units. The maximum floor area ratio (FAR) excluding parking is 2.0 (49,658 square feet). The setback requirements in the DN zoning district are 10-feet for the front yard, and 5-feet for the side and rear yards,



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which provides a buildable footprint of 20,970 square feet. The project has a 4-story height limit with an FAR of 2.0, with the maximum potential square footage of the project being 49,658 square feet.

Parking standards for a 48-unit project with the unit mix listed above would require 58 parking spaces. 58 parking spaces require 9,918 square feet, which is not included in the FAR calculation. These parking spaces can be accommodated on the first floor of the building below and behind the 48 permitted units. Subsequently, 9,747 square feet would be removed from the first-floor FAR calculation if it were included under the building.

A proposed development with the unit mix percentages listed above would have a total of five 3-bedroom units, 17 2-bedroom units, 17 1-bedroom units, and 9 studio units, with a total of 33,400 square feet of floor area. Assuming 20% additional floor area per floor for hallways, elevators, etc. on floors 2-4, and counting the non-parking floor area of the first story, the gross floor area for the building, would be 41,050 square feet (1.8 FAR), which is below the maximum floor area of 49,658 square feet (2.0 FAR).

As such, the City's standards for maximum density, lot size, setbacks, height, FAR, and parking are not considered a constraint to reaching the maximum units permitted through the DN zoning district. This example demonstrates that these standard unit sizes and a mix of bedroom counts are realistic given the density, parking, setback, height, and FAR standards for the DN district, and that these standards do not represent constraints on reaching the maximum units permitted in the DN district.

1-Acre Redevelopment in the DN Zoning District

Many of the opportunity sites in the Downtown Watsonville Specific Plan require the consolidation and redevelopment of multiple adjoining parcels. In the DN (Downtown Neighborhood) zoning district, there is a property owner who owns 3 contiguous parcels that total approximately 43,560 square feet. The combination of these parcels has frontage on two streets which help accommodate access and parking. This theoretical development has dimensions of 100 feet by 435 feet, a maximum density of 85 dwelling units per acre, for a total of 85 units. The maximum floor area ratio (FAR) excluding parking is 2.0 (87,120 square feet). The setback requirements in the DN zoning district are 10-feet for the front yard, and 5-feet for the side and rear yards, which provides a buildable footprint of 36,125 square feet. The project has a 4-story height limit.

Parking standards for an 85-unit project with the unit mix listed above would require 102 parking spaces. 102 parking spaces require 17,442 square feet, which is not included in the FAR calculation. These parking spaces can be accommodated on the first floor of the structure below and behind the 85 permitted units. Subsequently, 17,442 square feet would be removed from the first-floor FAR calculation if it were included under the building.

A proposed development with the unit mix percentages listed above would have a total of nine 3-bedroom units, 30 2-bedroom units, 30 1-bedroom units, and 15 studio units, with a total of 58,800 square feet of



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floor area. Assuming 20% additional floor area per floor for hallways, elevators, etc. on floors 2-4, and counting the non-parking floor area of the first story, the gross floor area for the building, would be 73,500 square feet (1.7 FAR), which is below the maximum floor area of 87,120 square feet (2.0 FAR).

This example demonstrates that larger unit sizes and a mix of bedroom counts are realistic given the density, parking, setback, height, and FAR standards for the DN district, and that these standards do not represent constraints on reaching the maximum units permitted in the DN district.

2-Acre Redevelopment in the Downtown Core Zoning District

As in the Downtown Neighborhood district, there are opportunity sites in the Downtown Core zoning district that include the combination of properties to build larger projects. This theoretical example combines land to create a 2-acre (87,120-square-foot) redevelopment site. The site measures 250 feet in width by 348 feet in depth, with a maximum density of 125 dwelling units per acre, totaling to 250 units. The maximum floor area ratio (FAR) excluding parking is 3.0. There are no front or side setback requirements and only a 5-foot rear setback in the DC zone, therefore lot coverage would be 98 percent, which provides a buildable footprint of 85,750 square feet. Assuming the maximum height of 6 stories (with the 5th and 6th floors setback 15 feet from the street facade) the maximum potential square footage of the project is 507,000 square feet. However, there is a maximum FAR of 3.0, so the total allowable floor area is 261,360 square feet.

Assuming a mix of approximately 10% 3-bedroom units, 35% 2-bedroom units, 35% 1-bedroom units, and 18% studio units, parking standards for the 250-unit project would require a total of 300 parking spaces. 300 parking spaces require a total of 51,300 square feet, which is not included in the FAR calculation. These parking spaces can be accommodated on the first floor of the structure below and behind the 250 permitted units. Subsequently, 51,300 square feet would be removed from the FAR calculation if it were included under the building.

A proposed development with the unit mix percentages listed above would have a total of 25 3-bedroom units, 88 2-bedroom units, 88 1-bedroom units, and 50 studio units, with a total of 173,200 square feet of floor area. Assuming 20% additional floor area per floor for hallways, elevators, etc. on floors 2-6, and counting the 15% commercial floor area and 10% other floor area of the first story, the gross floor area for the building, would be 259,375 square feet (2.99 FAR), which is below the maximum floor area of 261,360 square feet (3.0 FAR).

This example demonstrates that larger unit sizes and a mix of bedroom counts are realistic given the density, parking, setback, height, and FAR standards for the DC district, and that these standards do not represent constraints on reaching the maximum units permitted in the DC district.



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Figure D-7: Example Project for 4-Story 101 du/ac Housing Development

Example Downtown Project

THE TERRACE AT 445 MAIN ST.

445 MAIN ST.
WATSONVILLE, CA 95076
APN: 017-541-05,06



Project Details

- Site area: 0.537 ac (23,374 sf)
- Units: 54
 - Studio units: 18
 - 1-bedroom units: 18
 - 2-bedroom units: 18
- Density: 101 du/ac
- Building area (residential & commercial): 47,744 sf
- FAR: 2.0
- Commercial area (only): 3,434 sf
- Commercial FAR: 0.15
- Parking (provided): 68
- Parking (required): 58



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Table D-4: High Density Projects in Santa Cruz County

Project	City	Address	# of Units	# of Stories	Acres	Density (du/acre)	Year Approved	Building Permit Status
Pacific Front Mixed-Use Development	Santa Cruz	808-816 Pacific Avenue	205	5	1.44	142	2020	Under Construction
Riverfront Project	Santa Cruz	418-508 Front Street	175	7	1.04	168	2021	Under Construction
Center/Cedar Project, Cavalry Church	Santa Cruz	524-538 Center Street	65	4	0.77	84	2022	Under Construction
Calypso	Santa Cruz	130 Center Street	233	6	1.19	196	2022	BP Under Review
1800 Soquel Ave Housing	Santa Cruz	1800 Soquel Avenue	84	4	0.81	104	2023	BP Under Review
915-923 Water Street	Santa Cruz	915-923 Water Street	105	4	0.58	181	2022	Pending BP Submittal



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6. Airport Land Use Compatibility

In Watsonville, there is an existing municipal airport located in the northern area of the City. For potential development in/near airport areas located in urban settings, there are special restrictions and standards applied per the 2011 Caltrans Airport Land Use Planning Handbook (Handbook), which provides compatibility standards for uses being proposed in Airport Safety Zones 1 through 6. Each of these zones are described along with the uses allowed in each area below.

Several factors make it reasonable and even appropriate to set safety compatibility criteria for urban areas differently than if in a more rural setting.

- A basic distinction is that urban areas are, by definition, more heavily developed than rural communities. Because Airport Land Use Commissions do not have authority over existing land uses, the opportunity to achieve an ideal level of safety compatibility is less in urban locations.
- The comparatively higher land values in urban areas are also worthy of recognition in setting safety compatibility criteria. Allowing only agricultural or other very-low-intensity uses near airports may be quite feasible in rural areas, but not in urban areas.
- The established character of land uses in urban places may limit the options for future development. Sometimes all that can be achieved is to hold new development to intensities similar to those that exist. This concept falls under infill developments.
- From the perspective of potential risk consequences, rural areas may be less equipped to deal with an aircraft accident than urban places. Compared to city units, rural emergency response units probably have farther to travel and would have a longer response time to reach an accident site. Treating injuries or fighting fires would be delayed.
- Finally, a greater societal tolerance for risks—or at least different types of risks—seems to accompany the typically faster pace and higher intensity of life in urban places compared to that of outlying locations.

Airport Safety Zone 1 – Runway Protection Zone

Safety Zone 1 is located on the runway and is the most restrictive of all the Safety Zones. Normal maneuvers in this area are aircrafts that are very close to their final approach or departure. The altitude in this area is typically less than 200 feet above the runway. The most common accidents during arrivals for this Safety Area are downdrafts, wind gusts, and low glide paths. The most common during departures are runway overruns, aborted takeoffs, and engine failures. The risk level in this area is very high and the percentage of near-runway accidents in this zone is between 20 to 21 percent.

Being the most restrictive of the Safety Zones, not many uses are allowed to be developed in this area. Under normal circumstances, there is usually no use allowed to be developed. The only uses that could be allowed in this Safety Zone, but still should be avoided, are uses that are very low intensity in character and the use is confined to the outer sides of the zone. Parking lots, streets, and roads are also allowed but should be avoided. All new structures and residential land uses are prohibited. Uses that do get allowed will be subject to FAA standards and provisions.



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Airport Safety Zone 2 – Inner Approach/Departure Zone

Safety Zone 2 refers to the area in the airport that involves the runway and normal maneuvers performed by aircrafts, such as flying low altitudes on a final approach as well as straight-out departures. The usual altitude in this zone is between 200 and 400 feet above the runway. The most common accidents that occur in this area is similar to Safety Zone 1 but with additional instances such as an aircraft undershooting their approaches and forced shorts landings for arrivals, and emergency landing on straight-out departures. The risk level for this area is high and the percentage of near-runway accidents in this zone range from 8 to 22 percent.

Basic compatibility policies described in the Handbook normally allows non-group recreational agriculture, low-hazard materials storage, warehouses, and low-intensity light industrial; uses such as auto, aircraft, and marine repair services. Safety Zone 2 allows but limits the developments of single-story office buildings; in addition to nonresidential uses and activities that attract few people. Uses meant to be avoided in Safety Zone 2 are all residential uses unless proposed as infill in already-developed areas. Multi-story uses with high density or intensity, shopping centers, and most eating establishments are also to be avoided in the zone. Theaters, assembly uses, office buildings greater than 3 stories, labor-intensive industrial, children's schools, day care centers, hospitals, hazardous uses, and group recreational uses are all prohibited in this zone.

Airport Safety Zone 3 – Inner Turning Zone

Safety Zone 3 is located in the inner areas of an aircraft approaching or departing from the airport. Normal aircraft maneuvers performed in this zone – especially for smaller, piston-powered aircrafts – is turning base to final on landing approach or initiating a turn to en-route direction on departure. The altitude in this area is usually less than 500 feet above the runway, particularly on the landings. The most common accident types depend on if the aircraft is arriving to or departing from the airport. For arrivals, the most common accidents are when the pilot overshoots the turn to final and inappropriately cross controls the airplane rudder and ailerons while attempting to return to the runway, which in turn causes a stall, spin, and uncontrolled crash. For departures, one common accident is if a mechanical failure occurs on takeoff. Another involves low altitude that gives the pilot very few options on emergency landing sites. The last common accident type occurs when the pilot attempts to return to the airport but loses control during a tight turn. The risk level in this area is moderate to high, with the percentage of near-runway accidents in this zone being 4 to 8 percent.

Compatibility policies for this zone usually allow all uses that are allowed in Safety Zone 2, along with greenhouses, low-hazard materials storage, mini-storages, and light-industrial, vehicle repair services. Uses that are limited yet allowed are all low-density residential uses, office, and low-intensity commercial uses. Higher intensity commercial and nonresidential uses, buildings with more than 3 aboveground habitable floors, and hazardous uses should be avoided in this zone. Lastly, major shopping centers,



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theaters, assembly facilities, children's schools, large day care centers, hospitals, nursing homes, and group recreations uses such as stadiums are prohibited in this safety zone.

Airport Safety Zone 4 – Outer Approach/Departure Zone

Safety Zone 4 is located the areas where pilots perform their turn to final to land safely on the runway. Normal maneuvers usually involve the approaching aircraft being at less than traffic pattern altitude, this is particularly applicable for busy general aviation runways. Other normal maneuvers in this zone involve runways with straight-in instrument approach procedures, and other runways where straight-in or straight-out flight paths are common. Normal altitudes in this zone are less than 1,000 feet above the runway, with the lowest being around 500 feet before the aircraft reaches Safety Zone 4. Some common accidents during arrivals are when the pilot undershoots runway during an instrument approach, the aircraft loses engine power on approach, and forced landings. Common departure accidents usually involve some type of mechanical failure on takeoff. The risk level in this area is moderate, with the percentage of near-runway accidents in this zone is 2 to 6 percent.

Restrictions in Safety Zone 4 are looser than those imposed in the previous Safety Zones. Compatibility in this zone normally allow uses allowed in Zone 3, in addition to restaurants, retail, and industrial. Most low to moderate intensity uses are acceptable but uses that involve the assembling of people are restricted. Low density residential is allowed but limited in this zone, and high intensity retail or office uses should be avoided. Children's schools, large daycare centers, hospitals, nursing homes, and group recreational uses and stadiums are prohibited from being developed in this zone.

Airport Safety Zone 5 – Sideline Zone

Safety Zone 5 is located at the outer reaches of the airport area where aircrafts finish their initial takeoff/departure procedures. Normal maneuvers associated with this area include directional control of aircraft on takeoff as well as excessive crosswind gusts or engine torque. The altitude in this area is typically the runway elevation that the airport establishes themselves, which is the vertical distance between the highest point of the landing area of an airport and mean sea level. The most common accident type, for both arrivals and departures, involve the aircraft losing directional control and veering off the side of the runway. The risk level in this zone is low to moderate, with the percentage of near-runway accidents being around 3 to 5 percent.

Safety Zone 5 has the lesser restrictions of the Safety Zones. The Handbook's compatibility policies normally allow all uses allowed in Zone 4 but are subject to height limitations for airspace protection. Other uses normally allowed involves all common aviation-related activities provided that the FAA height-limit criteria are met. Nonresidential uses that are like the ones allowed in Zone 3 are also allowed but limited in this zone; high-intensity nonresidential and residential uses should be avoided unless the residential use is airport related. It should be noted that all residential uses that are allowed in this zone may be subject to noise factors. Children's schools, large daycare centers, hospitals, nursing homes, and group recreational uses and stadiums are prohibited from being developed in this zone.



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Airport Safety Zone 6 – Traffic Pattern Zone

Safety Zone 6 is located essentially everywhere outside of the other five safety zone areas. Normal maneuvers in this area involve aircrafts performing regular traffic patterns and entry routes. The altitude ranges between 1,000 to 1,500 feet above the runway. For arrivals, the most common accidents involve pattern accidents in proximity of an airport, whereas for departures the most common involves emergency landings. The risk level in this area is only low, however the percentage of near-runway accidents in this zone is a high 18 to 29 percent. Despite the number, this is only due to the large area that the zone encompasses.

Safety Zone 6 has the least restrictions of all the zones. In this area, residential and other uses allowed in previous zones are allowed. For residential, development must be considerate of the noise and flight impacts associated with this zone, particularly where ambient noise levels are low. Children's schools, large day care centers, hospitals, nursing homes, as well as processing and storage of bulk quantities of highly hazardous materials are limited in Zone 6. Overall, no uses are prohibited in this zone; however, outdoor stadiums and similar uses with very high intensities should be avoided.

Watsonville Pilots Association (WPA)

The WPA contend that until such time that the criteria in the Handbook for Airport Safety Zones 1-6 are incorporated in the City's General Plan, in a manner that leaves no discretion, they may challenge land use projects. In their view, the City is constrained as a result of the Court of Appeal's decision in *Watsonville Pilots Association v. City of Watsonville*, 183 Cal.App.4th 1059 (2010). The WPA has chosen to challenge two recent land use projects, including a mini-storage facility at 70 Nielson Street and 21-unit townhome project at 547 Airport Boulevard. Because the townhome project was held up in court for more than two years, the project entitlements expired. Two of those lawsuits that are related to housing have been summarized below.

2030 General Plan Update Lawsuit

Shortly after the 2002 voter referendum "Measure U" was passed, the City of Watsonville began to develop their VISTA 2030 General Plan in 2003. Broadly supported, the plan was adopted in 2006.

Shortly after the Plan was adopted, the WPA challenged the City over concerns with the proposed density increases for the Buena Vista area, located near the airport. They believed that airport safety issues were not addressed in the General Plan or its EIR. In trial court, it was found that the General Plan was inconsistent with the State Aeronautics Act (SAA). It was also found that the EIR failed to properly analyze aviation and traffic issues, which led to no consideration of a reasonable range of alternatives. The trial court did uphold the EIR analysis of water supply growth anticipated under the new General Plan. Lastly, since the City at the time was considered in a "no procedure" county. Cities in these categorized counties must adopt the safety and density criteria identified in the Handbook.



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As a result, the 2030 General Plan was considered invalid for violation of statutory requirements of the SAA. The General Plan was subsequently rescinded by the City and engaged with pilots and residents in an attempt to arrive at a new land use plan for the Buena Vista area.

547 Airport Boulevard Lawsuit

In September 2021, the WPA challenged the City of Watsonville on the approval of a proposed 21-unit condo development on 547 Airport Boulevard. This project is located adjacent to the Watsonville Municipal Airport. According to the WPA, they are claiming that the City did not fully follow CEQA guidelines, the SAA, and the court ordered implementation of the Handbook in the City's General Plan. As such, it is seen as a potential risk for pilots and future residents that would live there.

The legal battle has been ongoing for over two years now. In the meantime, developers neither moved forward on their project nor applied for permit extensions. As consequence, the project entitlement expired in August 2023.

7. Variety of Housing Permitted

Housing Element Law requires jurisdictions to identify sites to be made available through zoning and development standards to facilitate development of a variety of housing types for all socioeconomic levels of the population. **Table D-5** and **Table D-6** shows the various housing types permitted throughout the City's zoning districts.

Table D-5: Permitted Housing Types by Residential Zoning District

Housing Type	Residential Zones				
	R-1	R-1P	RM-2	RM-3	R-MH
Single-Unit Dwellings	ARP	ARP	-	AUP	X
Single-Family Unit with principal structure height between 2 and 2 ½ stories	SUP	-	-	-	X
Single Family Unit (if lot area allows for only one)	-	-	AUP	AUP	X
Single Family unit (if lot area allows more than one)	-	-	SUP	SUP	X
Multi-Unit Dwellings	-	-	ARP	AUP	X
Multi-Family Dwellings (17 or more on one site)	-	-	-	SUP	X
Building Conversion to Multi-Family Dwelling Units	-	-	SUP	SUP	X
Two-Unit Dwellings	ARP	ARP	AUP	AUP	X
Duplex	-	-	ARP	-	X
Duplex (if lot area only allows 2 units)	-	-	-	AUP	X
Duplex (if the lot area allows more than two units)	-	-	-	SUP	X
Accessory Dwelling Unit(s)	ARP	ARP	ARP	ARP	X
Junior Accessory Dwelling Unit(s)	ARP	ARP	ARP	ARP	X



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Table D-5: Permitted Housing Types by Residential Zoning District

Housing Type	Residential Zones				
	R-1	R-1P	RM-2	RM-3	R-MH
Dormitory	-	-	SUP	SUP	SUP
Apartment Units (16 or less on one site)	-	-	ARP	ARP	X
Apartment Units (17 or more on one site)	-	-	SUP	-	X
Townhouses, rowhouses (10 or less dwelling units on one of more structures)	-	-	ARP	ARP	X
Home Occupation	ARP	ARP	ARP	ARP	X
Live-Work Units	-	-	-	-	X
Short-Term Lodging	-	-	-	-	X
Child Care Homes (6 or fewer children)	ARP	-	-	ARP	X
Child Care Homes (7 to 14 children)	ARP	-	ARP	ARP	X
Foster Home for children (6 or less)	AUP	-	AUP	-	X
Foster Family Home (6 people or less)	AUP	-	AUP	-	X
Group Foster Homes	-	-	-	-	SUP
Residential Care Facilities – Limited (6 or fewer persons)	ARP	ARP	ARP	ARP	X
Residential Care Facilities – General (7 or more persons)	AUP	AUP	AUP	AUP	AUP
Mobile Home Rental Parks	-	-	SUP	-	X
Mobile Home Park or Manufactured Home Park	-	-	-	-	ARP
Retirement Home	-	-	-	-	X
Farmworker Housing	-	-	-	-	SUP
Transitional Housing	-	-	-	-	X
Supportive Housing	-	-	-	-	X
Emergency Shelters	-	-	-	-	X
Mobile homes	-	-	-	-	X
Low Barrier Navigation Centers	-	-	-	-	X
SRO Residential	-	-	-	-	X

ARP – Administrative Review Permit

AUP – Administrative Use Permit with Design Review

SUP – Special Use Permit with Design Review

X – Prohibited



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Housing Type	Non-Residential Zones											
	PF	N	DC*	DN	DI ¹	CT	CN	CNS	CV	CO	EM-A-1	EM-A-2
Single-Unit Dwellings	-	-	-	P	-	SUP ²	SUP ⁴	-	-	-	P	-
Single-Family Unit with principal structure height between 2 and 2 ½ stories	-	-	-	P	-	-	-	-	-	-	-	-
Single Family Unit (if lot area allows for only one)	-	-	-	P	-	-	-	-	-	-	-	P
Single Family Unit (if lot area allows more than one)	-	-	-	P	-	-	-	-	-	-	-	-
Multi-Unit Dwellings	X	SUP	P*	P	P	SUP ³	SUP	-	-	-	-	-
Multi-Family Dwellings (17 or more on one site)	-	-	P*	P	P	-	-	-	-	-	-	-
Building Conversion to Multi-Family Dwelling Units	-	-	P*	P	P	-	-	-	-	-	-	-
Two-Unit Dwellings	-	-	-	P	-	-	-	-	-	-	-	-
Duplex	-	-	-	P	-	-	-	-	-	-	-	-
Duplex (if lot area only allows 2 units)	-	-	-	P	-	-	-	-	-	-	-	-
Duplex (if the lot area allows more than two units)	-	-	-	P	-	-	-	-	-	-	-	-
Accessory Dwelling Unit(s)	-	-	-	P	-	ARP	ARP	-	-	-	-	-
Junior Accessory Dwelling Unit(s)	-	-	-	P	-	-	-	-	-	-	-	-
Dormitory	-	-	SUP*	SUP	SUP	SUP	SUP	-	-	-	-	-
Apartment Units (16 or less on one site)	-	-	P*	P	P	-	SUP	-	-	-	-	-
Apartment Units (17 or more on one site)	-	-	P*	P	P	-	SUP	-	-	-	-	-
Townhouses, Rowhouses (10 or less dwelling units on one of more structures)	-	-	P*	P	P	-	SUP	-	-	-	-	-
Home Occupation	-	-	-	-	-	-	-	-	-	-	P	P
Live-Work Units	-	-	SUP*	SUP	SUP	-	-	-	-	-	P	-
Short-Term Lodging	-	-	-	-	-	-	-	-	-	-	-	-
Child Care Homes (6 or fewer children)	-	-	P	P	P	-	-	-	-	-	-	-
Child Care Homes (7 to 14 children)	-	-	P*	P	P	-	-	-	-	-	-	-



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Housing Type	Non-Residential Zones											
	PF	N	DC*	DN	DI ¹	CT	CN	CNS	CV	CO	EM-A-1	EM-A-2
Foster Home for Children (6 or less)	-	-	P*	P	P	-	-	-	-	-	P	P
Foster Family Home (6 people or less)	-	-	P*	P	P	-	-	-	-	-	P	P
Group Foster Homes	X	SUP	P*	P	P	-	-	-	-	-	-	-
Residential Care Facilities – Limited (6 or fewer persons)	-	-	-	-	-	-	-	-	-	-	-	-
Residential Care Facilities – General (7 or more persons)	-	-	-	-	-	AUP	AUP	-	-	-	-	-
Mobile Home Rental Parks	-	-	-	-	-	-	-	-	-	-	-	-
Mobile Home Park or Manufactured Home Park	-	-	-	-	-	-	-	-	-	-	-	-
Retirement Home	-	-	P*	P	P	-	-	-	-	-	-	-
Farmworker Housing	-	-	P*	P	P	-	-	-	-	-	-	SUP
Transitional Housing	AUP	X	-	-	-	-	-	-	-	-	-	-
Supportive Housing	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Shelters	P	P	-	-	-	-	-	-	-	-	-	-
Mobile Homes	-	-	-	-	-	-	-	-	-	-	-	-
Low Barrier Navigation Centers	-	-	-	-	-	-	-	-	-	-	-	-
SRO Residential ⁵	-	-	P*	P	SUP	-	-	-	-	-	-	-

P – Principally Permitted (may require a Building Permit)
ARP – Administrative Review Permit
AUP – Administrative Use Permit with Design Review
SUP – Special Use Permit with Design Review
X – Prohibited

** Dwelling units are principally permitted only on upper floors in the Main Street and Gateway Overlay Zones of the DC zoning district. Elsewhere, ground floor residential is principally permitted.*

*** Not constructed in conjunction with another use.*

¹ Residential uses allowed with approval of a SUP.

² In conjunction with the following: GLU: 50, 52, 53, 54, 58, 59, 60, 61, 62, 64, 65, 66, 67, 68, 77, and 79.

³ Not constructed in conjunction with another use.

⁴ In conjunction with permitted uses.

⁵ See Chapter 14.48 of Watsonville Municipal Code



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Single-Family Dwelling

Single-family dwellings refer to one detached dwelling per legal lot of record designed with a kitchen, bedroom(s), used exclusively for residential purposes by one housekeeping unit. This housing type is principally permitted in the R-1, R-1P, DN, and EM-A-1 zones and requires an Administrative Use Permit in RM-3 zone.

Multi-Family Dwelling

A multi-family means any building, with three or more individual dwellings with separate cooking, sleeping, and bathroom facilities for each dwelling. The term includes flats and apartments. This housing type is principally permitted in the RM-2 zone, DC, DN, and DI zones. Multi-Family uses requires an Administrative Use Permit in the RM-3 zone. Multi-family dwellings in N zones require a Special Use Permit.

Townhouse Dwelling

A Townhouse dwelling means a single dwelling unit in a townhouse group, located or capable of being located on a separate lot, and being separated from the adjoining dwelling unit by an approved wall extending from the foundation through the roof and structurally independent of the corresponding wall of the adjoining unit. Townhouse dwellings are permitted principally in the DC, DN, DI, RM-2, and RM-3 zones.

Accessory Dwelling Unit (ADU)

An accessory dwelling unit (ADU) means an attached or a detached accessory residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence/residences. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family dwelling or multifamily dwelling is or will be situated. In any residential zones, ADUs are restricted to:

- Lots less than 5,999 square feet: One 850 square-foot ADU (maximum one bedroom);
- Lots less than 9,999 square feet: One 1,000 square-foot ADU (maximum 2 bedrooms);
- Lots greater than 10,000 square feet: One 1,200 square-foot ADU (maximum 3 bedrooms);
- Lots greater than 12,000 square feet: One 1,200 square-foot ADU (maximum 3 bedrooms); or
- Two ADUs measuring a maximum of 750 square-foot and 2 bedrooms.

The ADU Ordinance was repealed and replaced in November 2020 to comply with updates to State law. However, new State Laws prohibit the limitation on the number of bedrooms allowed in an ADU and is considered a constraint. A program has been added in the Policy Plan to address this issue. In the interim, the City implements provisions of the most recent ADU as law established in Government Code Sections 65852.2 through 65852.22.

Junior Accessory Dwelling Unit (JADU)

A junior accessory dwelling unit (JADU) means a unit that is no more than 500 square feet in size and contained within an existing or proposed single-family dwelling. A JADU must include an efficiency kitchen and may include separate sanitation facilities or may share sanitation facilities with the existing single-family dwelling. A JADU must also have its own exterior access for ingress/egress separate from the



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existing or proposed single-family dwelling. JADU's are allowed in any residential zone in Watsonville; specifically, one per lot is permitted in the R-1 and R-1P zones, and one ADU and one JADU are permitted in the RM-2 and RM-3 zones if a single-family dwelling exists on the lot at the time of the application.

Child Care Homes (Large Family)

Childcare homes (large family) mean a home which provides family day care to seven to twelve children, including children who reside at the home. This housing type is principally permitted in the DC, DN, DI, R-1, RM-2, and RM-3 zones. California Health and Safety Code § 1597.45 requires that large family day care homes be considered a residential use and allowed by right in residentially zoned areas. **Program B.5** under **Policy 2.7** is included in the Housing Element to allow large family childcare homes by-right in RMH zone.

Child Care Homes (Small Family)

Childcare homes (small family) mean a home which provides family day care to six or fewer children, including children who reside at the home. This housing type is permitted principally in the DC, DN, DI, R-1, and RM-3 zones.

Foster Family Home

Foster Family Home means a boarding home for not more than six aged ambulatory guests as licensed by the Department of Social Welfare of the County. This housing type is principally permitted in the DC, DN, DI, EM-A-1, and EM-A-2 zones. Additionally, foster family homes are also permitted in R-1 and RM-2 through an Administrative Use Permit.

Foster Home for Children

Foster Home for Children means a private family home for foster children in which is provided full-time care for not more than six children, including children of the proprietary family, and in which such foster children are resident on a more or less permanent basis and participate in a normal family relationship with the proprietary family. This housing type is principally permitted in the DC, DN, DI, EM-A-1, and EM-A-2 zones. Additionally, foster homes for children are also permitted in R-1 and RM-2 through an Administrative Use Permit.

Retirement Home

A retirement home (defined in the City's Municipal Code as "Boarding Home for the Aged") means a private residence providing board and room as well as twenty-four hour protective and personal care and services to ambulatory aged guests, as defined in this chapter, assuming for them responsibilities which go beyond those customarily associated with a landlord-tenant relationship and where bedside care is provided only for conditions determined by a physician to be temporary and minor. Such establishments do not provide individual cooking and eating facilities for the guests.

Mobile Home

A mobile home means a vehicle constructed in such a manner as to permit occupancy thereof as a dwelling unit and so designed that it is or may be mounted on wheels for conveyance over streets and highways.



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Mobile homes are considered dwelling units for the purpose of this title only when they are located in mobile home parks. This housing type is principally permitted in the R-MH zone.

Duplex

A duplex means a building designed as a single structure, containing two separate living units, each of which is designed to be occupied as a separate permanent residence for one housekeeping unit. Duplexes are principally permitted in DN, R-1 and R-1P zone, as well as the RM-2 and RM-3 zones through an Administrative Use Permit.

Dormitory

Dormitory refers to a residential facility with three or more sleeping accommodations for individuals or groups, with or without meals, by the week or by the month, for rent paid in money, foods, labor, or otherwise, and providing communal kitchen and dining facilities. Dormitories may allow individuals rooms to be occupied by no more than 2 paying guests per room. A dormitory is principally permitted in the DC, DN, DI, RM-2, and RM-3 zones, as well as in R-MH, and CT zones through a Special Use Permit.

Residential Care Facility

A residential care facility mean any family home, group care facility, or similar facility determined by the State Department of Social Services, that is maintained and operated to provide nonmedical residential care services for children, adults, or children and adults, including, but not limited to, the physically handicapped, mentally impaired, incompetent persons, and abused or neglected children, and provides twenty-four-hour nonmedical care of persons in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual. Residential care facilities housing six people or less are principally permitted in the DC, DN, DI, R-1, R-1P, R-M2, and R-M3 zones, and ones with seven people or more in the DC, DN, and DI zone. This use is also allowed in the R-1, R-M2, and R-M3 zones through a Special Use Permit. **Program D.9** is included in the Policy Plan, allowing residential care facilities of 7 or more people to be principally permitted in all residential zones.

Supportive Housing

Supportive housing mean housing with no limit on length of stay, that is occupied by the target population¹, and that is linked to on-site or off-site services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. The City currently does not have zoning requirements for supportive housing. **Program C.9** is included in the Policy Plan to address this.

¹ Adults with low income having one or more disabilities including mental illness, HIV or AIDS, substance abuse, or other chronic health conditions, or individuals eligible for services provided under the Lanterman Development Disabilities Services Act (Division 4.5, commencing with Section 4500 of the Welfare and Institutions Code) and may, among other populations, include families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, or homeless people.



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Transitional Housing

Transitional housing and transitional housing development(s) mean temporary housing provided to individuals or families recovering from the effects of economic dislocation or emotional/mental problems and/or substance abuse. Housing involving on-site therapy and supervision in the manner of a halfway house is subject to the same regulations as a group care home. Transitional housing and transitional housing development also means buildings configured as rental housing developments, but operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six months. Transitional Housing developments are required by State law to be allowed by-right in all residential zoning districts, and **Program C.8** removes this constraint.

Single Room Occupancy (SRO) Unit

Single Room Occupancy (SRO) unit mean a single room separately rented or leased within a residential hotel building containing six or more rooms. SROs are regulated by Chapter 14.48 of the Municipal Code, which describes the permitting process, development and design standards, minimum age, management, and parking requirements for SRO development. SRO units are permitted only in the DC, DN, and DI zones through a Special Use Permit.

Emergency Shelter

Emergency shelter refers to housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a person experiencing homelessness. The City's Zoning Code states that an emergency shelter must meet the standards set forth in Chapter 14 Section 43 "Emergency Shelters" and is intended to allow for the development of emergency shelter facilities in conjunction with specified uses and in particular zoning districts, subject to development and operational standards that minimize potential adverse impacts on nearby properties and the community as a whole. All new construction must comply with the Public Facilities and Institutional land use regulations under Chapter 14-43.020 Development Standards for Emergency Shelters in the City's Zoning Code. An amendment to the Public Facilities and Institutional Districts (PF and N) during the 5th Cycle established emergency shelters as a permitted use within PF and N zones.

AB 139 states that jurisdictions may impose certain objective standards for emergency shelters, such as sufficient parking to accommodate all staff working in the emergency shelter, provided that the standards do not require more parking than other residential or commercial uses within the same zone. The City's Zoning Code states that shelter facilities within one-quarter mile of an existing bus route or rail station must provide one space per employee (based on highest ratio of staffing on site) and one-eighth (1/8) space per adult client. Additionally, AB 2339 requires emergency shelters be allowed principally in all residential districts, which has been addressed in **Program C.8**.

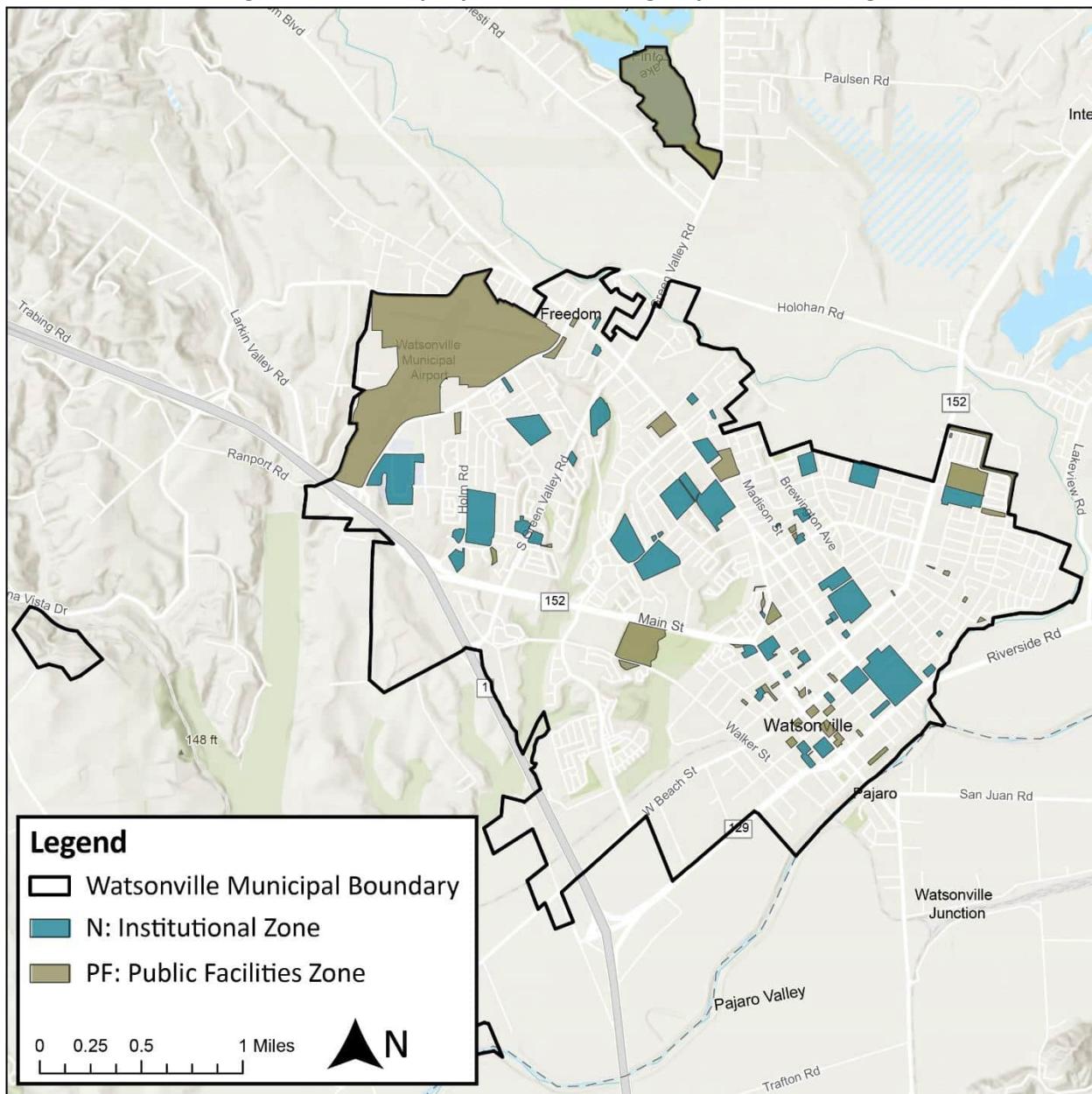
Figure D-8a shows the location of parcels zones PF and N where emergency shelters are permitted. These parcels are located throughout the entirety of the City, and they are not consolidated to one area – thus, allowing opportunity for future shelters in proximity to a variety of uses and community resources. In addition, **Figure D-8b** shows the location of 11 hazardous waste generators in the City. These generators are located near some of the parcels where emergency shelters would be permitted. Some of the uses include light industrial, research labs, medical offices, and grocery stores. These uses are ones that do not create an environment unfit for human habitation. In fact, there are existing residential neighborhoods currently located within proximity to these generators.



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- Area 1: Sutter Bay Medical Office, Walgreens, Rite Aid, Planned Parenthood, Palo Alto Medical Foundation, Sutter Bay Medical Foundation
- Area 2: Continental Sales Company, CVS Pharmacy, Kaiser Permanente Medical Office
- Area 3: CVS Pharmacy, City of Watsonville Solid Waste Division

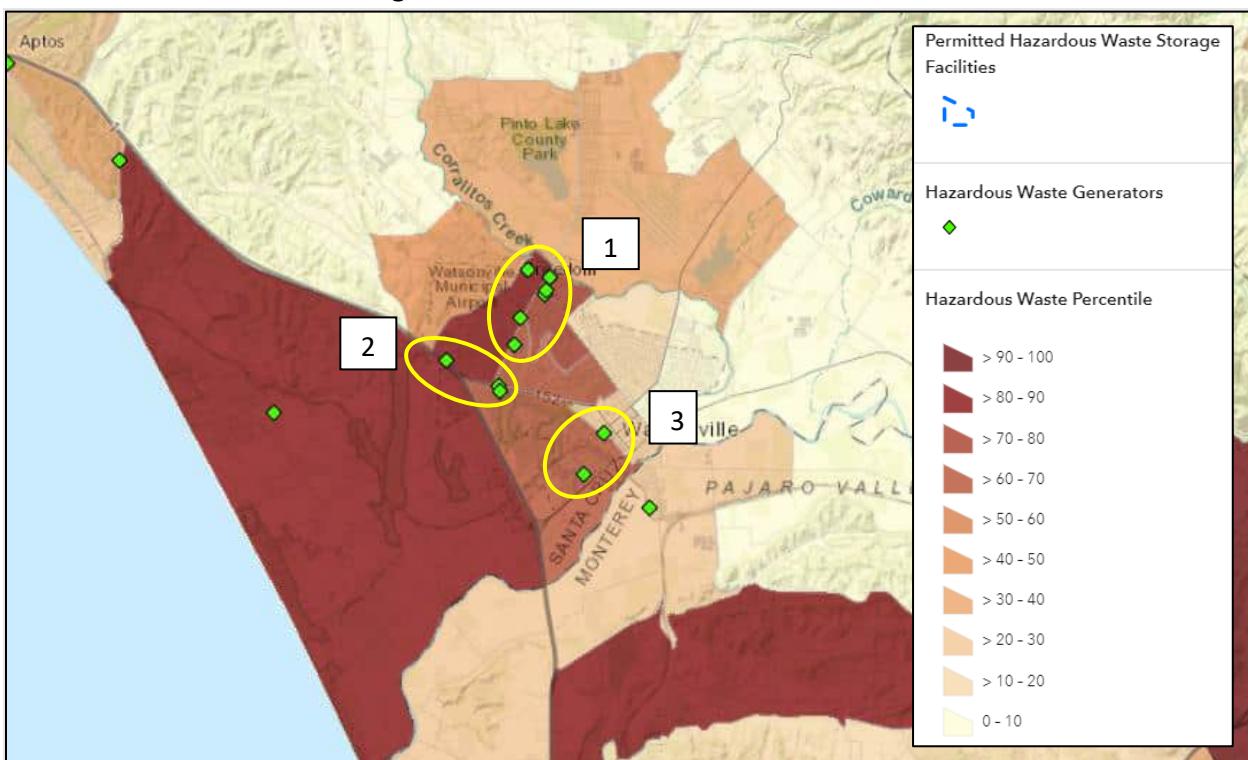
Figure D-8a: Principally Permitted Emergency Shelters Zoning





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Figure D-8b: Hazardous Waste Generators



Source: CalEnviroScreen 4.0 (Accessed June 13, 2023)

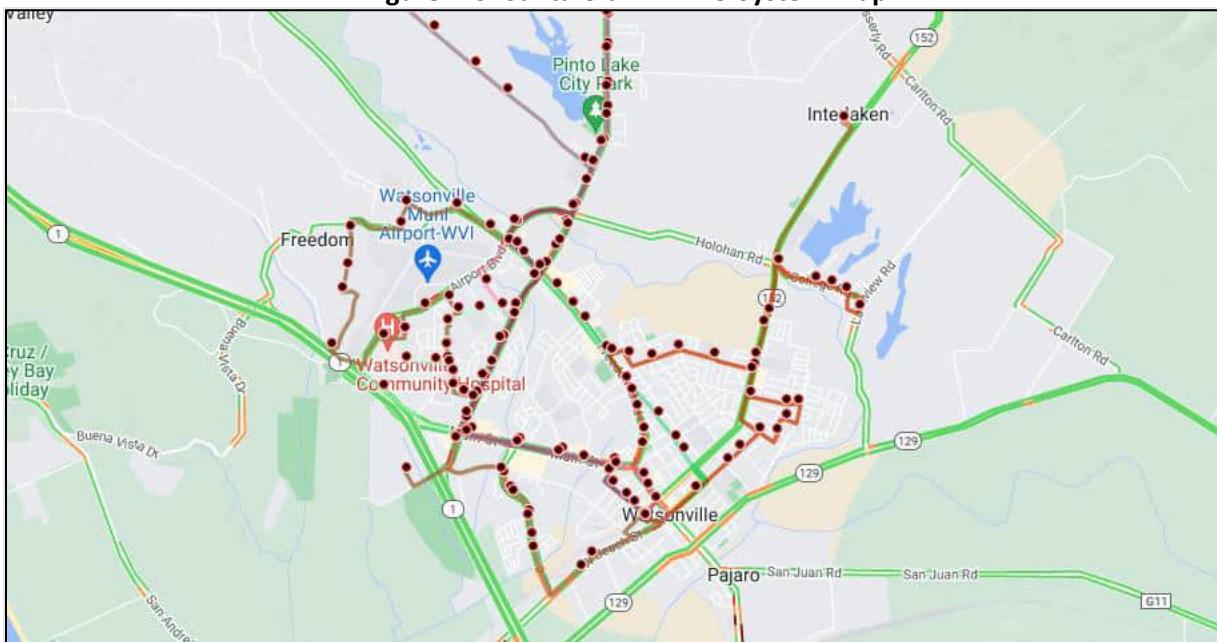
Additionally, the City has a bus network which connects the two zoning districts that permit emergency shelters. Thus, persons seeking to reach those emergency shelters can find transit options without much difficulty. The bus fare within Santa Cruz County for one ride is \$2 for adults and free for K-12 students. Santa Cruz METRO also implements a Free Fare Program for COVID-19 vaccine appointments and for legally blind riders. In 2019, Santa Cruz METRO implemented the Free Fare Program for legally blind riders to resolve concerns raised by visually impaired riders who had difficulty using the ticket vending machines. Seniors 62 or older and persons with disabilities are also eligible for discounted fares and passes. These programs may benefit persons seeking to access emergency shelters or areas within the County from the shelters. The local lines in Watsonville include:

- Watsonville Circulator (WC Line)
- Green Valley – Watsonville Hospital (72 Line)
- Green Valley – Corralitos (72W Line)
- PVHS/Watsonville Hospital (74S Line)
- Green Valley – Wheelock (75 Line)
- East Lake/Crestview (79 Line)



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Figure D-9: Santa Cruz METRO System Map



Source: Santa Cruz METRO Spring 2023 Real-Time Bus System Map

Along with the existing local lines, Santa Cruz METRO has two concurrent projects happening that will improve transit in Santa Cruz County by improving or enhancing the existing lines:

- **Reimagine Metro** – METRO has begun to re-envision where their existing bus lines should go, along with the frequency in which the buses should run. METRO's intention with this project is to:
 - Increase the amount of service provided in the METRO service area;
 - Make transit more relevant to the community's needs;
 - Adaptation of patterns and trends shown post-COVID; and
 - Create a network that is useful and attractive for many people's trips.
- **Line 71/Rapid Corridors** – METRO is collaborating with the community to find solutions aimed at making travel by bus faster, more reliable, and easier to access between the cities of Watsonville and Santa Cruz. The study, funded through a Caltrans Sustainable Transportation Planning Grant, will identify opportunities to improve METRO's customer experience through improved travel times, better pedestrian and bicyclist access to bus stops, and upgraded bus stop amenities.

Agricultural and Employee Housing

California Health and Safety Code Sections 17021.5 and 17021.6 require agricultural housing to be permitted by-right, without a conditional use permit (CUP), in single-family zones for six or fewer persons and in agricultural zones with no more than 12 units or 36 beds. The City currently requires a Special Use permit for agricultural and employee farm worker housing in the R-MH and EM-A-2 zones. **Program E.6**



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has been included in the Policy Plan to update the Zoning Code for agricultural and employee housing in compliance with State law.

Low-Barrier Navigation Centers

Low-Barrier Navigation Centers are defined as a housing first, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing. Low-Barrier Navigation Centers are required as a use by-right in areas zoned for mixed uses and nonresidential zones permitting multifamily uses if the center meets specified requirements. The Watsonville Zoning Code does not define Low-Barrier Navigation Centers. Currently, the City has no requirements addressing Low-Barrier Navigation Centers; however, **Program C.10** has been included in the Housing Plan to adopt and implement procedures and regulations to process Low-Barrier Navigation Centers.

8. Residential Development Standards

The City's Zoning Code establishes regulations and development standards for each residential district to provide a range of housing types. All information regarding the City's zoning and development standards are available to the public on the City's website pursuant to Government Code §65940.1 (a)(1)(B).

These standards and regulations are intended to create, preserve, and enhance residential neighborhood sites for a range of development types and lifestyles. The residential zoning guidelines and development standards are intended to:

- Provide appropriately located areas for a variety of residential neighborhoods to meet the housing needs of the Watsonville community;
- Provide for a range of housing types and housing alternatives for all economic segments of the community;
- Encourage the provision of attractive and stimulating surroundings that will make Watsonville residential areas enjoyable places to live; and
- Protect residential areas from the intrusion of incompatible uses or activities which may impair the livability of a neighborhood.

The City established development standards to regulate throughout the City through its Zoning Code. The development standards include minimum requirements for lot size and lot widths and maximum construction standards for height, lot coverage, and density. **Table D-7** below provides the standards applicable to each zoning districts in Watsonville that permits residential development



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Table D-7: Watsonville Development Standards

Zone	Min. Lot Dimensions (Sq. Ft.)				Min. Yard Setbacks (Feet)			Max. Lot Coverage	Max. GP ¹ Density	Max. Height (Feet/Stories)			
	Lot Size		Frontage		Front	Side	Rear						
	Interior	Exterior	Interior	Exterior									
R-1	6,000	6,500	50	60	20	5 ²	20	50%	7.99 du/ac	28/30 ⁴			
R-1P ³	4,000		30	35	20	10	5	45%	7.99 du/ac	28/30 ⁴			
RM-2	5,000	6,500	50	65	20	5 ²	20	50%	13.99 du/ac	28/40 ⁵			
RM-3	7,000		60	70	15	5 ²	10	55%	36.99 ⁶ du/ac	28/40 ⁵			
DC	2,500		N/A	50, 75 ⁷	10 to 15 ⁷	0 ⁸	15 ⁹ , 5 ¹⁰	100%	125.00 du/ac	6 Stories			
DN	2,500		N/A	75	10 to 15	5 ¹⁴	15 ⁹ , 5 ¹⁰	100%	85.00 du/ac	4 Stories			
DI	2,500		N/A	75	10 to 15	10	10	100%	85.00 du/ac	4 Stories			

Notes:

1. Residential development density is defined in the Watsonville 2005 General Plan as units per net acre. Net acre is defined in the General Plan as the portion of a site remaining after public or private rights-of-way and land not developable are subtracted from the total acreage, used for density calculations.
2. Interior lot – both sides: 5 ft. / Exterior lot – street side: 10 ft. / Exterior lot – interior side: 5 ft.
3. Required approval of a Master Plan and tentative maps; standards provided are subject to conditional approval
4. Height limit of 30 feet allowed with Special Use Permit.
5. Height limit of 40 feet allowed with Special Use Permit.
6. Up to 42.99 units/acre are allowed for studio or single room occupancy (SRO) development.
7. Does not include parcels under the Main Street or Gateway Overlay Districts.
8. When on a corner lot and not under the Main Street and Gateway Overlay Districts, side yard setbacks are 5 feet or 10 percent of lot, whichever is less.
9. Rear setback for a lot with an alley, 15 feet from centerline of alley.
10. Rear setback for lot without an alley.
14. Can be 10 percent of lot or 5 feet, whichever is less.

Source: City of Watsonville Municipal Code; Watsonville 2005 General Plan Land Use Element; Downtown Watsonville Specific Plan



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Lot Coverage and FAR

Coverage is defined as the percent of the total site area covered by structures. Lot coverage is regulated to avoid nuisances from inappropriate and excessive massing or density in a particular zoning district. Floor Area Ratio (FAR) is defined as the total floor area of a building on a lot, divided by the total area of the lot. A 0.50 FAR for a 10,000 square foot lot would allow a 5,000 square foot building. The FAR requirements limit the usable floor area to limit the massing of a building in comparison to the land, other buildings, and public facilities in the area. Floor area includes not only the ground floor area but also any additional stories or basement of the building. All horizontal dimensions should be taken from the exterior faces of the walls, including enclosed porches. Floor area does not include the area of inner courts, shaft enclosures, or exterior wall.

Yard Requirements

The Watsonville Municipal Code defines a yard as an open space, other than a court, on the same lot with a building, which open space is unoccupied and unobstructed from the ground to the sky. Front yards are defined as an open space extending the full width of the lot, measured between the building closest to the front lot line and said front lot line. Rear yards are defined as an open space measured between the main building and the rear lot line or the center line of an abutting street or alley. Rear yard, least depth is defined as the shortest horizontal distance between any part of the main building and the rear lot line. Side yards means an open space extending from the front yard to the rear yard between a building and the adjacent side lot line. Side yard, least width refers to the shortest horizontal distance between any part of a building and the adjacent side lot line. Exterior side yards mean a side yard adjacent to a street, alley, court, or other required open space. Exterior side yard, least width shall mean the shortest horizontal distance between any part of a building and the adjacent street, alley, court, or other required open space, or any official setback line, or any adopted plan line, whichever is applicable.

Maximum Building Heights

Building height refers to the vertical distance from the grade to the highest point of the coping of a flat roof or the deck line of a mansard roof or to the average height of the highest gable of a pitch or hip roof. Setting limits to the height of buildings avoid bulking and potential nuisances on neighboring properties – relating to privacy and/or sunlight and shade. This requirement also ensures a compatibility and similar aesthetic amongst uses.

Parking Standards

Sufficient off-street parking must be provided to avoid street overcrowding. This is maintained through the establishment of parking requirements, which fluctuate depending on the land use, housing type, and the number of bedrooms. However, high parking requirements may constrain development and result in higher development costs. Construction costs may be even greater for covered parking, parking structures, and below ground parking; however, developers may receive concessions or incentives in the form of parking reduction for the development of housing affordable to low- and very low-income



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households through State Density Bonuses. **Table D-8** provides the City's parking requirements as of June 2023.

Parking standards in the Downtown Watsonville Specific Plan Area differ from those imposed throughout the City. **Table D-9** provides the current minimum parking requirements as well as the new requirements imposed by the DWSP.

Table D-8: Required Parking Spaces for Residential Uses		
Residential Uses		Minimum Parking Requirements
Single-Family	1-Bed – 3-Bed	2 parking spaces per unit
	4-Bed	3 parking spaces per unit
	5-Bed	4 parking spaces per unit
One Duplex on a Single Lot	Studio – 3-Bed	2 parking spaces per unit
	4-Bed	3 parking spaces per unit
Multi-Family	Studio – 3-Bed	2 spaces per unit
	4-Bed	3 spaces per unit
	5-Bed	4 spaces per unit
	Guest Parking	<ul style="list-style-type: none">1 space per 4 bedrooms in projects with 1-75 units;1 space per 6 bedrooms in projects with 76-125 units; and1 space per 8 bedrooms in projects exceeding 125 units.
Farm Labor Housing		60% capacity in persons
Rooming/Boarding/Dorms		1 space per each 2 rooming units
Fraternity/Sorority		1 space per each 3 residents, plus 1 space for each manager
Group Care Homes/ Halfway House/ Transitional Housing		1 space per 3 beds, plus 1 space for each employee on the shift with the maximum number of personnel
Vacation Homes		2 on-lot spaces
Mobile Homes Mobile Home Park Community Buildings Mobile Home Park Visitor Parking		2 spaces per mobile home space 1 space per 10 mobile home spaces 1 space per 5 mobile home spaces located no further than 400 feet from the mobile home spaces to be served
Guest Houses and Cottage Dwellings		1 space in addition to the single-family dwelling unit requirements
Transitional Housing (Multi-Family Units)		1 space per dwelling unit, 1 guest space per every 4 bedrooms, 1 space per unit deferred as per Section 9-3.112 of Chapter 9-3
Source: Watsonville Municipal Code Chapter 14-17		

Table D-9: DWSP Off-Street Minimum Parking Requirements	
Multifamily Residential	Minimum Requirement
Studio/1-Bedroom Unit	0.8 spaces per unit
2-Bedroom Unit	1.6 spaces per unit
3-Bedroom Unit	2 spaces per unit
4-Bedroom Unit	2 spaces per unit
5-Bedroom Unit	2 spaces per unit
Source: Downtown Watsonville Specific Plan	



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Parking requirements of two or more spaces for multifamily units with less than four bedrooms is considered a constraint by HCD to the development of housing – particularly affordable housing. As such, a **Program D.8** is included in the Policy Plan to address this issue and ensure parking does not constrain the future development of housing.

On/Off- Site Improvements

The most common off-site improvements required for residential development projects are the installation of curb, gutter, and sidewalk, undergrounding of utilities, and stormwater improvements. A comprehensive list of subdivision improvements and design standards can be found within the Watsonville Municipal Code Sections 12-7.21 through 13-7.33 and the Residential Development Standards. The City's "Residential Development Standards, Multi-Family Rental Projects (Duplexes, Triplexes, Fourplexes, and Apartments)" establishes a minimum street width requirement of 36 feet from curb to curb. Because residential development cannot take place without the addition of adequate infrastructure, site improvement requirements are considered a regular component of development of housing within the City and may also influence the sale or rental price of housing. The majority of costs associated with on- and off-site improvements is borne by the City and recovered through development impact fees. On- and off-site improvements in the City are consistent with requirements of other cities in the region. On- and off-site improvements do influence the cost of development, but the improvement requirements do not present a constraint to the development of housing in Watsonville.

The City is not aware of any project that was constrained by required on-/off-site improvements in the 5th Housing Element planning cycle. The City continues to work applicants to assist in satisfying the City's required improvements.

For single-family residential development on vacant land, examples of typical on-site improvements might include stormwater detention facilities (required by the Clean Water Act), roads, sidewalks, perimeter walls, fire hydrants, emergency access drives, and recreational trails. Multi-family developments may also include common open space and recreation areas, as well as lockable storage areas.

Typical off-site improvements for both single-family and multi-family developments might include new curbs, gutters, sidewalks, recreational trail facilities, road improvements and traffic control needed to serve the development, street trees, and landscaping. Utilities may need to be updated or installed to serve the development, including water mains, sewer mains, stormwater pollution prevention measures, and underground electric facilities.

Infill residential projects may be required to install any of the improvements listed above, depending on site-specific circumstances and neighborhood needs.

The City has standard improvements required for subdivisions that can be found in the City's Municipal Code. General Improvements include the following:

- **General Requirements.** The subdivider shall construct all required improvements both on site and off site according to approved standards. No final map shall be presented to the City Council Appendix D: Housing Constraints



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or parcel map to the City Engineer for approval until the subdivider either completes the required improvements or executes an improvement agreement with the City and provides all required securities in accordance with this chapter.

- **Frontage Improvements.** The frontages of every lot shall be improved with street improvements meeting the requirements of the City Public Improvement Standards. Street improvements shall at a minimum include curbs, gutters, sidewalks, street paving, street lighting, street trees, landscaping and traffic control devices.
- **Storm Drainage.** Stormwater runoff from the subdivision shall be collected and conveyed by an approved storm drain system. The storm drain system shall be designed for ultimate development of the watershed. The storm drain system shall provide for the protection of abutting and off-site properties that would be adversely affected by any increase in runoff attributed to the development; off-site storm drain improvements may be required to satisfy this requirement. The storm drain system shall conform to the requirements of the City stormwater management plan, the City public improvement standards and the City stormwater land development standards.
- **Sanitary Sewers.** An approved sanitary sewer system shall be planned, designed and constructed for every subdivision. Each unit or lot within the subdivision shall be served by an individual sanitary sewer lateral.
- **Water Supply.** An approved domestic water system shall be planned designed and constructed for every subdivision. Each unit or lot within the subdivision shall be served by an individual water service.
- **Utilities.** Each unit or lot within the subdivision shall be served by gas (if required), electric, telephone and cablevision facilities. All utilities within the subdivision and along peripheral streets shall be placed underground except those facilities exempted by the Public Utilities Commission regulations.

Specific design standards for streets can be found on the City's website under the Public Works department. While they do present an additional cost for development, the requirements are consistent with the region and do not present a constraint to the development of housing in Watsonville.

Building Codes and Code Compliance

The California Building Code was adopted under Ord. 1445-22(CM), effective November 24, 2022. The building code has been amended eight (8) times since 1963 and includes ancillary information within the tables, attachments, addendums, and footnotes. The adoption of the California Building Code ensures consistent development standards promoted throughout the State. The Code's intent is to safeguard the public health, safety, and general welfare through structural strength, means of egress facilities, stability, sanitation, adequate light and ventilation, energy conservation, and safety to life and property from fire and other hazards attributed to the built environment and to provide safety to firefighters and emergency responders during emergency operations. The City is complaint based when enforcing the adopted building code, with a system set up to receive code violation complaints from residents. When those complaints are received, the City's Code Enforcement Division takes action in investigating and resolving the identified issues. In 2023, the City's Code Enforcement Division opened 360 cases and closed 345; 15 cases from 2023 remain open or unresolved. The City's Code Enforcement



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Division opened cases related to: substandard housing, illegally converted garages, occupied trailers and other recreational vehicles, accumulation of garbage, rubbish, automotive parts and junk, accrual of dry or dead vegetation, inoperable vehicles, and inappropriate storage of boats, trailers and recreational vehicles. Of the total 360 Code Enforcement cases opened in 2023, approximately 11 of the cases were related to poor or substandard housing conditions. Using the AFFH 2.0 Data Viewer and code enforcement case data from 2018-2023, the City estimates that approximately three to five percent of all code enforcement cases are related to substandard housing conditions. According to code enforcement data from 2018-2023, there may be approximately 13-24 units in need of substantial rehabilitation, but the City is not aware of any units in need of replacement. By extrapolating enforcement case data from 2018-2023, the City estimates that approximately three percent of the City's housing stock, up to 460 units, may be in need of minor rehabilitation including, but not limited to, minor roofing repair, heating and air conditioning repair, minor window repair, and handicap access. Policy Program A.2 is added in the Housing Plan to make the most effective use of rehabilitation loan funds by prioritizing their use to meet the greatest need.

The AFFH 2.0 Data Viewer uses self-reported Census data to provide a spatial analysis of units in the City that may lack complete plumbing or kitchens. The greatest incidence of units lacking complete plumbing or kitchens is within areas of the City with SROs. The City believes that Census respondents living in SROs may accurately report a lack of kitchen which would be represented as such in the AFFH 2.0 Data Viewer but would not necessarily indicate that substandard units exist. The City's code enforcement cases identify illegal or unpermitted ADUs as the source of most substandard housing conditions in Watsonville.

There is no distinct pattern or known concentrations of areas of the City in need of more rehabilitation based on local data and knowledge. Though there is no distinct pattern or known concentrations of areas of the City in need of more rehabilitation, the City's historic core and around the DWSP are the oldest areas of the City and may have housing units that have a higher rehabilitation need due their age.

Minimum/Maximum Density

The Municipal Code establishes a number of zoning districts with minimum and maximum density limits so as to regulate and restrict the bulk of structures and density of population. **Table D-7** provides the minimum densities required per zoning district.

In the 5th Housing Element planning cycle, the City received proposals for residential projects with densities at the maximum permitted as well as proposals to exceed maximum allowable densities. In response, the City adopted the Downtown Watsonville Specific Plan to increase densities in an area that received many requests to develop at densities greater than previously allowed. The City does not receive requests to develop housing at densities below those identified in the sites inventory, in their respective zones.

9. Local Processing and Permit Procedures

The development community often cites the permitting process as a contributor to the high cost of developing housing. The time between submission of an application to completion of the project may vary considerably depending on the magnitude and complexity of the proposed project. Factors that may



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affect the length of the development review on a proposed project include the completeness of the application and the responsiveness of the applicant to Staff comments and requests for more information. Approval times substantially increase for projects that are not exempt from CEQA, require a rezoning or General Plan amendment, or encounter community opposition.

Best practices recommend applicants seek a consultation meeting with Staff prior to submitting an application to ensure all the required information is included and to receive recommendations. Once a Zoning or Land Division Permit application is submitted, the Zoning Administrator has up to 30 days to determine whether the application is complete along with compliance with CEQA; if it is not complete, the applicant will receive a written notice specifying the application's deficiencies. All development applications must conform with the City's adopted architectural guidelines and development and public improvement standards.

A Development Permit is required for all proposed projects – no development may be undertaken unless a Development Permit is issued in accordance with the provisions established in Chapter 14-10 of the Municipal Code. **Table D-10** provides several additional applications which may be required, as established by the City's Municipal Code, and includes the average review time. The City complies with the Permit Streamlining Act, ensuring the timely processing of development permits.

The amount of time between a project's approval and submittal of an application for building permits varies depending upon a variety of factors and is controlled by a project applicant. While the City makes an effort to streamline permitting processes, an applicant's individual circumstances dictate the amount of time it takes for an applicant to submit an application for building permits. These factors may include:

- Funding and Financing
- Seasonal factors
- Size of project
- Type of Construction
- Lease, Contractual considerations
- Engineering
- Design and Architectural considerations

Typical timelines range from a few days to a few weeks. If a project is small and uncomplicated, such as additions or ADUs, timelines may average a few days to a few weeks. For larger-scale, highly specialized construction, timelines between entitlements and building permits can range from a few months to over one year for more complex projects.

Overall, the average time between entitlements and building permit submittal ranges from one to twelve months. The City views the longer time periods as typical for larger, more complex projects. The City does not see these average timelines as a hinderance to the construction of housing. An outlier which requested multiple approval extensions and took four years to submit for building permits was removed from the average. In most cases, the timeline from receiving approval to submitting for building permits



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is solely dictated by the project applicant and not constrained by any requirements placed upon the applicant by the City.

Table D-10: Residential Permitting Processing Times by Process Type

Permit Process	Level of Review	Process Description	Average Review Time
Pre-Application Process	Staff	Provide an applicant with any applicable policies and procedures identified in City codes and improvement standards, to identify significant development opportunities or constraints and provide written feedback to allow an applicant to understand the feasibility of a project.	30-60 days
Administrative Review	Zoning Administrator	The purpose of the Administrative Review Permit is to assure, prior to establishment of an otherwise principally permitted use within an existing facility or new construction not requiring Design Review, that the provisions of this Code including zoning, parking, signage, and other applicable State and local regulations are met.	1-7 days
Design Review	Zoning Administrator	Development subject to Design Review include all new construction, exterior remodeling, additions, or changes in use requiring additional parking, which involves structures used for multi-family residential, commercial, industrial or public purpose and are identified as permitted subject to Design Review in the specific zoning districts. No Building Permit may be issued for a development subject to Design Review until a Design Review has been approved and conditions of approval have been met.	60-180 Days
Conditional/Special Use	Zoning Administrator recommendation to the Planning Commission	The purpose of the Conditional Use Permit is to ensure the proper integration of uses which, because of their special nature, may be suitable only in certain locations or zoning districts or only provided that such uses are arranged or designed in a particular manner.	60-120 days
Variance	Zoning Administrator and/or Planning Commission	Applications for Variances in building setbacks, open space requirements, and off-street parking requirements where the application requests a Variance to the requirements of the base zoning district which is twenty percent (20%) or less of the required building setback requirements, or ten percent (10%) or less of off-street parking or open space requirements are Minor Variances and may be approved administratively by the Zoning Administrator. All other applications for Variances, including those related to Sign Permits, are Major Variances and must be approved by the Planning Commission. Any variance decisions made by a City official may be appealed to the City Council per WMC 14-10.1106.	60-180 days
General Plan Amendment	Planning Commission recommendation to the City Council	The text of the adopted General Plan may be amended from time to time. Amendments to the General Plan text may be initiated by the Zoning Administrator, Planning Commission, City Council or by application of a resident, property owner or owner of a business located in the City.	60-180 days



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Table D-10: Residential Permitting Processing Times by Process Type

Permit Process	Level of Review	Process Description	Average Review Time
		An application for amendment shall be submitted to the Community Development Department on a form provided by the Community Development Department with applicable fees as established by Council resolution.	
Zoning Code Amendment	Planning Commission recommendation to the City Council	The provisions of the Zoning Code and the Zoning Map may be amended by the Council by ordinance and according to procedures established in the Zoning Code whenever the public necessity, the general community welfare, and good zoning practices permit such amendment. The manner in which the Zoning Code may be amended is identical to that of the General Plan as described in Section 14-12 of the Watsonville Municipal Code.	60-180 days
Specific Plan	Planning Commission recommendation to the City Council	A Specific Plan is required for any areas shown on the General Plan Land Use Diagram as "Specific Plan". A Specific Plan may be used in conjunction with either subdivision maps or a planned development.	1-3 years

Source: City of Watsonville Municipal Code Chapter 14-12

Approval Findings

The City's Municipal Code establishes findings which must be made to approve Administrative and Special Uses for proposed projects. The Zoning Administrator, or Planning Commission upon referral by the Zoning Administrator, base their decision(s) upon the following findings²:

- The proposed use at the specified location is consistent with the policies of the General Plan and the General Purpose and intent of the applicable district regulations;
- The proposed use is compatible with and preserves the character and integrity of adjacent development and neighborhoods and includes improvements or modifications either on-site or within the public rights-of-way to mitigate development related adverse impacts such as traffic, noise, odors, visual nuisances, or other similar adverse effects to adjacent development and neighborhoods. These improvements or modifications may include, but shall not be limited to, the placement or orientation of buildings and entryways, parking areas, buffer yards, and addition of landscaping, walls, or both, to mitigate such impacts;
- The proposed use will not generate pedestrian or vehicular traffic which will be hazardous or conflict with the existing and anticipated traffic in the neighborhood;
- The proposed use incorporates roadway improvements, traffic control devices or mechanisms, or access restrictions to control traffic flow or divert traffic as needed to reduce or eliminate development impacts on surrounding neighborhood streets;
- The proposed use incorporates features to minimize adverse effects, including visual impacts and noise, of the proposed special use on adjacent properties;



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- The proposed special use complies with all additional standards imposed on it by the specific provisions of this chapter and all other requirements of this title applicable to the proposed special use and uses within the applicable base zoning district; and
- The proposed special use will not be materially detrimental to the public health, safety, convenience and welfare, and will not result in material damage or prejudice to other property in the vicinity.

When considering a Design Review application, the Zoning Administrator evaluates the impacts of the Design Review on its compatibility with surrounding properties and neighborhoods to ensure the appropriateness for the development and make the following findings²:

- The proposed development is consistent with the goals and policies embodied in the adopted General Plan and the general purpose and intent of the applicable district regulations;
- The proposed development is compatible with and preserves the character and integrity of adjacent development and neighborhoods and includes improvements or modifications either on-site or with-in the public rights-of-way to mitigate development related adverse impacts such as traffic, noise, odors, visual nuisances, or other similar adverse effects to adjacent development and neighborhoods. These improvements or modifications may include but shall not be limited to the placement or orientation of buildings and entryways, parking areas, buffer yards, and the addition of landscaping, walls, or both;
- The proposed development will not generate pedestrian or vehicular traffic which will be hazardous or conflict with the existing and anticipated traffic in the neighborhood;
- The proposed development incorporates roadway improvements, traffic control devices or mechanisms, or access restrictions to control traffic flow or divert traffic as needed to reduce or eliminate development impacts on surrounding neighborhood streets;
- The proposed development incorporates features to minimize adverse effects including visual impacts of the proposed development on adjacent properties:
 - Harmony and proportion of the overall design and the appropriate use of materials;
 - The suitability of the architectural style for the project; provided, however, it is not the intent of this section to establish any particular architectural style;
 - The sitting of the structure on the property, as compared to the sitting of other structures in the immediate neighborhood;
 - The size, location, design, color, number, and lighting; and
 - The bulk, height, and color of the project structure as compared to the bulk, height, and color of other structures in the immediate neighborhood;
- The proposed development complies with all additional standards imposed on it by the particular provisions of this chapter, any City of Watsonville architectural guidelines, development and public improvement standards, and all other requirements of this title applicable to the proposed development; and

² Chapter 14-12.403 Zoning Permits Findings
Appendix D: Housing Constraints



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- The proposed development will not be materially detrimental to the public health, safety, convenience and welfare or result in material damage or prejudice to other property in the vicinity.

Objective development standards regarding housing development do not involve personal or subjective judgment by a public official and can be universally applied as a uniform benchmark or criteria by both the applicant and City staff. The existing approval findings may be interpreted as subjective, specifically the approval finding that requires the proposed use will be "compatible with and preserves the character." The subjective finding may reduce approval certainty and an applicant may interpret the finding differently from the City. The City's approval findings may impact timing, cost, and approval certainty for residential projects, but the City does not believe its current findings exacerbate development costs or timing. Program D.3 is included in the housing element to update the approval findings language and develop objective standards to apply to future housing developments throughout the City per Gov't Code § 65589.5(f). However, the DWSP includes objective design standards that can be applied in the downtown area today.

Through its development processes and procedures, the City complies with statutory requirements for the Permit Streamlining Act, Government Code Section 65913.4. The City processes all development applications within the statutory processing and timing requirements of the Permit Streamlining Act.

Senate Bill 35 (SB 35), codified as Government Code Section 65913.4, was signed on September 29, 2017, became effective January 1, 2018, and will end on January 1, 2026. The intent of the Bill is to expedite the facilitation of affordable housing. SB 35 applies to jurisdictions that have not made sufficient progress towards meeting their affordable housing goals as mandated by the State. In an effort to meet the affordable housing goals, SB 35 requires jurisdictions to streamline the review and approval of certain qualifying affordable housing projects through a ministerial process.

In California, developments projects are required to undergo a California Environmental Quality Act (CEQA) analysis, independent of the City's development review process. The City complies with all CEQA timing requirements, including streamlining determinations.

Housing Program C.11 is included in the Policy Plan to adopt review processes that meet the requirements established in Government Code Section 65913.4.

10. Development Fees

Residential developers are subject to a variety of fees and exactions to process permits and provide necessary services and facilities as allowed by State Law. The additional cost to develop, maintain, and improve housing due to development fees result in increased housing unit cost, and therefore is generally considered a constraint to housing development. However, fees are necessary to provide planning and public services in Watsonville. All information regarding the City's development fees is available to the public on the City of Watsonville website as pursuant to Government Code §65940.1 (a)(1)(B).



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The location of projects and housing type result in varying degrees of development fees. The presumed total cost of development is also contingent on the project meeting City policies and regulations and the circumstances involved in a particular development project application. The following tables, **Table D-11** to **Table D-14** provide fees associated with the Planning Department and residential development projects.

Table D-11: Planning Application Fees

Fee Type	Cost
Zone Map Amendment	\$14,764.00
Zone/Municipal Code Rev Zoning Text Amendment	\$17,036.00
General Plan Map Amendment	\$14,764.00
General Plan Text Amendment	\$24,985.00
Specific Plan	\$62,463.00
Area Plan	\$62,463.00
Local Plan Amendment	\$14,764.00
Pre-Application	\$1,363.00
Planned Development	\$45,428.00
Admin Use Permit	\$1,713.00
Special Use Permit Existing Structure	\$4,246.00
Special Use Permit New Construction	\$6,267.00
Major Variance	\$6,815.00
Minor Variance	\$1,023.00
Zone Clearance/ Administrative Review	\$184.00
Home Occupation Permit	\$184.00
Fence Permit Administrative Review Permit	\$184.00
Fence Permit Administrative Use Permit	\$682.00
Historical Preserve Design	\$3,417.00
Entitlement Appeals	\$1,195.00
Environmental Assessment Application	\$625.00
Prepare Initial Study/Negative Declaration	\$7,382.00 + staff time + cost (\$15,000 minimum deposit)
Signs: Temporary	\$184.00
Environmental Impact Rept. Admin Process	\$10,941 + staff time + cost (\$15,000 minimum deposit)
Annexation fees exclusive of State Board of Equalization fees – developed property	\$51,106.00
Annexation fees exclusive of State Board of Equalization fees – undeveloped property	\$56,784.00
Development Agreement Process	\$17,036.00
Planning Plan Check	\$398.00
Subdivision Major Tentative Improvements – 1 st 10 lots	\$24,985.00
Subdivision Major Tentative Improvements – per lot thereafter	\$966.00
Vested Tentative Map – 1 st 10 lots	24,985.00 per lot
Vested Tentative Map – per lot thereafter	\$966.00
Minor-Subdivision Parcel Map	\$9,654.00 per lot
Boundary Line Adjust	\$3,975.00
Parcel Merger	\$3,975.00
Certificate Compliance Parcel	\$2,581.00
Project Time Extension/Administrative	\$2,045.00



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Table D-11: Planning Application Fees

Fee Type	Cost
Permit Modification Minor	\$2,045.00
Permit Modification Major	\$3,975.00
Coastal Development Permit	\$22,714.00
Public Hearing Fee	\$242.00
Design Review Permit	\$3,975.00
Appeal fee to Council	\$1,954.00
EIR Mitigation Monitoring	\$5,679.00
Specific Plan Amendment	\$13,629.00
Findings of Public Convenience and Necessity	\$1,136.00
Sign permit	\$367.00
Attorney Fees	Actual Cost
Permanent record retention fee	\$13.00
Label Fee Adjacent Owner	\$80.00

Source: City of Watsonville – 2023-24 Fee Schedule

Table D-12: Common Development and Impact Fees

Fee Type	Cost
City-Wide Traffic Impact Fee	
Residential Development	\$228.00 per trip
Non-Residential Development	\$173.00 per trip
Non-Residential Remodeling/Addition	\$117.00 per trip
Sanitary Sewer Connection Fee	
Residential and all others	\$2,210.41/unit
Based on peak month discharge of flow	\$6.15 per gpd lb/day
BOD (Biochemical Oxygen Demand)	\$390.87 lb/day BOD
SS (Suspended Solids)	\$493.65 lb/day SS
Water Service	
Connection Fee (Residential)	\$2,856.37 per connection
Groundwater Impact Fee	
Residential	\$508.31 per bedroom
Storm Drainage Fee	
Additions to existing (per acre of new impermeable area)	\$14,741.51 per acre
New Development Projects	
Low Residential (4.5 units/acre)	\$5,933.87 per acre
Med. Residential (4.5-7.5 units/acre)	\$7,376.26 per acre
High Residential (7.5 units/acre)	\$8,842.53 per acre
Impervious Area Impact Fee	
Per square foot of new impervious area	\$0.50 per Sq. Ft.
Public Facilities Impact Fee	
New detached structures or additions over 1,000 Sq. Ft. (Calculated on total square footage)	\$0.40 per Sq. Ft.
Fire Impact Fee	
Residential new construction	\$1,136.00 per unit



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Table D-12: Common Development and Impact Fees

Fee Type	Cost
Residential addition	\$0.50 per Sq. Ft.
Affordable Housing Ordinance – In Lieu Fees	
Residential	
Single Family detached	\$15,491.00 per unit
Accessory Dwelling Unit (14-46.050 exceptions)	\$0.00 per unit
Multi-Family (townhomes, co-op, condos all for sale)	\$7,746.00 per unit
Commercial and Industrial Developments	
0 to 1,000 gross square feet of floor area	\$0.00 per Sq. Ft.
1,001 and more gross square feet	\$1.70 per Sq. Ft.
Street Improvement In-Lieu Fees	
Other Parcels – fee per lineal foot of street frontage or 10% of actual on-site project improvements, whichever is less	\$204.00 per Lineal Ft.
Carbon Fund Impact Fee	
New residential and nonresidential construction	50% of total building permit fee
Underground Utility In-Lieu Fee	
Fee per lineal foot of frontage or 1.25% of actual project improvement, whichever is less	\$80.00 per lineal ft.
School Fee	
Residential	\$5.02 per Sq. Ft.
Park Land Impact Fees	
<600 Sq. Ft.	\$1,117.00 per unit
600-900 Sq. Ft.	\$1,951.00 per unit
>900-1,200 Sq. Ft.	\$2,772.00 per unit
>1,200-2,100 Sq. Ft.	\$3,502.00 per unit
>2,100 Sq. Ft.	\$3,876.00 per unit
Park Improvement Impact Fees	
<600 Sq. Ft.	\$1,357.00 per unit
600-900 Sq. Ft.	\$2,369.00 per unit
>900-1,200 Sq. Ft.	\$3,366.00 per unit
>1,200-2,100 Sq. Ft.	\$4,253.00 per unit
>2,100 Sq. Ft.	\$4,707.00 per unit
Community Centers and Recreation Facilities Impact Fees	
<600 Sq. Ft.	\$187.00 per unit
600-900 Sq. Ft.	\$326.00 per unit
>900-1,200 Sq. Ft.	\$463.00 per unit
>1,200-2,100 Sq. Ft.	\$585.00 per unit
> 2,100 Sq. Ft.	\$648.00 per unit
Source: City of Watsonville 2023-2024 Development Fee Summary	

Table D-13: Total Parks and Recreation Impact Fees per Unit

Dwelling Unit Size (Square Feet)	Park Land In-Lieu Fee ¹	Park Land Impact Fee	Park Improvement Impact Fee	Comm./Rec. Impact Fee	Total ²
<600	.0016	\$1,117	\$1,357	\$187	\$2,661
600-900	.0028	\$1,951	\$2,369	\$326	\$4,646
>900-1,200	.0039	\$2,772	\$3,366	\$463	\$6,601
>1,200-2,100	.0050	\$3,502	\$4,253	\$585	\$8,340



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Table D-13: Total Parks and Recreation Impact Fees per Unit					
Dwelling Unit Size (Square Feet)	Park Land In-Lieu Fee ¹	Park Land Impact Fee	Park Improvement Impact Fee	Comm./Rec. Impact Fee	Total ²
>2,000	.0055	\$3,876	\$4,707	\$648	\$9,231

Notes:

1. Fees are calculated on the fair market value per acre valuation of the project.
2. Total includes the park land impact

Source: City of Watsonville 2023-2024 Development Fee Summary

Table D-14: Park Improvement Impact Fees (All Residential Development)				
Dwelling Unit Size (Square Feet)	Cost per Capita	Population per Unit	Max Impact Fee per Unit	Fee – 40% of Max
<600	\$2,564.78	1.32	\$3,393	\$1,357
600-900	\$2,564.78	2.31	\$5,923	\$2,369
>900-1,200	\$2,564.78	3.28	\$8,415	\$3,366
>1,200-2,100	\$2,564.78	4.15	\$10,633	\$4,253
>2,100	\$2,564.78	4.59	\$11,768	\$4,707

Source: City of Watsonville 2023-2024 Development Fee Summary

11. Local Ordinances

An ordinance is a law passed by a municipal government. Local ordinances are enacted to maintain or improve public safety, health, and general welfare. Locally adopted ordinances such as inclusionary ordinances or short-term rental ordinances may directly impact the cost and supply of residential development. Impacts may create governmental constraints to the development of housing and may hinder the City from meeting its share of the regional housing need and the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters.

Affordable Housing Ordinance

Watsonville's Affordable Housing Ordinance requires most new housing developments to include units that are affordable to very low to above moderate-income households. These units may also be referred to as inclusionary or deed-restricted units. The units are restricted to specific income categories, and prospective buyers may purchase or rent units at their projected annual household income based on household size.

The Affordable Housing Ordinance applies to all new residential projects. Proposed developments over seven units are required to incorporate affordability while projects with six or less units may instead pay an in-lieu fee. **Table D-15** lists the requirements established in the Ordinance. If two or fewer units are required, one or both units may be produced at the moderate-income level or below for an ownership development or at the low- or very low-income level for a rental development.



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Table D-15: Affordable Housing Ordinance Requirements				
Income Level Requirements	For-Sale Project Requirements		Rental Project Requirements	
	7-50 New Units or Lots	>50 New Units or Lots	7-50 New Units or Lots	>50 New Units or Lots
Housing Choice Voucher (HCV)	-	-	5%	5%
Very Low (<= 50% AMI)	-	-	5%	5%
Low (<= 80% AMI)	-	-	5%	5%
Median (<= 100% AMI)	5%	5%	5%	5%
Moderate (<= 120% AMI)	5%	5%	-	-
Above Moderate (<= 150% AMI)	5%	10%	-	-
Total	15%	20%	20%	20%

Source: City of Watsonville Municipal Code Chapter 14-46

The five percent set aside for Housing Choice Vouchers (HCV; previously referred to as Section 8) units must first be made available to the County of Santa Cruz Housing Authority for a, at minimum, one-month period from the date of marketing for a new unit, or receipt by the owner of a notice of vacancy for an existing unit. The requirement to provide HCV units will depend upon the availability of households holding certificates and vouchers who are seeking housing at the time the unit is available for occupancy.

If the total number of affordable units required in the project (derived by multiplying the required 15 percent or 20 percent by total project units) conflicts with the total number of component affordable units (derived by summing the required component units by income category), then the total number and not the total of the component numbers shall prevail. Also, any excess required affordable units shall be restricted to the lowest required income category. For example, in a for-sale, ownership project of 30 units, with a fifteen 15 percent affordable housing requirement (thus yielding five affordable units), with a component obligation of five percent above moderate income (two units), five percent moderate income (two units) and five percent median income (two units), the total of the component affordable units is six. In this case, the project would be required to provide a total of five not six affordable units, consisting of a mix of two moderate income units, two median income units, and one above moderate-income unit.

Projects within the Downtown Core

Residential development projects and residential lot subdivisions of seven or more units or lots that are, by virtue of their size, subject to the requirements of the Affordable Housing Ordinance but are located within the City's Downtown Core, may provide the required affordable units at a location outside of the Downtown Core but within the Watsonville City Limits.

Federal, State and Agency Assisted Housing Projects

Affordable housing projects, funded through Federal and State housing programs, or assisted by the Redevelopment Agency pursuant to an Owner Participation Agreement or Disposition and Development Agreement, whose percentage of rent or price restricted units meet or exceed that required by the Affordable Housing Ordinance, satisfy the requirements of the Ordinance.



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Exceptions

The following residential types are not subject to the provisions of the Affordable Housing Ordinance:

- Residential additions (repairs or remodels that do not result in the creation of additional dwelling units);
- Accessory Dwelling Units (ADUs);
- Farm labor housing;
- Shelters;
- Any non-enclosed structure for which a building permit is required;
- Congregate care developments that offer nursing and medical services;
- Emergency projects or projects exempted by Council for health and safety reasons;
- Churches, temples, mosques, and synagogues; and
- City owned buildings.

Additionally, the following projects would also be exempt from the provisions of the Ordinance:

- Project replacing or restoring a structure damaged or destroyed by fire, flood, earthquake, or other disaster occurring within three years prior to the application for the new structure(s);
- Lot line adjustments that do not result in the creation of new buildable residential lot(s);
- Detached carports, garage structures, or other non-habitable commercial or residential detached structures of less than 1,000 square feet;
- Unenclosed vehicular entry structures for commercial or residential use;
- Parking structures (public or private) for commercial or residential use; and
- Projects for which an approved tentative map or vesting tentative map exists, or for which a construction permit was issued prior to the effective date of the Affordable Housing Ordinance, and which continue to have unexpired permits.

Density Bonus Ordinance

In accordance with California State Government Code Section 65915, a housing development may increase the number of units above the maximum permitted and/or receive reductions in development standards in exchange for reserving units for very low-, low-, low-income, and/or moderate-income households or for seniors. These units must be restricted to their level of affordable for at least 30 years through a deed-restricted affordable housing covenant. According to the City's Zoning Code, qualifying housing developments which satisfy at least one of the following categories or land dedication provision listed below will be granted a density bonus:

- At least five percent of the total units of the Residential Development as units affordable to very low-income households;
- At least ten percent of the total units of the Residential Development as units affordable to low-income households;



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- At least ten percent of the total dwelling units in a common interest development for persons and families of moderate incomes, provided that all units in the development are offered to the public for purchase; or
- A senior citizen housing development.

In accordance with Chapter 14-47.060 "Density Bonus" of the City's Zoning Code, the following density bonus calculations in **Table D-16** through **Table D-19** are applied to housing developments that meet the above criteria.

Table D-16: Very Low-Income Density Bonus Calculations

Percentage Very Low-Income Units	Percentage Density Bonus
5	20
6	22.5
7	25
8	27.5
9	30
10	32.5
11	35

Source: City of Watsonville Zoning Code

Table D-17: Low-Income Density Bonus Calculations

Percentage Low-Income Units	Percentage Density Bonus
10	20
11	21.5
12	23
13	24.5
14	26
15	27.5
17	30.5
18	32
19	33.5
20	35

Source: City of Watsonville Zoning Code

Table D-18: Moderate-Income Density Bonus Calculations

Percentage Moderate-Income Units	Percentage Density Bonus
10	5
11	6
12	7
13	8
14	9
15	10
16	11
17	12
18	13
19	14
20	15
21	16
22	17

Appendix D: Housing Constraints



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Table D-18: Moderate-Income Density Bonus Calculations	
Percentage Moderate-Income Units	Percentage Density Bonus
23	18
24	19
25	20
26	21
27	22
28	23
29	24
30	25
31	26
32	27
33	28
34	29
35	30
36	31
37	32
38	33
39	34
40	35

Source: City of Watsonville Zoning Code

Table D-19: Very Low-Income Density Bonus Calculations—Land Donation	
Percentage Very Low-Income Units	Percentage Density Bonus
10	15
11	16
12	17
13	18
14	19
15	20
16	21
17	22
18	23
19	24
20	25
21	26
22	27
23	28
24	29
25	30
26	31
27	32
28	33
29	34
30	35

Source: City of Watsonville Zoning Code

The Government code states that when an applicant for a tentative subdivision map, parcel map, or other residential development approval donates land to a City, County, or City and County in accordance with



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these subdivisions, the applicant shall be entitled to a 15 percent increase above the otherwise maximum allowable residential density for the entire development, as shown in **Table D-19**. This increase may be added to the density bonus listed above but may not exceed 35 percent.

Until 2021, Government Section 65915, otherwise known as the Density Bonus Law, allowed a 35 percent maximum bonus. California State Law AB 2345 states that all jurisdictions in California are required to process projects proposing up to a 50 percent density bonus provided those projects produce the additional below market rate (BMR) units in the “base” portion of the project, unless the locality already allows a bonus above 35 percent. Additionally, 100 percent affordable housing projects may receive up to an 80 percent density bonus. The bill also lowered the BMR thresholds for concessions and incentives for projects with low-income BMRs. As of 2021, Government Code Section 65915 authorizes an applicant to receive two incentives or concessions for projects that include at least 17 percent of the total units for lower-income households, at least 10 percent of total units for very low-income households, or at least 20 percent moderate-income households. It also allows an applicant to receive up to three incentives or concessions for projects that include at least 24 percent of the total units for lower income households, at least 15 percent of the total units for very low-income households, or at least 30 percent for persons or families of moderate-income households. Staff currently reviews and processes development permit applications invoking State Density Bonus Law using Government Code Section 65915 to allow for the 50% and 80% density bonuses. A program has been included in the Policy Plan to update the Ordinance to comply with State law.

12. Housing for Persons with Disabilities

Both the Federal Fair Housing Amendment Act (FHA) and the California Fair Employment and Housing Act directly require governments to make reasonable accommodations (that is, modifications or exceptions) in their zoning laws and other land use regulations to afford disabled persons an equal opportunity to housing. State law also requires cities to analyze potential and actual constraints to the development, maintenance, and improvement of housing for persons with disabilities. The City complies with State provisions regarding ADA, zoning, and other land use laws that affect housing for persons with disabilities.

Reasonable Accommodations

Reasonable accommodations are a method of providing individuals with disabilities, or developers of housing for people with disabilities, flexibility in the application of land use and zoning and building regulations, policies, practices, and procedures, or even waiving certain requirements, when it is necessary to eliminate barriers to housing opportunities. For example, it may be reasonable to accommodate requests from persons with disabilities to waive a setback requirement or other standard of the Zoning Code to ensure that homes are accessible for the mobility impaired.

The City does not currently have a reasonable accommodation application or procedures in place. This is considered a constraint for persons with disabilities and is addressed in the Policy Plan. **Program D.2** in the Policy Plan addresses this constraint.



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Definition of Family

Under the right of privacy, the California Constitution prohibits a restrictive definition of "Family" which limits the number of unrelated persons and differentiates between related and unrelated individuals living together. The City's Municipal Code does not currently define the term "Family." As such, a program is included in the Policy Plan to establish a definition which meets the State's requirements.

D. Infrastructure Constraints

Another factor that could constrain new residential construction is the requirement and cost to provide adequate infrastructure (major and local streets; water and sewer lines; and street lighting) needed to serve new residential development. In most cases, where new infrastructure is required, it is funded by the developer and then dedicated to the City, which is then responsible for its maintenance. Because the cost of these facilities is generally borne by developers, it increases the cost of new construction, with much of that increased cost often "passed on" in as part of home rental or sales rates.

1. Dry Utilities

Dry utilities include electric, telephone, television, internet, and gas. Due to some of the existing housing stock having aged infrastructure in older areas, the City must plan to provide necessary resources such as electric and gas in response to the increase of households from 2023-2031, as projected by the RHNA allocation. The various utility providers are responsible for providing these necessary resources to new housing units. The City has sufficient dry utilities to accommodate its share of the RHNA allocation for the 6th Cycle.

Electrical

Pacific Gas and Electric Company (PG&E) provides electricity and services in Watsonville. Electric infrastructure is located aboveground via utility poles and belowground. PG&E provides energy to customers through a series of methods, including oil and natural gas, renewable energy resources, and alternative diverse supplies. Watsonville also offers residents access to other electric suppliers such as Gexa Energy, Cirro Energy, and Reliant Energy.

Natural Gas

PG&E also provides natural gas services Watsonville residents. Overall, PG&E transports natural gas through about 6,600 miles of transmission and 32,000 miles of gas distribution pipes, and 4.6 million meters. PG&E's coverage area encompasses Eureka in the North to Bakersfield in the South, and from the Pacific Ocean in the west to the Sierra Nevada Mountains in the east.

2. Water Supply

The City's Water Division provides water services to residential, commercial, industrial, and institutional customers. The Division ensures delivery of the highest quality of potable water to Watsonville and parts on unincorporated Santa Cruz County. The City's water system services approximately 66,000 customers and consists of 190 miles of pipelines, 14 wells, 8 reservoirs, and one treatment plant. Improvements to water infrastructure are addressed on a project-by-project basis. The City's current water supply has the



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capacity to serve all current and projected water needs through 2045, and therefore is not a constraint to housing production in the 6th Cycle.

Watsonville Water Source

The City does not purchase or import water. Instead, the City primarily relies on its groundwater for 90-100 percent of its water supply—surface water accounts for the remainder. The City uses fourteen groundwater wells to extract water from the Pajaro Valley Subbasin. Extracted water at each well site meets or exceeds state and federal drinking water standards. Watsonville's ground wells have the capacity to provide for current and projected water demands through the planning period of 2045.

Water Demand

Seasonal variability of water demand projected to increase as climate change-induced droughts become more common. Warmer temperature increases evapotranspiration rates across the region. Single-family potable water demand is expected to rise from 3,267 acre-foot per year (AFY) in 2025 to 3,623 AFY in 2045. Multi-family portable water demand is expected to rise from 854 AFY in 2025 to 947 AFY in 2045. Lastly, agricultural irrigation water demand is expected to increase from 840 AFY in 2025 to 1,046 AFY in 2045. As noted above, Watsonville's ground wells have the capacity to provide for current and projected water demands through the planning period of 2045.

Wastewater

Watsonville's Wastewater Treatment Facility (WWTF) collects and treats all of the wastewater (excluding stormwater run-off) from a 21-square-mile service area within the region. The WWTF treats roughly 5 million gallons per day (MGD) of wastewater in dry weather. In 2020, the facility treated 1,795 million gallons (or 5,510 AFY) of wastewater. The WWTF has the capacity to accommodate current and projected wastewater treatment demands through 2045.

3. Fire and Emergency Services

The Watsonville Fire Department (WFD) is charged with protecting the residents and property of the City of Watsonville. In addition, WFD provides mutual and auto aid to the area around Watsonville which increases its service area to an approximately 14 square miles and an estimated population of 60,000. WFD has two fire stations and has an Operations Division that responds to calls for service, maintains stations, conducts public outreach, and develops hazard pre-incident plans. WPD provides fire prevention services, training, safety, and EMS.

Emergency Medical Services (EMS)

The Watsonville Fire Department is responsible for providing Emergency Medical Services (EMS). The EMS Division also provides in-service training for all EMT's and Paramedic staff, monthly training for paramedics, and notifying fire personnel of reported communicable diseases and how they should protect themselves when responding to a disease.



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4. Police Services

The Watsonville Police Department (WPD) serves the City's 52,067 residents over 6.7 square miles. WPD is currently staffed with 68 sworn police officers and 20 professional staff. Overall, WPD saw property crime decrease by 8.2 percent and violent crime decrease by 2 percent from 2020 to 2021. WPD consists of two main divisions and one administrative group: Operations Division, Support Division, and Administrative Services. Each group has its own responsibilities that are integral to the operation and success of WPD:

- **Operations Division** - responsible for the protecting the lives and property on the frontline, handling over 50,693 police-related activities a year. This division maintains a staff of 47 sworn and non-sworn employees. The Operations Division strives to have at least two bilingual officers on every shift and has an average response time to Priority 1 calls of 4 minutes and 6 seconds.
- **Support Services Division** – Handles investigations and Human resources for the police department such as recruitment, hiring, and Internal Affairs investigations.
- **Administrative Services Bureau** - assists with records, property and evidence, technical support, crime analysis, and fiscal.

WPD aims to impact the community in positive ways through strong relationships and problem-solving on a daily basis. Their overall mission is to commit to public safety through engagement, education, enforcement, and professional development.



APPENDIX E

FAIR HOUSING ANALYSIS

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2023-2031 HOUSING ELEMENT

Affirmatively Furthering Fair Housing

Beginning January 1, 2019, AB 686 established new requirements for all California jurisdictions to ensure local laws, programs, and activities affirmatively further fair housing. All Housing Elements due on or after January 1, 2021, must contain an Assessment of Fair Housing (AFH) consistent with the core elements of the analysis required by the Affirmatively Further Fair Housing (AFFH) Final Rule of July 16, 2015.

Fair housing is a condition in which individuals of similar income levels in the same housing market have like ranges of choice available to them regardless of race, color, ancestry, national origin, age, religion, sex, disability, marital status, familial status, source of income, sexual orientation, or any other arbitrary factor. Under State law, affirmatively furthering fair housing means “taking meaningful actions, in addition to combatting discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.” These characteristics can include but are not limited to race, religion, sex, marital status, ancestry, national origin, color, familiar status, and disability.

A. Assessment of Fair Housing

In this assessment, the California Department of Housing and Community Development’s (HCD) Affirmatively Furthering Fair Housing Data Viewer was used to analyze the fair housing trends in the City of Watsonville. It is important to note that while the Manabe-Ow annexation was not included in the city boundary for this data viewer, the data from that area is consistent with the rest of the City.

1. TCAC/HCD Opportunity Maps

The California Tax Credit Allocation Committee (TCAC) and HCD developed the TCAC Opportunity Maps to provide research and evidence-based policy recommendations to further HCD’s fair housing goals. These goals include the following: (1) avoiding further segregation and concentration of poverty; and (2) encouraging access to opportunity through land use policy and affordable housing, program design, and implementation. Overall, opportunity maps are intended to display areas that, according to research, offer low-income children and adults the best chance at economic advancement, high educational attainment, and good physical and mental health. Opportunity maps also help inform TCAC decisions to distribute funding more equitably to affordable housing in areas with the highest opportunity through the Low-Income Housing Tax Credit (LIHTC) Program.

Figure E-1 shows the TCAC/HCD Opportunity Scores for the City and surrounding neighborhoods. The map uses a regional index score to determine categorization of resource levels, as detailed below:

- **Highest Resource** – Top 20 percent highest-scoring census tracts in the region. Residents have the best outcomes in terms of health, economic attainment, and education attainment.
- **High Resource** – Top 40 percent highest-scoring census tracts in the region. Residents have access to highly positive outcomes in terms of health, economic attainment, and education attainment.
- **Moderate Resource** – Top 30 percent of remaining census tracts in the region. Residents have access to somewhat positive outcomes in terms of health, economic attainment, and educational attainment, or a mix of high and low outcomes in certain areas.



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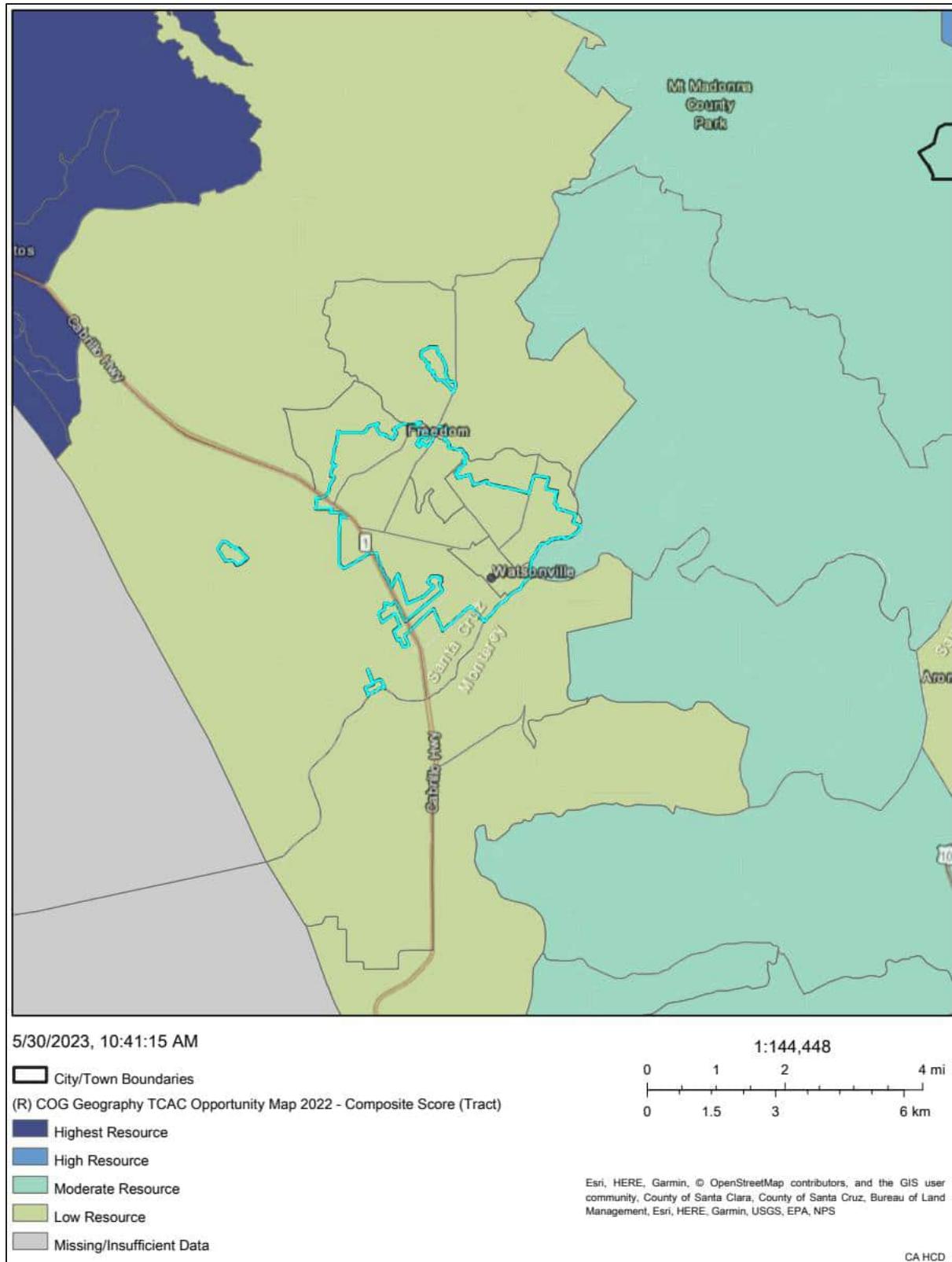
- **Moderate Resource (Rapidly Changing)** – Moderate resource-scoring census tracts that are nearing High Resource status and are experiencing rapid increase in certain areas such as housing prices, median income, proximity, etc.
- **Low Resource** – Bottom 30 percent of remaining census tracts in the region. Residents may have a lack of access to positive environmental, economic, and educational opportunities that results in negative or perpetuated outcomes.

As illustrated, the City is entirely classified as a low resource area. There are high resource areas further north of the City in the unincorporated areas of Rio Del Mar and Aptos, as well as large regions of moderate resource areas east of the City in Interlaken and hillsides to the east. Regions directly surrounding Watsonville are predominantly agricultural and less densely populated in comparison to Watsonville; while the region to the east is largely rated as moderate resource, the area is predominantly made up of undeveloped, mountainous, open space.



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Figure E-1: TCAC/HCD Opportunity Map





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2. Patterns of Integration and Segregation

This section contains an analysis of integration and segregation, including patterns and trends, relating to people with protected characteristics.¹

Segregation is defined as the separation or isolation of a race/ethnic group, national origin group, individuals with disabilities, or other social groups by enforced or voluntary residence in a restricted area, by barriers to social connection or dealings between persons or groups, by separate education facilities, or by other discriminatory means.²

Segregation is a complex topic, difficult to generalize, and is influenced by many factors. Individual choices can be a cause of segregation, with some residents choosing to live among people of their own race or ethnic group. For instance, recent immigrations may depend on nearby relatives, friends, and ethnic institutions to help them adjust to a new country. Alternatively, when White residents leave neighborhoods that become more diverse, those neighborhoods can become segregated. Other factors, including housing market dynamics, availability of lending to different ethnic groups, availability of affordable housing, and discrimination can also cause residential segregation. **Figure E-2** establishes the 2020 census tracts and **Table E-1** provides preliminary information about each census tract.

¹ Government Code Sections 65583 (c)(10) and 8899.5 (a)(b) and (c).

² Merriam-Webster Dictionary, Definition 2a.



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Figure E-2: Watsonville Census Tracts

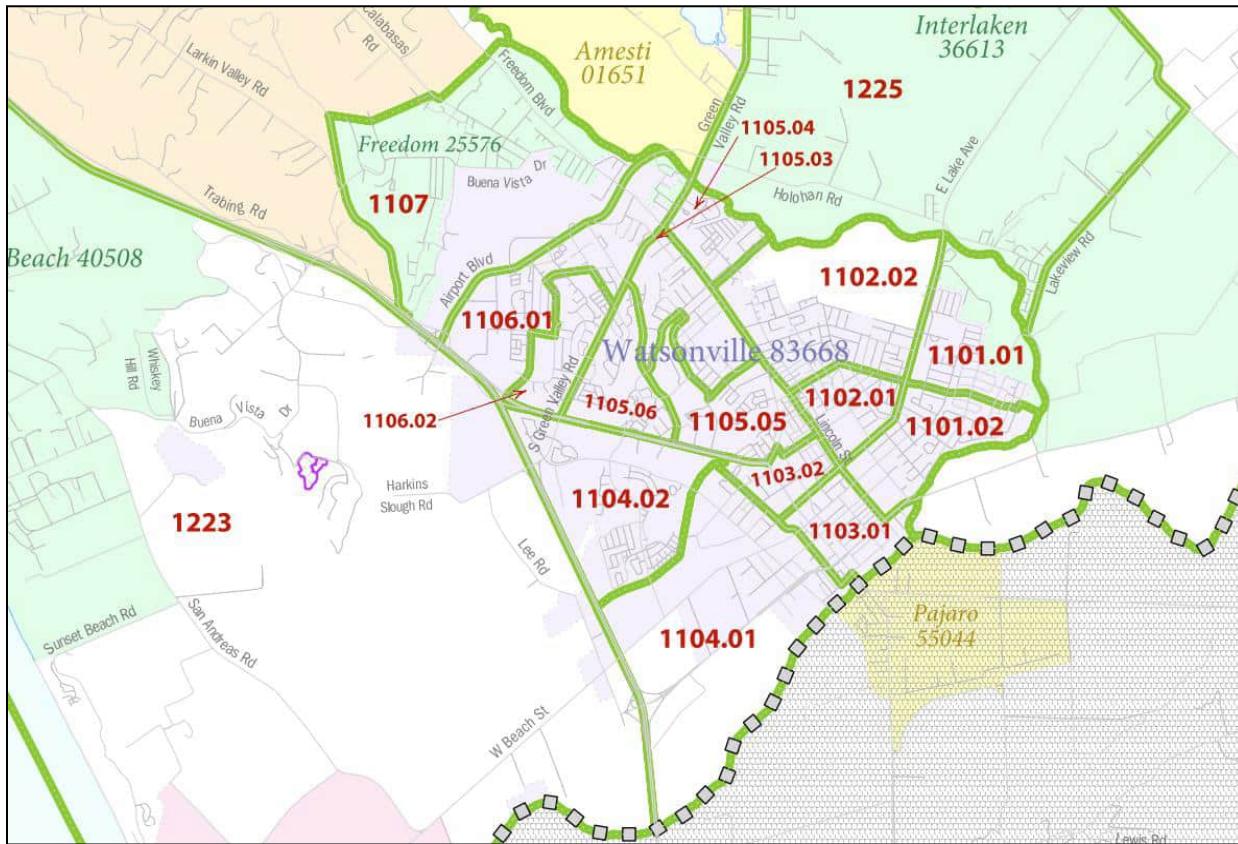


Table E-1: Neighborhood Segregation Household Data

Census Tracts	Median Income	Poverty Status	Population with a Disability	Displacement Risk	Renter Occupied
060871101.01	\$94,688	9.1%	15.8%	At-Risk	22.78%
060871101.02	\$67,857	12.1%	26.7%	At-Risk	53.52%
060871102.01	\$72,941	7.9%	7.2%	Lower Risk	71.01%
060871102.02	\$87,143	11.1%	16.1%	Lower Risk	42.55%
060871103.00	\$99,883	4.3%	9.1%	1 Income Group Displacement Lower Risk Lower Risk	52.21%
060871103.01	\$60,817	15.7%	17%		90.43%
060871103.02	\$41,325	23%	16.1%		74.29%
060871104.01	\$58,092	33.7%	6.1%	At-Risk	86.07%
060871104.02	\$85,714	2.7%	5.7%	At-Risk	41.99%
060871105.03	\$48,264	18.5%	10.1%	2 Income Group Displacement	58.36%
060871105.04	\$80,960	4.2%	5.9%	2 Income Group Displacement	35.59%
060871105.05	\$65,116	25.6%	16.9%	2 Income Group Displacement	65.71%
060871105.06	\$89,034	11%	4.4%	2 Income Group Displacement	44.61%
060871106.01	\$62,913	3.4%	24.3%	At-Risk	58.01%
060871106.02	\$62,089	1.3%	9.9%	At-Risk	41.84%
060871107.00	\$103,750	11.4%	11.2%	Lower Risk	33.33%

Source: UC Berkeley – Urban Displacement Project (2022)



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Race and Ethnicity

As discussed in **Appendix B**, the City is made up of a majority Hispanic or Latino population at over 80 percent, followed by a smaller White population at approximately 12 percent. Persons identifying as Asian make up two percent of the City's population.

Figure E-3 maps concentrations of predominant racial and ethnic groups within the region. The map shows that the City has two census tracts that report "Mostly Latinx", which represent areas with more than 80 percent Latinx representation.³ Additionally, the City of Watsonville is surrounded by unincorporated areas of Santa Cruz County and Monterey County that have the designation of either "Latinx-White" or "Mostly Latinx." The nearest area of "Mostly White" is located approximately 11 miles to the northwest in the community of Aptos in unincorporated Santa Cruz County and the nearest area of "3 Groups Mixed" is located approximately 20 miles to the east in the area surrounding the City of Gilroy in Santa Clara County.

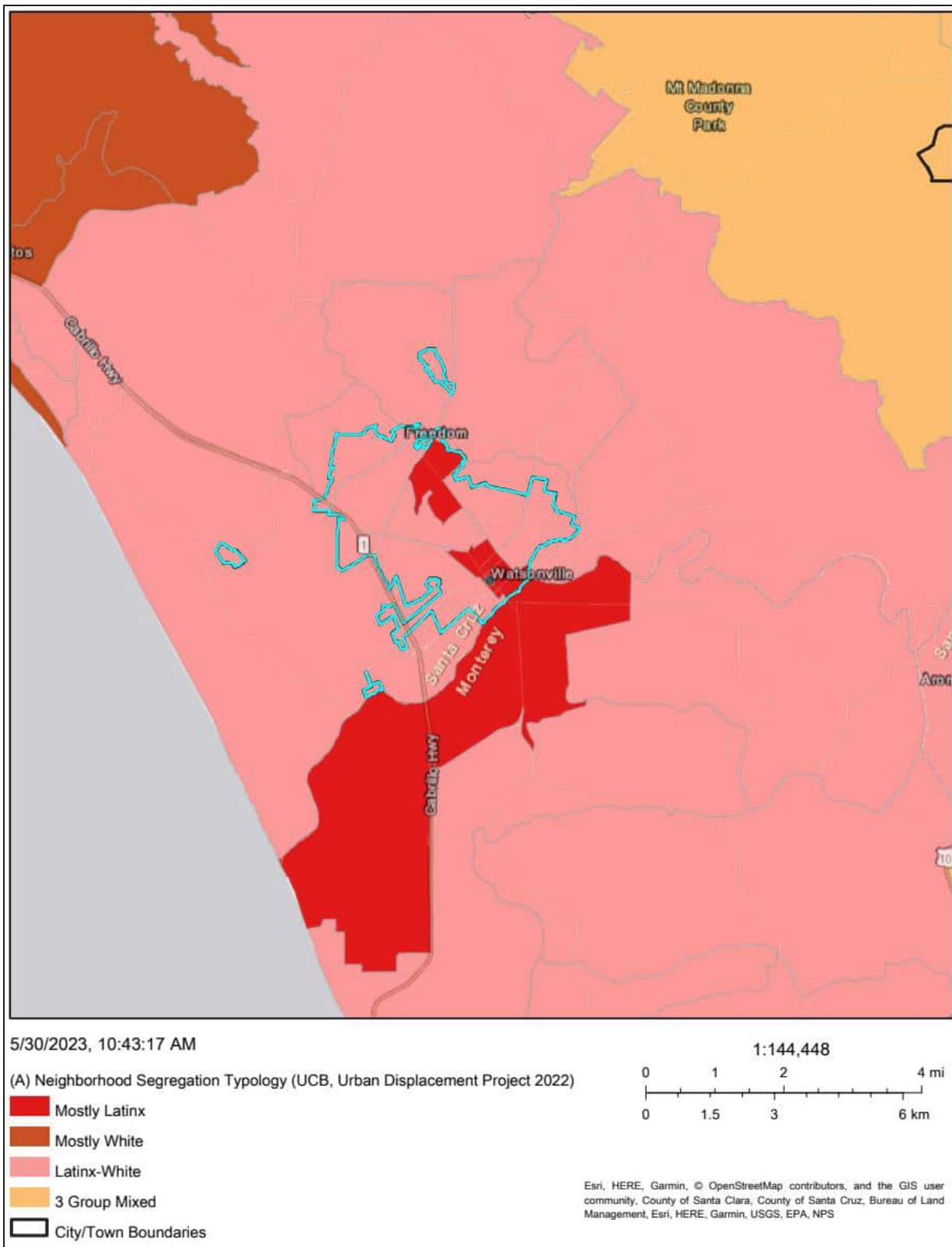
These census tracts encompass the Historic Downtown Core area and the northwest region of the City. **Table E-1** shows segregation data by Census Tracts. Census Tract 06087110300 has the lowest median income of \$44,677, the highest percentage of residents that speak English less than very well (44.2 percent), and the highest percentage of renter-occupied housing units (82.7 percent). The remaining census tracts in the City report "Latinx-White." The "Latinx-White" classification is any census tract where the Latinx population is under 80 percent, and the White population is the second largest ethnic majority in that area. Apart from several "Mostly Latinx" census tracts just south of the City's boundaries in the unincorporated community of Pajaro, the region primarily consists of "Latinx-White" census tracts.

³ It is important to note that although Figure E-3 shows that Watsonville is predominantly Latinx-White, "mostly Latinx" designations represent concentrations of individuals of Latin American descent who can also identify with different racial groups. Latinx and Hispanic can be mutually exclusive terms. For example, groups who identify as Hispanic are Spanish-speaking but may not identify as Latinx such as a person from Spain. On the other hand, those who identify as Latinx but are not Spanish-speaking may not identify as Hispanic such as a person from Brazil.



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Figure E-3: Neighborhood Segregation



Source: California Department of Housing and Community Development – AFFH Data Viewer



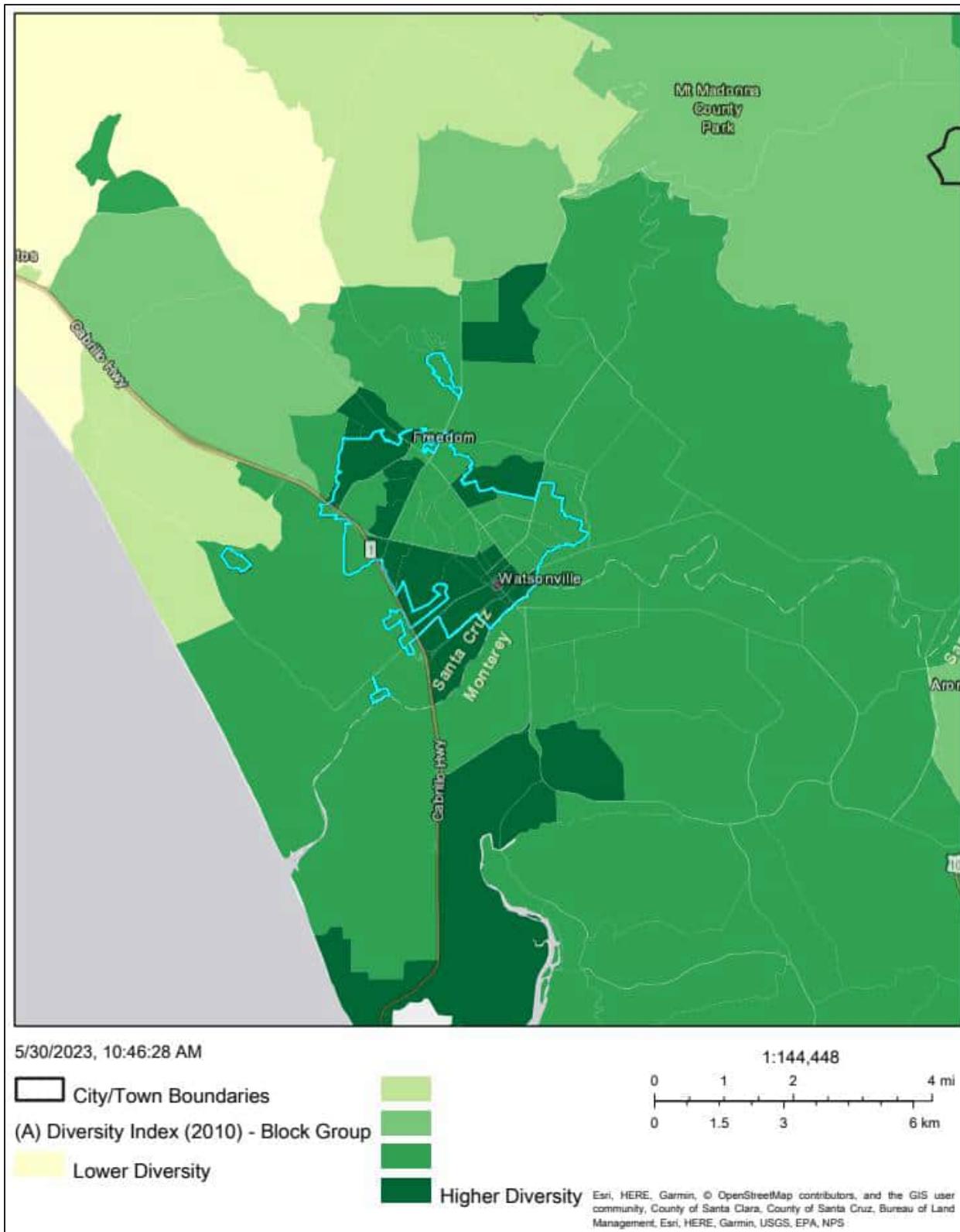
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Figure E-4a and **E-4b** illustrate the diversification of the City between 2010 and 2018. Over the eight-year period, the City experienced an increase in diversity west of the downtown area (east of Highway 1) and northwestern regions near the airport. The City also saw an increase in diversity in areas around the Watsonville Municipal Airport. Diversity in the central part of the City remained relatively stable from 2010 to 2018. The City's population is composed of primarily Hispanic residents. Historically, many residents moved into the City as a result of farming-related job opportunities in the area. Agriculture is a major revenue generator for the City, including strawberry fields and frozen food distribution centers, and the City became a hub for many Hispanic people to find work and start building families. Additionally, the City has a lower cost of living than neighboring communities such as Santa Cruz to the north and Monterey to the south. As a result, lower living costs attract lower-income earning workers, thus leading more people of color, predominantly Hispanic, to make a home in this community.



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Figure E-4a: Diversity Index (2010)

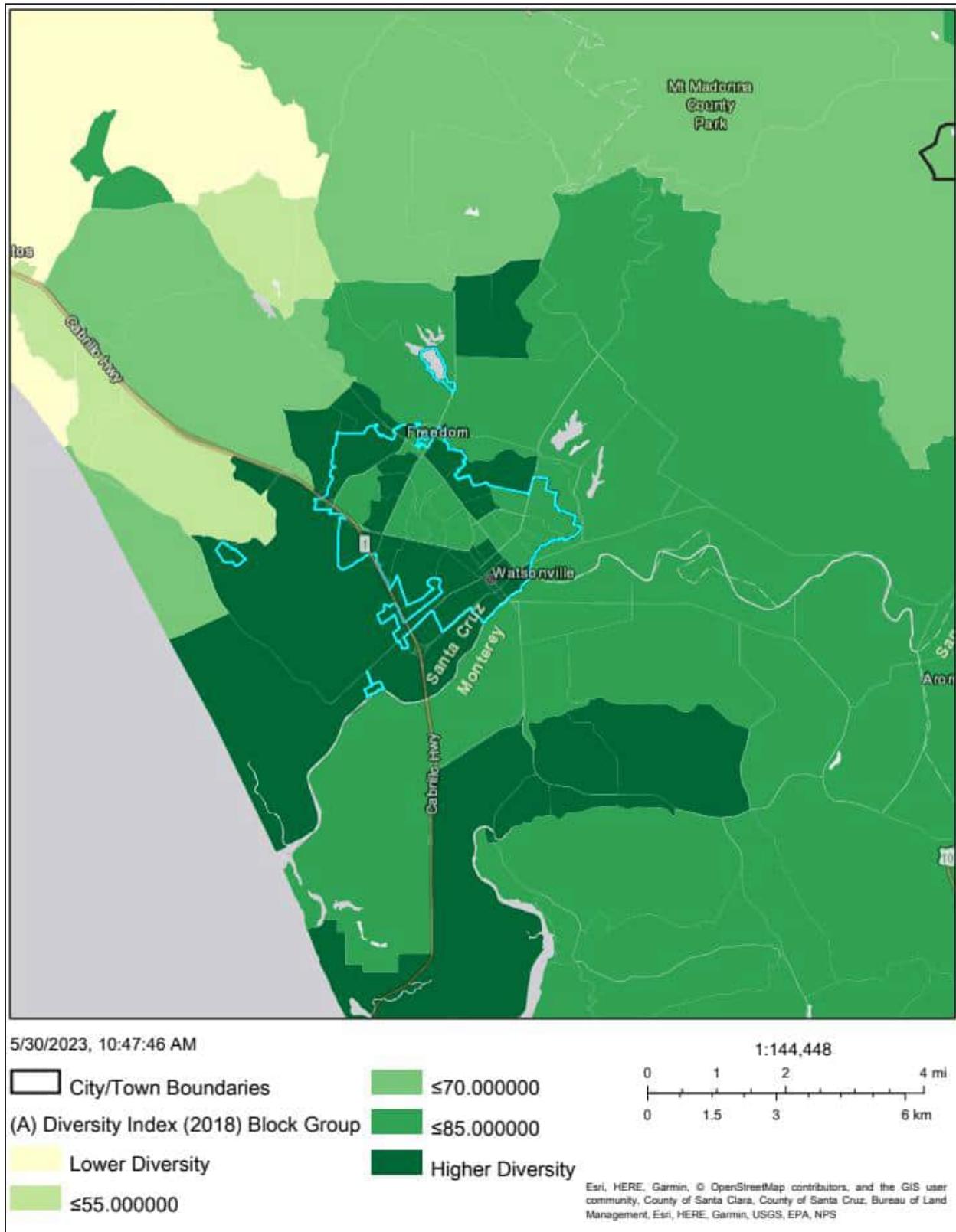


Source: California Department of Housing and Community Development – AFFH Data Viewer



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Figure E-4b: Diversity Index (2018)



Source: California Department of Housing and Community Development – AFFH Data Viewer



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Racially and Ethnically Concentrated Areas of Poverty (R/ECAPs) are geographic areas with significant concentrations of poverty and minority populations. HUD developed a census-tract based definition of R/ECAP that relies on a racial and ethnic concentration threshold and a poverty test. The threshold states that an area with a Non-White population of 50 percent or more would be identified as a R/ECAP; the poverty test defines areas of extreme poverty as areas where 40 percent or more of the population live below the federal poverty line or where the poverty rate is three times the average poverty rate for the metropolitan area (whichever is lower). Thus, an area that meets either the racial or ethnic concentration and the poverty test would be classified as a R/ECAP. As shown in **Figure E-5**, there are no R/ECAPs in the City. The nearest R/ECAPs are located to the east in Gilroy and to the south in Salinas.

R/ECAPs are a long-standing, contributing factor to segregation. However, patterns of segregation in the United States show that of all racial groups, the White population is the most separated from other racial groups. Research also identifies segregation of affluence to be greater than the segregation of poverty. Racial and economic segregation can have significant effects on respective communities, including but not limited to, socioeconomic disparities, educational experiences and benefits, exposure to environmental conditions and crime, and access to public goods and services.

Data used in the analysis of Racially Concentrated Areas of Affluence (RCAAs) comes from the 2015-2019 American Community Survey and is measured at the census tract level. HCD has created an RCAA metric to reflect California's relative diversity and regional conditions, and to aid local jurisdictions in their analysis pursuant to AB 686 and AB 1304. HCD's RCAA metric is first calculated using a Location Quotient (LQ) for each census tract that represents the percentage of total White population (White Alone, Not Hispanic or Latino) per census tract compared to the average percentage of total White population for all census tracts in each Council of Government (COG). For example, a census tract with an LQ of 1.5 has a percentage of total white population that is 1.5 times higher than the average percentage of total white population in the given COG region. To determine RCAAs, census tracts with an LQ of more than 1.5 times the State Area Median Income (AMI), which is lower, are assigned a numeric score of 1. A score of 1 indicates that a census tract is an RCAA. Census tracts that did not meet this criterion are assigned a score of 0.

The nationwide RCAA analysis identifies the following:

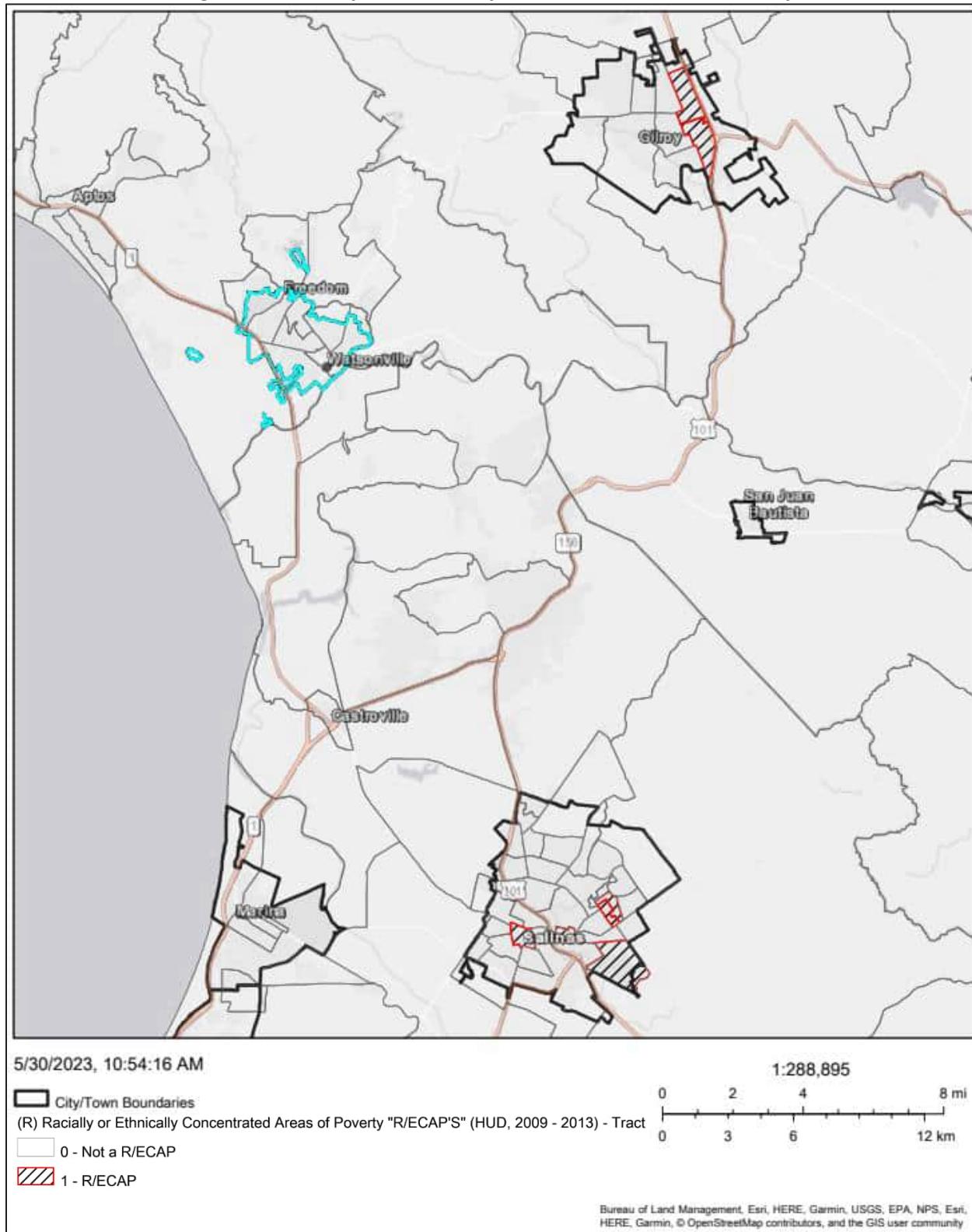
- RCAA tracts have more than twice the median household income of the average census tract in their metro area.
- Poverty rates in RCAAs are significantly lower and are, on average, about 20 percent of a typical tract.
- RCAAs tracts are more income homogenous than R/ECAPs.
- The average RCAA is about 57 percent affluent, whereas the average R/ECAP had a poverty rate of 48 percent.

Overall, RCAAs may represent a public policy issue to the extent that they have been created and maintained through exclusionary and discriminatory land use and development practices. As illustrated in **Figure E-6**, there are no RCAAs in the City, and the closest RCAA tracts are located northeast and southeast of the City, in the cities of Gilroy and Salinas.



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Figure E-5: Racially and Ethnically Concentrated Areas of Poverty

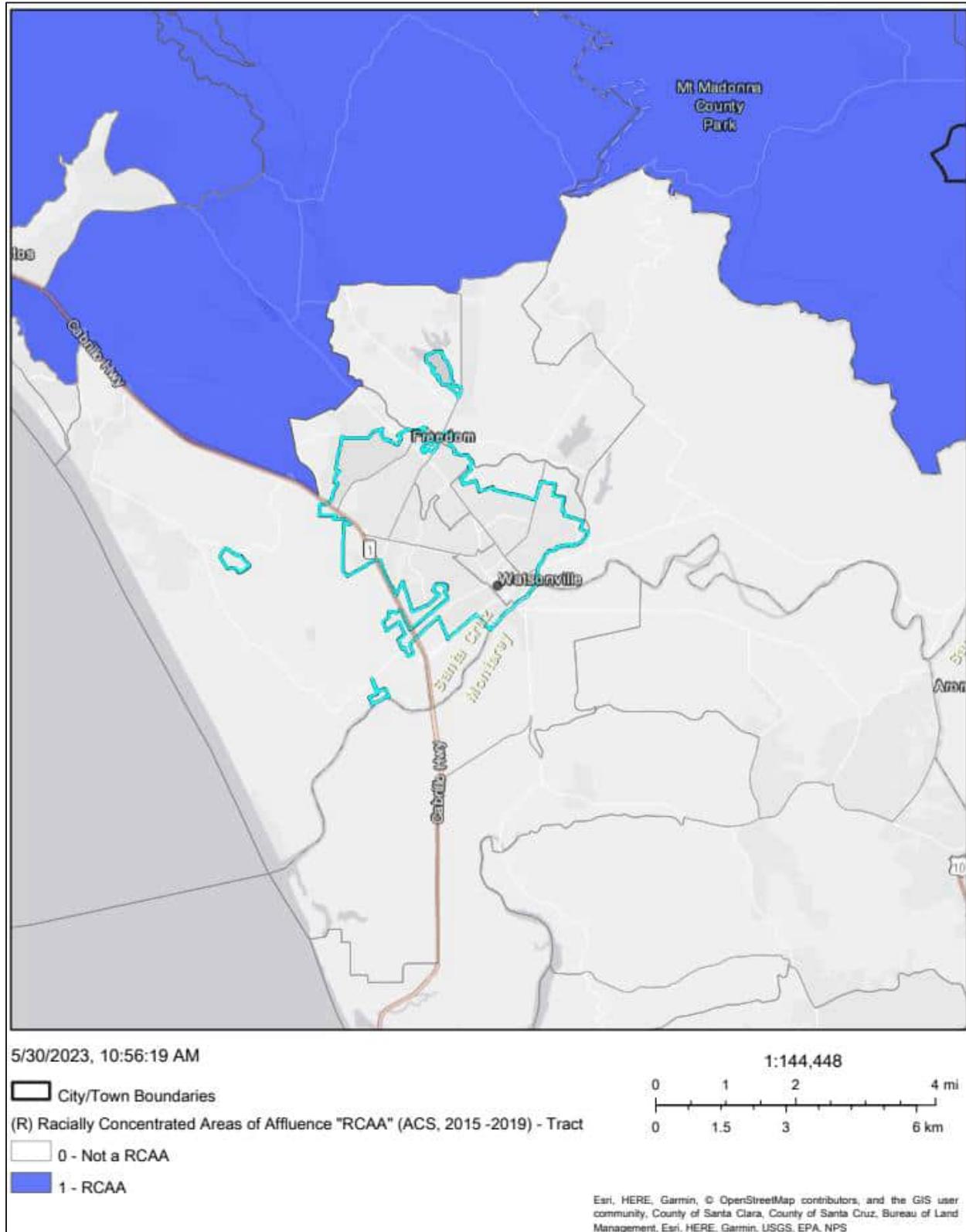


Source: California Department of Housing and Community Development – AFFH Data Viewer



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Figure E-6: Racially Concentrated Areas of Affluence



Source: California Department of Housing and Community Development – AFFH Data Viewer



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Hate crimes are violent acts against people, property, or organizations because of the group to which they belong or identify with. The Federal Fair Housing Act makes it illegal to threaten, harass, intimidate, or act violently toward a person who has exercised their right to free housing choice.

As shown in **Table E-2**, between 2010 and 2020, a total of eight hate crimes were reported in the City. The most common hate crime committed was based on Race/Ethnicity/Ancestry. Of these types of hate crimes, three were Anti-Hispanic, two were Anti-Black, one was Anti-Other Race/Ethnicity/Ancestry, one had Multiple Bias, and one was Anti-White. There was one hate crime committed in 2016 based on Religion (Anti-Jewish). Overall, reported hate crimes in the City have decreased since 2010 with only one reported hate crime since 2013.

Table E-2: FBI Hate Crimes by Bias, Watsonville (2014-2020)							
Year	Race/Ethnicity/ Ancestry	Religion	Sexual Orientation	Disability	Gender Identity	Multiple Bias	Total
2010	3	0	0	0	0	0	3
2011	1	0	0	0	0	0	1
2012	3	0	0	0	0	0	3
2013	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0
2016	0	1	0	0	0	0	1
2017	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0
Total							8

Source: Federal Bureau of Investigation, Crime Data Explorer, 2010-2020.

Income

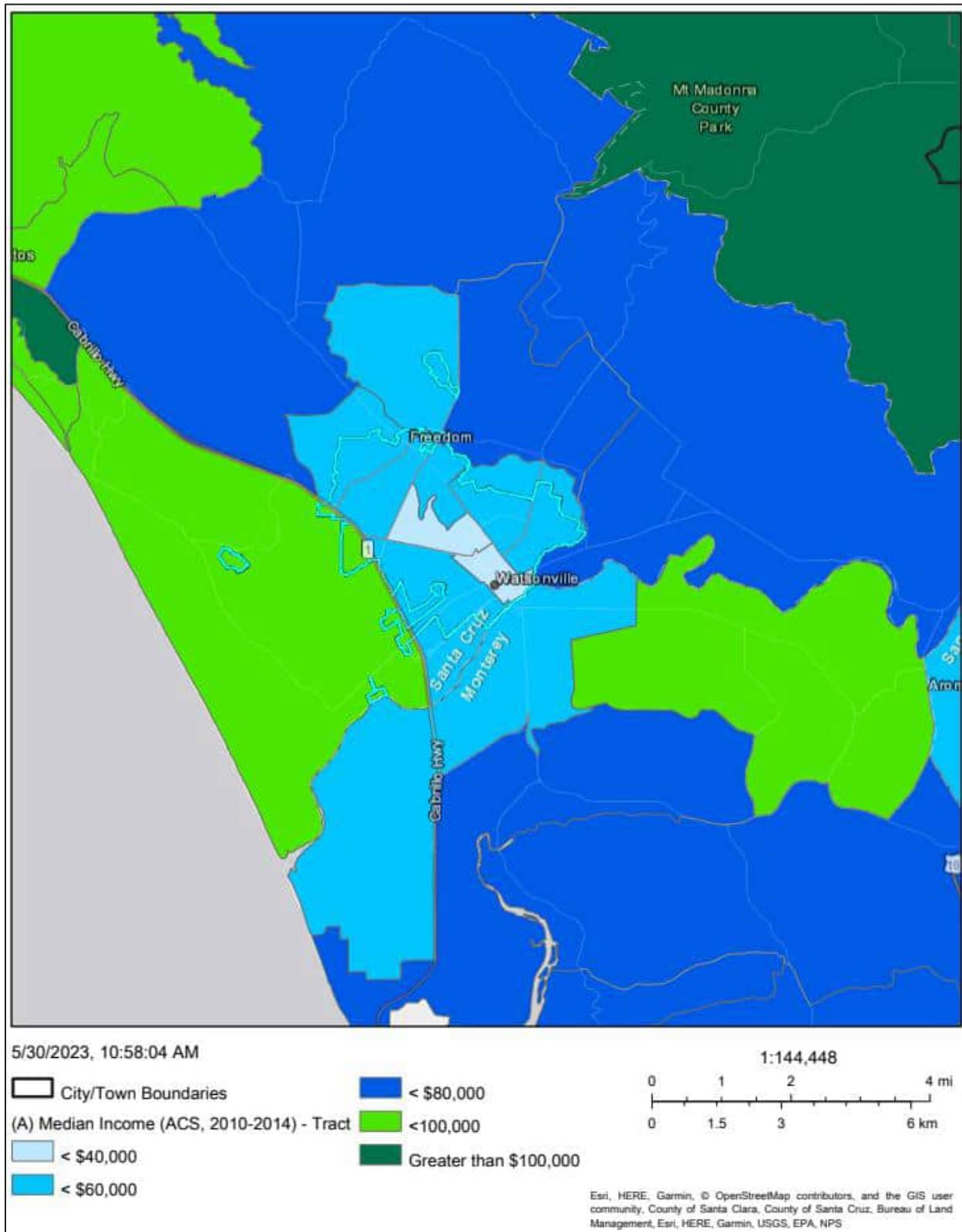
Household income level plays a significant role in housing choice. According to 2021 ACS 5-year estimates, the median household income for the City is \$67,007, compared to \$96,093 at the County level. The median household income in the City also varies based on tenure; the renter-occupied households have an annual median income of \$54,764 while the owner-occupied households have an annual median income of \$93,599.

Figure E-7 and E-8 shows the median income for Watsonville and the surrounding region from 2014 to 2019. There is a large range of economic outcomes in the City with neighborhoods surrounding the Downtown and one northwest area along Freedom Boulevard reporting the lowest median incomes. A majority of the neighborhoods in the City report median incomes under \$87,000. There are three areas in the City that report a median income between \$87,000 and \$125,000. These areas are located near Las Brisas Park, Rolling Hills Middle School, and Crestview Park. As illustrated below, the City has seen an increase in median income from 2014 to 2019.



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Figure E-7: Median Income (2014)

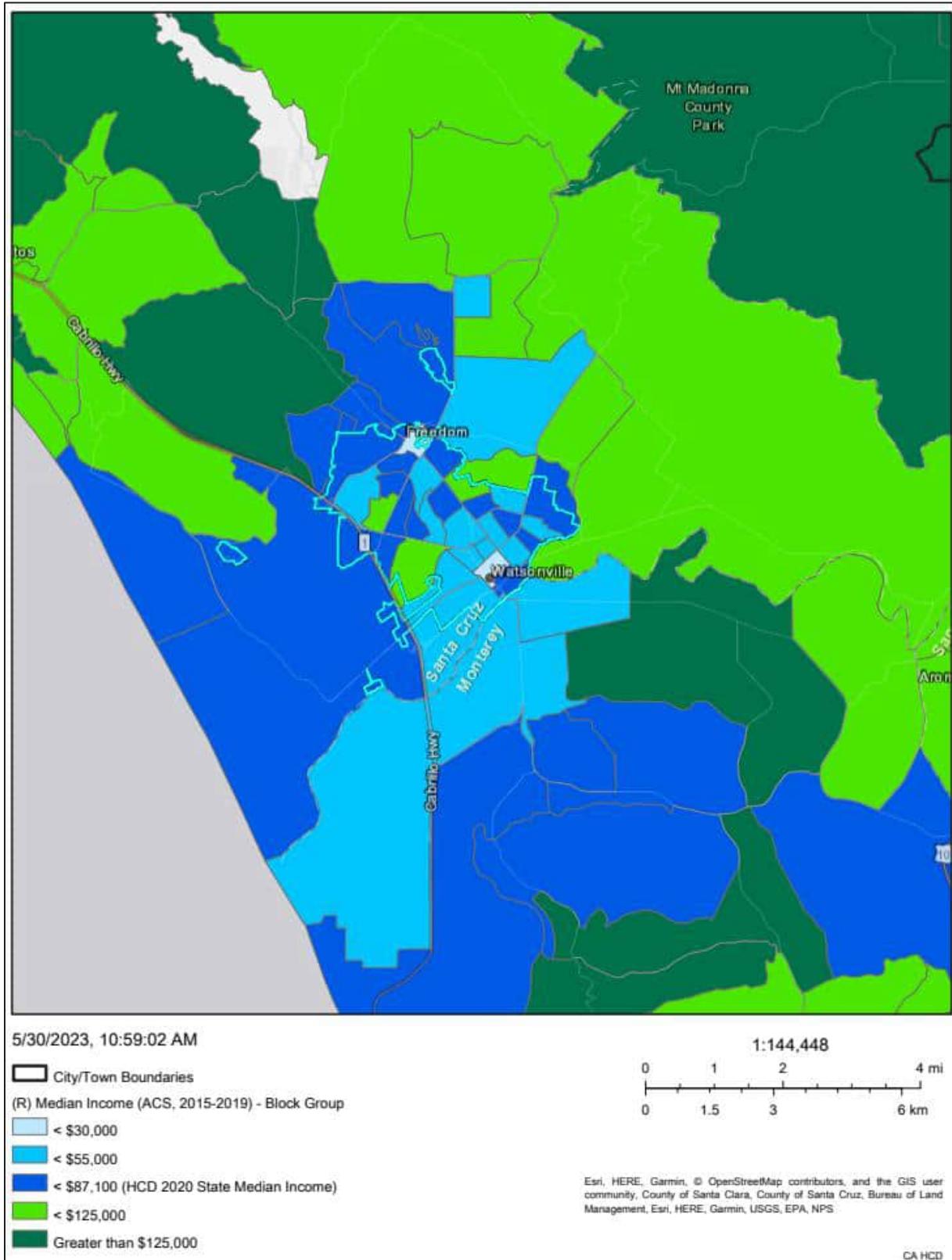


Source: California Department of Housing and Community Development – AFFH Data Viewer



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Figure E-8: Median Income (2019)



Source: California Department of Housing and Community Development – AFFH Data Viewer



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The City has experienced a relatively moderate increase in median income over the past decade as shown in **Table E-3**. U.S. Bureau Census data reports a 43.6 percent increase in median income between 2010 and 2021, with the largest growth occurring from 2019 to 2020 for Watsonville and the County of Santa Cruz (difference of \$6,026 and \$7,752, respectively) and from 2020 to 2021 for California (difference of \$6,235). The potential reason for the increase in median income could be due to the stimulus payments during the COVID-19 pandemic. The safety net programs enacted by Congress in 2020 moved many people out of poverty and off of unemployment insurance. The City's median income percent increase is greater than the state level (39.5 percent), but smaller than the County (47.5 percent).

Table E-3: Median Income by Geography (2010-2021)

Median Income by Year	Watsonville	County of Santa Cruz	California
2021	\$67,007	\$96,217	\$84,907
2020	\$61,496	\$89,986	\$78,672
2019	\$55,470	\$82,234	\$75,235
2018	\$54,001	\$78,041	\$71,228
2017	\$51,548	\$73,663	\$67,169
2016	\$49,487	\$70,088	\$63,783
2015	\$46,018	\$67,256	\$61,818
2014	\$46,691	\$66,923	\$61,489
2013	\$43,905	\$66,519	\$61,094
2012	\$46,603	\$66,571	\$61,400
2011	\$46,073	\$66,030	\$61,632
2010	\$46,675	\$65,253	\$60,883
Percent Change	43.6%	47.5%	39.5%

Source: American Community Survey, 5-Year Estimates, 2010, 2015, 2020, 2021.

As shown in **Table E-3**, the City had a lower median income than the County and State in 2021. **Table E-4** shows that a large portion of households earn between \$50,000 and \$74,999 annually at 20.4 percent. Next, 14.6 percent of the City's households earn between \$100,000 and \$149,999 annually. Thirty-five percent of households in the City earn below \$50,000 annually compared to 25.9 percent at the County level and 30.5 percent at the State level.

Table E-4: Household Median Income by Geography

Annual Median Income	Watsonville	County of Santa Cruz	California
Less than \$10,000	2.8%	4.1%	4.6%
\$10,000-\$14,999	3.9%	2.7%	3.6%
\$15,000-\$24,999	11.6%	5.9%	6.2%
\$25,000-\$34,999	7.8%	5.5%	6.7%
\$35,000-\$49,999	9.8%	7.7%	9.4%
\$50,000-\$74,999	20.4%	13.2%	14.7%
\$75,000-\$99,999	14.4%	12.4%	12.3%
\$100,000-\$149,999	14.6%	17.0%	17.5%
\$150,000-\$199,999	7.5%	11.7%	9.9%
\$200,000 or More	7.2%	19.8%	15.1%

Source: American Community Survey, 5-Year Estimates, 2021.



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To calculate projected housing needs for extremely low-income (ELI) households, the City assumes 50 percent of its very low-income RHNA are ELI households. As the City was allocated 283 very low-income units, approximately 142 units are projected for ELI households. Some ELI households could face other housing challenges depending on the age of the householder, tenure status, or household characteristics (mental or physical disabilities, household size, language proficiency, etc.) that could exacerbate housing problems.

Disability

In 1988, Congress added protections against housing discrimination for persons with disabilities through amendments to the Federal Fair Housing Act (FHA),⁴ which protects against intentional discrimination and unjustified policies and practices with disproportionate effects. The FHA also includes the following unique provisions to persons with disabilities: (1) prohibits the denial of requests for reasonable accommodations for persons with disabilities, if necessary, to afford an individual equal opportunity to use and enjoy dwelling; and (2) prohibits the denial of reasonable modification requests. With regards to fair housing, persons with disabilities have special housing needs because of the lack of accessible and affordable housing, and the higher health costs associated with their disability. In addition, persons with fixed disabilities may be on fixed incomes that further limit their housing options.

Table E-5 displays the data for persons with disabilities in the City, County, and State. The City reported a higher percentage (13.6 percent) of persons with disability than the County and State. Overall, about 10.6 percent of California's population and 11.3 percent of the County of Santa Cruz's population reported having at least one disability. Of the 13.6 percent of Watsonville residents who reported a disability, the most common disability was independent living and ambulatory difficulty (7.7 percent and 6.7 percent, respectively). Ease of reasonable accommodation procedures and opportunity for accessible housing can provide increased housing security for populations with disabilities.

Table E-5: Disability Types by Geography			
Disability	Watsonville	County of Santa Cruz	California
Total with a Disability	13.6%	11.3%	10.6%
Hearing Difficulty	4.5%	3.5%	2.9%
Vision Difficulty	2.9%	2.2%	2.0%
Cognitive Difficulty	5.9%	5.1%	4.4%
Ambulatory Difficulty	6.7%	4.8%	5.7%
Self-care Difficulty	2.8%	2.3%	2.6%
Independent Living	7.7%	5.0%	5.5%

Source: American Community Survey, 5-Year Estimates, 2021.

In both Santa Cruz County and the City, the percentage of individuals with disabilities also increases with age, with the highest percentage of individuals with disabilities being those 75 years and older. Refer to **Table E-6** for the distribution of percentages by age.

⁴ 42 U.S.C. Section 3601 *et. seq.*



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Table E-6: Percentage of Population with Disabilities by Age by Geography		
Age	Santa Cruz County	Watsonville
Under 5 years	2.3%	6.3%
5 to 17 years	6.4%	7.3%
18 to 34 years	7.2%	8.5%
35 to 64 years	10.1%	13.6%
65 to 74 years	18.2%	29.8%
75 years and over	44.9%	63.0%

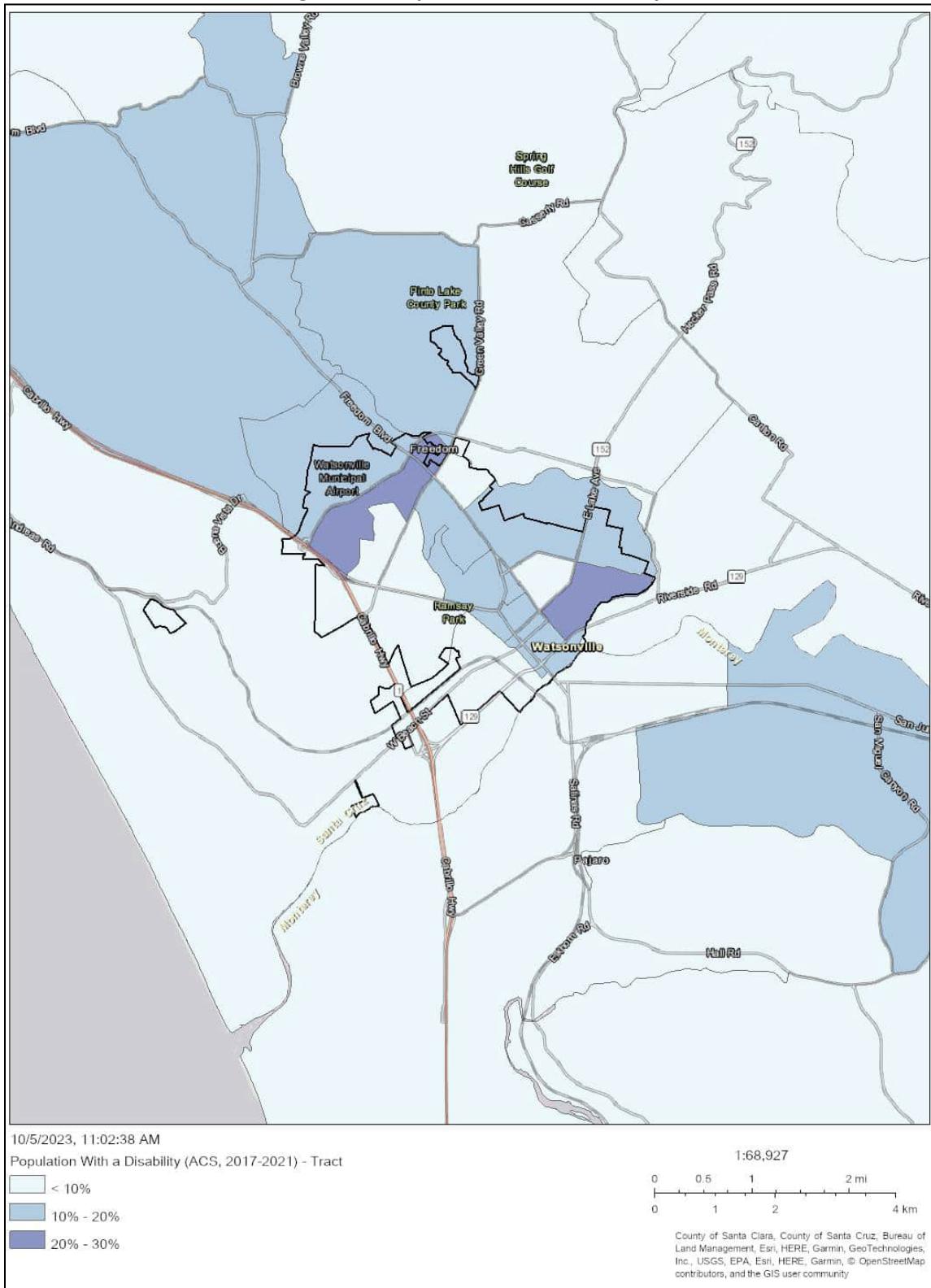
Source: American Community Survey, 5-Year Estimates, 2021.

Figure E-9 displays data for disability status in Watsonville by census tract. The map shows that roughly half of the census tracts in the City have 10 percent to 20 percent of their residents reporting at least one disability. These census tracts are concentrated in the central and northeastern regions of the City. The other half of census tracts report under 10 percent and are generally located in the southern region of the City.



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Figure E-9: Population with a Disability



Source: California Department of Housing and Community Development – AFFH Data Viewer



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Familial Status

Under the FHA, housing providers (e.g., landlords, property managers, real estate agents, or property owners) cannot discriminate because of familial status. Familial status refers to the presence of at least one child under 18 years old, pregnant persons, or any person in the process of securing legal custody of a minor child (including adoptive or foster parents). Examples of familial status discrimination include refusing to rent to families with children, enforcing overly restrictive rules regarding children's use of common areas, requiring families with children to live on specific floors, buildings, or area, charging additional rent, security deposit, or fees because a household has children, advertising a preference for households without children, and lying about unit availability.

Families with children often have special housing needs due to lower per capita income, the need for affordable childcare, the need for affordable housing, or the need for larger units with three or more bedrooms. Single parent households may experience greater housing affordability challenges due to typically lower household incomes compared to two-parent households. Sex and familial status often intersect to compound the discrimination faced by single mothers.

Table E-7 displays household type for the State, County, and City. Overall, Watsonville primarily consists of married-couple family households at 52.2 percent. Non-family households make up the lowest percentage of households in the City at 6.6 percent. Watsonville also has the highest percentage of female-headed households with children compared to the County and State. Approximately 30.7 percent of households in the City have at least one person over the age of 60. Different household types have varying housing needs – senior households may benefit from affordable housing options due to limited income, and family households may benefit from larger housing units located near community areas and schools.

Table E-7: Population by Familial Status by Geography

Familial Status	City of Watsonville	County of Santa Cruz	California
Total Households	14,587	96,476	13,217,586
Married-Couple Family Households	52.2%	48.8%	49.5%
With Children	26.4%	17.9%	21.0%
Non-Family Households	6.6%	8.3%	7.1%
Households with one or more people 60 years+	30.7%	34.4%	30.1%
Female Headed Households, No Spouse Present with Children	7.5%	3.4%	4.7%

Source: American Community Survey, 5-Year Estimates, 2021.



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3. Access to Opportunities

Access to opportunity is a concept to approximate the link between place-based characteristics (e.g., education, employment, safety, and the environment) and critical life outcomes (e.g., health, wealth, and life expectancy). Ensuring access to opportunity means both improving the quality of life for residents of low-income communities, as well as supporting resident mobility and access to 'high resource' neighborhoods.

Mobility

Access to public transit is vital for households affected by low-incomes and rising housing prices, especially because lower-income households are often transit dependent. Public transit should strive to link lower-income persons to major employers where job opportunities exist. Access to employment via public transportation can reduce welfare usage and increase housing mobility, which enables residents to locate housing outside of traditionally low-income neighborhoods.

Transportation opportunities are depicted by two indices: (1) the transit trips index; and (2) the low transportation cost index. The transit trips index measures how low-income families in a neighborhood use public transportation. The index ranges from 0 to 100, with higher values indicating a higher likelihood that residents within a neighborhood utilize public transit. The low transportation cost index measures the cost of transportation and proximity to public transportation by neighborhood. It too varies from 0 to 100, with higher scores indicating lower transportation costs in that neighborhood.

AllTransit explores metrics that reveal the social and economic impact of transit, specifically looking at connectivity, access to hubs, and frequency of service. According to the data shown in **Table E-8** and **Figure E-10**, Watsonville scored a 6.1 AllTransit performance score, illustrating a moderate combination of trips per week and number of jobs accessible that enable a moderate number of people to take transit to work. In total, 29,170 jobs are accessible within a 30-minute trip from Watsonville, and 1.56 percent of commuters in the City use transit. Additionally, AllTransit identified the following transit-related statistics in the City:

- 97.9 percent of jobs in Watsonville are located within $\frac{1}{2}$ mile of transit
- 99.5 percent of workers in Watsonville live within $\frac{1}{2}$ mile of transit
- 2.05 percent of workers in Watsonville who live within $\frac{1}{2}$ mile of transit commute by walking
- 1.23 percent of workers who live in Watsonville within $\frac{1}{2}$ mile of transit commute by biking
- 99.6 percent of Low-Income Housing Tax Credit buildings in Watsonville are within $\frac{1}{2}$ mile of transit

Watsonville scored lower than the City of Santa Cruz (7.0), however the City scored higher than neighboring jurisdictions Capitola (5.0) and Scotts Valley (4.4). Additionally, Watsonville has a higher transit score than Santa Cruz County overall (4.8).



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Table E-8: AllTransit Index					
Jurisdiction	All Transit Performance Score	Transit Trips Per Week within ½ Mile	Jobs Accessible in 30-min trip	Commuters Who Use Transit	Transit Routes within ½ Mile
Watsonville	6.1	1,114	29,170	1.56%	7
Capitola	5.0	976	42,606	0.82%	5
Scotts Valley	4.4	1,147	29,207	1.42%	3
Santa Cruz County	4.8	1,269	33,599	2.99%	6

Source: AllTransit, Transit Scores. Accessed October 3, 2023.

While there is accessibility to jobs within 30 minutes in the City, Alltransit also accounts for the headways or average traffic when using transportation. Typical headways in Watsonville are about an hour, and there is a significant amount of major traffic when using Highway 1 to commute within and outside of the City, as it is one of the few major roadways through the City. These factors likely contribute to the total 6.1 score that has been provided by Alltransit.

Table E-9 below shows the number of working-age individuals and commuter characteristics such as the percentage of those who work within and outside of Watsonville and the County. Almost a third of the City's population work within the County who may commute within or outside the City. Approximately 70.6 percent of commuters spend less than 30 minutes to commute to work, indicating that residents either work within the City or in adjacent areas and chose to drive. Additionally, 85.2 percent of residents who reported having 0 to 1 vehicle available tend to take public transit to commute to and from work. Residents who have more than one vehicle available tend to drive alone or carpool.

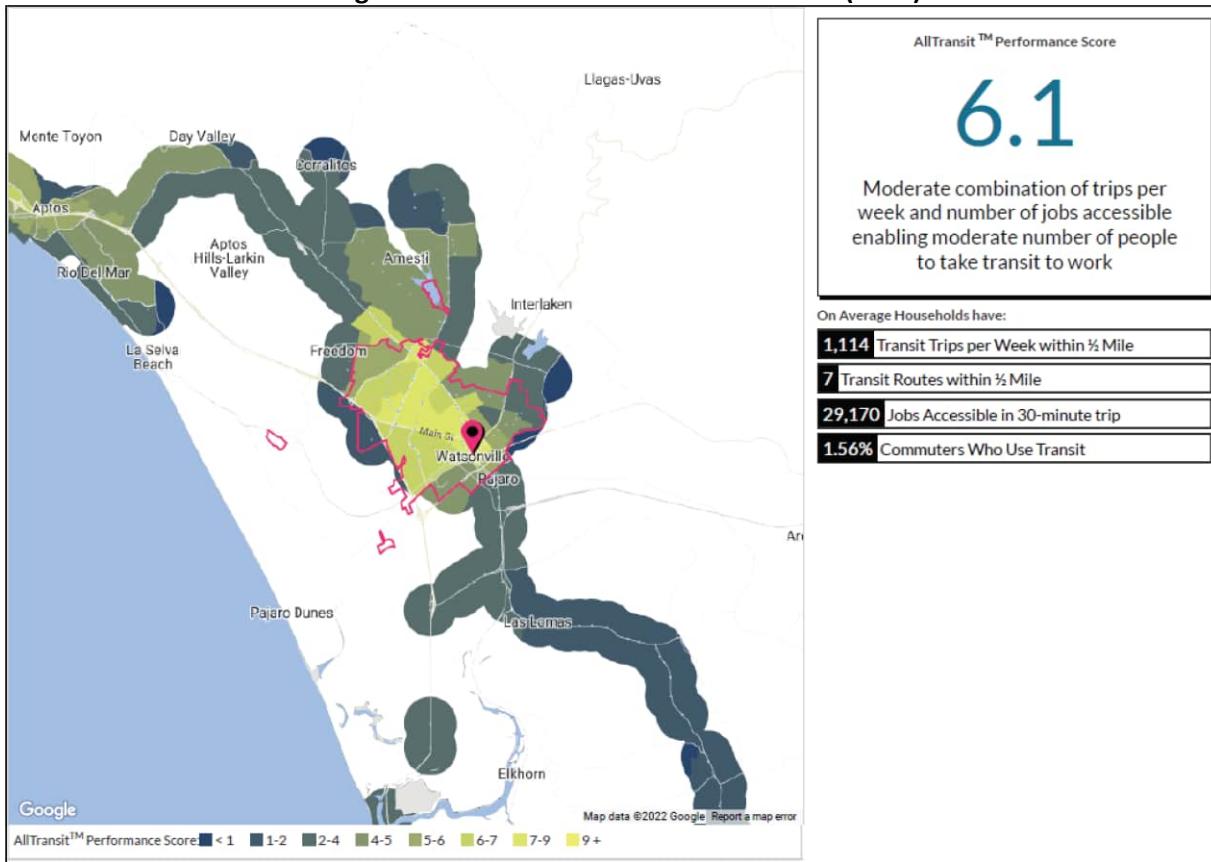
Table E-9: Commute to Work Geography, Travel Time, and Vehicles Available in Watsonville, CA				
	Car, truck, van (alone)	Car, truck, van (carpool)	Public transportation (no taxi)	Total
Population (16+ years)	17,983	2,685	169	24,029
Worked in County of residence	74.2%	75.4%	84.9%	77.1%
Worked outside County	25.4%	23.9%	15.1%	22.5%
Travel Time				
< 30 mins	70.6%	68.0%	56.2%	70.2%
≥ 30 mins	29.5%	31.9%	43.8%	29.7%
Percent Vehicles Available				
0-1 Vehicles	12.0%	11.2%	85.2%	13.6%
2 vehicles	36.6%	35.5%	0.0%	0.367
3+ vehicles	51.5%	53.3%	14.8%	49.7%

Source: US Census, 2021 ACS 5-Year Estimates: Table S0804



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Figure E-10: AllTransit Performance Score (2021)



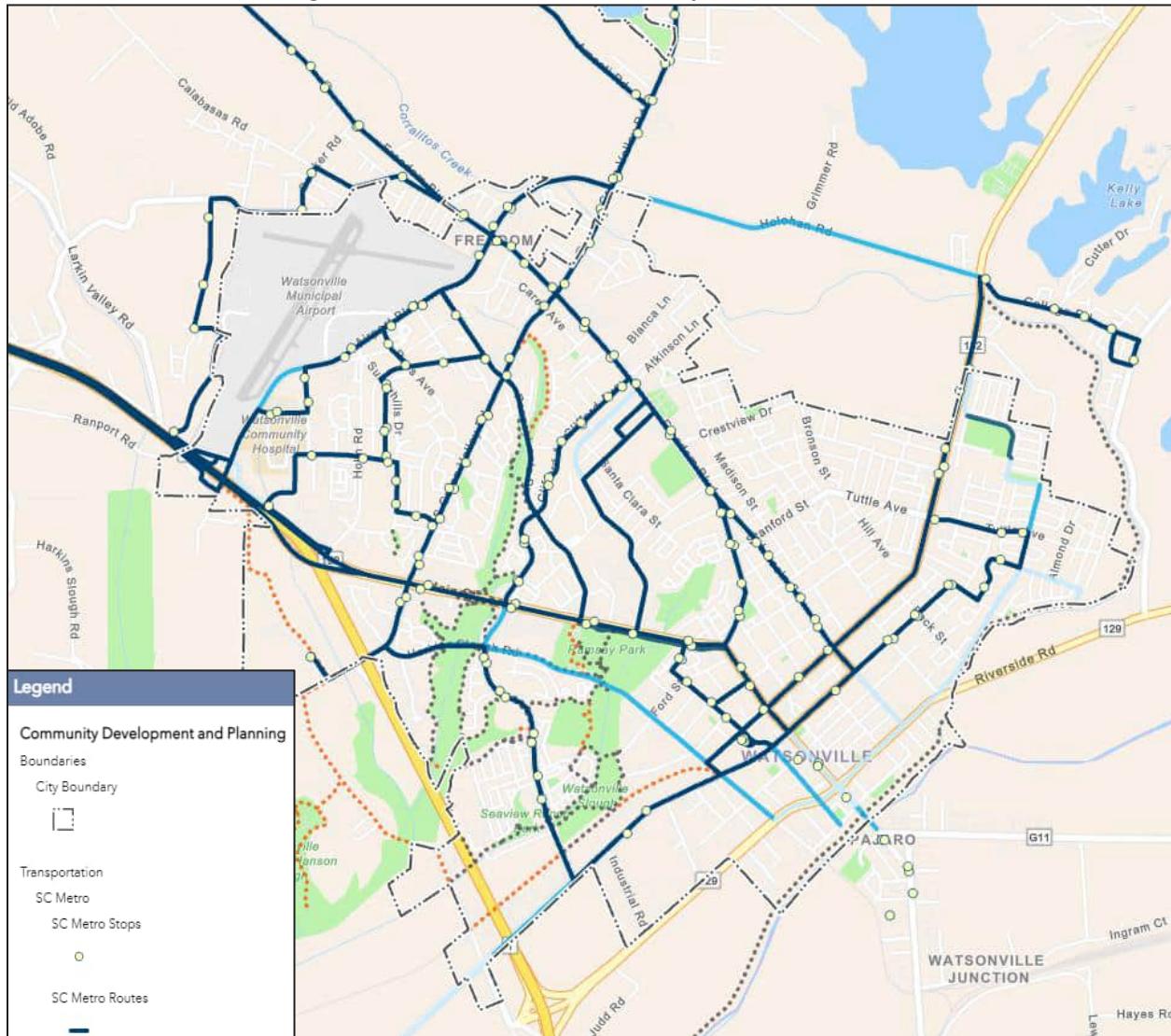
Source: AllTransit Fact Sheet, 2023

Figure E-11 below displays all METRO stops and routes within the City. As illustrated, the public transportation network within the City allows residents to move throughout most areas in the community. A robust public transit network allows residents access to jobs, schools, health services, open space, and other important amenities. METRO's routes also connect Watsonville to the surrounding region.



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Figure E-11: METRO Routes and Stops in Watsonville



Source: Watsonville Community Development and Planner Viewer, Accessed 2023.



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Economic and Employment Opportunities

The TCAC/HCD Opportunity Area Maps include economic data, as shown in **Figure E-12**. This data represents opportunity levels based on the following factors:

- Poverty – Percent of population with an income above 200 percent of the federal poverty line.
- Adult Education – Percent of adults aged 20-64 who are employed in the civilian labor force or in the armed forces.
- Job Proximity – Number of jobs filled by workers with less than a Bachelor of Arts degree that fall within a given radius (determined by the typical commute distance of low-wage workers in each region) or each census tract population-weighted centroid.
- Median Home Value – Value of owner-occupied units.

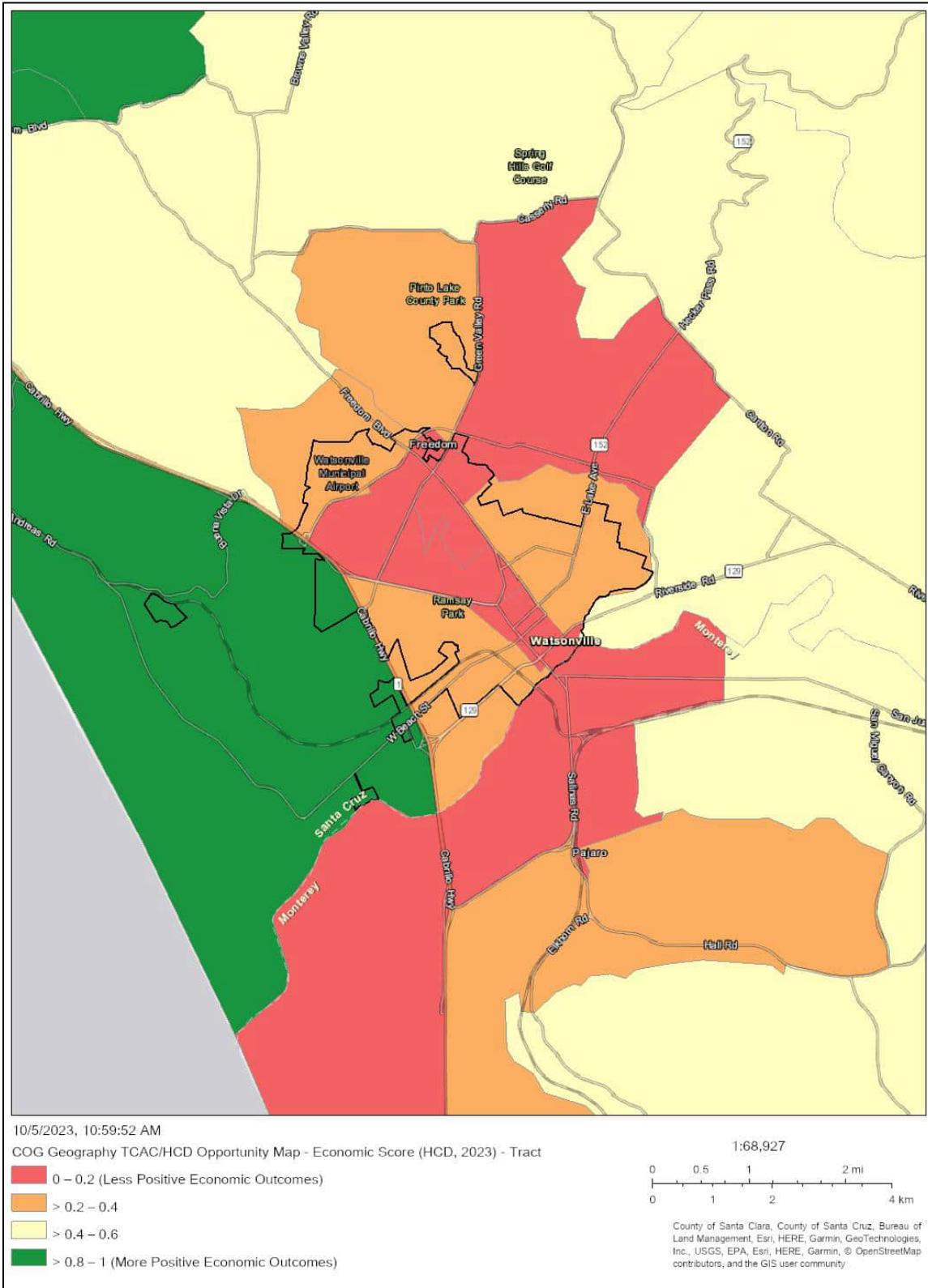
Figure E-12 shows that a majority of the City has less positive economic outcomes while the region surrounding Watsonville has varying economic outcomes. Census tracts west of Highway 1 have more positive economic outcomes while census tracts in the southern areas generally have fewer positive outcomes. Census tracts east of the City have moderately positive economic outcomes. Overall, the City is primarily surrounded by agricultural land, which should be considered when evaluating opportunity scores within the region.

Figure E-13 shows that Watsonville residents on the west side of the City generally live closer to employment opportunities than residents on the east side. The majority of the residents in the west have a Jobs Proximity Index in the range of 60 to 80, meaning closer proximity from jobs and shorter commute times. Overall, Watsonville residents have varying access to jobs within the region. Block groups northeast of the City have the furthest proximity to jobs. The City's bus network, the Watsonville Circulator, and METRO allow for accessible travel to several employment destinations throughout the City and region.



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Figure E-12: Economic Opportunity Scores

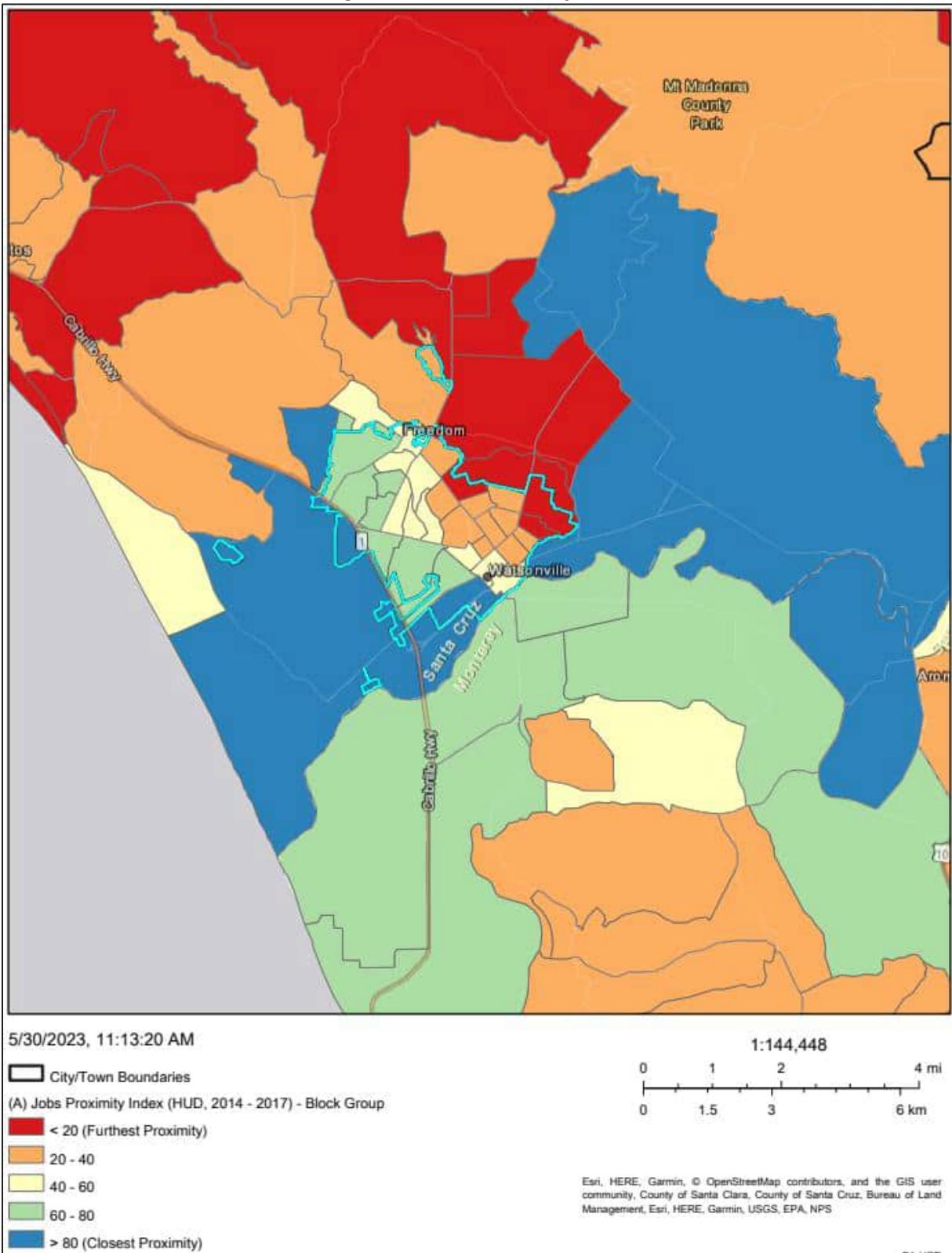


Source: California Department of Housing and Community Development – AFFH Data Viewer



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Figure E-13: Job Proximity Index



Source: California Department of Housing and Community Development – AFFH Data Viewer



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Education Opportunities

The TCAC/HCD Opportunity Area Maps include education data, as illustrated in **Figure E-14**. This data represents opportunity levels based on the following four factors:

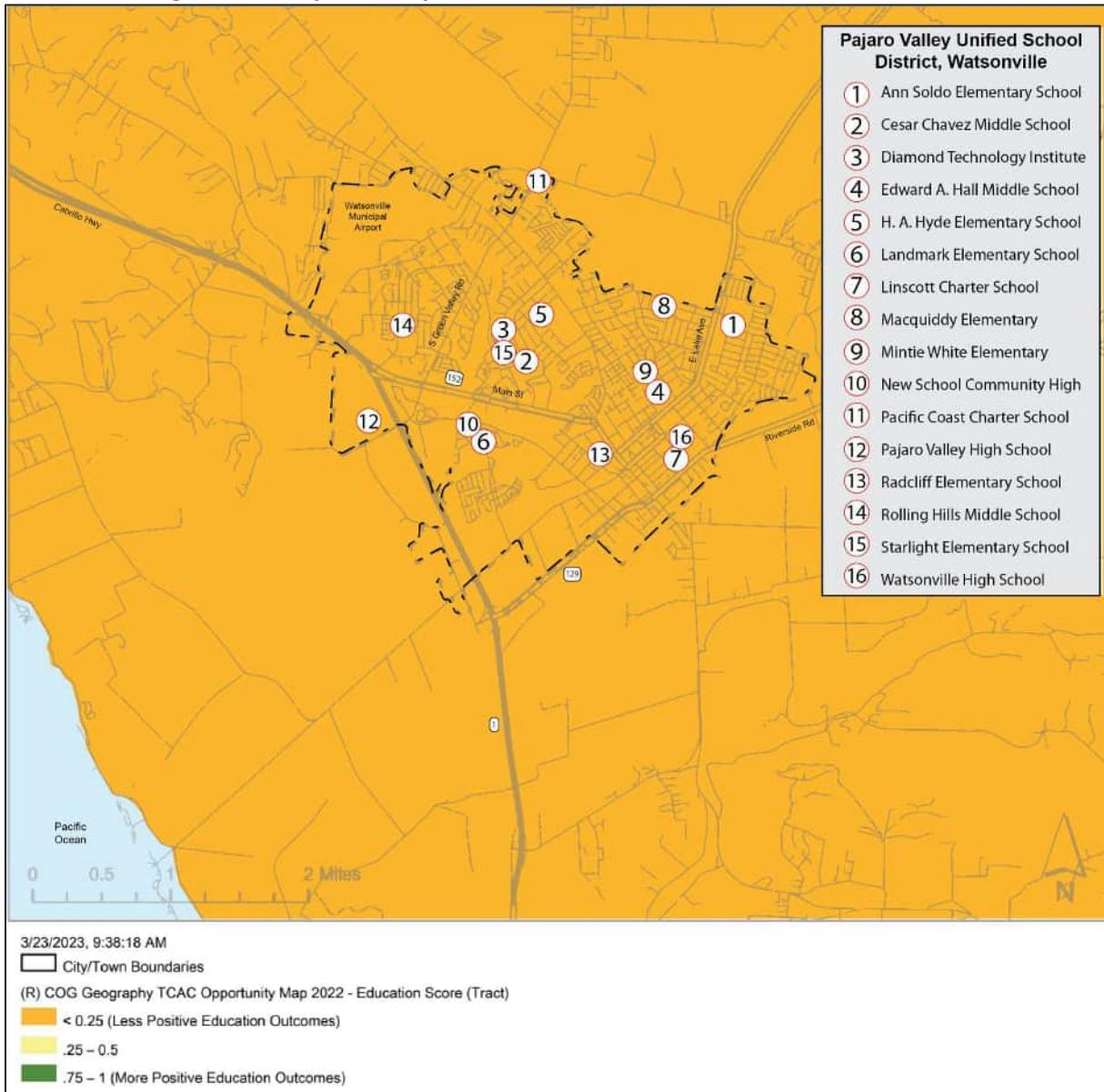
- **Math proficiency** – Percentage of fourth graders who meet or exceed math proficiency standards.
- **Reading proficiency** – Percentage of fourth graders who meet or exceed literary standards.
- **High school graduation rates** – Percentage of high school cohort that graduated on time.
- **Student poverty rate** – Percentage of students not receiving free or reduced-price lunch.

Figure E-14 shows educational scores overlaid with schools in the Pajaro Valley Unified School District (PVUSD). As shown, the entire City is scored at the least positive education outcomes. This score is comparable to the surrounding region. Schools in the City are evenly dispersed and all fall within areas of less positive education outcomes.



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Figure E-14: Pajaro Valley Unified School District and Educational Outcomes



Source: California Department of Housing and Community Development – AFFH Data Viewer

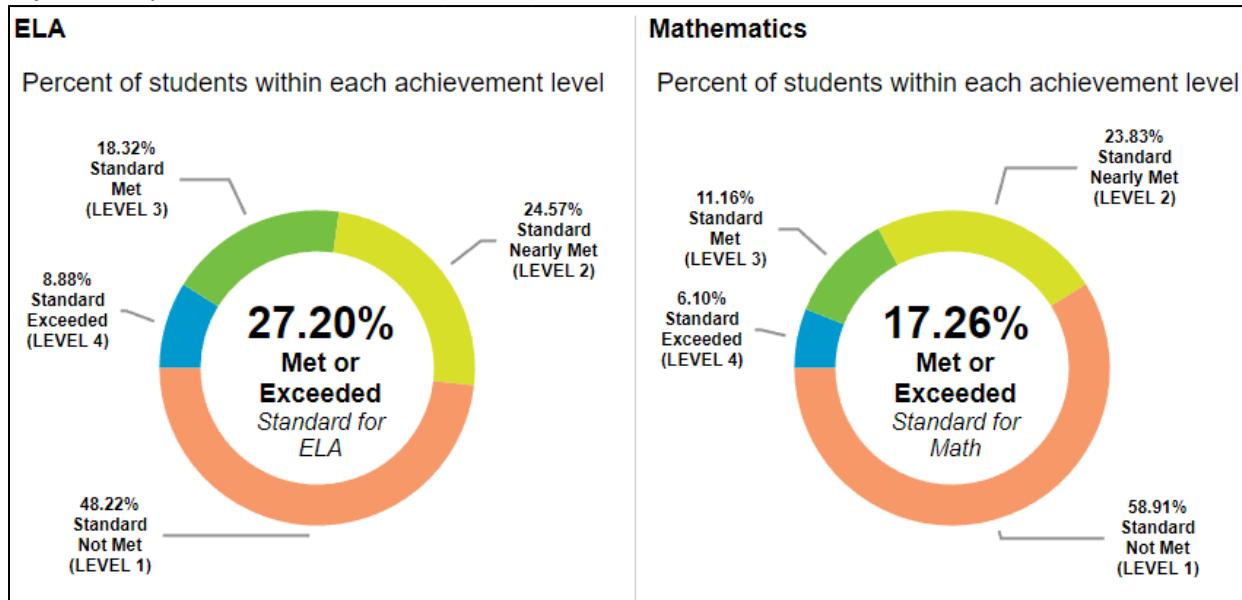
Figure E-15 shows English Language Arts/Literacy and Mathematics proficiency scores for Pajaro Valley Unified School District (PVUSD), which serves the City. According to the data provided by the California Assessment of Student Performance and Progress, 27.2 percent of students in the school district met or exceeded the standard for English Language Arts/Literacy and 17.26 percent of students in the school district met or exceeded the standard for Math. Both of these proficiency scores are lower than the County proficiency scores of 43.53 percent for English Language Arts/Literacy and 30.36 percent for Math.



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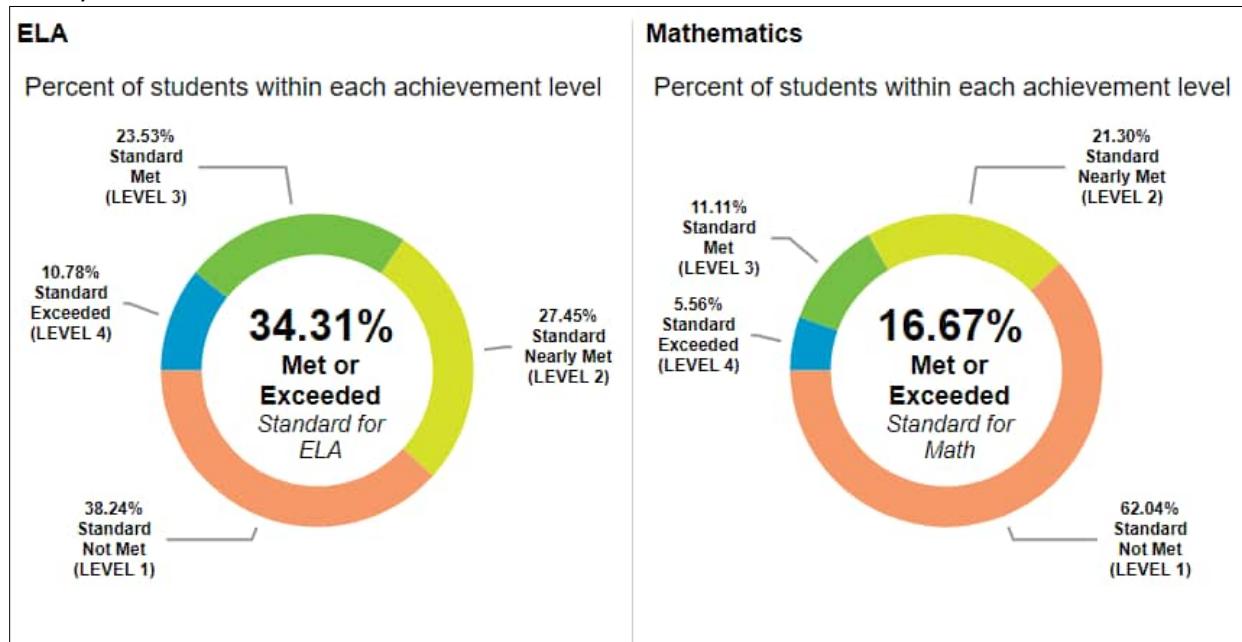
Figure E-15: English Language Arts/Literacy and Mathematic, PVUSD vs. County of Santa Cruz

Pajaro Valley Unified School District (PVUSD):



Source: California Assessment of Student Performance and Progress, 2021-22

County of Santa Cruz:



Source: California Assessment of Student Performance and Progress, 2021-22



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Environmental Health

The California Office of Environmental Health Hazard Assessment (OEHHA) developed a screening methodology to help identify California communities disproportionately burdened by multiple sources of pollution, called the California Communities Environmental Health Screening Tool (CalEnviroScreen). In addition to environmental factors (pollutant exposure, groundwater threats, toxic sites, and hazardous materials exposure) and sensitive receptors (seniors, children, persons with asthma, and low birth weight infants), CalEnviroScreen also takes into consideration socioeconomic factors. These factors include educational attainment, linguistic isolation, poverty, and unemployment. Research has shown a heightened vulnerability of people of certain ethnicities and lower socioeconomic status to environmental pollutants.

The CalEnviroScreen 4.0 Model is made up of a suite of 20 statewide indicators of pollution burden and population characteristics associated with increased vulnerability and pollution's health effects. The model uses the following analysis and calculation to identify area of health risk:

- Uses a weighted scoring system to derive average pollution burden and population characteristics scores for each census tract.
- Calculates a final CalEnviroScreen score for a given census tract relative to the other tracts by multiplying the pollution burden and population characteristics components together.
- Measures the relative pollution burdens and vulnerabilities in one census tract compared to others; the score is not a measure of health risk.

Figure E-16 maps the CalEnviroScreen 4.0 scores for the City and surrounding region. Overall, the City has moderate to high levels of pollution burdens. **Tables E-10** and **E-11** compare two census tracts with the highest and lowest pollution burdens in the City. As detailed, census tract 6087110600 has a pollution burden in the 65th percentile while census tract 6087110400 has a pollution burden in the 85th percentile. Overall, census tract 6087110600 scored in the 65th percentile while census tract 6087110400 scored in the 81st percentile. The table also illustrates that the further southwest one goes in the City, the higher the levels of pollution there are. The southwest area of the City is where the vast majority of the City's General Industrial zoning is located and it is also surrounded by agricultural uses in the County.



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Table E-10: CalEnviroScreen 4.0 for Census Tract 6087110600			
Pollutant	Percentile*	Health Risk/Burden	Percentile*
CalEnviroScreen 4.0	65	Pollution Burden	65
Ozone	17	Asthma	38
Particulate Matter 2.5	4	Low Birth Weight	33
Diesel Particulate Matter	70	Cardiovascular Rate	19
Toxic Releases	7	Education	96
Drinking Water	31	Linguistic Isolation	82
Lead from Housing	67	Poverty	51
Cleanup Sites	62	Unemployment	90
Groundwater Threats	39	Housing Burden	82
Hazardous Waste	83	-	-
Impaired	59	-	-
Solid Waste	60	-	-

*Percentile derived using a weighted scoring system to determine average pollution burden/socioeconomic scores relative to other census tracts.

Source: CalEnviroScreen 4.0. Accessed January 10, 2023.

Table E-11: CalEnviroScreen 4.0 for Census Tract 6087110400			
Pollutant	Percentile*	Health Risk/Burden	Percentile*
CalEnviroScreen 4.0	81	Pollution Burden	85
Ozone	15	Asthma	65
Particulate Matter 2.5	3	Low Birth Weight	20
Diesel Particulate Matter	86	Cardiovascular Rate	45
Toxic Releases	7	Education	86
Drinking Water	31	Linguistic Isolation	96
Lead from Housing	57	Poverty	84
Cleanup Sites	90	Unemployment	59
Groundwater Threats	93	Housing Burden	74
Hazardous Waste	68	-	-
Impaired Waters	98	-	-
Solid Waste	73	-	-

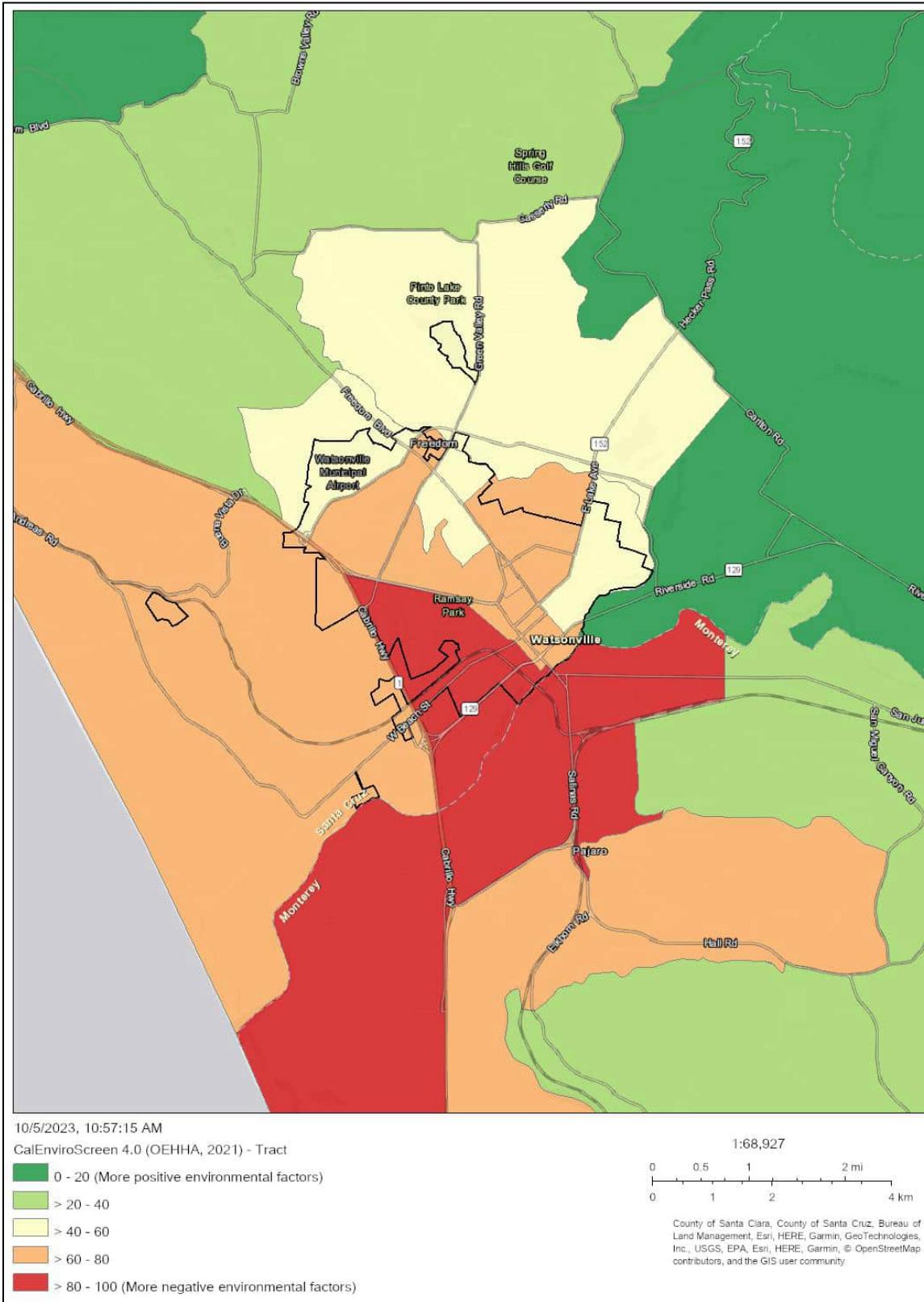
*Percentile derived using a weighted scoring system to determine average pollution burden/socioeconomic scores relative to other census tracts.

Source: CalEnviroScreen 4.0. Accessed January 10, 2023.



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Figure E-16: CalEnviroScreen 4.0



Source: California Department of Housing and Community Development – AFFH Data Viewer



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4. Disproportionate Housing Need and Displacement

The analysis of disproportionate housing needs within Watsonville evaluated existing housing need, need of the future housing population, and units within the community at-risk of converting to market rate. Disproportionate housing needs refer to disparities in cost burden, overcrowding, substandard housing, and displacement risk for special needs populations in comparison to the rest of the population.

Overcrowding

Overcrowding is defined as between 1.01 and 1.5 persons per room in a household, and severe overcrowding is defined as more than 1.51 persons per room. Overcrowding often occurs when nonfamily members combine incomes to live in one household, such as college students and roommates. It can also occur when there are not enough size appropriate housing options for large multigenerational families.

Table E-12 displays data for overcrowding in the State, County, and City over time. The City experiences higher rates of overcrowding in comparison to the County and the State. According to the data, overcrowding occurs more frequently in renter households rather than owner households. In Watsonville, owner households that are severely overcrowded represent 3 percent of all households while severely overcrowded renter households represent 10 percent. Since 2011, owner households in the City have seen a slight decrease in overcrowding and severe overcrowding while renter households have seen an increase in overcrowding.

Table E-12: Overcrowding Change Over Time by Geography						
Overcrowding and Tenure	City of Watsonville		County of Santa Cruz		California	
	2011	2021	2011	2021	2011	2021
Owner Household						
Overcrowded (1.01 to 1.5 persons per room)	9.8%	5.8%	2.5%	2.7%	3.1%	3.1%
Severely Overcrowded (1.51 or more persons per room)	3.8%	3.0%	1.1%	0.7%	1.0%	1.1%
Renter Household						
Overcrowded (1.01 to 1.5 persons per room)	17.0%	18.2%	6.4%	6.8%	8.0%	7.7%
Severely Overcrowded (1.51 or more persons per room)	9.9%	10.0%	3.8%	5.7%	5.2%	5.5%

Source: American Community Survey, 5-Year Estimates, 2011 and 2021.

Cost Burden

A household paying more than 30 percent of its income for housing is considered to be overpaying and cost burdened. A household paying 50 percent or more is considered severely cost burdened. **Table E-13** shows that owner occupied households in the City have similar but slightly lower cost burdens than the County and State. However, the City had higher cost burdened (58 percent versus 54 percent and 50 percent) and severely cost burdened (31 percent versus 30 percent and 26 percent) renter households compared to the County and State.



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Table E-13: Cost Burden by Geography								
Cost Burden	City of Watsonville							
	Owner				Renter			
	Cost Burden > 30%	% of Owner HH	Cost Burden > 50%	% of Owner HH	Cost Burden > 30%	% of Renter HH	Cost Burden > 50%	% of Renter HH
Household Income is Less than or = 30%	755	11.7%	620	9.6%	2,730	34.6%	2,085	26.5%
Household Income >30% to less-than or =50% AMFI	240	3.7%	200	3.1%	1,410	17.9%	325	4.1%
Household Income >50% to less-than or =80% AMFI	350	5.4%	20	0.3%	365	4.6%	15	0.2%
Household Income >80% to less-than or = 100% AMFI	225	3.5%	10	0.2%	55	0.7%	-	0.0%
Household Income >80% to less-than or >100% AMFI	135	2.1%	-	0.0%	-	0.0%	-	0.0%
Total	1,705	26.5%	850	13.2%	4,560	57.9%	2,425	30.8%

Cost Burden	County of Santa Cruz							
	Owner				Renter			
	Cost Burden > 30%	% of Owner HH	Cost Burden > 50%	% of Owner HH	Cost Burden > 30%	% of Renter HH	Cost Burden > 50%	% of Renter HH
Household Income is Less than or = 30%	4,385	7.5%	3,355	5.8%	8,890	23.3%	7,715	20.2%
Household Income >30% to less-than or =50% AMFI	2,790	4.8%	1,925	3.3%	4,935	12.9%	2,105	5.5%
Household Income >50% to less-than or =80% AMFI	3,645	6.3%	1,545	2.7%	3,770	9.9%	865	2.3%



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Household Income >80% to less-than or = 100% AMFI	2,195	3.8%	320	0.6%	955	2.5%	65	0.2%
Household Income >80% to less-than or >100% AMFI	4,530	7.8%	790	1.4%	660	1.7%	0	0.0%
Total	17,545	30.2%	7,935	13.7%	19,210	53.8%	10,750	30.0%
California								
Cost Burden								
Owner								
Cost Burden > 30%	% of Owner HH	Cost Burden > 50%	% of Owner HH	Cost Burden > 30%	% of Renter HH	Cost Burden > 50%	% of Renter HH	
Household Income is Less than or = 30%	487,895	6.7%	392,115	5.4%	1,202,005	20.5%	999,550	17.1%
Household Income >30% to less-than or =50% AMFI	405,530	5.6%	243,060	3.4%	813,750	13.9%	363,985	6.2%
Household Income >50% to less-than or =80% AMFI	514,605	7.1%	180,000	2.5%	614,395	10.5%	112,765	1.9%
Household Income >80% to less-than or = 100% AMFI	252,135	3.5%	49,580	0.7%	162,840	2.8%	12,465	0.2%
Household Income >80% to less-than or >100% AMFI	459,710	6.3%	52,800	0.7%	108,765	1.9%	5,325	0.1%
Total	2,119,875	29.3%	917,555	12.7%	2,901,755	49.5%	1,494,090	25.5%
<p>* Cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is "select monthly owner costs", which includes mortgage payment, utilities, association fees, insurance, and real estate taxes.</p> <p>Note: AMFI = Area Median Family Income, this is the median family income calculated by HUD for each jurisdiction, to determine Fair Market Rents (FMRs) and income limits for HUD programs. AMFI will not necessarily be the same as other calculations of median incomes (such as a simple Census number), due to a series of adjustments that are made.</p> <p>Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) 2016-2020.</p>								



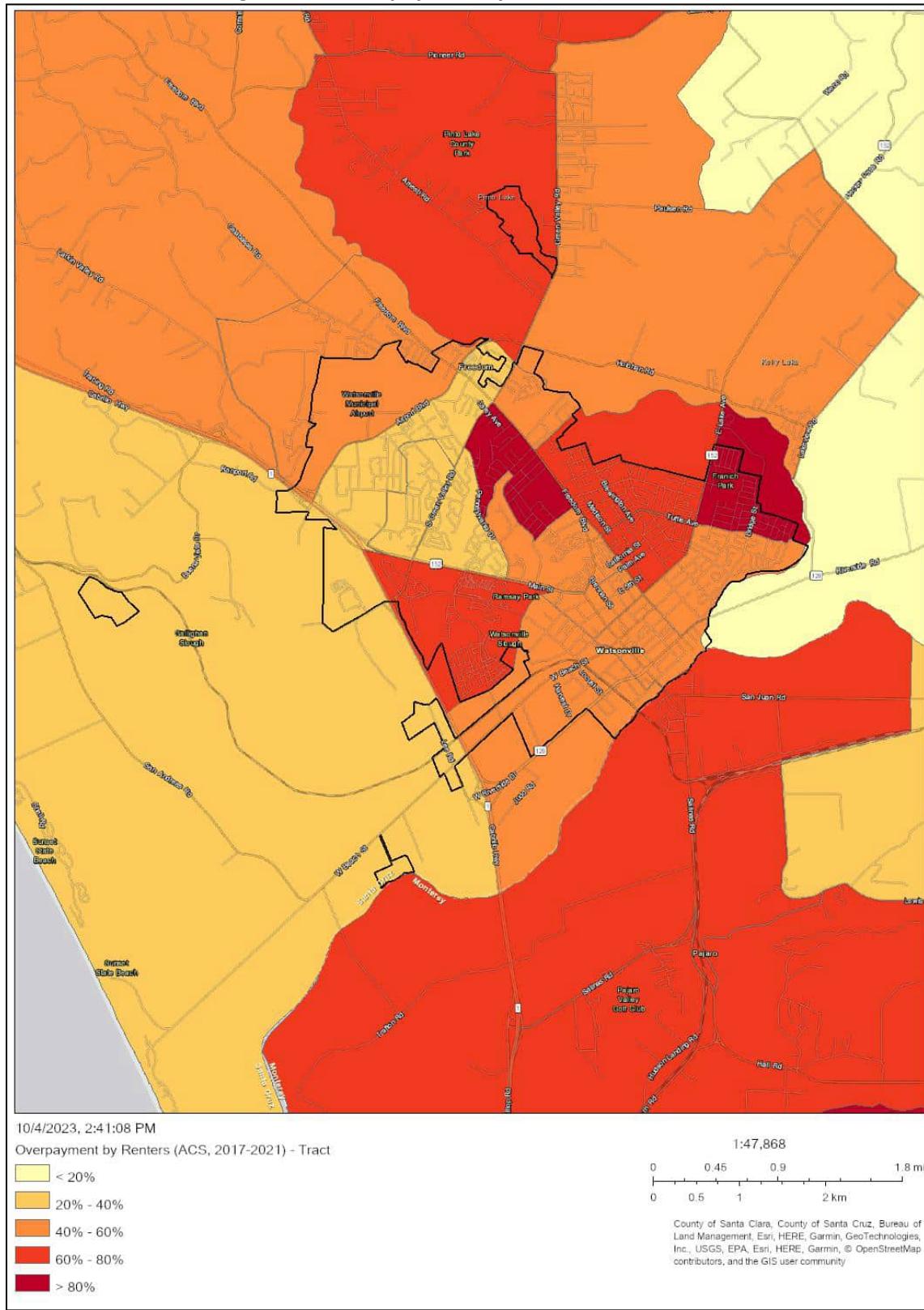
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Figures E-17 and E-18 illustrate overpayment for homeowners and renters throughout the City and neighboring communities. Aside from the area just south of the Watsonville Municipal Airport, renters in Watsonville experience moderate to high overpayment rates across the City. The region beyond the City has a variety of renter overpayment rates ranging from 20 percent to more than 80 percent. Homeowners, on the other hand, experience high overpayment rates of over 80 percent in the southwest census tracts of the City. Low to moderate overpayment rates ranging from less than 20 percent to 60 percent exist throughout the City. This is consistent with the surrounding region.



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Figure E-17: Overpayment by Renters (2017-2021)

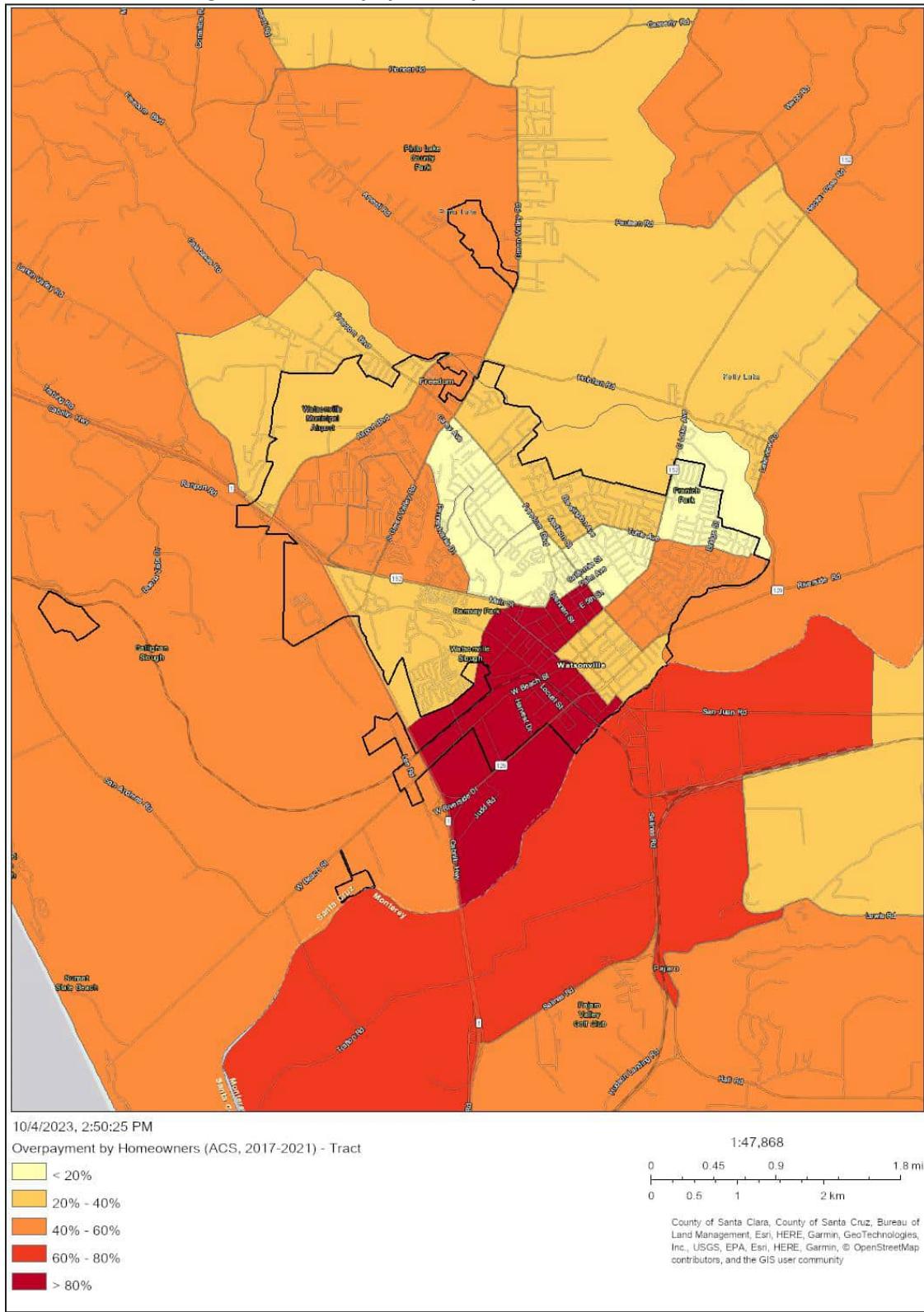


Source: California Department of Housing and Community Development – AFFH Data Viewer



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Figure E-18: Overpayment by Homeowners (2017-2021)



Source: California Department of Housing and Community Development – AFFH Data Viewer



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Substandard Housing

Most of Watsonville's existing housing stock was built over 35 years ago and much of it before 1950. Due to a high demand for housing in the area, there are a number of units that are substandard or require improvements to bring them up to code. Incomplete plumbing or kitchen facilities can be used to measure substandard housing conditions. Substandard housing is defined by the U.S. Census Bureau as:

- Housing without hot and cold-piped water, a flush toilet, and a bathtub or shower; and
- Households with kitchen facilities that lack a sink with piped water, a range or stove, or a refrigerator.

Table E-14 below shows substandard housing within Watsonville, Santa Cruz County, and the State of California. The City has the highest percentage of occupied housing units without complete kitchen facilities compared to the County and State. The City is the only geography that experienced a decrease in substandard housing factors between 2011 and 2021. Overall, 176 substandard housing complaints were reported in the City in 2020. HCD's AFFH Data viewer identifies areas of substandard housing by census tracts. As shown in **Figure E-19**, census tracts with greater rates of substandard housing are located in the northwesternmost portion of the City by the airport, and in southern/southeastern portions abutting the City's boundaries. The southern/southeastern portion of the City has the highest percentage of substandard housing units. **Figure E-19** and **Figure E-20** identify areas in the City with greater rates of incomplete kitchen and plumbing facilities, respectively.

Factors	Table E-14: Substandard Housing Over Time by Geography					
	City of Watsonville		Santa Cruz County		California	
	2011	2021	2011	2021	2011	2021
Total Occupied Housing Units	13,800	14,587	93,834	96,476	12,433,172	13,217,586
Without Complete Plumbing Facilities	1.7%	0.5%	0.4%	0.4%	0.4%	0.4%
Without Complete Kitchen Facilities	2.2%	1.0%	0.9%	1.0%	1.2%	1.1%

Source: American Community Survey, 5-Year Estimates, 2011 and 2021.

Figure E-20 displays the percentage of all households with any of the four severe housing problems (lacks complete kitchen, lacks complete plumbing, severely overcrowded, and severely cost-burdened) in Watsonville. Housing needs are assessed by the HUD Comprehensive Housing Affordability Strategy (CHAS), based on ACS data. Housing problems and severe housing problems include the following elements:

Housing Problem

- Incomplete kitchen facilities
- Incomplete plumbing facilities
- 1+ person per room
- Cost burden greater than 30 percent

Severe Housing Problem

- Incomplete kitchen facilities
- Incomplete plumbing facilities
- 1.5+ person per room
- Cost burden greater than 50 percent



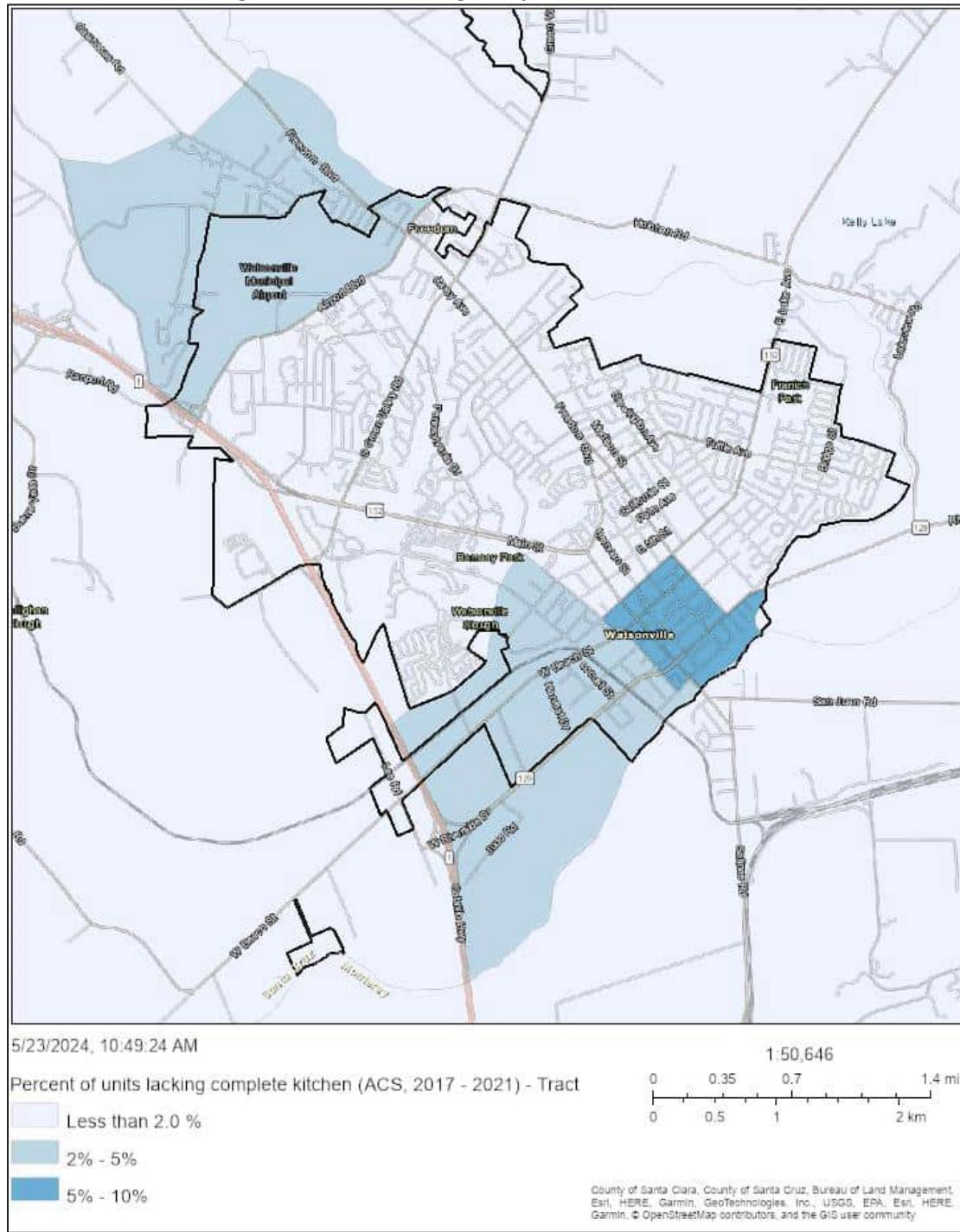
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The City reports between 20 and 40 percent of its households with at least one of the four severe housing problems. Outside of the City, there are areas reporting between 60 to 80 percent to the south and with between 40 and 60 percent of households with at least one severe housing problem to the north. Per the definitions of substandard housing, there is no housing in need of replacement within the City. However, the City is actively working on improving the living conditions of existing homes, such as through abatement measures, addressing potential safety hazards, and enhancing accessibility.



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Figure 19: Units Lacking Complete Kitchen Facilities

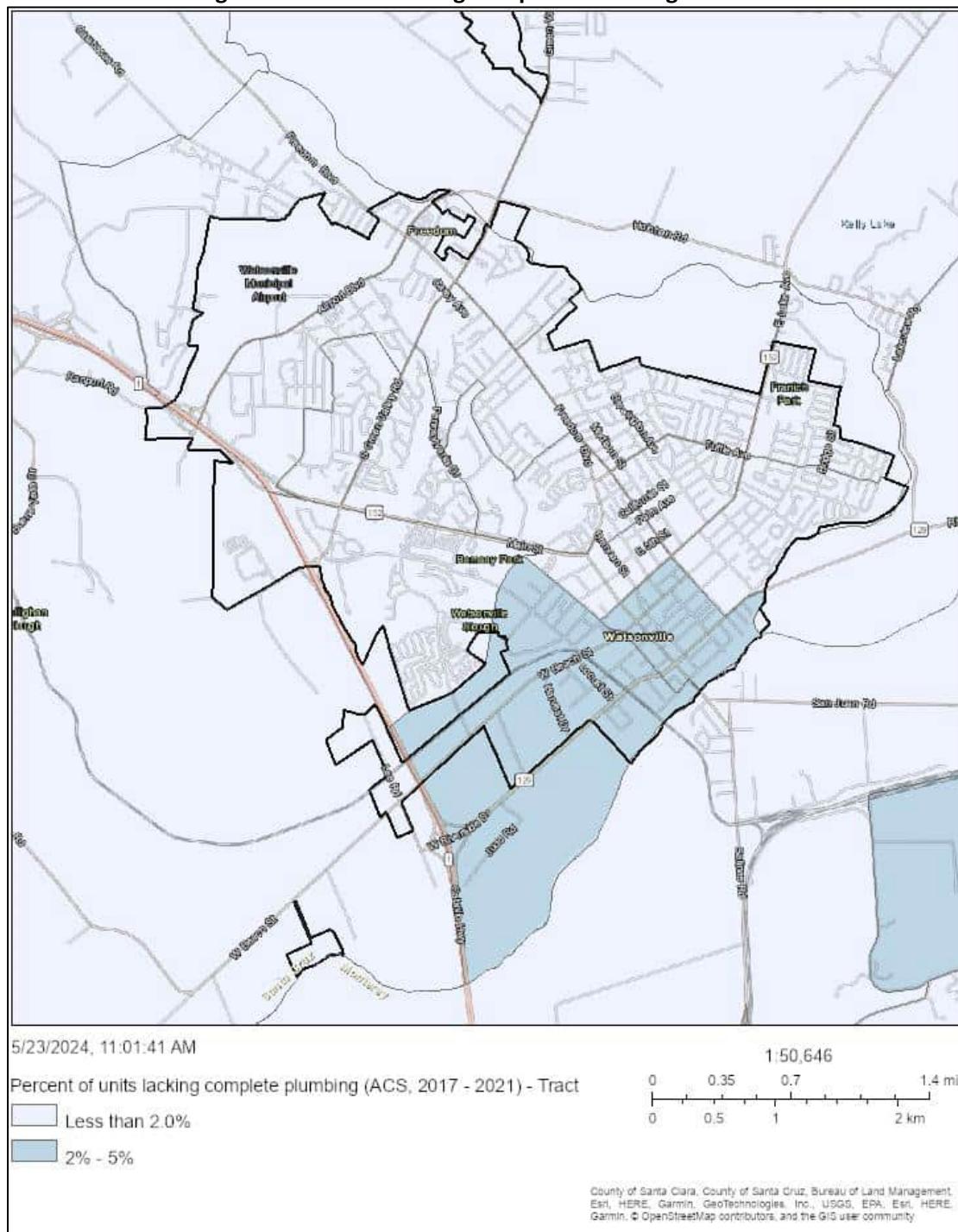


Source: California Department of Housing and Community Development – AFFH Data Viewer



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Figure E-20: Units Lacking Complete Plumbing Facilities

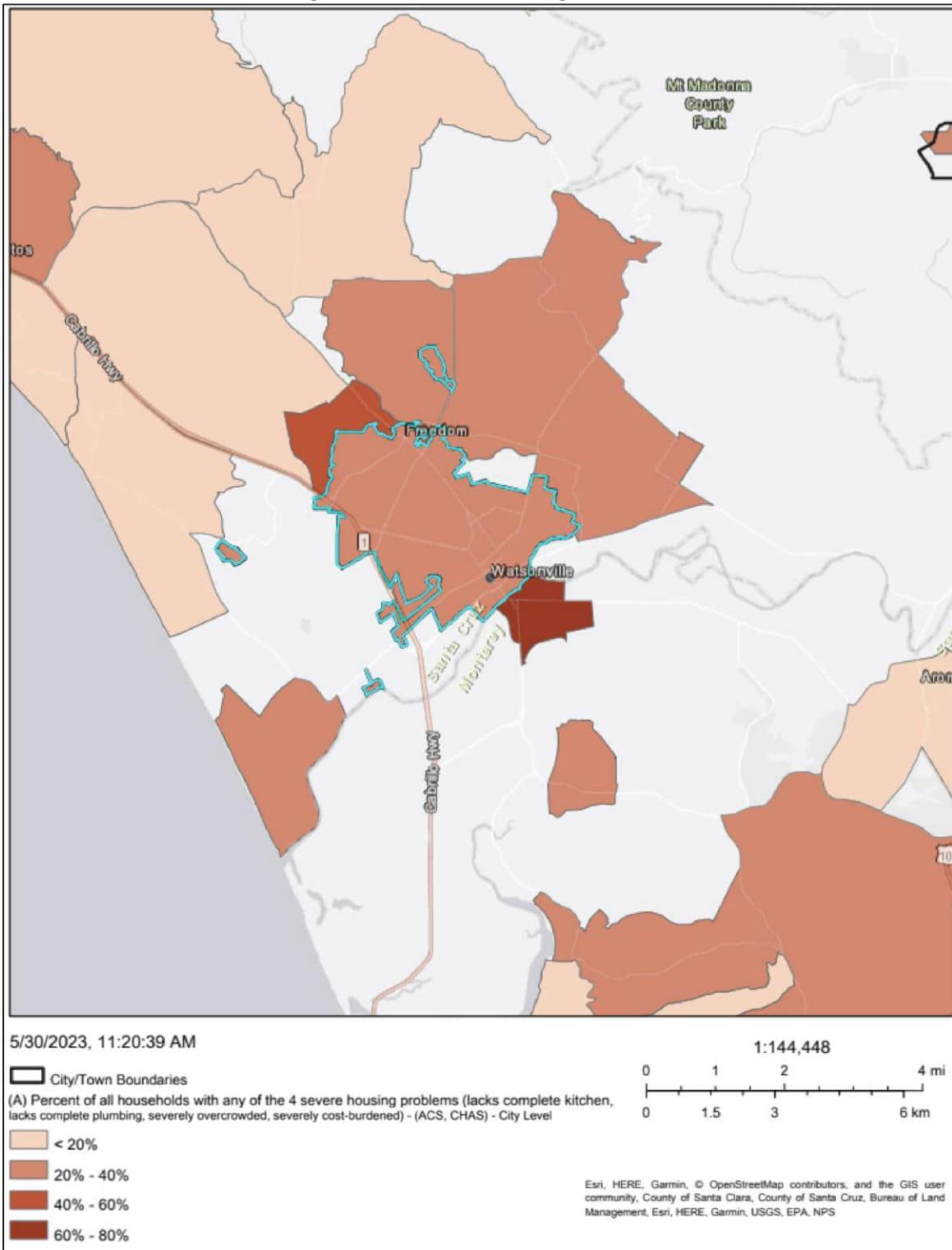


Source: California Department of Housing and Community Development – AFFH Data Viewer



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Figure E-21: Severe Housing Problems





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Displacement Risk

Displacement occurs when housing costs or related conditions force current residents out of their homes and rents become so high that lower-income people are excluded from moving in. UC Berkeley's Urban Displacement Project (UDP) states that a census tract is a sensitive community if the proportion of very low-income residents was above 20 percent in 2018 and the census tracts meets two of the following criteria: (1) share of renters above 40 percent in 2018; (2) share of Non-White population above 50 percent in 2018; (3) share of very low-income households (50 percent AMI or below) that are also severely rent burdened households above the County median in 2018; or (4) nearby areas have been experiencing displacement pressures.

The potential for economic displacement risk can result from a variety of factors, including large-scale development activity, neighborhood reinvestment, infrastructure investments, and changes in local and regional employment opportunities. Economic displacement can be an inadvertent result of public and private investment, where individuals and families may not be able to keep pace with increased property values and market rental rates.

The UDP developed a neighborhood change database to map neighborhood transformations and identify areas vulnerable to gentrification and displacement. This data was developed to assist local decision makers and stakeholders better plan for existing communities and provide additional resources to areas in need or at-risk of displacement and gentrification.

Figure E-22 shows the downtown area is experiencing “one income group displacement” while the area directly north is experiencing “two income groups displacement.” The rest of the City is primarily “at risk of displacement.” **Table E-15** identifies demographics for the three census tracts in the City.



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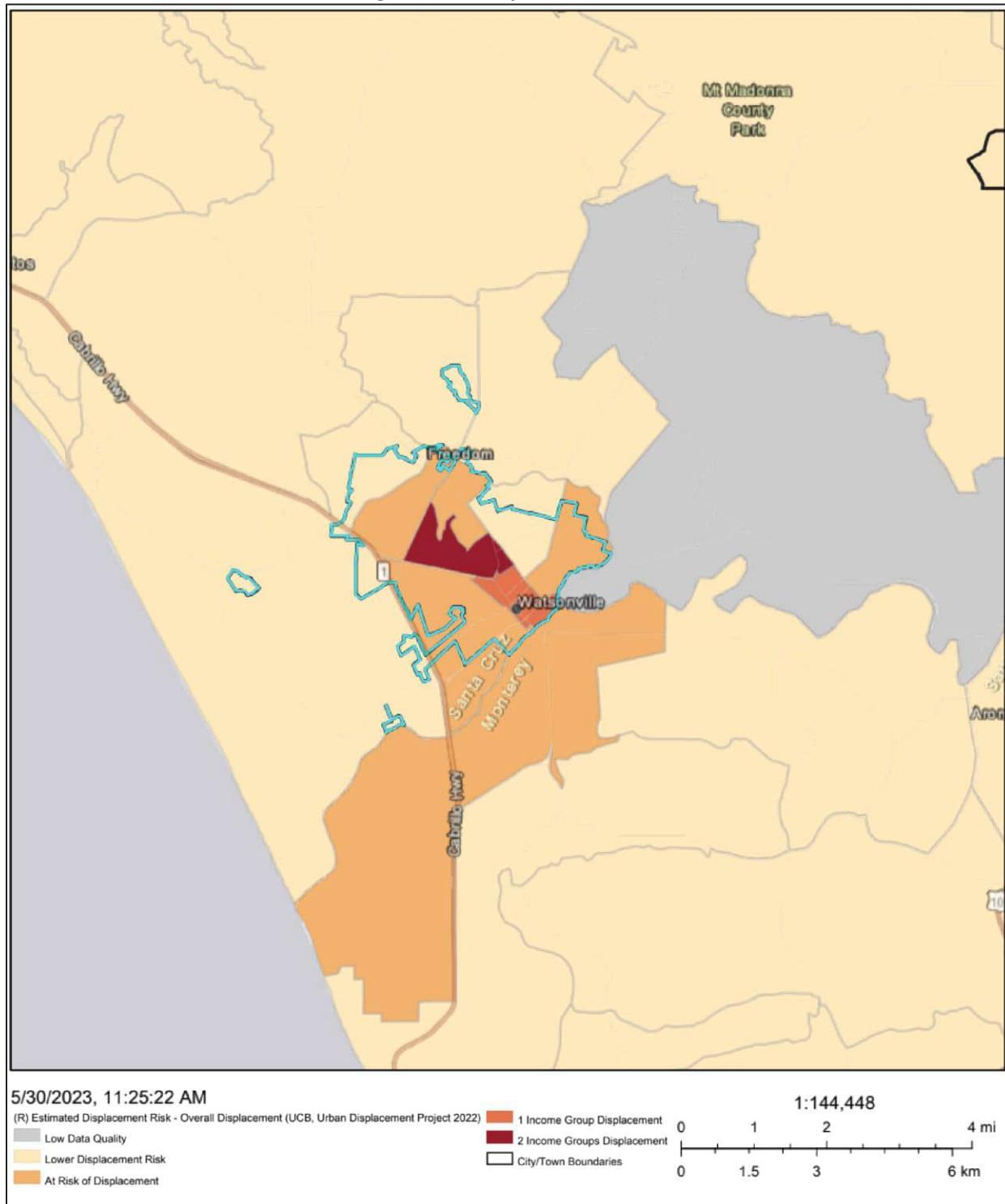
Table E-15: Areas At-Risk of Displacement (2019)				
Data	Census Tract 06087110501	Census Tract 06087110200	Census Tract 06087110300	City-Wide
Demographics				
Population	8,594	7,957	7,275	53,800
Households	2,314	2,171	1,846	14,717
Renter Occupied	65.3%	53.2%	82.7%	57%
Median Income	\$50,851	\$59,775	\$44,677	\$55,470
Low-Income Households	59.8%	53.2%	66.6%	76.6%
Speak English Less Than Very Well	31.3%	25.9%	44.2%	33.2% ¹
Race/Ethnicity : Latino-White	White	22.3%	23.0%	12%
	Black	0.1%	1.9%	<1%
	Asian	1.1%	3.6%	3%
	LatinX	75.6%	71.1%	82%
	Other	0.9%	0.4%	2%
Housing				
Median Rent	\$1,411	\$1,450	\$1,189	\$1,502
Rent Gap	\$71.46 lower than nearby rents	\$11.51 lower than nearby rents	\$303.15 lower than nearby rents	-
Hot Market	No	Yes	No	-
Displacement Type:	Elevated Displacement for Low-Income (50% - 80% AMI)	Lower Displacement Risk	High Displacement for Very Low-Income households (0% - 50% AMI)	-
<i>Note: The Census greatly underestimates rent and home values.</i>				
<i>1. Average of City of Watsonville census tracts.</i>				
<i>Source: California Department of Housing and Community Development – AFFH Data Viewer</i>				

Census tract 06087110300 includes the largest population of individuals who speak English “less than well,” as well as a greater ratio of low-income households. Renter-occupied units in census tract 06087110300 are also noticeably higher than census tracts 06087110501 and 06087110200. White populations are higher in census tracts 06087110501 and 06087110200 than at the citywide level. LatinX residents make up 82 percent of the City’s population compared to 93.6 percent in census tract 06087110300, 75.6 percent in census tract 06087110501, and 71.1 percent in census tract 06087110200. Census tract 06087110200, which is currently identified as a “hot market” is currently experiencing “lower displacement risk” while census tracts 0608711050 and 06087110300, which are not considered “hot markets,” are experiencing elevated displacement for low-income (50 percent to 80 percent AMI) and high displacement for very low-income households (0 percent to 50 percent AMI).



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Figure E-22: Displacement Risk



Source: California Department of Housing and Community Development – AFFH Data Viewer



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In addition to displacement and gentrification data, the UDP also analyzes the occurrence of anti-displacement, as defined below:

- **Just Cause Eviction Ordinance** – Just cause eviction statutes are laws that allow tenants to be evicted only for specific reasons. These “just causes” can include a failure to pay rent or violation of the lease terms.
- **Rent Stabilization or Rent Control** – Rent Control ordinances protect tenants from excessive rent increases, while allowing landlords a reasonable return on investments. Such ordinances limit rent increase to certain percentages, but State law allows landlords to raise rents to the market rate once the unit becomes vacant.
- **Rent Review Board and/or Mediation** – Rent review boards mediate between tenants and landlords on issues related to rent increases and encourage them to come to a voluntary agreement. As mediators, the board normally does not make binding decisions.
- **Mobile Home Rent Control** – Mobile home rent control places specific rent increase restrictions on the land rented by mobile homeowners, and/or the mobile homes themselves.
- **SRO (Single-Room Occupancy) Preservation** – Single room occupancies, also called residential hotels, house one or two people in individual rooms. Tenants typically share bathrooms and/or kitchens. These are often considered a form of permanent residence affordable for low-income individuals. SRO Preservation Ordinances help to preserve or create new SRO units.
- **Condominium Conversion Regulations** – In addition to state laws regulating the conversion of multi-family rental property into condominiums, many cities have enacted condominium conversion ordinances. These impose procedural restrictions and/or substantive restrictions on the ability to convert apartment units to condominiums to protect the supply of rental housing.
- **Foreclosure Assistance** – Many cities and counties have local programs that assist homeowners when they are at risk of foreclosure. These programs may be funded with federal grants.
- **Jobs-Housing Linkage Fee or Affordable Housing Impact/Linkage Fee** – Affordable housing impact/linkage fees are charges on developers of new market-rate, residential developments. They are based on the square footage or number of units in the developments and are used to develop or preserve affordable housing.
- **Housing Trust Fund** – A housing trust fund is a designated source of public funds –generated through various means—that is dedicated to creating affordable housing.
- **Inclusionary Zoning/Housing (Below Market Rate Housing)** – Inclusionary housing policies require market-rate developers of rental or for-sale housing to rent or sell a certain percentage of units at affordable prices. Some policies include a provision for developers to pay “in-lieu fees” in place of building the housing; this revenue is used to develop affordable units elsewhere.
- **Local Density Bonus Ordinance** – Local density bonuses allow developers of market-rate housing to build higher-density housing, in exchange for having a certain portion of their units offered at affordable prices. In this inventory, we only include a city as having this policy if they allow an additional density bonus beyond that mandated by the State.



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- **Community Land Trusts** – Community land trusts are nonprofit, community-based organizations (supported by the city or county) whose mission is to provide affordable housing in perpetuity by owning land and leasing it to those who live in houses built on that land.
- **First Source Hiring Ordinances** – First Source hiring ordinances ensure that residents are given priority for new jobs created by municipal financing and development programs.

Table E-16 identifies which of these policies the City has adopted, according to the Urban Displacement Project as specified above.

Table E-16: Anti-Displacement Policies	
Anti-Displacement Measures	Watsonville Policy Measure
Just Cause Eviction Ordinance	No
Rent Stabilization or Rent Control	No
Rent Review Board and/or Mediation	No
Mobile Home Rent Control	Yes
SRO Preservation	Yes
Condominium Conversion Regulations	Yes
Foreclosure Assistance	No
Jobs-Housing Linkage Fee	Yes
Commercial Linkage Fee	No
Housing Trust Fund	Yes
Inclusionary Zoning	Yes
Local Density Bonus Ordinance	No
Community Land Trusts	No
First Source Hiring	No

Source: UC Berkeley Urban Displacement Project, SF Bay Area -Policy Map

Affordable Units At-Risk of Converting to Market Rate

Jurisdictions are required by State Housing Element Law to analyze government-assisted housing that is at risk of converting to market rate housing over 10 years from the beginning of the planning period. The analysis in this section evaluates potential units at risk of conversion to market rate from June 30, 2023, to June 30, 2033.

State law identifies housing assistance as a rental subsidy, mortgage subsidy, or mortgage insurance to an assisted housing development. Government assisted housing may convert to market rate housing for several reasons, including subsidies, mortgage repayments, or expiration of affordability restrictions. Affordable covenants help to ensure that certain housing units remain affordable for an extended period of time. Covenants help balance the housing market in a community and provide lasting affordable options to low and very low-income households. This section will provide:

- An inventory of assisted housing units that are at risk of converting to market-rate housing,
- An analysis of the costs of preserving and/or replacing these units,
- Resources that could be used to preserve at-risk units,
- Program efforts for preservation of at-risk housing units, and



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- Quantified objectives for the number of at-risk units be preserved during the Housing Element planning period.

Table E-17 below identifies deed-restricted assisted rental properties within Watsonville. The earliest date of conversion is 2033 for the Independence Square property. While considered a moderate risk of conversion, the City has coordinated with the property owners of this development. They have expressed interest in extending the affordability restriction. Therefore, while there is 100 units that can be considered to be at-risk, they will not be converted to market rate during the 10-year period from the beginning of the Planning Period (June 20, 2023).



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Table E-17: Deed-Restricted Assisted Rental Properties					
Development	Property Address	Assisted Units	Units by Bedroom Type	Expiration Date	At Risk of Converting to Market Rate
Alianza/Vista del Mar	217-237 Pacific Blvd.	11	Studio: 1 1-Bed: 5 2-Bed: 5	2052	No
Bay Breeze	Ohlone Pkwy	21	4-Bed: 21	2049	No
Bay Village	635 Bridge Street	1	2-Bed: 1	2057	No
Cherry Place	125-167 Cherry Blossom Drive	7	Studio: 6 4-Bed: 1	2041	No
Evan Circle	205 Evan Circle	1	4-Bed: 1	2062	No
Green Valley Villas	105-109 Toscano Loop	2	3-Bed: 1 4-Bed: 1	2043	No
Hacienda Walk	Vista del Mar Drive	26	2-Bed: 4 3-Bed: 20	2059	No
In-Fill Housing	120 Prospect	7	2-Bed: 3 3-Bed: 4	2061	No
Jared's Place	16 Jared Way	2	Studio: 2	2047	No
Las Brisas	103 El Capitan court	20	Studio: 1 2-Bed: 6 3-Bed: 8 4-Bed: 5	2051	No
Loma Prieta Terrace	12 Paseo Prieto	1	3-Bed: 1	2055	No
Orange Blossom	10 Orange Blossom Way	4	Studio: 2 3-Bed: 2	2044	No
Pajaro Vista	2 Pajaro Vista Court	14	1-Bed: 1 2-Bed: 9 3-Bed: 4	2051	No
Resetar Lane Homes	30 D West Lake Avenue	1	3-Bed: 1	2049	No
Rose Blossom	5 Chappell Loop	2	Studio: 1 3-Bed: 1	2043	No
Sea View Ranch	10 Las Casitas Drive	62	Studio: 1 3-Bed: 13 4-Bed: 48	2054	No
Skyview Townhomes	321 Airport Blvd	2	3-Bed: 2	2053	No
Vista Montana	159 Marcela Drive	61	3-Bed: 7 4-Bed: 54	2048	No
Vista Nueva	325 Airport Blvd	12	Studio: 3 3-Bed: 6 4-Bed: 3	2053	No
Independence Square	1355 Madison Street	100	1-Bed: 97 2-Bed: 3	2033	No

Source: Affordable Housing Monitoring AB 987 Implementation, Watsonville



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While there are no known units at risk of converting to market rate, a variety of programs exist to help acquire, replace, or subsidize at-risk affordable housing units. The following summarizes financial resources available:

- **Community Development Block Grant (CDBG)** - CDBG funds are awarded to cities on a formula basis for housing activities. The primary objective of the CDBG program is the development of viable communities through the provision of decent housing, a suitable living environment and economic opportunity for principally low- and moderate-income persons. Eligible activities include administration, fair housing, energy conservation and renewable energy sources, assistance for economic development, public facilities and improvements, and public services.
- **HOME Investment Partnership** - Local jurisdictions can receive funds by formula from HUD to increase the supply of decent, safe, sanitary, and affordable housing to lower-income households. Eligible activities include housing acquisition, rehabilitation, development, homebuyer assistance, and rental assistance.
- **Section 8 Rental Assistance Program** - The Section 8 Rental Assistance Program provides rental assistance payments to owners of private, market-rate units on behalf of very low-income tenants, senior citizens, disabled persons, and other individuals for securing affordable housing.
- **Section 202/811 Program** - Non-profit and consumer cooperatives can receive no-interest capital advances from HUD under the Section 202 Program for construction of very low- income rental housing with the availability of supportive services for seniors and persons with disabilities. These funds can be used in conjunction with Section 811 funds, which can be used to develop group homes, independent living facilities, and immediate care facilities. The capital advance funding can also provide project rental assistance for the properties developed using the funds. Eligible activities include acquisition, rehabilitation, new construction, and rental assistance.
- **California Housing Finance Agency (CalHFA) Multifamily Programs** - CalHFA's Multifamily Programs provide permanent financing for the acquisition, rehabilitation, and preservation of new construction of rental housing that includes affordable rents for low- and moderate-income families and individuals. One of the programs is the Preservation Loan program which provides acquisition/rehabilitation and permanent loan financing designed to preserve or increase the affordability status of existing multifamily housing projects.
- **California Community Reinvestment Corporation (CCRC)** - The California Community Reinvestment Corporation is a multi-family affordable housing lender whose mission is to increase the availability of affordable housing for low-income families, seniors, and residents with special needs by facilitating private capital flow from its investors for debt and equity to developers of affordable housing. Eligible activities include new construction, rehabilitation, and acquisition of properties.
- **Low-Income Housing Tax Credit (LIHTC)** - This program provides tax credits to individuals and corporations that invest in low-income rental housing. Tax credits are sold to those with high tax liability and proceeds are used to create housing. Eligible activities include new construction, rehabilitation, and acquisition of properties.



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- **Affordable Housing Ordinance** - The City's Affordable Housing Ordinance requires a percentage of new homes and those where the developer and/or buyer received a City subsidy to be affordable for very low to above moderate-income households. These homes are part of the City's Affordable Housing Program and may also be referred to as inclusionary or deed restricted units.

The following organizations have the experience and capacity to potentially assist in preserving units at-risk of converting to market-rate as well as in developing additional affordable units:

- MidPen Housing
- Eden Housing
- Housing Authority of the County of Santa Cruz

Homelessness

People experiencing homelessness are those who do not have a fixed, regular, and adequate overnight residence, or whose overnight residence is a shelter, street, vehicle, or enclosure or structure unfit for habitation. Factors contributing to increases of homelessness may include the following:

- Lack available resources to support stable housing access;
- Spikes in rent increase and lack of tenant protections;
- Housing discrimination;
- Evictions;
- Lack of housing affordable to low- and moderate-income persons;
- Increases in the number of persons whose incomes fall below the poverty level;
- Reductions in public subsidies to the poor; and
- The deinstitutionalization of the mentally ill.

The City's website provides a range of resources for homeless individuals such as housing services, emergency shelters, food sources, family and children resources, health care, mental health resources, transportation resources, and substance abuse resources. Community Bridges, a non-profit organization, provides a range of services and support in areas such as food security, family support, crisis support, and case management services at no cost. Furthermore, Metro's Homeless Outreach Team is deployed on Metro buses, trains, and stations to engage with unhoused riders and connect them to variety of services and resources through a multidisciplinary housing-first approach. The City also provides a phone number to its residents to report homeless encampments in public properties such as sloughs, wetlands, and transit areas within city limits.

According to the Santa Cruz County Point-In-Time Homeless Count and Survey Comprehensive Report, there were an estimated 421 unhoused persons in Watsonville in 2023. Overall, this accounts for approximately 23 percent of the unhoused population in the County. Approximately 76.4 percent of all unhoused persons in the City are unsheltered. The unhoused population increased by 15 percent since the last Homeless Count and Survey Comprehensive Report. When contextualized with the total number of people residing in Watsonville, the 421 homeless individuals represent less than a percent of the City's population. In neighboring jurisdictions, the count of homeless persons in 2023 was:



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- Capitola: 23
- City of Santa Cruz: 1,028
- Unincorporated: 249

The demographic data for unhoused persons in Watsonville is not broken down by jurisdictions. However, of the 1,721 total unhoused persons in the County, persons who identified as White made up 81 percent of the unhoused population – up from 74 percent in 2022. Persons who identified as Black or African American decreased to 6 percent in 2023, greater than the 1 percent of the total population in the County. Four percent of unhoused persons identified as American Indian or Alaska Native, less than 1 percent identified as Native Hawaiian, 7 percent identified as multi-race, and 1 percent identified as Asian. Of the 81 percent who identified as White, 44 percent identified as Hispanic or Latino, a slight increase from 39 percent in 2022.

Additionally, of the County's unhoused population 71 percent identified as Male, 28 percent identified as Female, and the rest identified as Transgender or another Gender. Approximately 23 percent of all unhoused persons indicated a history of foster care. More than half of the unhoused persons in the County (58 percent) were between 25 and 54 years of age. Unhoused persons aged 0-17 years old and 18-24 years old comprised 15 percent and 20 percent of the total unhoused population in the County. Approximately 74 percent of all unhoused persons were experiencing chronic homelessness, meaning they have been unhoused for one (1) or more years. Of the unhoused population, many had health conditions which respondents indicated contributed to experiencing homelessness. Approximately 46 percent experienced drug or alcohol abuse, 34 percent experienced a physical disability, 29 percent experienced a chronic health condition, 39 percent experienced psychiatric or emotional conditions, and 38 percent experienced post-traumatic stress disorder.

While the Santa Cruz County Housing for Health Partnership 2023 Homeless Count does not provide a spatial analysis of homeless population, City staff has identified the greatest concentration of homeless individuals in the Downtown area and near the levee, river, creeks, and sloughs surrounding the City. While some of these areas are outside the City's limits, unhoused persons sheltering in these areas spend much of their time within City boundaries in areas with more accessibility to services, resources, and public transportation.

The following emergency shelter housing locations assist unhoused people. These shelters also provide services to homeless individuals such as hot meals.

- Pajaro Valley Shelter – Watsonville/Santa Cruz City and County Continuum of Care (CoC)
- Salvation Army – Watsonville/Santa Cruz City and County CoC
- Pajaro Rescue Mission – Salinas/Monterey, San Benito Counties CoC
- Families in Transition – Watsonville/Santa Cruz City and County CoC



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B. Fair Housing Enforcement and Outreach Capacity

1. Fair Housing Enforcement and Outreach

Fair Housing enforcement and outreach capacity refers to the ability of a locality and fair housing entities to disseminate information related to fair housing laws and rights and provide outreach and education to community members. Enforcement and outreach capacity also includes the ability to address compliance with fair housing laws, such as investigating complaints, obtaining remedies, and engaging in fair housing testing. The City will refer Fair Housing complaints to legal services and resources such as the California Rural Legal Assistance (CRLA), Watsonville Law Center (WLC), and Senior Legal Services to handle any civil findings or lawsuits.

CRLA operates a state-wide Fair Housing and Foreclosure Prevention Program under the guidance of HUD. CRLA provides a variety of consultation services through its hotline service and consultations, distributes legal information to landlords and tenants, and files and litigates fair housing complaints in which violations of federal or state housing discrimination laws impact residents. These include cases involving race, national origin, familial status, religion, disability, age, sexual orientation, gender, and gender identity.

Where required, CRLA will conduct fair housing surveys or tests to determine whether violations exist. Many landlord and tenant disputes are successfully resolved without formal litigation. In such disputes, the case handler assigned will contact the opposing party and attempt to resolve the issue with a mutually agreeable and negotiated resolution. If negotiations are not possible, litigation may be the only alternative. CRLA also participates in housing fairs in jurisdictions throughout the county. These forums provide the opportunity to distribute landlord-tenant information on rights and responsibilities and educating the general public about fair housing. Programs organized by CRLA relating to fair housing:

- Fair Housing Services
- First-Time Home Buyer Counseling
- First-Time Homebuyer Education
- Home-Seeking Counseling
- Shared Housing Counseling and Placement

City staff provides general information to the public about fair housing laws and practices, and landlord/tenant issues. When a member of the public reaches out to the City for information or concerns/complaints regarding fair housing or landlord/tenant issues, the City Housing Division staff talks to the concerned resident by phone, email or in person within 24 hours from the initial contact. If staff suspects that they are the victim of housing discrimination, staff asks the affected persons to gather the following in order to identify the appropriate party to refer them to:

1. Document their experience (names of individuals, companies, addresses, phone numbers, dates, times and witnesses involved);
2. Make notes of conversations or incidents that might indicate discrimination;
3. Keep copies of advertising, letters, or other relevant information; and



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4. If they know a person with a different protected characteristic such as opposite sex, or a different race, etc. who received a different answer than they did, make a note of their name and address.

Depending on the nature of the concern, staff refers the concerned resident to the following agencies for advice, assistance and/or legal representation. For local information they are referred to the Santa Cruz County District Attorney's Office, Tenant/Landlord Rights. If they are part of a low-income household, they may be referred to the following agencies for information, assistance and/or representation:

- California Rural Legal Assistance (CRLA) (free to low-income residents)- (831) 724-2253
- Watsonville Law Center (WLC) (free service to low-income individuals)- (831) 722-2845
- Eviction Defense Collaborative (Community Bridges, Tenant Sanctuary, Senior Legal Services, and the Conflict Resolution Center of Santa Cruz County)- (831) 288-2148
- Senior Citizens Legal Services (55 years of age and above)- (831) 426-8824
- Santa Cruz Lawyer's Referral Service (\$40 for a 30-minute legal consultation)- (831) 425-4755
- Small Claims Advisory by Monterey College of Law (free service)- (831) 373-1959

Both CRLA and WLC provide free legal services to low-income individuals and will generally meet with individuals within one week. All information is available on the City's website at <https://www.watsonville.gov/177/Housing-Resources>.

California's Department of Fair Employment and Housing (DFEH) has statutory mandates to protect the people of California from discrimination pursuant to the California Fair Employment and Housing Act (FEHA), Ralph Civil Rights Act, and Unruh Civil Rights Act (with regards to housing). The FEHA prohibits discrimination and harassment based on race, color, religion, sex (including pregnancy, childbirth, or related medical conditions), gender, gender identity, gender expression, sexual orientation, marital status, military or veteran status, national origin, ancestry, familial status, source of income, disability, and genetic information, or because another person perceives the tenant or applicant to have one or more of these characteristics.

The Unruh Civil Rights Act (Civ. Code §51) prohibits business establishments in California from discriminating in the provision of services, accommodations, advantages, facilities and privileges to clients, patrons and customers because of their sex, race, color, religion, ancestry, national citizenship, primary language, or immigration status. The Ralph Civil Rights Act (Civ. Code §51.7) guarantees the right of all persons within California to be free from any violence, or intimidation by threat of violence, committed against their persons or property because of a political affiliation, or on account of sex, race, color, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, sexual orientation, citizenship, primary language, immigration status, or position in a labor dispute, or because another person perceives them to have one or more of these characteristics.

2. Fair Housing Enforcement Partnerships

The City partners with a number of organizations to enforce fair housing. Groups like the Watsonville Law Center and California Rural Legal Assistance together offer landlord tenant dispute counseling services. The City also lists contact information on their website for the following fair housing organizations:

- Community Action Board - Rental Assistance Program



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- Eviction-prevention program that offers rental assistance to county residents faced with an eviction notice.
- Catholic Charities – Family Supportive Services
 - Offers a financial stability program that assists families and individuals facing economic crisis. This program consists of four main interventions: a) in depth assessment, b) case management, c) financial resources, d) financial education, and e) referrals to community programs.
 - Community Action Board - CalWORKS Emergency Payment Program
- Housing Resources – United Way 211 List

3. Fair Housing Laws

The City is in compliance with existing fair housing laws, and often seeks to go beyond State requirements to address fair housing and access to affordable housing. There have been no findings against the City from the U.S. Department of Housing and Urban Development (HUD) Office of Fair Housing and Equal Opportunity (FHEO) or from the State Department of Fair Employment and Housing (DFEH).

The following lists State and local fair housing laws and specifies how the City complies:

State:

- **California Fair Employment and Housing Act (FEHA):** The City continues to implement and update programs that promote fair and equal access to housing. The City also continues to review standards and requirements that may constrain equal access to housing and the development of affordable housing.
- **Government Code Section 65008:** The City continues to implement programs that encourage affordable housing development. The City implements an inclusionary Housing Ordinance that requires the development of affordable units as part of multi-family residential developments.
- **Government Code Section 8899.50:** The City implements programs and actions in compliance with State law that affirmatively further fair housing. As detailed in the Housing Plan, the City administers programs to promote equal housing access and affordable resources.
- **Government Code Section 11135:** The City promotes State-funded programs, such as the First-Time Homebuyer Loan Program, on the City's website and at the public counter. The City continues to implement and encourages programs that promote full and equal access to all programs and activities.
- **Density Bonus Law:** The City's adopted Density Bonus Ordinance is inconsistent with State Density Bonus Law. However, for applicants seeking density bonuses above 35 percent (the maximum allowed under the existing ordinance), the City has been applying Government Code Section 65915, allowing up to a 50 percent density bonus for mixed-income developments and 80 percent density bonus for 100 percent affordable housing developments. The City also provides incentives to developers to produce affordable housing to very low-income households, moderate-income households, senior citizens, transitional foster youth, disabled veterans, and persons experiencing homelessness, as well as for the development of childcare facilities. The Housing Plan includes a



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program requiring the City to amend the Density Bonus Ordinance to comply with state law by December 2025.

- **No-Net-Loss Law:** The Candidate Sites Analysis details how the City maintains adequate sites to meet its RHNA. The City is on track to meet its 6th cycle RHNA across all income-levels.
- **Excessive Subdivision Standards:** The City continues to update its Zoning Ordinance, waive certain development fees, and offer incentive packages to facilitate housing development.
- **Housing Element Law:** The City identifies and includes an analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs.

Local:

- **Local Ordinances:** The City has multiple local ordinances that establish procedures for rezoning, development permit processing, affordable housing fees, and other programs that encourage fair housing practices. These are provided in **Appendix D**.
- **Housing Plan Programs:** The Housing Plan details the City's goals, policies, programs, and objectives. The City addresses the need to provide additional housing opportunities, remove constraints to affordable housing, improving the existing housing stock, and provide equal opportunities for current and future residents of Watsonville. The City will also look at place based strategies to improve the infrastructure relative to the Housing Element sites.

4. Fair Housing and Civil Rights Findings, Lawsuits, Enforcement, Settlements or Judgments

The City's Planning and Community Development Department works closely with residents, property owners, outside agencies, and other City departments to resolve health, safety, and public nuisance conditions that adversely affect the quality of life in Watsonville. Enforcement is provided proactively and on a compliant basis. Most code violations are resolved on the initial contact made by Staff. Staff generally works under the model of voluntary compliance within a reasonable amount of time allotted. In rare instances, penalties are assessed to those who fail to comply with the Watsonville Municipal Code. The Planning Division is primarily responsible for enforcing the provisions of the Zoning Ordinance and the California Building Codes, the Watsonville Municipal Code, and the Uniform Housing Code.

The City has not had any civil rights findings, lawsuits, settlements, or judgments, and is committed to ensuring the furthering of fair housing.



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C. Relevant Factors

1. Background

The City of Watsonville is a thriving community of approximately 52,590 residents. The City is predominantly Latino and working-class and was incorporated in 1868. Watsonville is located in the heart of Pajaro Valley, roughly 5 miles inland from Monterey Bay. Watsonville flourished when the Southern Pacific Railroad linked the areas to the Santa Clara Valley in 1871. This growth allowed churches, schools, newspapers, and other businesses to spring up around the City as electricity and telegraphs networks were established. Today, Watsonville is primarily known for its agricultural and food processing industries. The City has also recently explored new opportunities in light industry, manufacturing, tourism, and other service industries.

2. Investments

Watsonville's Capital Improvement Program Fiscal Year 2020-2025 shows the City is primarily investing in public works-related projects such as water, transportation, solid waste, and sewage. Following public works projects, the City is investing in parks and community services. **Figure E-23** below highlights some of the planned transportation projects throughout the City:



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Figure E-23: Transportation Projects



Source: Google Earth, Watsonville Capital Improvements Program FY 2020-25

Historic Downtown

The City has several downtown revitalization improvement projects planned which include upgraded pedestrian, lighting, traffic calming, safety elements, bicycle amenities, and overall beautification to the area. There are also specific planned improvements to buildings in downtown such as the Gene Hoularis and Waldo Rodriguez Youth Center, the Parks & Community Services building, and City Hall.

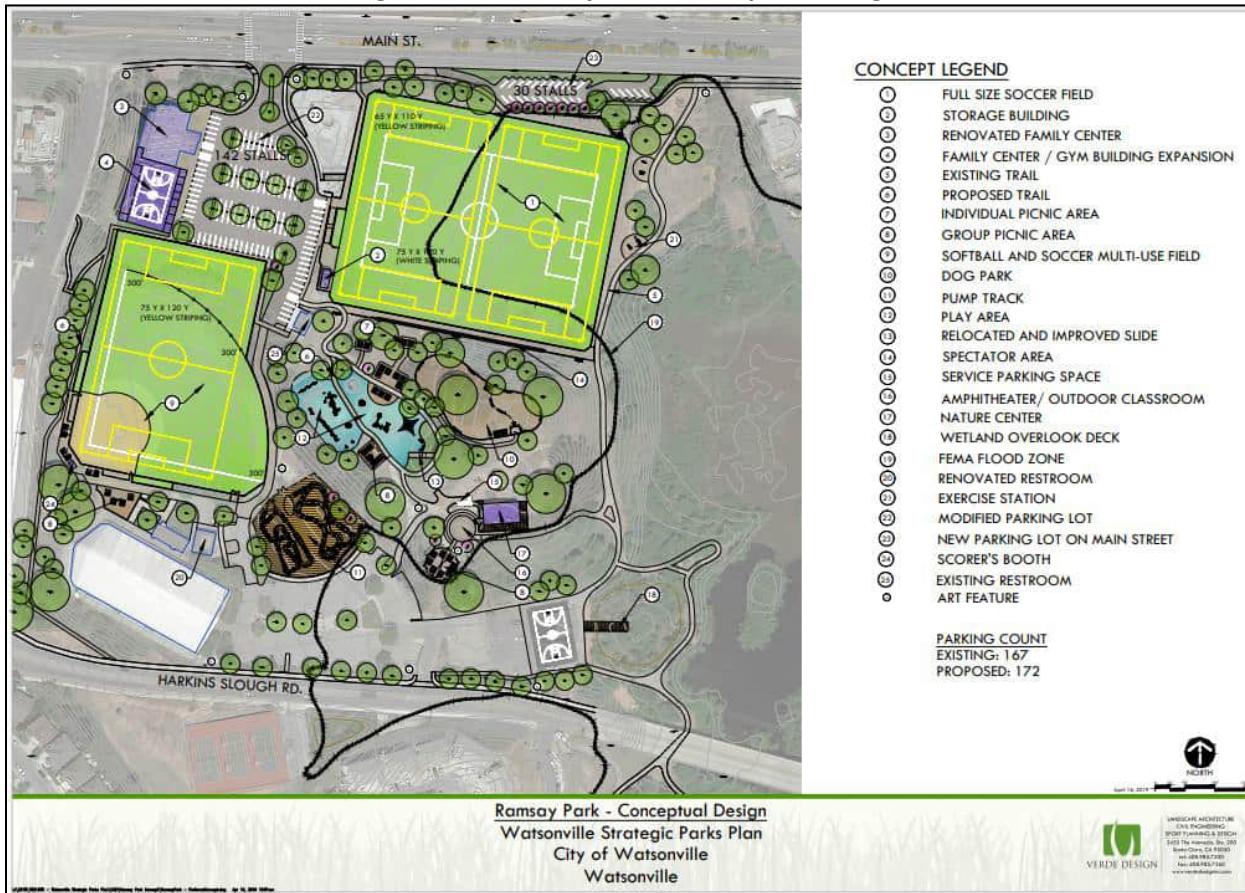
Ramsay Park

As one of the most popular parks in the City, Ramsay Park has several planned improvements (shown in **Figure E-24**). The Ramsay Park Renaissance Project improvements include upgraded walkways and overall access, new HVAC systems, parking lot resurfacing, basketball court resurfacing, soccer field renovations, playground renovation, dog park addition, and other infrastructure improvements. These improvements are meant to provide the community with a more comfortable and accessible experience.



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Figure E-24: Ramsay Park, Conceptual Design



Source: Ramsay Park Master Plan, Ramsay Park Renaissance Project

3. Contributing Factors

Locally derived knowledge and contributing factors were developed in response to community participation in outreach events and through analysis conducted in Affirmatively Furthering Fair Housing development and analysis of sites inventory and feedback and comment on the draft Housing Element's data, analysis, and policy program. The contributing factors listed below were identified as creating, perpetuating, and/or increasing the severity of fair housing issues in Watsonville:

- Lack of Reasonable Accommodation Procedures:** Per State Law, Cities are required to provide reasonable accommodations to persons with disabilities, and it is unlawful to deny any of those requests. There have been no requests for Reasonable Accommodations in the City thus far. The City will ensure that any such requests are responded to in the manner required by law.
- Lack of Affordable Housing Variety:** As noted above, the Watsonville community is predominantly Latino and working class and has high housing costs. The agriculture, retail trade and arts, entertainment, recreation, accommodation, and food service sectors represent just under 30 percent of the City's total workforce but earn incomes that are much lower than the City's median income. Persons working in these sectors, as well as other sectors earning below the City's median income, may not have the opportunity to live in the City in which they work and must commute longer distances.



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- **Availability of Public Transportation:** While the City does have a higher transit score than the County of Santa Cruz, as reflected in **Table E-8** and **Figure E-10**, public transit is not a viable option for City residents due to the long headways for transit stops and traffic congestion. While **Figure-11** shows METRO stations dispersed throughout Watsonville, the amount of time taken between bus arrivals causes a constraint on public transit utilization.
- **Lack of Employment Variety:** Recognized as one of the most productive agricultural areas in the world, the City of Watsonville's main source of revenue comes from agriculture work. This is shown in **Table B-6**, which demonstrates that agriculture, forestry, fishing and hunting, and mining make up 13.5 percent of the City's employment, which is the second highest in the City. Additionally, the other high percentages of employment involve education services, health care, and social assistance, and retail trade, at 21.3 percent and 10.5 percent, respectively. The issue with this is that these jobs typically yield lower paying wages, which does not help offset housing costs in the City. Higher paying jobs such as information, finance and insurance, real estate, and rental leasing or professional, scientific, management, and administrative careers collectively only comprise 11.9 percent of the job variety in the City. Allowing for a more diverse job market would help families close the gap in terms of income and living costs.
- **Local Limits on Land Development/Acquisition:** Due to the Urban Limit Line (ULL) established by Measure U in 2002 and revised and extended by Measure Q in 2022, there are restrictions on developing in any area outside of the ULL. The ULL is likely the contributing factor for more concentrated development in the center of the City. Removal of the ULL would allow for more development outside the City boundaries.
- **Development Constraints Around Airport Area:** Due to the Watsonville Municipal Airport being located within City Boundaries, FAA development standards and regulations are applicable to the surrounding area. These regulations restrict many residential uses; and, if allowed, only extremely low-density housing is usually permitted (e.g. one unit per 10-20 acres). This prohibits the development of land that would otherwise be feasible to provide affordable housing units.



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D. Analysis of Sites Pursuant to AB 686

AB 686 requires that jurisdictions identify sites throughout the community in a manner that is consistent with its duty to affirmatively further fair housing. The site identification requirement involves not only an analysis of site capacity to accommodate the RHNA (provided in **Appendix F**), but also whether the identified sites serve the purpose of replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity.

1. Framework for AB 686 Analysis

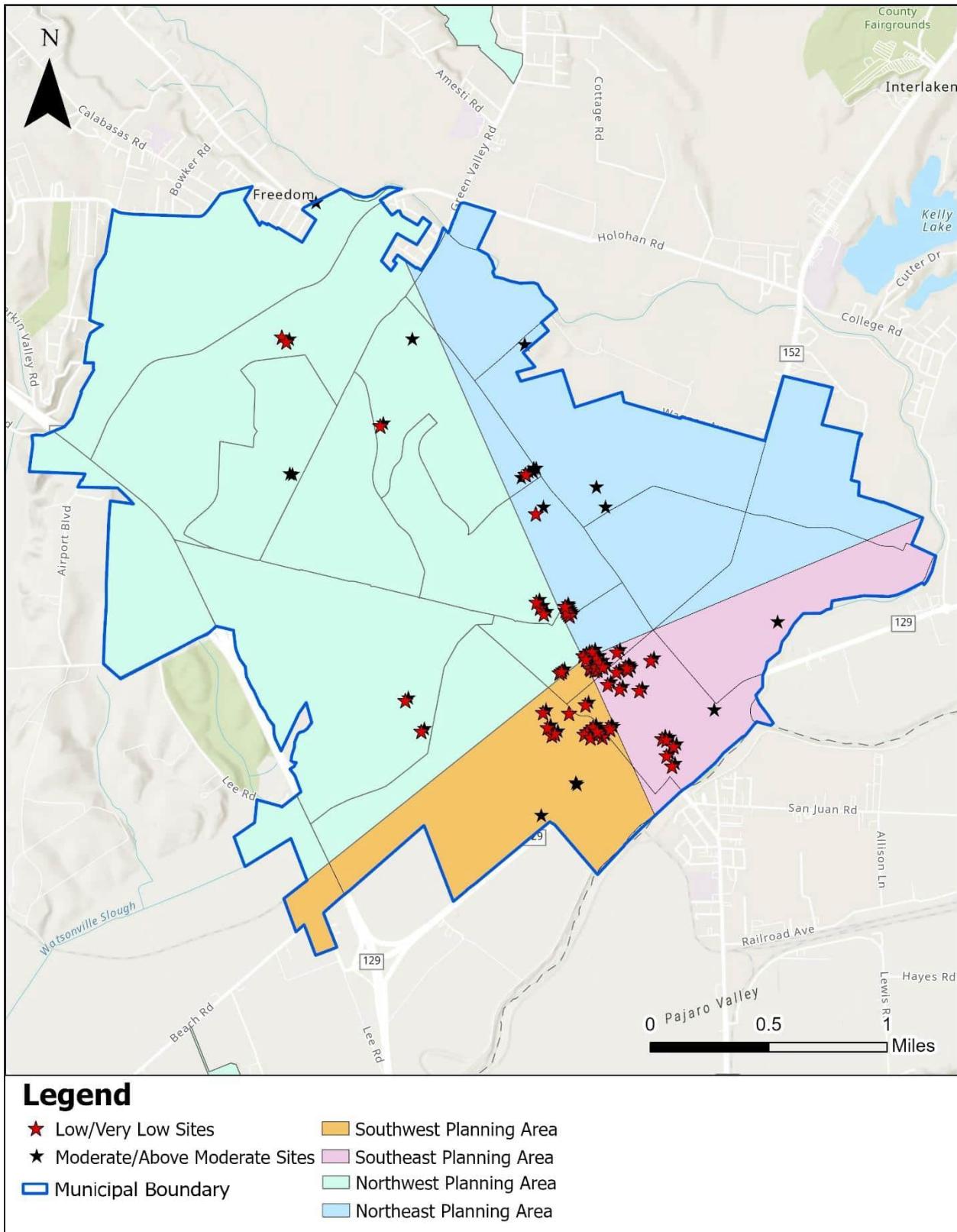
As shown in **Figure E-25** below, the City established AB 686 Planning Areas for a comparative analysis of how the RHNA inventory and City's housing policies are affirmatively furthering fair housing. The analysis framework considers demographics, segregation and integration, race, income, racially/ethnically concentrated areas of poverty, racially concentrated areas of affluence, urban displacement, and RHNA sites dispersal among AB 686 Planning Areas. The planning areas are: Southwest, Southeast, Northwest, and Northeast.

The AB 686 Planning Areas are not established for zoning or regulatory purposes. The planning areas reflect census tract boundaries and are bifurcated to assess the equitable distribution of the City's sites. The goal of the analysis is to ensure that the City's housing policy is consistent with AB 686 to intentionally further fair housing.



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Figure E-25: AB 686 Planning Areas – Site Candidates by Income Category





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Table E-18: AB 686 Planning Area Summary Analysis							
Planning Area	Census Tracts	Census Block groups	AVG. Non-White	AVG. Low/Mod Income	RHNA Lower Income	RHNA Moderate/Above Moderate	RHNA Total
Southwest	4	5	90%	85%	209	694	903
Southeast	6	8	88%	79%	191	858	1,049
Northwest	12	17	87%	72%	50	378	428
Northeast	10	14	88%	74%	15	135	150
Total*	17	33	88%	78%	465	2,065	2,530

*Note: Some Planning Areas include sites that are double counted due to an overlapping of census tracts within Planning Areas.

As shown in **Table E-18**, Watsonville is predominantly Non-White across its entire boundary. Therefore, racial segregation pattern analysis requires a unique framework to determine some of the nuances and patterns that may exist at a block group level within a City that is largely Non-White. Watsonville is primarily characterized by TCAC as Low Resource and does not contain any R/ECAP or RCAA areas. Displacement risk varies throughout the City with a higher likelihood of very low-income household displacement occurring in the Downtown area, where most of the inventoried sites are located. Moreover, the Southwest Planning Area is overwhelmingly Non-White at 90 percent whereas the remaining Plan Areas average just below 90 percent Non-White. Small portions of the City west of Highway 1 with no residential uses are identified by TCAC as a moderate resource area. The spread of RHNA inventory sites shows that lower income units are allocated throughout the city. While concentrations of the RHNA inventory are located in the south/central portion of the city in Downtown Watsonville, the area contains a mix of low- and moderate-income sites. In addition, existing infrastructure and resources and the increased densities included in the recently adopted Downtown Watsonville Specific Plan make the sites ripe for development and are further described in **Appendix F: Sites Inventory**.

Overall AB 686 Program Considerations:

- Any Program that identifies goals for increased affordable housing production should geographically target R/ECAP areas, TCAC Low Resource/ High Segregation and Poverty areas for special engagement and strategic action.
- Any Program focused on tenant protections, displacement, and/or equity should geographically target TCAC High Segregation and Poverty, R/ECAP, and Urban Displacement Low-Income/Susceptible to Displacement/Ongoing Displacement/At Risk of Gentrification/Ongoing Gentrification areas for special engagement and strategic action.
- Any Program that identifies goals for increased Housing Authority investment and support should geographically target R/ECAP area and TCAC High Segregation and Poverty areas for special engagement and strategic action.



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Detailed AB 686 Analysis by Plan Area

The following detailed AB 686 analysis displays Plan Areas with census tracts and block groups that have been identified with 6th cycle sites. Census tracts and block groups which do not have an identified site are not listed.

Planning Area 1: Southwest

Characteristics: The Southwest Planning Area is characterized by a total of four census tracts spread across five block groups. Three census tracts (1103.00, 1103.01, 1104.01) contain sites identified to meet the City's 6th cycle RHNA goals, as shown in **Table E-19** below. The Plan Area is predominantly characterized by Hispanic and Non-White populations. A high percentage of low- and moderate-income households exist. Although the Plan Area is characterized as Low Resources by TCAC and described as an area at risk of displacement, there are no R/ECAP and RCAA areas. The majority of mixed income sites identified for the RHNA inventory for this Planning Area are within the Downtown Watsonville Specific Plan (DWSP) area, which is contained within Census Tract 1104.01 and Census Tract 1103.00. The sites mostly represent existing surface parking lots adjacent to underutilized or vacant commercial lots, underutilized commercial lots, and existing industrial uses that are in the process of being transitioned to residential and mixed uses through the DWSP area. Additionally, some sites are small acreage lots less than 0.5 acres that are legal parcels and can be tied with the adjacent lot to provide sufficient acreage for affordable housing development.

Assessment: The addition of 209 lower income units can provide additional affordable housing opportunities for an area largely characterized as low income. The Downtown area, which is classified as "High Displacement for Very Low-Income Households" and "At Risk of Displacement" includes RHNA sites that are intended for affordable housing. The Downtown Watsonville Specific Plan guides development in the area and includes provisions to minimize displacement risk by preserving existing affordable housing. Additionally, the City's application of State density bonus provisions and the affordable housing ordinance have been successful and can provide new affordable housing projects that are feasible for developers, as further described in **Appendix F: Sites Analysis**. Although a majority of the sites are non-vacant, the sites include industrial and underutilized commercial uses that would not directly displace residents and thus lowers the risk of displacement. Regardless, the 6th cycle HEU includes a program to ensure that new housing development minimizes displacement risk to very low-income households.

Program Considerations:

- Target the production of 209 lower income units on parcels in Downtown areas within Census Tracts 1103.00 and 1104.01.



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Table E-19: AB 686 Planning Area 1: Southwest

Census Tract	Census Block group	Hispanic/ Latino	Non-White	Low/Mod Income	RHNA Lower Income	RHNA Moderate	RHNA Above Moderate	RHNA Total
1103.00	1	89.9%	93.1%	87.8%	59	73	161	293
	2	88.9%	92.7%	85.0%	6	12	29	47
	3	89.9%	93.1%	87.8%	0	0	0	0
	4	92.8%	95.6%	88.9%	0	0	0	0
1104.01	1	86.7%	85.3%	75.5%	93	47	105	245
	2	88.9%	92.7%	85.0%	51	82	180	313
Total				209	214	480	898	

Planning Area 2: Southeast

Characteristics: As shown in **Table E-20**, the Southeast Planning Area is characterized by six census tracts and eight block groups. Three census tracts (1101.02, 1103.00, 1103.01) and six block groups contain sites identified to meet the City's 6th cycle RHNA goals. The Plan Area includes sites which are located in a portion of the Downtown area, vacant commercial land, and existing underutilized commercial/retail buildings. The sites assume a mixed income housing project so that lower income units are distributed throughout the Plan Area. A majority of the RHNA sites are located in Census Tract 1103.01 and Census Tract 1103.02 along the Main Street and West Lake Ave intersection, which have higher density zoning with in-fill opportunities. The displacement typology identifies the area as potentially high displacement for very low-income households.

Assessment: The addition of 191 lower income units can provide additional affordable housing opportunities for an area largely characterized as low income. A pipeline project at 558 Main Street within the Plan Area involves the construction of a 4-story mixed use development and provides 50 dwelling units (10 for low and very low incomes) on a 0.75-acre lot. The project provides a density allowance of 72.9 du/ac and sets a precedent for future affordable housing development to increase units for lower income households. Neighborhoods within this plan area identified as susceptible to displacement have been identified with sites for lower income housing opportunities, to assist with affordability. Racial and income segregation could be minimized by new development of this nature. Although the eastern portion of the plan area does not have significant numbers of RHNA inventoried sites due to limited in-fill and vacant land opportunities, the area allows for Accessory Dwelling Units and streamlines ADU development under the city's ADU ordinance. The City produces ADUs at an average rate of 27 per year and 216 ADUs are projected for this housing cycle (27 per year).

Program Considerations:

- Target the production of at least 191 lower income units on parcels located in the Downtown area within Census Tract 1103.00 and Census Tract 1103.01.
- Target increased production of affordable ADUs in Census Tract 1101.02.



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Table E-20: AB 686 Planning Area 2: Southeast

Census Tract	Census Block group	Hispanic/ Latino	Non-White	Low/Mod Income	RHNA Lower Income	RHNA Moderate	RHNA Above Moderate	RHNA Total
1101.02	1	76.7%	82.0%	70.5%	0	1	2	3
1103.00	1	82.9%	87.1%	77.5%	12	15	33	60
	2	84.9%	88.7%	84.2%	73	96	211	380
	3	89.9%	93.1%	88.9%	36	47	146	229
	4	92.8%	95.6%	88.9%	55	70	159	285
1103.01	2	92.8%	95.6%	88.5%	14	23	54	91
Total					191	252	606	1,049

Planning Area 3: Northwest

Characteristics: As shown in **Table E-21**, the Northwest Planning Area is characterized by 12 census tracts and 17 block groups. Seven census tracts (1103.01, 1104.02, 1105.01, 1105.02, 1106.01, 1106.02, 1107) and 17 block groups contain sites identified to meet the city's 6th cycle RHNA goals. The Plan Area covers the largest portions of Watsonville and includes the Watsonville Municipal Airport, the Watsonville Community Hospital, and many undevelopable sensitive habitat areas. For the areas that are developable, they are mostly built-out with low- and medium-density single-family homes. The sites assume mixed income housing projects so that lower income units are distributed throughout the Plan Area. A majority of inventoried sites is clustered in the southeast portion of the planning area within the Downtown Watsonville Specific Plan area, and includes parcels that are vacant and nonvacant residentially and commercially zoned in-fill parcels. The displacement typology identifies a combination of "at risk of displacement", "high displacement for very low-income households", and "elevated displacement for low- and very low-income households" for Census Tracts 1105.02 & 1106, 1103.00, and 1105.01, respectively. Additionally, two inventoried sites occur in Census Tract 1104.02, which has the lowest percentage of low- and moderate-income households and described as "at risk of displacement".

Assessment: The addition of 50 lower income units can provide additional affordable housing opportunities for an area largely characterized as low-income. Most low-income populations exist in Census Tract 1103.01, which is inventoried for the Downtown Watsonville Specific Plan (DWSP) vacant and nonvacant infill sites. Other census tracts have inventoried sites scattered throughout the planning area, comprising less than 80 percent low- and moderate-income populations. Neighborhoods within this plan area that are identified as susceptible to displacement have been identified with sites for lower income housing opportunities to further assist with housing affordability. The provision of affordable units through mixed-income housing projects can increase opportunities in various neighborhoods throughout the City. While some Census Tracts within the plan area do not have inventoried sites due to site constraints and limited vacant land, the surrounding area includes pipeline projects that include affordable units and may influence redevelopment. Additionally, the area allows for Accessory Dwelling Units and streamlines ADU development under the City's ADU ordinance.



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Program Considerations:

- Target the production of at least 50 lower income housing units on parcels located within the Northwest Plan Area.
- Target the production of mixed income housing projects in parcels within Census Tract 1103.01 in the Downtown Watsonville Specific Plan area.

Table E-21: AB 686 Planning Area 3: Northwest

Census Tract	Census Block group	Hispanic/Latino	Non-White	Low/Mod Income	RHNA Lower Income	RHNA Moderate	RHNA Above Moderate	RHNA Total
1103.01	1	91.2%	93.6%	81%	0	0	0	0
	2	88.4%	91.6%	46.3%	0	0	0	0
	3	76.8%	87.3%	85.9%	5	8	21	34
1104.00	1	81.2%	86.6%	71.5%	0	0	0	0
	2	81.6%	87.6%	80.8%	0	0	0	0
	4	73.8%	87.3%	69.1%	8	21	115	144
1105.01	1	82.5%	87.1%	73.2%	18	31	75	124
1105.02	1	87.0%	90.6%	74.1%	0	0	0	0
	2	87.0%	90.9%	87.1%	0	9	12	21
	3	73.8%	87.3%	68.3%	0	0	0	0
1106.00	2	79.2%	85.0%	67.4%	5	12	69	86
	3	80.6%	85.1%	75.7%	14	0	4	18
1107.00	1	80.6%	85.1%	70.6%	0	0	1	1
Total					50	81	297	428

Planning Area 4: Northeast

Characteristics: As shown in **Table E-22**, the Northeast Planning Area is characterized by nine census tracts and 14 block groups. Four census tracts (1103.01, 1105.02, 1105.01, 1102.02) and 10 block groups contain sites identified to meet the city's 6th cycle RHNA goals. Census tract 1103.01 has the highest concentration of low- and moderate-income populations, and is located in the DWSP area. This planning area is already built out and consists of mainly single-family developments. With this in mind, the sites assume mixed income housing projects so that lower income units are distributed throughout the Plan Area. The remaining inventoried sites are clustered in the DWSP area. They include vacant residential parcels, as well as residential and commercial parcels that are underutilized. The inventoried sites are located in census tract areas with a variety of displacement types. Most notably, a clustering of inventoried sites occurs in the Downtown Area that is described as "high displacement for very low-income groups" and "elevated displacement for low and very low-income groups". As such, the provision of affordable units aims to minimize impacts of displacement for lower income groups while providing new opportunity for investment in the area.

Assessment: The addition of 15 lower income units can provide additional affordable housing opportunities for areas largely characterized as low income. The provision of affordable housing in low



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income and high or elevated displacement risk areas can increase housing opportunities in the Downtown area. Neighborhoods within this plan area that are identified as susceptible to displacement have been identified with sites for lower income housing opportunities to further assist with housing affordability. Although the eastern portion of the plan area does not have significant numbers of RHNA inventoried sites due to limited in-fill and vacant land opportunities, the area allows for Accessory Dwelling Units and streamlines ADU development under the city's ADU ordinance.

Program Considerations:

- Target the production of at least 15 lower income units on parcels located in Census Tracts 1103.01 within the Downtown area.
- Target increased affordable ADU production in Census Tracts 1102.02, 1102.01, 1101.02, and 1101.01.

Table E-22: AB 686 Planning Area 4: Northeast

Census Tract	Census Block group	Hispanic/Latino	Non-White	Low/Mod Income	RHNA Lower Income	RHNA Moderate	RHNA Above Moderate	RHNA Total
1102.00	1	79.0%	84.2%	64.4%	0	1	2	3
	4	76.0%	84.9%	63.6%	0	0	2	2
1103.00	3	88.4%	91.6%	84.9%	15	31	69	115
1105.01	1	84.8%	89.3%	72.2%	0	7	10	17
1105.02	2	83.2%	88.0%	81.0%	0	0	0	0
	3	88.3%	91.7%	76.8%	0	3	10	13
				Total	15	42	93	150

Supportive Citywide Spatial Analysis to Inform AB 686 Plan Area Analysis

Figures E-26 through E-32 below identify the sites to accommodate future housing, as identified in the adequate sites analysis and overlaid on demographic and fair housing data using AFFH data layers. The layers show segregation and integration and access to opportunity patterns throughout the City and are provided through HCD's AFFH data and mapping resources. Note that this analysis is inclusive of the ADU units that are projected to be built during the 6th Cycle:

- **Figure E-26:** Watsonville Proposed RHNA Sites by Percent Hispanic Population, 2020
- **Figure E-27:** Watsonville Proposed RHNA Sites by Percent Non-White Population, 2020
- **Figure E-28:** Watsonville Proposed RHNA Sites by Low- and Moderate-Income Population, ACS, 2011-2015
- **Figure E-29:** Watsonville Proposed RHNA Sites by R/ECAP
- **Figure E-30:** Watsonville Proposed RHNA Sites by RCAA
- **Figure E-31:** Watsonville Proposed RHNA Sites by TCAC Areas of Opportunity
- **Figure E-32:** Watsonville Proposed RHNA Sites by Urban Displacement Typology



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Figure E-26 shows the proposed candidate sites to meet the RHNA for Watsonville in relation to the location of residents of Hispanic origin. These sites take into consideration access to vital goods, services, and public transportation and are therefore ideal areas for the City to focus much of its future housing growth. It is anticipated that accessory dwelling unit (ADU) growth, including growth for affordable ADUs, will occur in the less dense areas of the community. **Figure E-26** shows the following findings:

- 7 proposed sites to accommodate the RHNA allocation (totaling 101 potential units, or 3.7 percent of the total potential units) are located within block groups that have a percentage of the population that identifies as Hispanic between 60 and 80 percent. Of those units, 29 are proposed as affordable to low and very low incomes.
- 73 proposed sites to accommodate the RHNA allocation (totaling 2,545 potential units, or 96.3 percent of the total potential units) are located within block groups that have a percentage of the population that identifies as Hispanic over 80 percent. Of those units, 545 are proposed to low and very low incomes.
- No units are proposed within block groups that have a percentage of the population that identifies as Hispanic less than 60 percent, however there are no block groups characterized as such in the City.

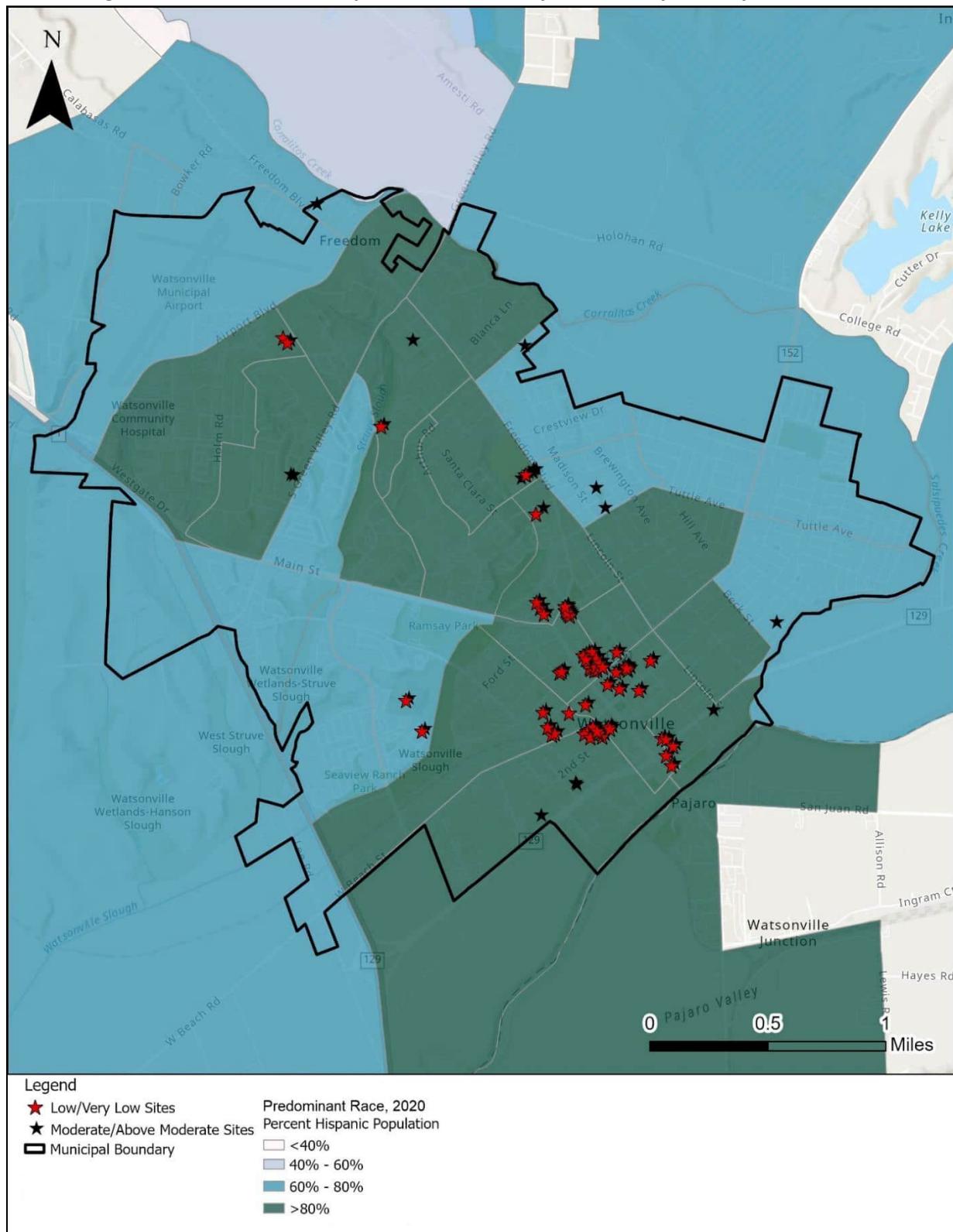
Figure E-26 shows that approximately 2,643 units, or 100 percent of all projected housing units, are within areas of the City where a strong majority (over 60 percent) of the population identifies as Hispanic. These projected units include approximately 574 lower income units, or 100 percent of all proposed lower income units. Although concentrating housing in areas with high Hispanic majorities has the potential to overburden these communities, the whole City population predominantly identifies as Hispanic. **Figure E-26** illustrates this, as there is no area within the City's boundaries that holds a Hispanic population lower than 60 percent. By placing more affordable housing in predominantly Hispanic communities, housing issues such as overcrowding, overpayment, and lack of housing options can be alleviated where they are felt most.

Additionally, the data shows that the proposed candidate sites to meet the RHNA allocation are dispersed throughout the community with an emphasis on locating units where there is a high level of access to important public services and transit. Overall, the distribution of potential units does not disproportionately impact areas with larger concentrations of the Hispanic population.



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Figure E-26: Watsonville Proposed RHNA Sites by Percent Hispanic Population, 2020





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Figure E-27 shows the proposed candidate sites to meet the RHNA for Watsonville in relation to the location of residents who identify as Non-White. **Figure E-27** shows the following findings:

- 2 proposed sites to accommodate RHNA allocation (totaling 7 potential units, or 0.2 percent of the total potential units) are located within block groups that have a percentage of the population that identifies as Non-White between 60 and 80 percent. Of those units, none are proposed as affordable to low and very low incomes.
- 77 proposed sites to accommodate RHNA allocation (totaling 2,628 potential units, or 99.8 percent of the total potential units) are located within block groups that have a percentage of the population that identifies as Non-White above 80 percent. Of those units, 574 are proposed as affordable to low and very low incomes.
- No units are proposed sites within block groups that have a percentage of the population that identifies as Non-White less than 60 percent, however there are no block groups characterized as such in the City.

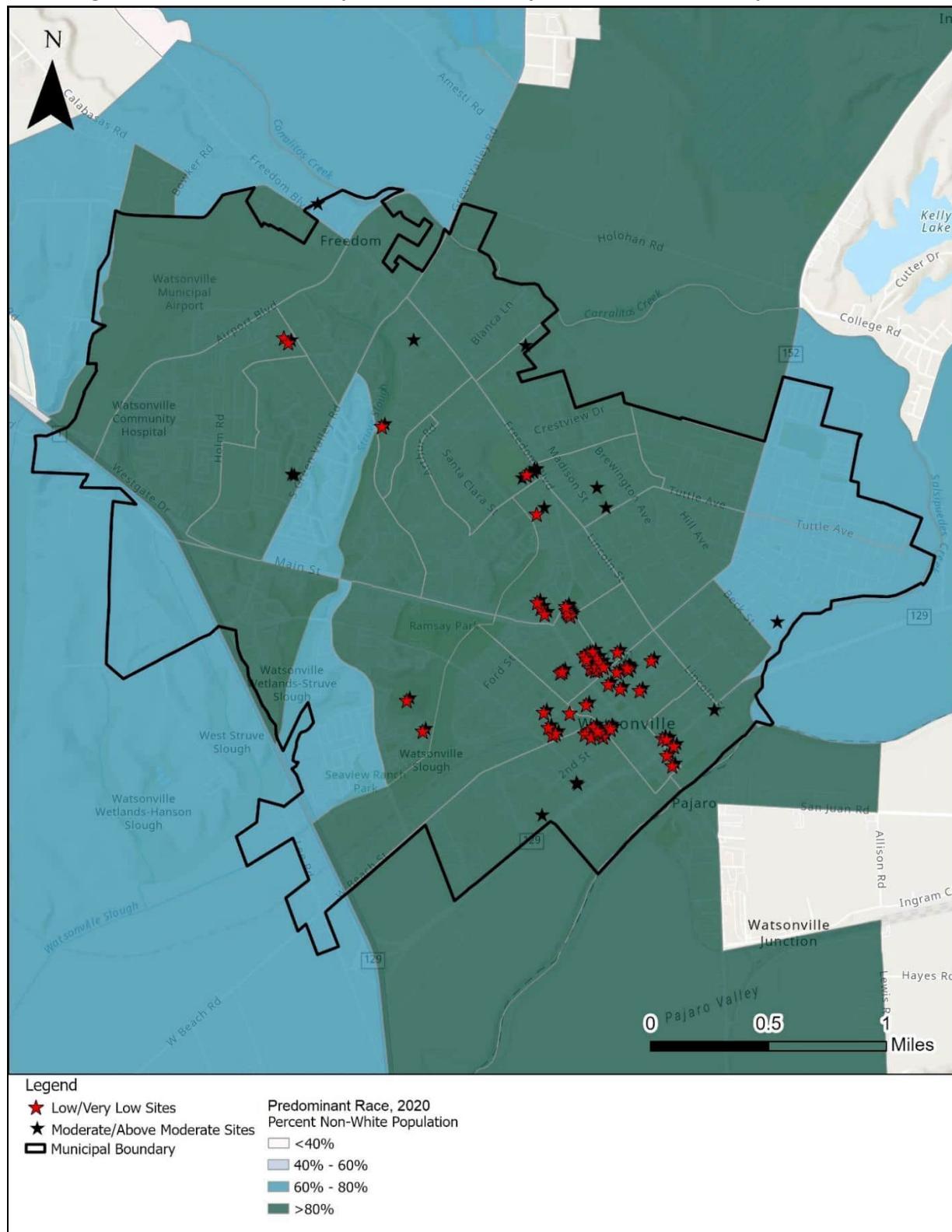
Figure E-27 shows that approximately 2,737 units, or 99.8 percent of all projected housing units, are within areas of the City where a strong majority (over 80 percent) of the population identifies as Non-White. These projected units include approximately 574 lower income units, or 100 percent of all proposed lower income units. Although concentrating housing in areas with high Hispanic majorities has the potential to overburden these communities, the whole City population predominantly identifies as Hispanic. **Figure E-26** illustrates this, as there is no area within the City's boundaries that holds a Hispanic population lower than 60 percent. By placing more affordable housing in predominantly Hispanic communities, housing issues such as overcrowding, overpayment, and lack of housing options can be alleviated where they are felt most.

The remaining 7 units, or 0.2 percent of all housing units, are in areas where the Non-White proportion of the population ranges from 60-80 percent. Of these units, there are no low-income units that are projected for these areas. There are no census tracts in the City that are characterized by White predominance, as all within city boundaries are at least 60 percent Non-White or higher. Therefore, Non-White communities would not be overburdened by the distribution of the proposed housing units since all census tracts in the City are majority Non-White.



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Figure E-27: Watsonville Proposed RHNA Sites by Percent Non-White Population, 2020





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Figure E-28 shows locations of proposed candidate sites to meet the RHNA for Watsonville in comparison with census data showing the percentage of the population within each block group who is categorized as low income or moderate income by the American Community Survey. **Figure E-28** shows the following:

- One proposed site to accommodate the RHNA allocation (totaling 101 potential units, or 3.7 percent of the total potential units) is located within block groups that have a percentage of the population that identifies as low- and moderate-income below 50 percent. Of those units, 29 are proposed as affordable to low and very low incomes.
- 28 proposed sites to accommodate the RHNA allocation (totaling 492 potential units, or 18.5 percent of the total potential units) are located within block groups that have a percentage of the population that identifies as low- and moderate-income between 65-80 percent. Of those units, 86 are proposed as affordable to low and very low incomes.
- 51 proposed sites to accommodate the RHNA allocation (totaling 2,151 potential units, or 77.8 percent of the total potential units) are located within block groups that have a percentage of the population that identifies as low- and moderate-income above 80 percent. Of those units, 459 are proposed as affordable to low and very low incomes.

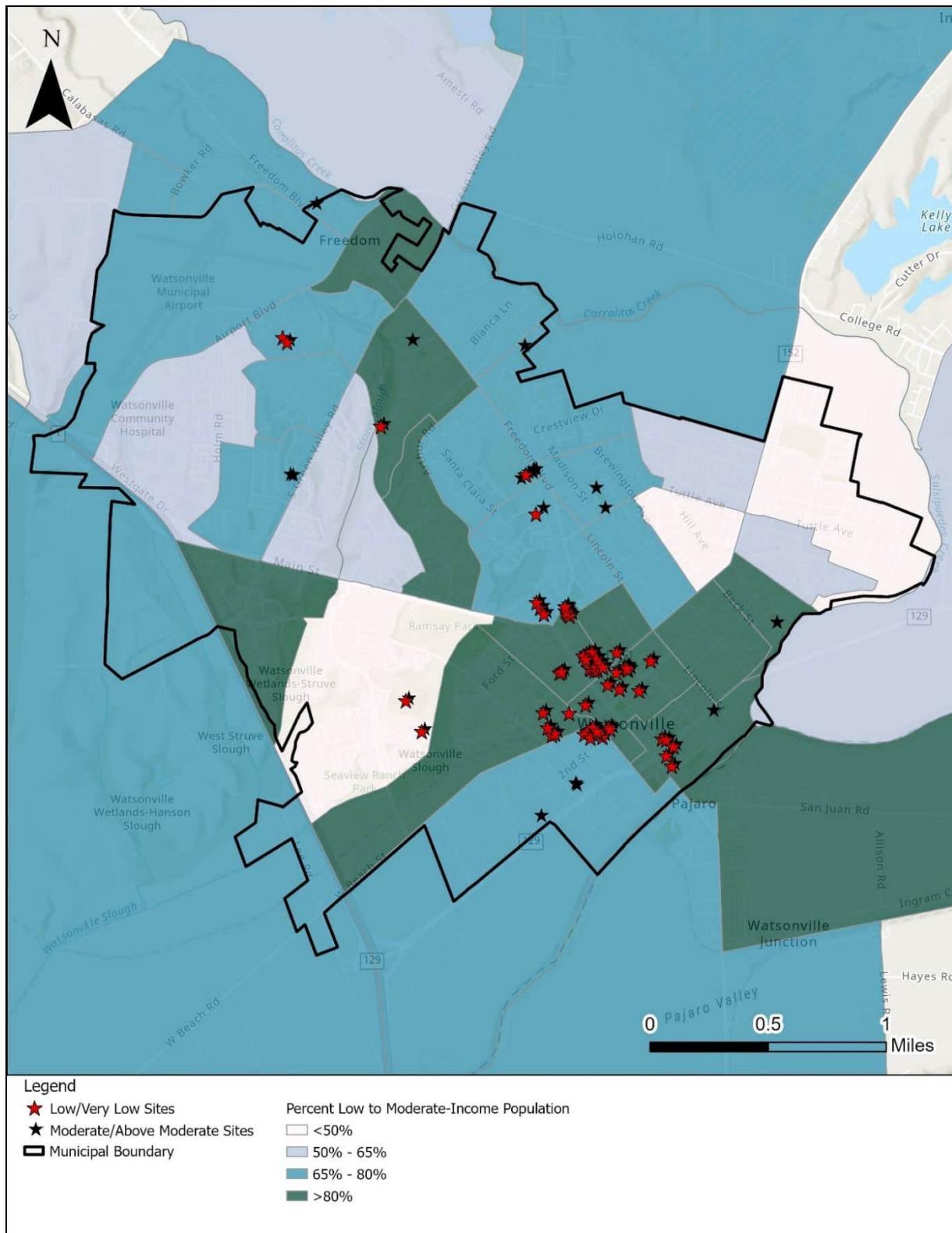
Figure E-28 shows that approximately 2,537 units, or 96.3 percent of all projected housing units, are within areas of the City where a majority (over 50 percent) of the population identifies as low- to moderate-income households. These projected units include approximately 545 lower income units, or 94.9 percent of all proposed lower income units. Although concentrating housing in areas with high low- to moderate-income majorities has the potential to overburden these communities, the whole City population predominantly identifies as this demographic. By placing more affordable housing in areas predominantly comprised of low- to moderate-income households, housing issues such as overcrowding, overpayment, and lack of housing options can be alleviated where they are felt most.

The remaining 101 units, or 3.7 percent of all housing units, are in areas where the low- to moderate-income proportion of the population is below 50 percent. Of these units, there are 29 low-income units that are projected for these areas. There are no census tracts in the City that are characterized by high affluence, as all census tracts within City boundaries are considered low resource, supported by **Figure E-31**. Additionally, allowing lower income units to be developed in areas with a smaller concentration of low- to moderate-income households can diversify the socioeconomic demographics across the City. Therefore, low- to moderate-income communities would not be overburdened by the distribution of the proposed housing units since all census tracts in the City are majority low resource.



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Figure E-28: Watsonville Proposed RHNA Sites by Low- and Moderate-Income Population, ACS, 2011-2015





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Figures E-29 through Figure E-32 displays the sites identified to accommodate the City's RHNA within HCD AFFH opportunity maps.

Figure E-29 shows proposed sites to meet RHNA for Watsonville in relation to data showing R/ECAP areas within the City. R/ECAPs are racially or ethnically concentrated areas of poverty, marked with red hatchings. The goal of the AB 686 analysis is to analyze how the sites identified to accommodate the RHNA allocation may exacerbate or mitigate existing fair housing issues. **Figure E-31** shows the following:

- All 76 proposed sites to accommodate the RHNA allocation (totaling 2,634 potential units, or 100 percent of the total potential units) are not located in R/ECAPs. Of those units, 574 are proposed as affordable to low and very low incomes.
- There are no R/ECAPs currently existing within the City. As a result, there are no proposed sites located within any R/ECAP areas.

In the City of Watsonville, the AFFH opportunity maps indicated that there are no racially or ethnically concentrated areas of poverty within the City's boundaries. As such, all 2,634 potential units are within areas of the City that are not characterized by R/ECAPs. Additionally, 574 lower income units, or 100 percent of all lower income units are proposed in these census tracts. By proposing the majority of lower income units throughout the City, income and racial/ethnic segregation will remain minimized and would benefit many lower income households by giving them greater mobility to live in various areas of the City.

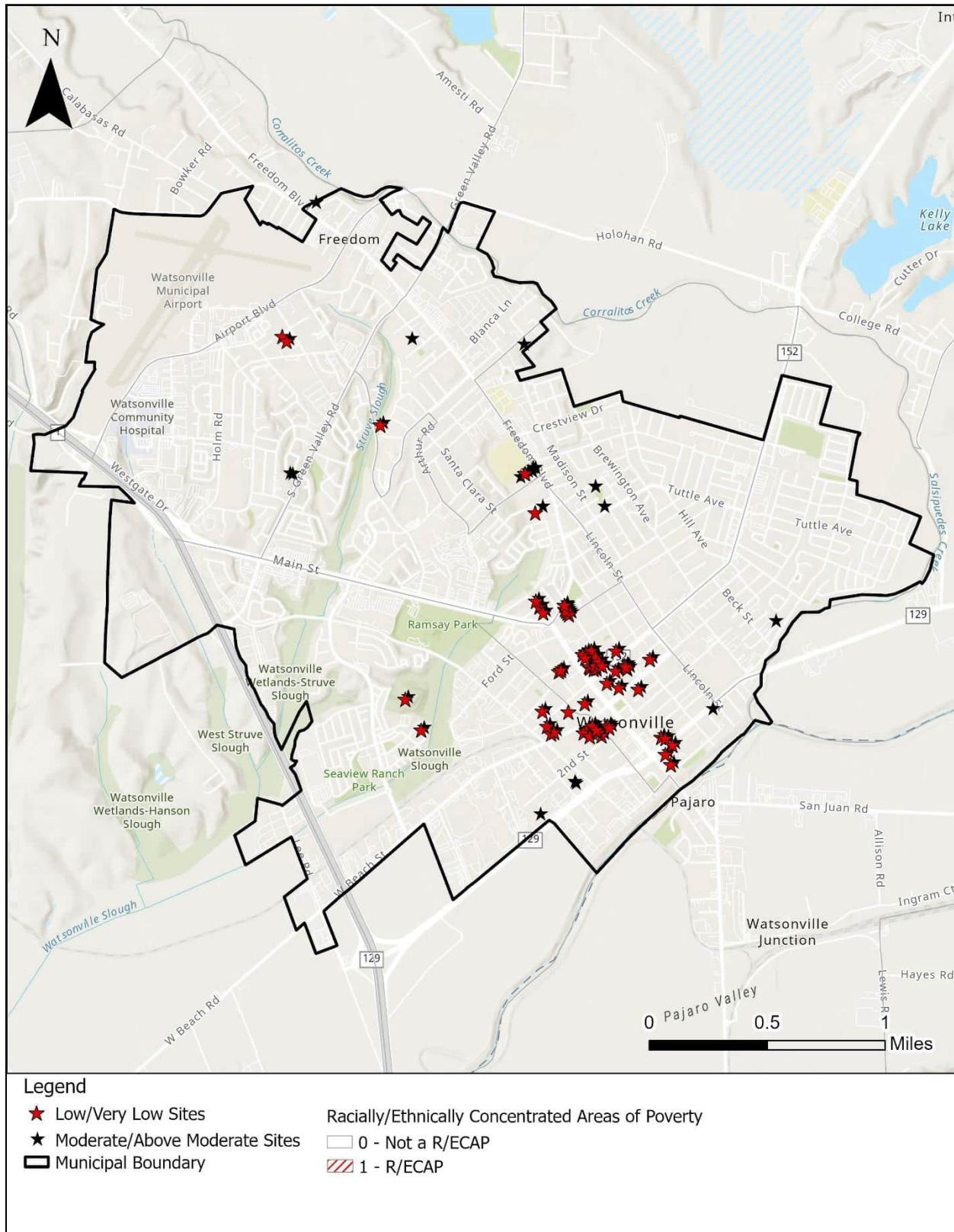
Figure E-30 shows proposed candidate sites to meet RHNA for Watsonville in relation to data showing RCAAs within the City. RCAAs are racially or ethnically concentrated areas of affluence; they are identified as areas with a White Non-Hispanic population greater than 80 percent and a median household income greater than \$125,000.

There are no block groups identified as RCAAs with a White Non-Hispanic population greater than 80 percent in the City.



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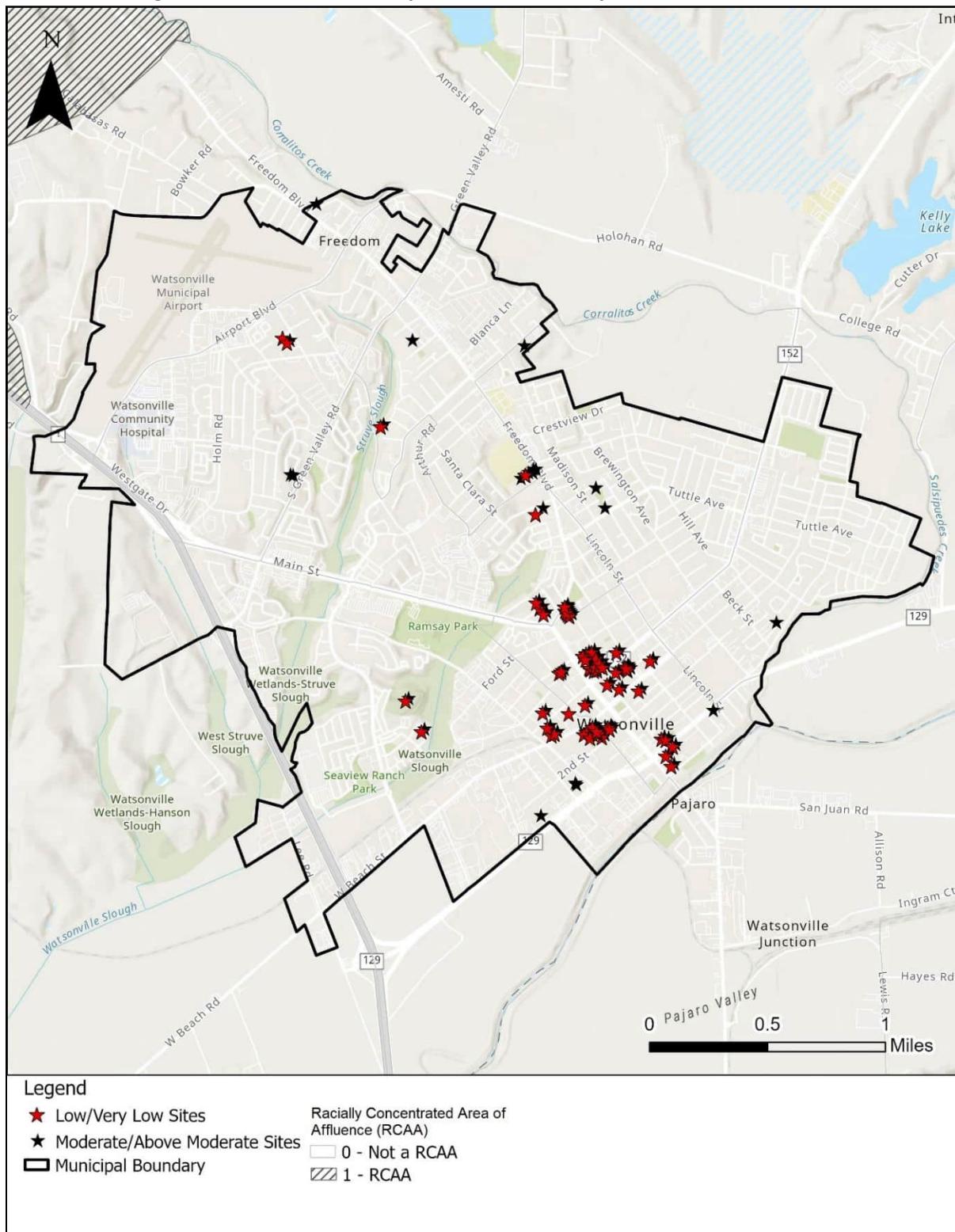
Figure E-29: Watsonville Proposed RHNA Sites by R/ECAP, ACS 2009-2013





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Figure E-30: Watsonville Proposed RHNA Sites by RCAA, ACS 2015-2019





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Figure E-31 shows proposed candidate sites to meet RHNA for Watsonville in relation to the TCAC/HCD Opportunity areas within the City. TCAC/HCD Opportunity Area Maps show how resources are spatially distributed throughout the City.

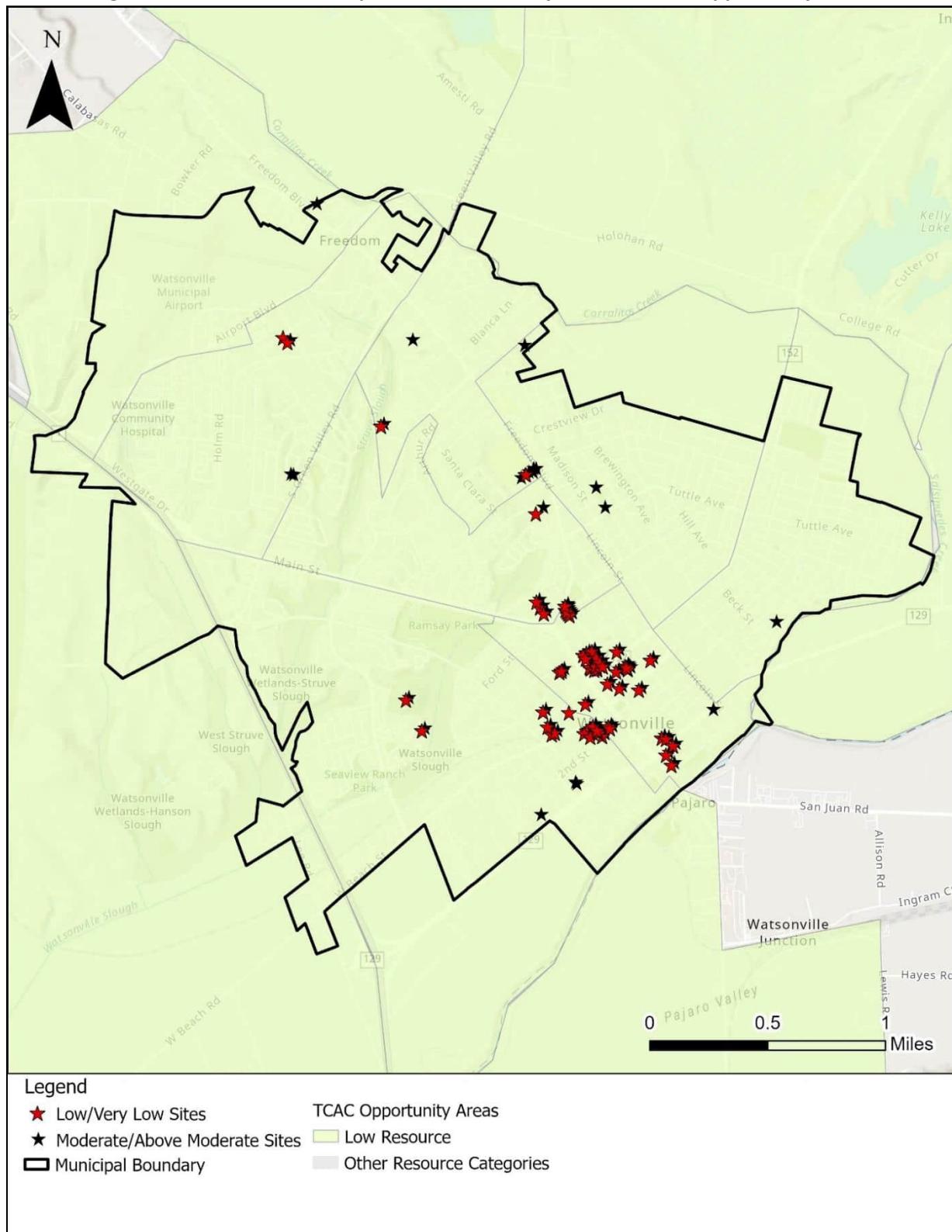
- The City of Watsonville is a low resource city, and the City as a whole is ranked as the low resource level. Therefore, all proposed sites to accommodate RHNA (totaling 2,634 potential units, or 100 percent of the total potential units) are located in Low Resource areas. Of those units, 574 are proposed as affordable to low and very low income households.
- There are no areas of the City characterized as Moderate, High, or Highest Resource; additionally, there are no High Segregation and Poverty areas. Therefore, no units are proposed in these resource categories.

Figure E-31 Shows that all 2,634 units, or 100 percent of all projected housing units, are within areas of the City characterized by low opportunity. This would typically pose an issue, however the entire City is characterized as a Low Resource community. Thus, while the proposed units may have the potential to overburden the respective census tracts they are on, building lower-, moderate-, and above moderate-income housing in neighborhoods that are relatively lower resource would act as a place-based strategy to revitalize the community. Increased numbers of households with ranges of incomes would increase the median income of each census tract and would further integrate each tract in regard to income. As a result, more interest in future resource development and investment in these communities could occur.



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Figure E-31: Watsonville Proposed RHNA Sites by TCAC Areas of Opportunity, 2022





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Figure E-32 show the proposed candidate sites to meet the RHNA for Watsonville in relation to urban displacement data identifying areas at-risk or currently experiencing displacement within the City as categorized by the UDP. **Figure E-32** demonstrates the following findings.

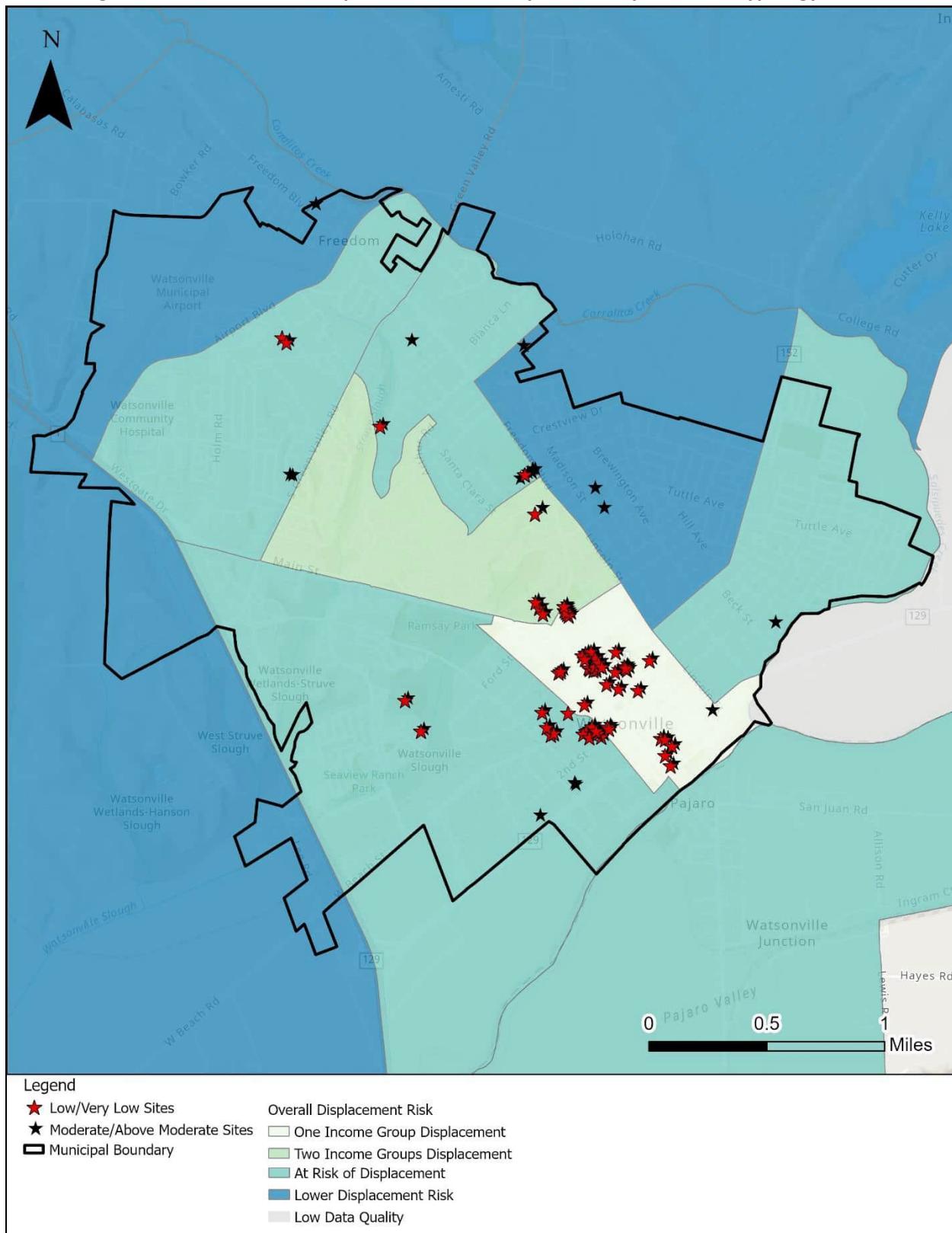
- 5 proposed sites to accommodate the RHNA allocation (totaling 137 potential units, or 5 percent of the total potential units) are located within block groups that have two displaced income groups. 18 of those units are affordable to lower income households.
- 40 proposed sites to accommodate the RHNA allocation (totaling 1,642 potential units, or 59.4 percent of the total potential units) are located within block groups that have one displaced income group. 245 of those units are affordable to lower income households.
- 31 proposed sites to accommodate the RHNA allocation (totaling 959 potential units, or 35.4 percent of the total potential units) are located within block groups that are at risk of displacement. 311 of those units are affordable to lower income households.
- 4 proposed sites to accommodate the RHNA allocation (totaling 6 potential units, or 0.2 percent of the total potential units) are located within block groups that have lower displacement risk. None of those units are affordable to lower income households.

The data shows that the proposed candidate sites to meet the RHNA allocation are evenly dispersed throughout the community with an emphasis on locating affordable units where displacement, exclusivity, or gentrification are not occurring. There are a number of low- and very low-income sites located in areas that have displacement risk. The placement of lower income housing within these areas of the City will provide increased affordable housing opportunities to mitigate the risk of displacement and gentrification as well as to decrease the instances of displacement that are currently occurring. Additionally, the majority of the City's lower income housing sites are designated to be in mixed-income developments which will not lead to the exacerbation of any concentrations of lower income populations within the City.



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Figure E-32: Watsonville Proposed RHNA Sites by Urban Displacement Typology, 2022





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It should be noted that the concentration of low- and very low-income sites located in the central region of the City as depicted in **Figures E-29** through **E-32** above, are designated to be mixed income and would provide housing opportunities for both lower income households and moderate to above-moderate income households. Thus, the concentration of low- and very low-income sites located in the central region of the City would not exacerbate the current conditions in this area.

Integration and Segregation

The City of Watsonville is predominantly Non-White with high concentrations of Non-White residents throughout all census tracts in the City. The sites inventory distributes the sites largely throughout the greater central region of the City. While all the sites are located in predominantly Non-White areas, it is only due to the City being majority (over 60 percent) Non-White in each census tract. There are a significant number of low-, very low-, moderate-, and above moderate-income sites located throughout the City's greater central region. These sites accommodate increased housing opportunity for all income levels and would not exacerbate the concentrations of Non-White households.

Access to Opportunity

The entire City is considered low resource according to the TCAC Opportunity Map composite score. Thus, while the sites selected in the sites inventory are located in low resource areas, they are not disproportionately located in these areas in the context of the resource level of the City as a whole.

Transit

According to AllTransit the City of Watsonville has a moderate transit performance score. The City has identified a significant number of lower income sites within the Downtown Watsonville Specific Plan area which encompasses land along the major east/west and north/south corridors. These major corridors intersect in the central region of the City. The City's central region is adjacent to a public transit network that is more accessible than in other portions of the City. Households located within the greater central region have better access to jobs and key destinations through transit than those located in the outer portions of the City. The majority of the low- and very low-income sites were strategically located within the Downtown Watsonville Specific Plan area and throughout the greater central region to take advantage of the current transportation assets in these areas.

Education

The TCAC/HCD Opportunity Area Maps include education data representing the success of positive education outcomes determined by the following indicators: math proficiency, reading proficiency, high school graduation rate, and student poverty rate. These indicators are understood to reflect the quality of a census tract's schools as well as the conditions of the students' neighborhoods. The majority of the City is considered to have low success in positive education outcomes, with higher instances of low positive education outcomes across the City.

In addition, the U.S. Department of Education provides financial assistance through Title I of the Elementary and Secondary Education Act to schools with high numbers or percentages of children from low-income families to help ensure that all children meet challenging state academic standards. The City of Watsonville has a total of 16 elementary, middle, and high schools of which 13 are designated as Title I schools. The City's 13 Title I schools serve a total of 19,477 students, making Pajaro Unified School District one of the largest school districts in Northern California.



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Lower income and moderate to above moderate-income sites were distributed largely throughout the greater central region of the City to provide opportunity for households to access a variety of schools in Watsonville. A significant number of the lower income sites located around the central region of the City are designated as mixed income. The distribution of these sites may contribute to the success of positive educational outcomes throughout the City as studies have shown that attending low-poverty and economically integrated schools boosts educational achievement for low-income students.

Disproportionate Housing Needs

Income

The greater central region of the City has a high percentage of lower income households. The sites inventory accommodates a number of lower income sites throughout this region of City as there is a high level of access to important public services and transit. The potential low- and very low-income sites within the central region will provide increased affordable housing opportunities where there are high rates of low-income residents. Additionally, there are a number of moderate- and above moderate-income sites located throughout the greater central region of the City as well to prevent exacerbating the concentrations of lower income households.

Overpayment

Watsonville's households experience moderate to high rates of overpayment throughout the City as a whole. Homeowners in the central, southern, and eastern regions of the City experience higher rates of overpayment, and renters in the greater central region and to the south and east experience the highest rates of overpayment. Site selection emphasized infill and redevelopment throughout the Downtown Watsonville Specific Plan area to leverage existing zoned capacity, as well as to encourage residential development along corridors with access to public services and transit amenities. Housing located in these mixed-use areas with higher density allowances will facilitate more affordable units through mixed income development. The lower income sites associated with mixed income development throughout the City will provide access to supportive services such as job opportunities and transit amenities. Additionally, the placement of the lower income sites will ensure that there are affordable housing options in geographical areas that experience high rates of overpayment and may be susceptible to displacement.

Overcrowding

Some census tracts in the greater central region, along with some in the northeastern and southern regions of Watsonville experience high rates of overcrowding; and the downtown area and the southern region of the City experiences the highest rates of severe overcrowding, along with parts of the northeastern region near the airport area. The placement of lower income and moderate- to above moderate-income sites within the central area will provide the opportunity for additional housing at all income levels to alleviate the impacts of overcrowding.



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2. Assessment of Contributing Factors to Fair Housing in Watsonville

Summary of Fair Housing Analysis

The analysis conducted in this section regarding fair housing within Watsonville produced the following conclusions:

- There are not any racially or ethnically concentrated areas of poverty (R/ECAPs) or racially concentrated areas of affluence (RCAAs) within Watsonville as identified by HUD. This indicates that no census tracts within the City have a Non-White population of 50 percent or more or any census tracts that have a poverty rate that exceeds 40 percent or is three or more times the average tract poverty rate for the metropolitan area. Additionally, this also means there are no census tracts in Watsonville that have a White population 1.25 times higher than the average percentage of total White population in the given COG region, and their median income does not exceed 1.5 times the COG AMI.
- The UC Berkeley Regional Opportunity Index shows that the majority of residents within Watsonville have a low level of access to opportunity throughout the City. Additionally, analysis of the TCAC/HCD Opportunity Area Maps show that all census tracts in Watsonville are classified with the “Low Resource” designation. This indicates that these census tracts lack essential mobility, retail/food, economic, housing, or civic resource that may promote upward mobility and result in healthier neighborhoods.
- The City provides moderate transit trip opportunity. Additionally, about 98 percent of all city jobs are within $\frac{1}{2}$ mile of transit but just under 2 percent of the working population uses public transit as a primary source of transportation.
- The City has demonstrated the ability to meet the anticipated future affordable housing needs of the community through the designation of sites to meet the very low and low income RHNA need (**Appendix F: Sites Analysis**). These sites are dispersed throughout the community.
- There are no current units with affordable covenants at risk of converting to market rate before 2033 in the City.
- The CalEnviroScreen mapping tool (2018) identified most of the City as moderate to high scoring, indicating high pollution levels in the City.

Key Findings from Fair Housing Analysis

As a part of the Housing Element, the City considers protected class (such as race, ethnicity, income, etc.) and opportunity indicators as key factors in fair housing. Federal, state, and local data provide regional context, background information and supportive data which helps the City to understand fair housing issues and to identify key fair housing factors for Watsonville. The section below uses available data to identify key trends and local contributing factors for fair housing, key themes identified through this analysis are stated below:

- Persons who identify as Non-White contribute to a large majority of Watsonville’s population, with no R/ECAPs or RCAAs being found in any part of the City. Additionally, there is a strong concentration of persons who identify as Hispanic in the City.



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- Watsonville is identified as having poor air quality throughout the City, as each census tract located in the City ranked at the 65th percentile or higher in the 2018 CalEnviroScreen.
- About 98 percent of jobs in Watsonville are accessible through public transit; and 99 percent of residents live near public transit resources. However, only about 2 percent of residents use public transit to get to work.

3. Analysis of Fair Housing Priorities and Goals

To enhance mobility and promote inclusion for protected classes, the chief strategy included in this Housing Element is to provide sites suitable for affordable housing in high-resource, high opportunity areas, as demonstrated by the analysis of the housing resource sites contained in **Appendix C: Housing Resources**. Other programs that affirmatively further fair housing include:

- Program A.3: Preservation of Affordable Housing**
- Program A.4: Mobile Home Park Conservation Ordinance**
- Program A.5: Replacement Housing**
- Program B.1: First Time Buyer Loans**
- Program B.2: Down Payment Assistance Loans**
- Program B.3 Housing Choice Voucher (HCV) Rental Assistance**
- Program B.4: Relocation Assistance Ordinance**
- Program B.7: Promotion of Resources for Large Households**
- Program B.8: Promotion of Resources for Female-Headed Households**
- Program C.1: Adequate Sites Program**
- Program C.2: Explore Additional Residential Opportunity on Commercial Sites**
- Program C.4: Affordable Housing Ordinance**
- Program C.5: Partnership with Non-Profit Housing Agencies**
- Program C.6: Encourage Mixed-Use Development Opportunity in Commercial Areas**
- Program C.7: Transitional Housing and Emergency Shelters**
- Program C.8: Supportive Housing**
- Program C.9: Low-Barrier Navigation Centers**
- Program D.1: Density Bonus Ordinance**
- Program D.4: Accessory Dwelling Units**
- Program D.5: Reasonable Accommodations**
- Program D.6: Definition of Family**
- Program D.7: Development Constraints for Affordable Housing**
- Program D.9: Update to Allow Residential Care Facilities of 7 or More Persons**
- Program E.1: Fair Housing Program**
- Program E.2: Housing for Persons with Physical Disabilities**
- Program E.3: Housing for Persons with Developmental Disabilities**
- Program E.4: Affirmatively Further Fair Housing**
- Program E.6: Farmworker and Workforce Housing**

APPENDIX F

SITES ANALYSIS



2023-2031 HOUSING ELEMENT

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2023-2031 HOUSING ELEMENT

Adequate Sites Analysis

The Housing Element is required pursuant to Government Code Section 65583.2 to include an inventory of parcels (or sites) suitable for residential development to accommodate the Regional Housing Needs Allocation (RHNA) for all income levels, as shown in **Table F-1**.

Table F-1: City of Watsonville 6 th Cycle RHNA by Income Category		
Income Category	Percent of Area Median Income (AMI)	RHNA Units
Very Low-Income	0-50% AMI	283
Low-Income	51-80% AMI	186
Moderate-Income	81-120% AMI	521
Above Moderate-Income	>120% AMI	1,063
TOTAL RHNA		2,053

Source: AMBAG Final 6th Cycle Regional Housing Needs Allocation Plan 2023-2031

Figure F-1 depicts the sites identified to accommodate the City of Watsonville's RHNA for the 2023-2031 planning period shown in **Table F-1** above and their projected capacity. These include projects currently in the pipeline. Sites being identified include ones unused in the prior 5th Cycle, residentially zoned sites that are vacant, infill opportunities, and sites identified for rezoning to higher density residential use. A summary of the site inventory is provided in **Table F-2**.



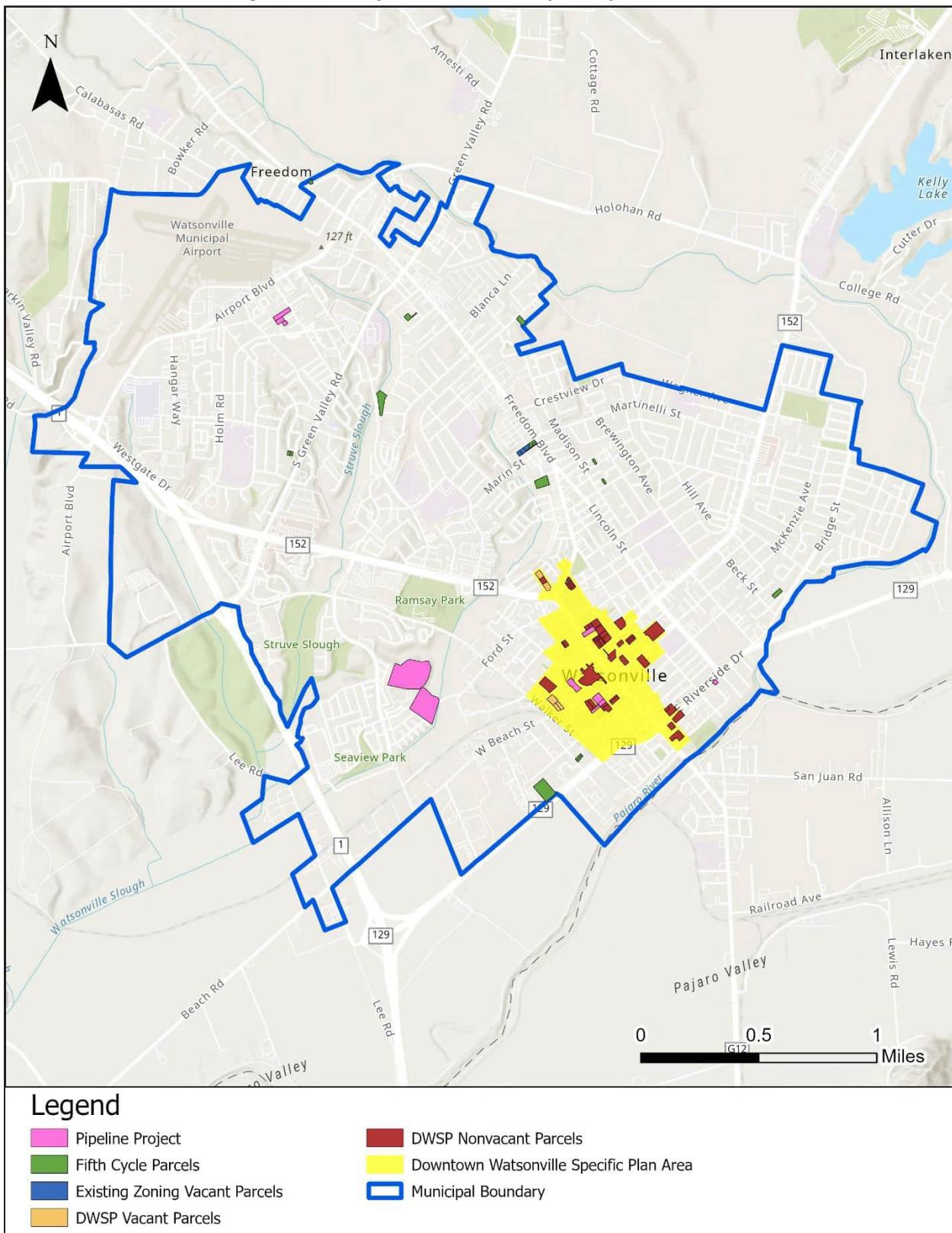
2023-2031 HOUSING ELEMENT

Table F-2: Summary of RHNA Status and Sites Inventory				
	Lower Income	Moderate Income	Above Moderate Income	Total
2023-2031 RHNA	469	521	1,063	2,053
Sites Available				
Projects in the Pipeline	127	70	315	512
Projected Accessory Dwelling Units Production	92	46	46	184
5th Cycle Sites	0	27	47	74
Existing Zoning on Vacant Sites	0	2	8	10
Downtown Watsonville Specific Plan	323	465	1,070	1,858
<i>Vacant Parcels</i>	26	44	106	176
<i>Nonvacant/Infill Parcels</i>	297	421	964	1,692
Total Potential Development Capacity	543	609	1,486	2,638
Remaining RHNA	--	--	--	--
Sites Surplus/Shortfall (+/-)	73	88	423	584
Percentage Buffer	16%	17%	40%	28%



2023-2031 HOUSING ELEMENT

Figure F-1: 6th Cycle Sites Inventory – Map of All Sites





2023-2031 HOUSING ELEMENT

A. General Residential Development Trends

Watsonville is a mostly built-out city with limited vacant land opportunities outside of its environmentally constrained areas. The City also has an Urban Limit Line, which restricts urban development from expanding into designated agricultural, open space and coastal areas. Therefore, future development will generally occur in areas that are currently developed. Following development and community interest, the City is focusing its 6th cycle candidate sites in areas that are considered to have the highest likelihood of redevelopment potential. The goal is to continue providing property owners and developers with additional opportunities to maximize use of their properties and create new residential opportunities with access to various resources.

The City's Affordable Housing Ordinance has been utilized in the development of affordable units and is a significant contributor to the construction of affordable housing units citywide. Density bonus incentives have also resulted in the development of additional units beyond what the City's density limits allow. Additional details on both the Affordable Housing Ordinance and the Density Bonus Ordinance are provided in **Appendix D**.

Accessory Dwelling Unit and Junior Accessory Dwelling Unit (ADU and JADU, referred to hereon as ADU) construction in the City has increased in recent years and City staff continue to receive inquiries and applications. From the City APR data, a large majority of the ADU construction has been determined to accommodate lower income households. Analysis of ADU development is provided in **Section 2.1** of this Appendix.

Sites identified as part of this Housing Sites Inventory are in areas of the City that are adequately served by existing and planned infrastructure. This includes public services for developments that accommodate housing units affordable to lower-income households.

As described in **Appendix D**, the City of Watsonville is responsible for ensuring an adequate water supply to account for future water demand requirements. This is to accommodate the additional housing development needed to meet City's RHNA requirements through the 6th planning cycle. In addition to water supply, the City will ensure that other public services are available for future housing units to make certain adequate housing is provided for all affordability levels in the City.

B. Summary of Sites to Accommodate 2023-2031 RHNA

To accommodate the City's 2023-2031 RHNA, a comprehensive review of opportunities was evaluated. The following types of sites have been identified:

- **Projects in the Pipeline:** These sites have been identified per developers' applications to the City. The types of projects being considered as opportunity sites are: projects that have received grant funding, projects that have received Planning pre-application letters, projects that have approved Planning entitlements, projects that have applied for building permits but are awaiting building permit issuance, projects that have received building permits, and projects that are under construction but will not receive certificates of occupancy before the beginning of the Planning Period.



2023-2031 HOUSING ELEMENT

- **Accessory Dwelling Units:** These sites are units projected to be developed in the next eight years based on past performance of ADU development in the City. Evidence of past performance has been mapped in **Figure F-3** and the methodology for its projection described below.
- **5th Cycle Housing Element Sites:** These sites are parcels identified in the previous cycle Housing Element that have not yet been developed.
- **Downtown Watsonville Specific Plan (DWSP):** These sites are located within the Downtown Watsonville Specific Plan area. The list does not include all parcels located within the DWSP area. For the 6th Cycle Housing Element site selection inventory, staff selected vacant and nonvacant parcels with the highest likelihood of development and redevelopment within the planning period.
- **Existing Vacant Residential Land:** These sites consist of vacant land that is currently zoned for residential development in the City. These sites are consistent with the existing policies and procedures already in place through the City's Zoning Code and allow residential development by-right.
- **Future Housing Opportunity Sites:** These sites do not count toward the 6th Cycle RHNA allocation but are considered for additional future development opportunity. These sites consist of parcels that can be used for residential development through SB 6 and AB 2011.

1. Projects in the Pipeline

“Projects in the Pipeline” are defined as projects that: have received grant funding, have received Planning pre-application letters, have active Planning entitlement applications, have received approval of planning entitlements, have submitted for building permits that have not yet been approved, have received building permits, or are under construction but will not receive certificates of occupancy until after the beginning of the Planning Period. As shown in **Table F-3** and **Figure F-2**, there are currently eight projects in the pipeline that will provide additional residential units that will contribute towards meeting the City’s 6th Cycle RHNA obligations. Projects range from single-family to large-scale mixed-use developments with multi-family units. All but one of these projects include required affordable units that are deed restricted pursuant to the City’s Affordable Housing Ordinance, and/or as part of the Density Bonus Ordinance. The Affordable Housing Ordinance codified in Chapter 14-46 of the Watsonville Municipal Code defines the “Watsonville median income limit” at 70 percent of the Santa Cruz County median income limit. The City’s adjustment does not match the state or federal income category names. All Watsonville median income categories would be the lower income threshold under the Santa Cruz County AMI.

Table F-3: Projects in the Pipeline

	Very Low/Low	Moderate	Above Moderate	Total
Projects in the Pipeline Sites	127	70	315	512



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Table F-4: Projects in The Pipeline

Project Name	Locations	Project Description	Status	Method to Determine Affordability	Density	Units by Income Level			Total
						Very Low/Low	Moderate	Above Moderate	
Approved Projects¹									
AB 2011 Mixed Use Project	335-347 Rodriguez Street	The project involves the construction of 150 dwelling units, mixed use and mixed income development on a 1.3-acre site. This project intends to invoke the provisions allowed by AB 2011	Pre-application letter send 05/19/2023. Formal application in process.	Inclusionary Ordinance (20%)	115.3 du/net acre	30	37	83	150
Proposed Projects									
Metro Affordable Housing Project	475 Rodriguez Street	The project involves the construction of 60 100% affordable housing units on a 0.94-acre site.	Grant funding awarded. Working on designs for formal entitlement application.	Inclusionary Ordinance (20%)	63.8 du/net acre	60	-	-	60
Hillcrest Estates	511 Ohlone Parkway	The project involves the construction of 144 dwelling units on individual parcels, consisting of 5 single-family units, 63 duplex-style townhome units and 76 row-style townhome units on a 13± acre site located at 511 Ohlone Parkway (APNs 018-372-14 and 018-381-01	Under construction.	Inclusionary Ordinance (20%)	16.8 du/net acre	8	21	115	144
Sunshine Gardens	1777 Santa Victoria Avenue	The project involves the construction of 87 townhomes on a 6.87-acre	Under construction.	Inclusionary Ord. (20%)	21.75 du/net acre	5	12	70	87



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Table F-4: Projects in The Pipeline

Project Name	Locations	Project Description	Status	Method to Determine Affordability	Density	Units by Income Level			Total
						Very Low/Low	Moderate	Above Moderate	
		site at 1777 Santa Victoria Avenue (APN 018-583-18).							
The Residence at 558 Main Street	558 Main Street	The Project involves the construction of a 4-story mixed use development of 50 dwelling units on a 0.75-acre lot. The proposed building is 65,677 sf in area with a 1,950-sf commercial space on the ground floor (for a restaurant) and podium parking and access drive to the rear. The upper three floors would consist of 15 studio, 29 one-bedroom and 6 two-bedroom units. The second floor would also have an outdoor courtyard and multipurpose lounge room.	Entitlements approved. Affordable Housing Agreement approved on 11/14/2023. Building Permit Application under review.	Inclusionary Ord. (20%)	67.1 du/net acre	10	0	40	50
3 Townhomes at 230 Riverside Dr	230 Riverside Drive	The project involves the construction of three townhomes on a 0.2-acre site at 230 East Riverside Drive (SR 129) (APN 017-271-30). The proposed units range in size from 1,975± square feet in floor area (for Units 1 and 3) to 2,506± square feet (for Unit 2). Each dwelling unit would	Building Permit application under review.	Inclusionary Ord.	15.4 du/ net acre	-	0	3	3



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Table F-4: Projects in The Pipeline

Project Name	Locations	Project Description	Status	Method to Determine Affordability	Density	Units by Income Level			Total
						Very Low/Low	Moderate	Above Moderate	
		have three bedrooms and a two-car garage.							
Pending Projects²									
Evan Circle ³	120 Evan Circle	The project involves the construction of 5 sfds with attached ADUs, 1 affordable unit	Developer Interest through Pre-application letter	-	-	1	0	4	5
36 Airport ⁴	36 Airport Blvd	The project involves the construction of 13 attached sfds for habitat for humanity	Entitlement application under review.	-	-	13	0	0	13
Total Units						127	70	315	512

Notes:

¹ Approved projects are projects that have been entitled and will be constructed in the Planning Period beginning January 1st, 2024.

² Pending projects are projects that have yet to get approval from the City but are in the process of approval and will be potentially constructed in the future Planning Period beginning January 1st, 2024.

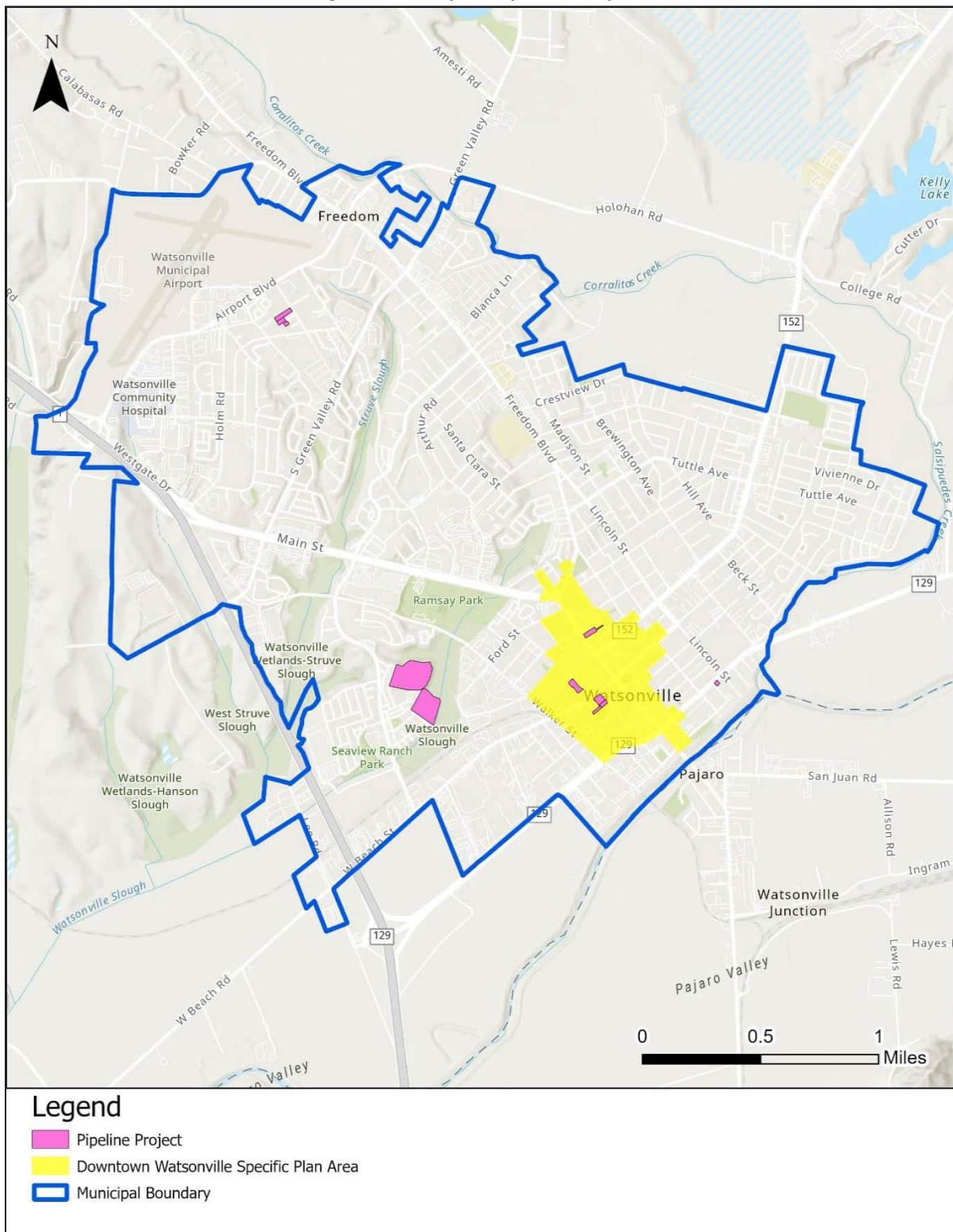
³ This project has had developer interest through a pre-application letter.

⁴ This project has recorded Development Agreement that requires Habitat for Humanity to construct owner-occupied affordable single-family units and to sell them at an affordable sales prices.



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Figure F-2: Map of Pipeline Projects





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2. Accessory Dwelling Units

The City of Watsonville has been active in promoting and permitting the development of Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs) in the City. This includes efforts to incentivize ADUs and a streamlined review process. These efforts, in addition to State mandates, are anticipated to further increase ADU production.

HCD has supported the Association of Monterey Bay Area Governments (AMBAG) methodology for estimating future development of ADUs based on the yearly average number of ADUs constructed. As shown in **Table F-5**, the City has almost doubled ADU production between 2020 and 2022. Based on a three-year average of 23 ADU's constructed, it is projected that an additional 184 ADUs will be developed during the 2023-3031 period. As shown in **Figure F-3**, ADUs constructed from 2020-2022 are distributed throughout a majority of residential neighborhoods in the City. Based on this historic distribution pattern, it is projected that the 184 ADUs constructed in the 2023-2031 period will be located in similar areas outside of the Downtown Watsonville Specific Plan (DWSP) area. By providing housing options in the low- and medium-density residential zones across the City, ADUs will complement the higher density multifamily residential development envisioned for the sites identified for the site analysis.

Table F-5: Past Performance and Projection of ADU Development

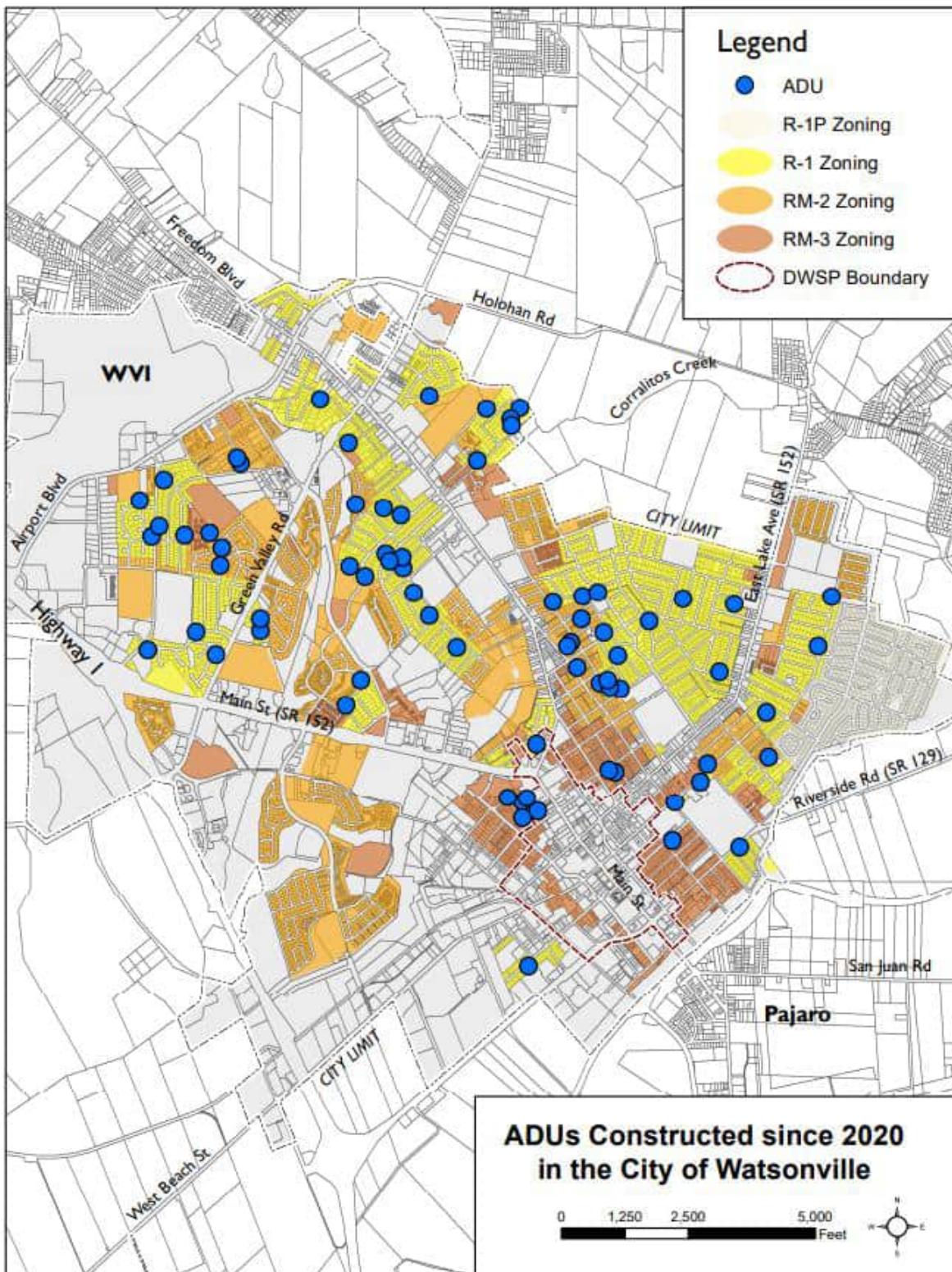
Year	ADU Permitted and Projected
2018	4
2019	10
2020	18
2021	33
2022	30
2023	43
Annual Projection	23 ADUs per Year
2024	23
2025	23
2026	23
2027	23
2028	23
2029	23
2030	23
2031	23
Projection Period Total	184

*Based on the number of applications submitted and reported in the 2022 APR.



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Figure F-3: Map of ADUs Constructed, 2020-2022





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Methodology to Estimate ADU Affordability

For determining the affordability of ADUs, the Association of Monterey Bay Area Governments (AMBAG) does not have their own methodology to determine ADU affordability. Thus, the City did the following steps to create a realistic assumption of ADUs to be developed:

1. Calculate amount of ADUs with certificate of occupancy in the last three years per City APR data.
2. Calculate amount of ADUs with certificate of occupancy per affordability level in the City's APR data.
3. Use ADU total per income category to determine proportion of ADUs within each affordability level.
4. Create assumptions of income category proportions based on City trends.

Using this method, **Table F-6** shows estimated ADU projections for Watsonville by income category.

Table F-6: ADU Projection by Income Category		
Income Category	Percentage	Units
Low- and Very Low-Income	50%	92 units
Moderate-Income	25%	46 units
Above Moderate-Income	25%	46 units
	Total	184 units

3. 5th Cycle Housing Element Sites

5th Cycle Housing Element Sites, also known as reuse sites, are parcels that have been identified in the previous Housing Element Cycle. Parcels identified as sites from the previous Element may be selected for this cycle, however nonvacant sites identified in a prior housing element or vacant sites included in two or more consecutive planning periods that were not developed with housing and that are being used to provide capacity to meet the City's lower income RHNA have to be zoned to allow for by-right processing of projects that include 20 percent or more of the units affordable to lower income households.

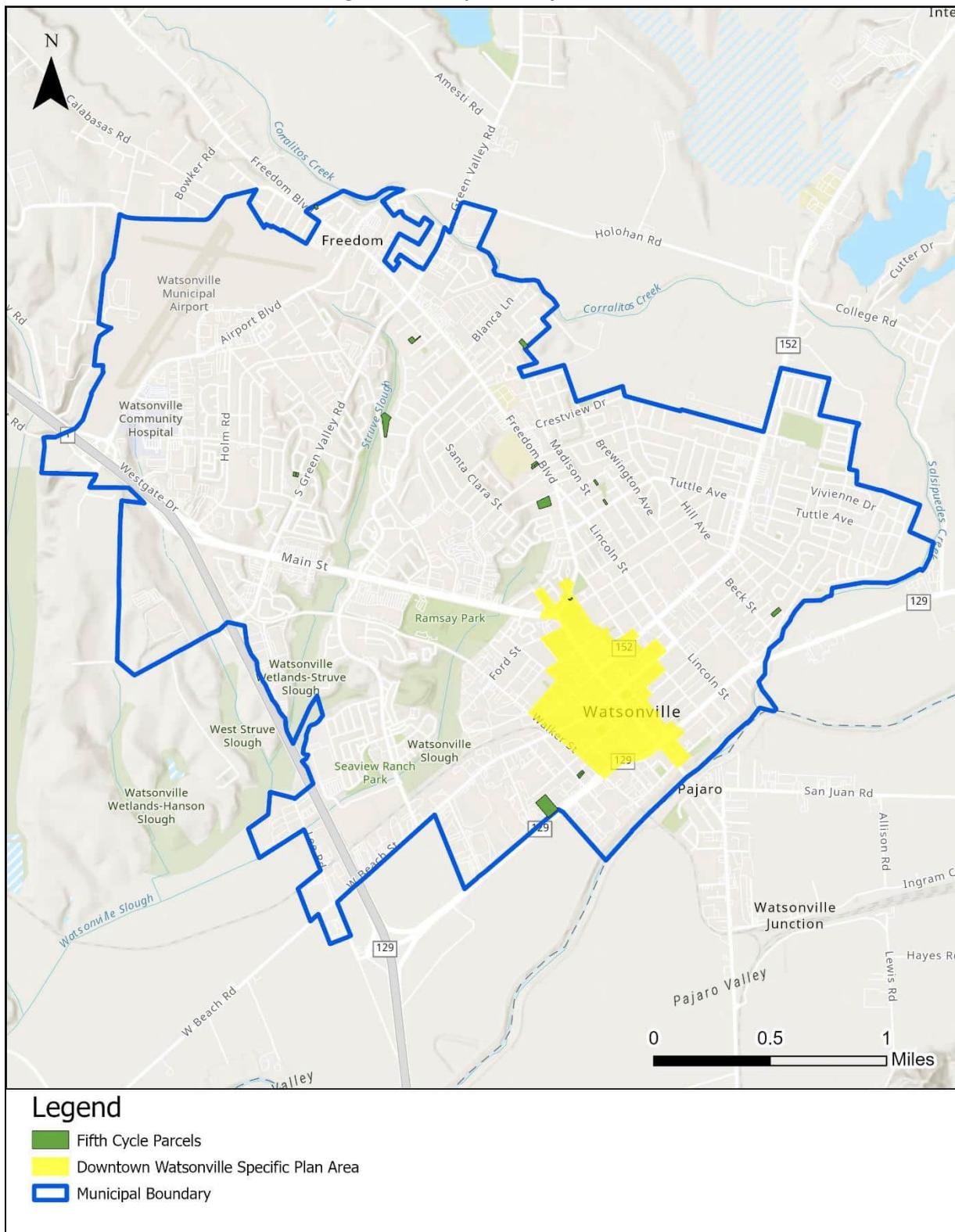
The City has included sites from the 5th Cycle to accommodate a total of 74 moderate and above moderate units to meet the 2023-2031 RHNA. No reuse sites are being utilized to provide capacity to meet the City's lower income RHNA.

Table F-7: 5 th Cycle Housing Element Sites				
	Very Low/Low	Moderate	Above Moderate	Total
5th Cycle Housing Element Sites	0	27	47	74



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Figure F-4: Map of 5th Cycle Sites





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4. Downtown Watsonville Specific Plan

The Downtown Watsonville Specific Plan (DWSP) is a policy and regulatory plan to revitalize and redevelop the Downtown area that was adopted in October 2023. The Specific Plan creates a significant amount of residential development and redevelopment opportunity throughout the 6th Cycle RHNA planning period. The DWSP establishes new zoning districts, overlays, and development standards and guidelines for future development. Due to the high and increasing demand for residential development and the decline in demand for brick and mortar commercial development, the current market is heavily skewed towards residential development. As stated in the DWSP, a major goal for the downtown area is the facilitation of housing production. A large portion of the downtown area is made up of existing residential neighborhoods, and the City aims to preserve that character and enhance it. The DWSP allocates 3,886 dwelling units to the Specific Plan area, and a total of 345,723 square feet towards commercial and civic uses combined. This indicates that the intent of the plan is to mainly promote residential uses over nonresidential.

The DWSP plan area constitutes 195.5 acres of Downtown Watsonville, centered on Main Street and extending west to the edge of existing neighborhoods and the industrial district, south to the community of Pajaro, and several blocks east to the existing neighborhoods. The DWSP vision is intended to achieve the following objectives:

- Facilitation of housing production and preservation;
- Increased retail entertainment activity;
- Encouragement for higher-density mixed-use residential projects;
- Added visitor-oriented uses;
- Support for greater range of civic and cultural activities;
- Improve the safety and comfort of pedestrians; and
- Enhanced bicycle infrastructure and connections.

The Downtown area currently contains a mix of commercial buildings, public facilities, established residential neighborhoods, newer mixed-use buildings, and institutional buildings and uses. Existing public facilities include: City Hall, Watsonville Public Library, Santa Cruz County Courthouse, City Plaza, City Hall, Watsonville Police Department, Watsonville Fire Department, and Cabrillo College Watsonville Center.

The land use and development standards in the DWSP supersede the land use and development standards in the City's Zoning Ordinance (Title 14 of the Watsonville Municipal Code) for properties within the DWSP plan area. With the adoption of the DWSP, the Zoning Map was amended to reflect the DWSP plan area, and the Zoning Code was amended to reference the development standards, guidelines, and review processes in the DWSP. This was to, in effect, replace the former zoning for all property within the DWSP plan area. The Regulating Plan in the DWSP established new zones and overlays, which are intended to concentrate urban activity and intensity in the center of downtown. The plan allows transition to existing lower-intensity neighborhood settings at the periphery of the DWSP plan area and to industrial activity to the south. The new zones consist of the Downtown Core and Downtown Neighborhood Zones, which are further described as follows:



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- The **Downtown Core Zone** is an active, walkable environment, characterized by buildings up to six stories. This is the heart of Downtown—generally flanking Main Street—where the most active and intense development patterns and uses are anticipated. Upper floors contain residential units or office space. Buildings are close to the sidewalk and have little-to-no side setbacks.
- The **Downtown Neighborhood Zone** is characterized by smaller scale buildings than those of the Downtown Core Zone and generally includes a similar mix of active and residential uses.
- The **Downtown Industrial Zone** is where existing industrial uses may continue to exist and operate, while adaptive re-use of those buildings and infill development of a flexible mix of uses—including new housing—are anticipated over time. Per *WMC Section 14-12.400*, all new industrial development, as will all new development, will be subject to required findings of compatibility between adjacent uses related to traffic, noise, odors, visual nuisances, and other similar adverse effects. Additionally, standards for new residential development in this zone must be followed.

Since the DWSP's zoning was inconsistent with the Watsonville 2005 General Plan, the General Plan was amended concurrently with the adoption of the DWSP to ensure consistency between the two documents. The General Plan Amendment involved adding two new mixed-use land use designations and aligning the General Plan Land Use Diagram by changing the existing land use designations of the DWSP plan area to correspond with the zones shown on the Regulating Plan (Figure 6-1 of the DWSP). The two new mixed-use land use designations consist of Downtown Central Core and Downtown Mixed Use, and are further described as follows:

- The **Downtown Central Core (Total FAR 3.0, Minimum Commercial FAR 0.15, Maximum Residential Density up to 125 du/acre)** land use category provides an active and intense development pattern generally flanking Main Street in Downtown Watsonville. Active ground floor uses are required. Upper floors may contain residential units or office space. This land use designation allows for 100 percent residential use.
- The **Downtown Mixed Use (Total FAR 2.0, Maximum Residential Density up to 85 du/acre)** land use category provides a similar mix of active and residential uses as the Downtown Central Core designation. The intensity of development is lower than the Downtown Central Core designation with residential uses permitted on the ground floor.

Assumed Capacities for the Downtown Central Core and Downtown Mixed-Use Areas

These areas permit densities of 125 dwelling units per acre (du/acre) and 85 du/acre. To estimate assumed capacity for the 6th Cycle Housing Element planning period, sites deemed to be most likely to develop during the planning period were identified. To determine the estimated densities, a survey of recent development within the DWSP area was conducted to identify trends in actual built densities. Based on this, the City has determined the densities of recently built projects average approximately 75 to 80 percent of the maximum permitted. This percent average was used to project out development potential on all identified Housing Element opportunity sites. However, due to the majority of identified parcels being infill sites in the Downtown area, only 74 percent of the assumed density will be used to



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calculate the potential capacity. Additional affordable and market-rate units will be added through density bonus incentives and the City's Inclusionary Housing Ordinance.

For the purpose of the Housing Element, only the existing capacity is accounted for. This existing capacity includes 1,954 total units with units affordable at all income levels. **Table F-8** below provides a breakdown of those units between vacant and nonvacant, infill opportunity sites. The adoption of the DWSP and concurrent General Plan Amendment had the effect of increasing the capacity for residential units, and particularly affordable units, in a 195.5-acre area of downtown Watsonville. Past performance shows that the City has already great success in facilitating higher density and affordable housing developments in the City; the DWSP will continue to further this effort in combination with new commercial resources, employment opportunities, and the creation of new thriving communities.

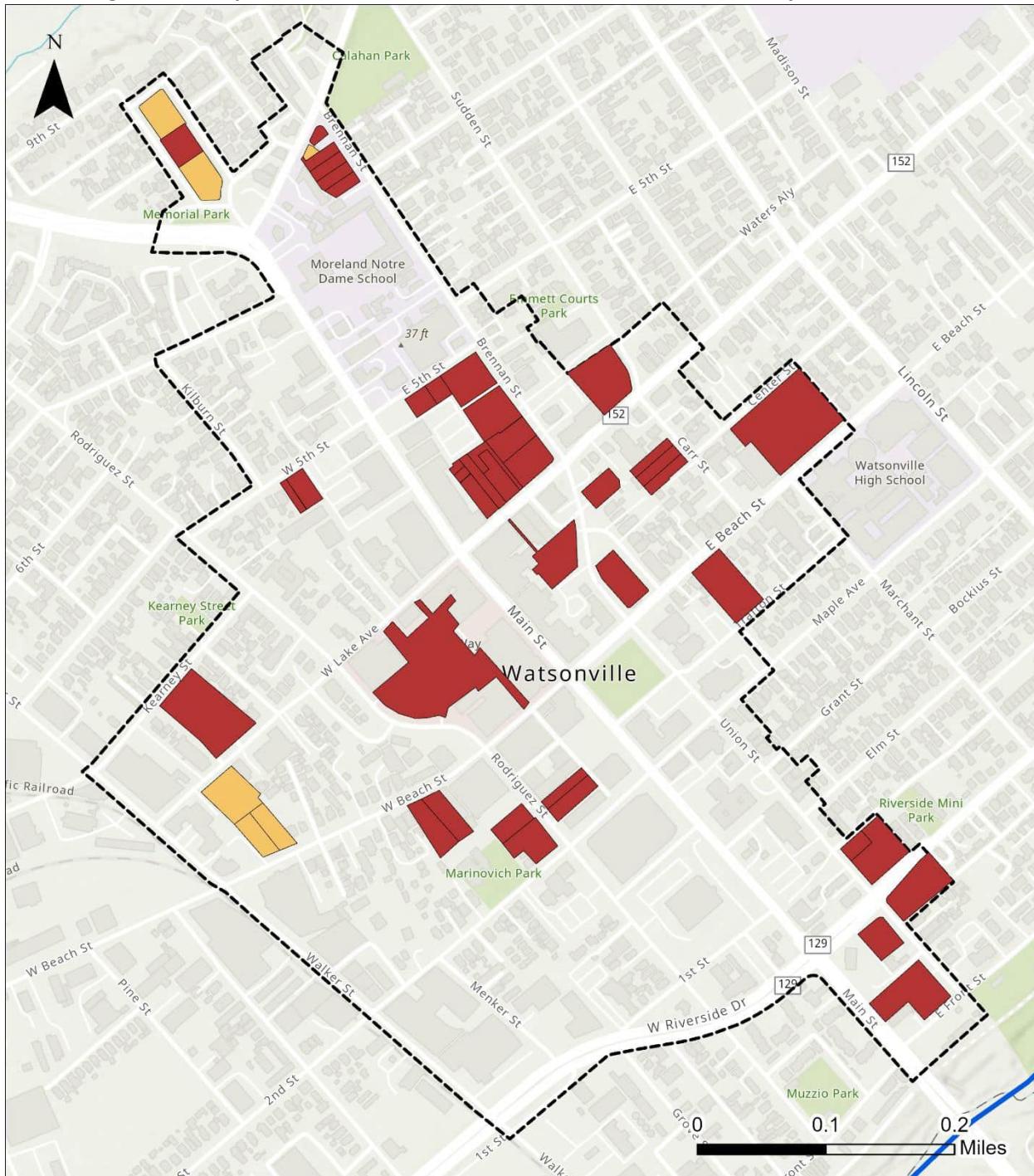
Table F-8: Downtown Watsonville Specific Plan Unit Capacity

	Very Low/Low	Moderate	Above Moderate	Total
Downtown Watsonville Specific Plan	322	465	1,070	1,858
<i>Vacant Parcels</i>	26	44	106	176
<i>Nonvacant/Infill Parcels</i>	297	421	964	1,682



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Figure F-5: Map of Vacant and Infill Parcels, Watsonville Downtown Specific Plan Area



Legend

- DWSP Vacant Parcels
- DWSP Nonvacant Parcels
- Municipal Boundary
- Downtown Watsonville Specific Plan Area



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5. Existing Vacant Residential Land

Existing vacant residential land is defined as parcels that do not have any structures or significant improvements.

Table F-9 below shows that an estimated 4 parcels are currently vacant and zoned for residential uses. The parcels are all in the RM-2 zoning district, which has an existing maximum density of 13.99 dwelling units per acre. **Table F-18** provides further breakdown of these sites and their capacity. A development capacity of 80% was applied to these sites located throughout the city. The development capacity is based on the development trends described in this Housing Element. The assumed moderate-income need is 25% of the total RHNAs. Due to the limited availability of existing vacant parcels zoned for residential use, and their inability to meet the appropriate affordability requirements, the City selected infill parcels and other parcels that can be redeveloped to accommodate residential uses. As a result, a total of 10 moderate- and above moderate-income units have been identified to accommodate 6th Cycle RHNAs goals.

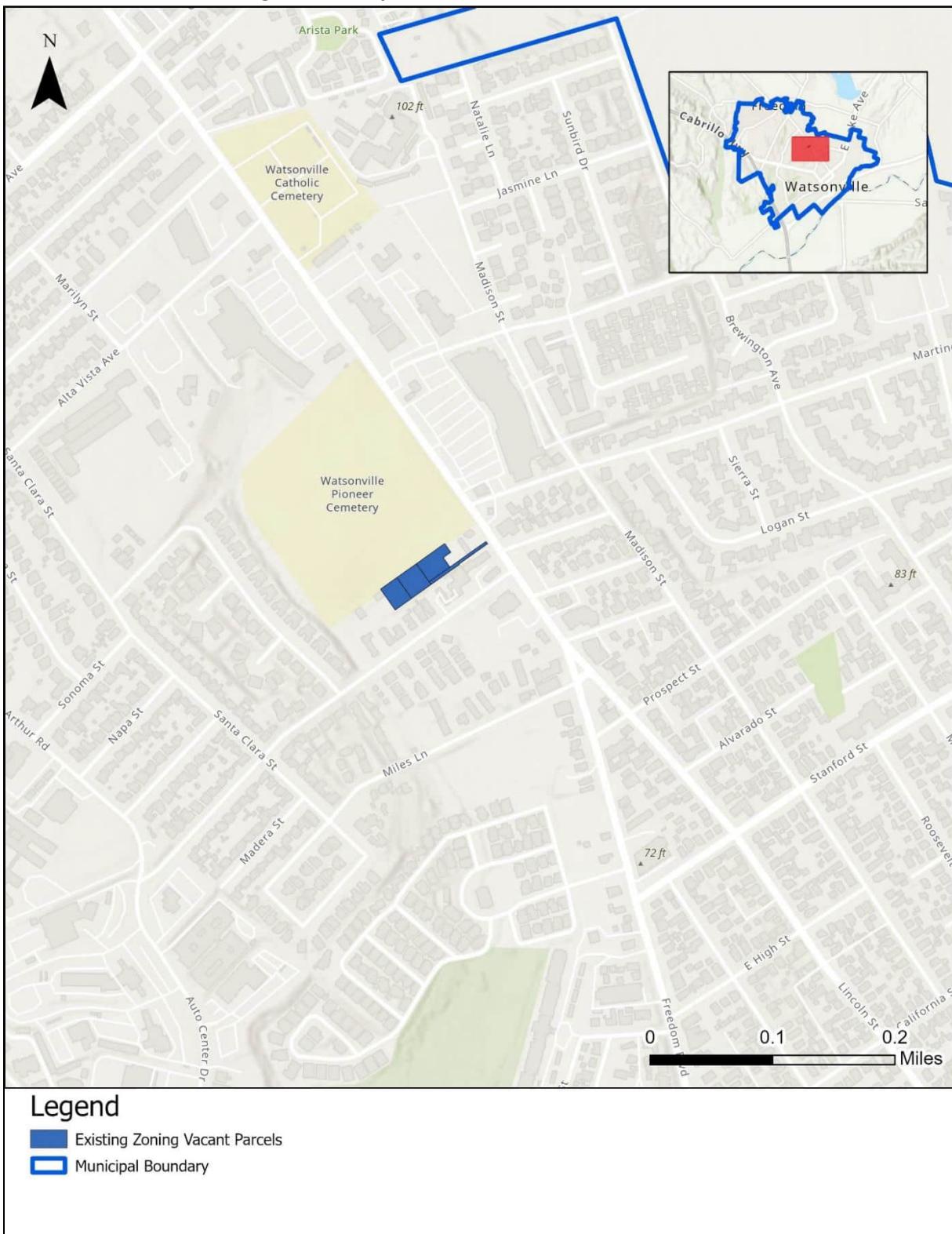
Table F-9: Existing Zoning on Vacant Sites

	Very Low/Low	Moderate	Above Moderate	Total
Existing Vacant Residential Sites	0	2	8	10



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Figure F-6: Map of Vacant Residential Zoned Sites





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6. Future Housing Opportunity on Commercial Sites

SB 6 (Caballero, 2022) allows local jurisdictions to consider housing projects proposed on commercially zoned sites that are 20 acres or less where office, retail, or parking are the primary permitted uses. The legislation requires that projects meet certain criteria. In addition, the project may invoke the provisions of SB 35 (Wiener, 2017), State Density Bonus Law (Government Code §65915), and the Housing Accountability Act notwithstanding zoning prohibiting residential use. AB 2011 also allows jurisdictions to consider housing projects proposed on commercially zoned sites with streamlined ministerial review under two scenarios:

1. 100% Affordable Housing Developments in Commercial Zones; and
2. Mixed-Income Housing Developments Along Commercial Corridors

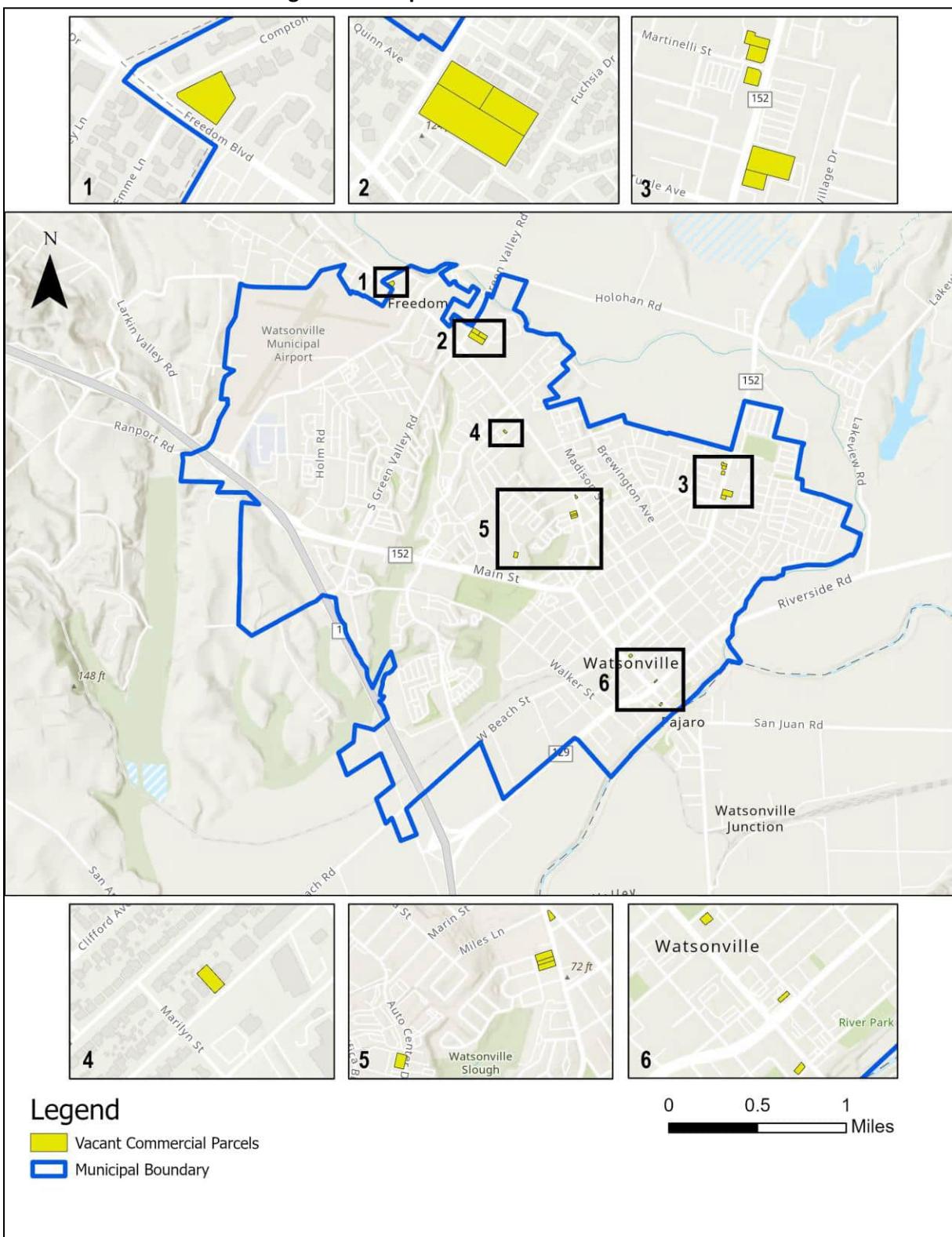
Projects invoking AB 2011 (Wicks, 2022) must be located on sites meeting specific criteria and approved projects are subject to skilled labor and prevailing wage requirements.

The City considers future housing opportunity on commercial sites through SB 6 and AB 2011 as a local policy decision for future consideration. The City's 6th Cycle RHNA need is met through the provisions of vacant, nonvacant residential sites, and DWSP sites.



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Figure F-7: Map of Vacant Commercial Sites





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7. Suitability of Non-Vacant Sites

The City has limited vacant land resources and, therefore, understands the majority of future housing development opportunity will occur on infill, previously developed properties. Pursuant to Government Code Section 65583.2(g)(2), if the Housing Element utilizes 50 percent or more of its lower income RHNA needs on non-vacant sites, there is a presumption the existing uses are an impediment to additional residential development. To overcome this assumption of an impediment, the Housing Element must provide findings, based on substantial evidence the use(s) will discontinue during the planning period. To demonstrate this substantial evidence, the Housing Element must include the following:

- Findings and supporting factors in the adopting Resolution that non-vacant sites identified in the Sites Inventory are likely to discontinue during the planning period.
- Descriptions of the specific findings and evidence supporting the use of non-vacant sites.

To comply with the above requirements, the City has conducted a thorough analysis of sites identified in the inventory to demonstrate their appropriateness to accommodate 6th Cycle RHNA need. The analysis for non-vacant sites takes into consideration the following factors:

- History of development on infill sites
- Current entitlements on infill sites
- Propensity of existing uses to redevelop
- Developer/Investment interest
- Current and future policy commitments

For each of the areas identified above, supportive evidence of past or current development activity within their environs have been identified. Since the City is relying on mainly infill sites to accommodate its future need, the City must demonstrate that these sites are viable and realistic to develop in the planning period.

History of Development on Infill Sites

The City of Watsonville has a strong record of residential development on infill properties. The City has experienced a recent trend in the development of residential development on infill sites. These infill projects have similar features and are in the general vicinity of the City's identified opportunity sites.

Recently Built and Approved Projects

The City has active entitlements for up to 552 units on infill parcels. Additionally, based on data provided in the City's Annual Progress Reports (APRs), numerous residential developments have occurred on parcels previously occupied by other uses. The majority of recently built projects were located on sites that allowed 100 percent nonresidential development. In addition, recent market trends show an increase in the construction of residential developments instead of nonresidential uses. As a result, these sites are evidence of following that trend. All (100 percent) recent development projects in mixed-use zones that allow 100 percent nonresidential development have included a residential component. These projects include housing opportunities for a variety of affordability levels, including special needs populations. **Table F-10** provides a summary of recent infill development in Watsonville.



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Table F-10: Recent Built and Entitled Residential Developments		
Project Location/Name	Site Description and Redevelopment Reasoning	Units by Income Category
Hillcrest Estates 511 Ohlone Parkway	Site of a former Junkyard, the site had very low land value with a very high improvement value. The site was also adjacent to a large number of residential developments.	<ul style="list-style-type: none">● 8 Lower● 21 Moderate● 115 Above Moderate
Sunshine Gardens 1777 Santa Victoria Avenue	Bank owned property, due to being adjacent to a residential neighborhood and with a high improvement value, the property began development for residential units.	<ul style="list-style-type: none">● 5 Lower● 12 Moderate● 70 Above Moderate
The Residences 558 Main Street	Retail building, last tenant was a retail pharmacy. Due to the lack of business at the pharmacy, there was an interest in changing the parcel from commercial use to residential.	<ul style="list-style-type: none">● 10 Lower● 40 Above Moderate
Townhomes 230 Riverside Drive	Existing commercial business with on-site storage and commercial vehicle parking. The site itself is pretty barren, but since it was surrounded by residential uses, there was developer interest to develop the said site to residential as well.	<ul style="list-style-type: none">● 3 Above Moderate
Sparrow Terrace 141 Miles Lane	Dilapidated residential units, the lack of investment and need for more affordable housing in the city spurred the development of this project by MidPen Housing.	<ul style="list-style-type: none">● 72 Lower
Tabasa Gardens 1482 Freedom Boulevard	Former retail building fronting Freedom Boulevard and industrial metal building to the rear of the parcel. Due to both buildings being dilapidated and the improvement value costing more than the land, it served as a catalyst for redevelopment from a nonresidential use to residential.	<ul style="list-style-type: none">● 53 lower income Special Needs
Via Del Mar 120 W. Beach Street	Former commercial property in Downtown area formerly owned by the Metropolitan Transit District. With the need for more affordable residential units accommodating for farmworker families, the property was redeveloped.	<ul style="list-style-type: none">● 40 units for families with support services
The Terrace 445 Main Street	Commercial retail development along commercial corridor in the Downtown area. With the improvement value on the property being much higher than the land value, it was redeveloped to be residential units with the first story containing a commercial component.	<ul style="list-style-type: none">● 54 units for-sale
221 Airport Boulevard	Former church along Airport Boulevard facing the Watsonville Airport. A nonresidential use, the high improvement value caused this site to be redeveloped to a residential use instead.	<ul style="list-style-type: none">● 3 Lower● 4 Moderate● 42 above moderate



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To further demonstrate the realistic potential of infill sites in Watsonville, a sample visual summary of the sites identified in **Table F-11**, above are provided below.

Table F-11: Photographic Summary of Infill Sites	
1482 Freedom Boulevard Before	
1482 Freedom Boulevard After Tabasa Gardens	
511 Ohlone Parkway Before	
511 Ohlone Parkway After Hillcrest Estates	



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Table F-11: Photographic Summary of Infill Sites

141 Miles Lane Before	
141 Miles Lane After Sparrow Terrace	
120 W. Beach Street Before	
120 W. Beach Street After	



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Table F-11: Photographic Summary of Infill Sites

558 Main Street Before	
558 Main Street After The Residences	
445 Main Street Before	
445 Main Street After The Terrace	



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As described in Section 3 of this Appendix, the City has a number of pipeline projects on infill sites.

Approximately 552 units on infill sites are currently in the entitlement and/or construction phase of development. This represents fulfillment of over 26 percent of the City's total 6th Cycle RHNA need. These infill projects have demonstrated that the use of infill sites in Watsonville has been an effective means to create housing opportunity in the City.

Redevelopment Factors

The City has identified a number of factors which, when paired together, show an increased likelihood of the nonvacant sites identified in the sites analysis redeveloping; **Table F-12** details the redevelopment factors and includes the amount of applicable sites and regional context. Regional context is added as local examples are limited; programs included in the Policy Plan are meant to further facilitate residential development in Watsonville.

Table F-18 specifies redevelopment factors applicable to each non-vacant site.

Table F-12: Redevelopment Factors for Candidate Sites		
Redevelopment Factor	Applicable Sites	Local and Regional Context/Or Additional Details
1. Land value is greater than the improvement value. A site with a greater land value than improvement value is considered underutilized and a prime candidate for redevelopment. This may occur when the site is not developed to its maximum potential, with surface parking area, aging structures, etc.	64%	City of Watsonville has seen success in redeveloping sites with existing, aging commercial/retail uses and structures. Focused redevelopment along major corridors have resulted in numerous projects to increase the extent of uses on sites. This includes the redevelopment of an older bank building and surface parking lot in the DWSP area to construct 50 apartment units with a density of 66 du per acre, as well as a vacant 1.76-acre site along Freedom Boulevard that was redeveloped with 53 affordable housing units with a density of 30 du/acre.
2. Existing structure was built prior to 1990 (over 30 years ago). Aging structures constructed over 30 years ago are considered likely in need of some rehabilitation. As structural age increases, so does the need for repairs and improvements, but also the likelihood for redevelopment. This factor may also incentivize property owners to sell or redevelop their property to maximize their investment.	69%	Watsonville had five projects between 2016 and 2023 on sites previously occupied by older commercial uses. These projects redeveloped to include a variety of new, residential uses such as mixed-use developments, fully affordable residential developments, and SB 35 streamlining projects. These projects all included affordable units. An example includes 445 Main Street, which replaced an outdated commercial building with 54 apartment units, and 511 Ohlone Parkway, which replaced a junkyard with 144 housing units, including 29 affordable units.
3. Existing uses do not include housing units.	74%	Watsonville permitted 72 affordable housing units in 2022 that required the demolition of



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Table F-12: Redevelopment Factors for Candidate Sites		
Redevelopment Factor	Applicable Sites	Local and Regional Context/Or Additional Details
<p>Sites without existing units are generally simpler to redevelop as tenants with existing leases would otherwise need to find alternative accommodations which may increase the timing of the redevelopment process. As such, the City sought to limit the number of non-vacant sites with existing units – 74% of non-vacant sites identified in this Housing Element have no existing units.</p> <p>However, the City and the region have seen development trends that point to development interest even on sites with existing units – as detailed to the right. This shows that while 26% of the non-vacant candidate housing sites do have existing units, they are not anticipated to be a constraint to redevelopment.</p>		<p>five housing units on Miles Lane. The project, known as Sparrow Terrace, is currently under construction.</p> <p>This practice has also been successful in nearby City of Santa Cruz, that approved three projects between 2019-2022 on parcels that contained existing residential units, including transitional units, a single-family home, and an apartment building.</p>
<p>4. Common ownership of adjacent parcels. Common ownership of adjacent parcels facilitates development as they may consolidate parcels to develop a more intensive use, there are less property owners to coordinate with, and it decreases the likelihood of neighborhood opposition.</p>	38%	<p>Program D.11: Lot Consolidation is included in the Policy Plan to facilitate lot consolidation from non-vacant, underutilized sites.</p>
<p>5. Adjacent parcels. Adjacent parcels may be consolidated to facilitate more intense and higher density development.</p>	69%	<p>Program D.11: Lot Consolidation is included in the Policy Plan to facilitate lot consolidation from non-vacant, underutilized sites.</p> <p>The Sparrow Terrace project on Miles Lane is an example of the developer successfully compiling multiple parcels in order to develop 72 affordable housing units. As part of the project entitlement, lot consolidation was approved. The density of this project is 24 du/acre.</p> <p>Neighboring jurisdictions have seen successful multi-family development built through the consolidation of adjacent parcels.</p>
<p>6. Underutilization of non-vacant sites (at least 50 percent). This factor builds upon Factor #1 and identifies sites that have at least 50 percent undeveloped/underutilized land. This</p>	67%	<p><i>(Parcels with under 50 percent underutilization are not counted; however, a number fall between 40 to 50 percent.)</i></p> <p>Watsonville has had one project in recent years on land previously partially used for</p>



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Table F-12: Redevelopment Factors for Candidate Sites		
Redevelopment Factor	Applicable Sites	Local and Regional Context/Or Additional Details
illustrates a potential for a more intense and higher density development.		parking lots. The project includes 50 units with 10 of them affordable. Regionally, the City of Santa Cruz has also had two recent projects one developed on 0.77 acres with a density of 84.4 units per acre for an affordable housing project with 16 very low-income units and 49 low-income units.
7. Part or fully surface parking lot. Surface parking lots are not considered vacant, yet they do not have existing built structures and are therefore good candidates for redevelopment.	69%	Surface parking lot redevelopment has been successful in the region. A couple examples include the following: Capitola has had a recent project to redevelop a parking lot for an office building into a higher density residential development. In Santa Cruz, Pacific Station South (detailed above) also included a parcel with a surface parking lot use.
8. City-Owned A City-owned parcel is considered an ideal candidate site given the jurisdictions ability to control the sell and development of the site. As such, the City may be able to choose a buyer who plans on redeveloping the parcel to the extent anticipated in the Housing Element.	7%	Program C.12: Surplus Land Act is included in the Policy Plan to establish actions the City will take to develop City-owned land.

Regional Affordability Trends

In addition to trends shown in **Table F-12**, there is a regional interest in residential developments that are fully affordable. Listed below are fully affordable projects that have developed in the region (this is a sample and not a comprehensive list of all fully affordable project within a 20-mile radius of Watsonville).

- **Tabasa Gardens** (Watsonville) - 100% affordable residential development – 53 total units
- **Sparrow Terrace** (Watsonville) - 100% affordable residential development – 72 total units
- **Cienega Court** (Watsonville) - 100% affordable residential development – 80 total units
- **Pippin Orchards** (Watsonville) - 100% affordable residential development – 46 total units
- **Schapiro Knolls** (Watsonville) - 100% affordable residential development – 88 total units
- **Pacific Station South** (Santa Cruz): 100% affordable residential mixed-use development with commercial and medical offices – 70 total units at 32.7 DU/acre.
- **532 Center Street** (Santa Cruz): 100% affordable residential development – 65 total units at 84.4 DU/acre



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- **314 Jessie Street** (Santa Cruz): 100% affordable residential development with supportive services – 50 total units at 116.28 DU/acre.
- **119 Coral Street** (Santa Cruz): 100% affordable residential development with supportive services – 120 total units at 157 DU/acre.
- **78 Atkinson Lane** (Santa Cruz County): 100% affordable residential development – 80 total units at 160.9 DU/acre.
- **Homekey Project** (Santa Cruz County): Residential development 100% affordable to extremely low-income households – 36 total units.
- **1098 38th Avenue** (Capitola): 100% affordable residential development for both very low- and low-income households – 52 total units at about 26.3 DU/acre.
- **730 Williams Road** (Salinas): 100% affordable residential development – 100 total units
- **275 Calle Cebu** (Salinas): 100% affordable residential development – 46 total units
- **131 E Rossie Street** (Salinas): 100% affordable residential development – 50 total units
- **1598 Mesquite Drive** (Salinas): 100% affordable senior residential development – 132 total units
- **306 Soledad Street** (Salinas): 100% affordable residential development for persons with disabilities – 20 total units
- **21 Soledad Street** (Salinas): 100% affordable residential development for persons with disabilities – 90 total units
- **1112 Parkside Street** (Salinas): 100% affordable senior residential development – 20 total units
- **472 Regency Circle** (Salinas): 100% affordable senior residential development – 120 total units
- **Eden Housing/Mimosa Street Project** (Hollister): 100% affordable residential development – 100 total units
- **1200 Rancho Drive** (Hollister): 100% affordable residential development – 54 total units
- **455 Westside Boulevard** (Hollister): 100% affordable residential development – 31 total units

Developer Interest and Pre-Applications

As a response to the City's commitment to accommodating higher density residential development citywide, a number of developers have approached the City to explore opportunities. Through informal inquiries and more formal pre-application conferences, developer interest in Watsonville has experienced a significant increase. The recent adoption of the Downtown Watsonville Specific Plan is considered to be a major influence on developer interest. The provisions, development standards, and incentives contained in the Downtown Watsonville Specific Plan provide a strong statement of commitment to potential applicants.

Property owners have expressed explicit interest in redevelopment in the 6th Cycle planning period. For each inquiry below, the City has identified the development potential in the 6th Cycle planning period as well as a rationale demonstrating redevelopment feasibility, even on parcels with existing uses. All of the



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site inquiries below are on parcels that exhibit similar or identical site characteristics as the nonvacant sites identified in the Sites Inventory (Table F-18). The following is a summary of recent inquiries by property owners/developers for infill opportunities in Watsonville:

- **553 Main Street:** Approximately 2 acres combining three parcels. Existing commercial retail development along commercial retail corridor in the Downtown area. Interest in doing a mixed-use development with commercial on the ground floor and residential above. The growth projections used in the DWSP included a figure of 11,130 sf of commercial space and 156 units for the parcel at 553 Main Street (APN: 018-231-44). The adjoining parcels at 535 and 541 Main Street (APN: 018-231-37 & -39) could accommodate an additional 4,173 sf (3,234+939) of commercial space and 58 dwelling units (45+13). The Pajaro Valley Unified School District/County Office of Education is considering co-locating offices, classrooms, and workforce housing on the site. Based on recent discussions with the property owners, the City estimates a moderate to high redevelopment potential on the site.
- **100 & 114 Union Street:** Existing retail business with surface parking in the front and rear. On a corner location with additional alley access. The property owner has expressed interest in redeveloping the parcels at 100 and 114 Union Street as a mixed-use development. During the preparation of the DWSP, he acquired the parcel at 114 Union Street (APN: 017-192-31) so that he had both properties under common ownership, demonstrating an explicit interest in redeveloping the parcels within the 6th Cycle planning period. The owner also attended many of the community meetings on the future of downtown Watsonville. Existing leases on the properties are expiring during 6th Cycle planning period and the property owner anticipates redeveloping the site once leases expire and during the planning period. The growth projection figures used in the DWSP for the combined development site of 0.92 acres are 8,038 square-feet of commercial space and 112 dwelling units. Based on recent discussions with the property owners, the City estimates a high redevelopment potential on the site.
- **637 Main Street:** The property owner has expressed interest in redeveloping two parcels and the property owners have proposed an approximately 38,000 sf mixed use housing project. The property would be combined with 22 Kilburn Street to provide secondary access. The growth projection figures used in the DWSP for 637 Main Street are 6,023 sf of commercial space and 84 dwelling units. The City has had multiple meetings with the property owners and they have demonstrated an interest in developing during the 6th Cycle planning period but are waiting for lower interest rates. Based on recent discussions with the property owners, the City estimates a high redevelopment potential on the site.
- **335 Main Street:** The City received an inquiry about a proposed mixed use residential development at 335 Main Street (APN: 018-111-39 and 018-111-34). The growth projection figures used in the DWSP for 335 Main Street are 3,347 sf of commercial space and 47 dwelling units. The City has had one meeting with the property owners in which they advised the City that their property is a Cal Poly San Luis Obispo visioning project which may significantly reduce costs for the property owners. Based on recent discussions with the property owners, the City estimates a moderate to high redevelopment potential on the site.



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- **145 W Lake:** Three parcels proposing mixed use residential development. Applicant is looking to maximize residential density as much as the DWSP allows. The growth projection figure used in the DWSP for 145 W Lake Ave (APN 017-011-02), 170 W Lake Ave (APN 017-011-30), and 145 W Lake Ave B (APN 017-011-31) is 109 dwelling units (59+26+24). (Note: All three parcels have the same postal address of 144 Westlake Ave.) The City has had multiple meetings with the applicants. The applicant has prepared and shared conceptual plans with the City, demonstrating their intent to develop during the 6th Cycle planning period. Based on recent discussions with the property owners, the City estimates a high redevelopment potential on the site.
- **222 Main Street:** Multi-story affordable housing project being explored by Sibley Simon and Workbench. The growth projection figures used in the DWSP for 222 Main Street (APN: 017-183-19) are 3,121 sf of commercial space and 65 dwelling units. The applicant is exploring a development that would propose 20-100 percent of the units as affordable. (Note: This results in a density of 180 units/acre on a 0.36-acre site.) The City received an SB 330 "Builder's Remedy" Pre-Application for a 100% residential development project on the site in August 2024. Based on recent discussions with the property owners, the City estimates a high redevelopment potential on the site.
- **1430 Freedom Boulevard:** The City received an inquiry about a proposed workforce housing development on a County-owned property. The project description used for the proposed Santa Cruz County Campus project at 1430 Freedom Boulevard involves demolishing existing buildings and constructing 160 dwelling units, 80,000 sf of medical office space, and 5,000 sf of community service center. Of the 160 dwelling units, 75 units would be set aside for deed-restricted affordable housing. The medical office building would house all existing HSA outpatient services and administrative functions, including adult and children's primary care, dental care, adult and children's behavioral health services, and offices for the County's Public Health Division. The 5,000 sf of community-serving uses may include a community teaching kitchen, multi-purpose community room, and/or a limited-service food and beverage outlet—i.e., "grab and go" style cafe. 550 parking spaces would be provided, either in a surface parking lot or a standalone parking structure. The overall site is approximately 9.8 acres in size; the portion of the site reserved for future housing development is approximately 4 acres, resulting in a residential density of 40 units per acre. Based on recent discussions with the property owners, the City estimates a high redevelopment potential on the site.

The City has also received verbal and written interest in residential development of infill sites from multiple property owners and developers. These property owners and developers have worked with the City on previous projects before, and their continued interest shows the likelihood of continued residential development within Watsonville. A summary of each is provided below and letters of Interest and correspondence from these parties are provided at the end of this Appendix.

- **475 Rodriguez Street:** The City is working with the property owner, Santa Cruz Metro, on a proposed 65-unit, 100 percent affordable development on the parcel. The applicant has already secured \$8.5 million in CA State Transportation Agency grant funding, the City has met with applicant and discussed the project multiple times, and the project is currently being designed.



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The City also recently submitted a letter of support for an additional Santa Cruz Metro grant funding application for Community Development Block Grant Disaster Recovery (CDBG-DR) funding. The City anticipates the applicant will submit a formal application and complete construction within the 6th Cycle planning period.

- **734 East Lake Avenue:** The City received an inquiry about a proposed 22-unit development on a parcel with existing commercial condominiums that would be converted into residential units. The City has met with applicant and discussed the project multiple times, and the project is currently being designed. The City anticipated the applicant will submit a formal application and complete construction within the 6th Cycle planning period.
- **511 Pennsylvania Drive:** The City received an inquiry about the property and has had multiple meetings and email discussions with a project representative, but the applicant has not proposed a specific project on the property as of August 2024. The property owner is conducting a feasibility study to determine what an appropriate proposal would be. Based on recent discussions with the property owners, the City estimates a moderate redevelopment potential on the site.
- **121 Martinelli Street & 1005 East Lake Avenue:** The City received an inquiry about a proposed 100 to 150-unit, 100 percent affordable development. The City has met with applicant and discussed the project multiple times, and the property owner is currently coordinating with affordable housing developers and exploring tax credits and grant funding options to make the project financially feasible.

Based on recent construction activity on infill sites, projects currently under entitlement, and inquiries from the development community, the City can demonstrate the viability of infill residential development. Based on these trends, the City contends they will continue and most likely increase with the adoption of the DWSP.

City Commitment to Higher Density Development

The City of Watsonville has continued to support the improvement of residential opportunities for its residents, especially those in need of affordable opportunities. The City has demonstrated this through the evolution of local policy related to housing. Once a rural agrarian-based community, it now supports through adopted policy a strong commitment to affordable housing opportunity.

Historical Trends in Residential Densities

The Watsonville 2005 General Plan Update was adopted by the City Council in 1994. The City drafted the WatsonvilleVISTA 2030 General Plan in August 2012. The *2030 General Plan* was subject to litigation and on October 14, 2014, the City Council adopted [Resolution No. 137-14](#) rescinding the approval of the *2030 General Plan* to comply with the Appellate Court ruling. The Watsonville 2005 General Plan is the currently adopted General Plan. **Table F-13** contains the existing residential densities from the 2005 General Plan.



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Table F-13: Adopted General Plan Residential Development Types

General Plan	Zoning Districts	Residential Density (du/acre)
Low Density Residential (RLD)	R-1	7.99 or fewer
Medium Density Residential (RMD)	RM-2	8 to 13.99
High Density Residential (RHD)	RM-3 14 to 36.99; up to 42.99 for studios or SROs	14 to 36.99 up to 42.99 for studios or SROs
General Commercial (GC)	CN CT	Based on nearest multifamily residential districts (RM-2 or RM-3)
Downtown Mixed Use	Downtown Neighborhood Downtown Industrial	≤85
Downtown Commercial Core	Downtown Core	≤125

For the purposes of demonstrating the City's commitment to higher density development, a summary of the 2030 General Plan and the residential densities it included is below in **Table F-14**. As part of the 2030 Watsonville General Plan update, a "vision" was developed that identified basic components, including:

- Agricultural Land
- Streams and Sloughs
- Open Space and Parks
- Corridors
- Centers
- Neighborhoods
- Industrial Districts
- Downtown

The Downtown area was identified as a significant community resource. The Draft 2030 General Plan envisioned this area as the heart of the town, the center of life and culture. Watsonville's downtown was defined as a critical element that defines the City of Watsonville. An area of significant investment potential with opportunities to live work and play. Encouraging and facilitating the redevelopment on underutilized sites while at the same time protecting and enhancing historic properties was identified as a priority for the City. This area was identified as having the highest residential densities, the most pedestrian friendly design, and the greatest variety of uses. It was defined as a business district and a neighborhood. The 2030 Watsonville General Plan also envisioned that the Downtown area would grow substantially over time. **Table F-14** describes the envisioned residential densities for the 2030 General Plan.



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Table F-14: 2030 Draft General Plan Residential Development Types	
General Plan	Residential Density
Downtown Mixed Use	60 du/ac
Residential Low Density	<10 du/ac
Residential Medium Density	10 – 19.99 du/ac up to 42.99 for studios or SROs
Residential High Density	17-42 du/ac
Central Commercial (CC)	30-60 du/ac

The 2030 General Plan also called for the creation of a mixed-use zoning district with increased FAR of up to 3.0 FAR along major corridors such as Freedom Boulevard and East Lake Avenue. The Draft 2030 General Plan estimated that between annexation areas in Buena Vista and Atkinson Lane, as well as infill along the City's major corridors and downtown, an additional 4,100 housing units could be developed over the 25-year planning horizon.

The 2030 General Plan was first adopted on May 9, 2006, after a 4-year planning effort that was informed by a collaboration of local stakeholders known as "Action Pajaro Valley," which was founded to create a positive future for the residents of the Pajaro Valley by facilitating an ongoing collaborative process for planning and community decision making. The Watsonville Pilots Association, Friends of Buena Vista, and the Sierra Club filed a lawsuit against both the City of Watsonville and the Caltrans Division of Aeronautics asserting that the 2030 General Plan violated the State Aeronautics Act and the California Environmental Quality Act. The Court found in favor of the appellants. As a result, the City rescinded the 2030 General Plan.

The City modified the General Plan and it was again adopted by the City Council on September 25, 2012. A second lawsuit was filed in 2013 by the Watsonville Pilots Association asserting that the Plan was inconsistent with the Caltrans Airport Land Use Planning Handbook. The Superior Court ruled in favor of the Watsonville Pilots Association, and the General Plan was rescinded a second time.

Policy Support from General Plan

Commitment to Maximize Residential Potential

The 2005 General Plan, adopted by the City in 1994, anticipated a population of 51,600 within the City limits and Sphere of Influence by the year 2005. The 1990 City population was 31,099 people, therefore the 2005 General Plan aimed to accommodate over 20,000 people by the horizon year. At the time of preparation, only about 523 acres, or 14% of land within City limits, was considered vacant or underutilized.

Over time, the City has taken measures to accommodate anticipated growth. First, an urban growth boundary, known as Measure U, was passed by voters in 2002 that identified key annexation areas for future residential and job-generating uses. The annexation areas identified for residential uses were Buena Vista and Atkinson Lane areas. A Specific Plan would be required prior to annexation action for these future growth areas.



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The City developed the Atkinson Lane Specific Plan in 2013 in collaboration with the County of Santa Cruz. The Specific Plan area would have accommodated up to 500 new housing units at low and medium densities, to include small lot subdivisions, apartments, condominiums, and townhomes. The Atkinson Lane Specific Plan was challenged by the Santa Cruz County Farm Bureau, and the City ultimately agreed to set aside the Specific Plan.

In 2018, the City was awarded a Caltrans Sustainable Communities Planning Grant to develop a Downtown Watsonville Specific Plan. This plan, adopted on October 10, 2023, has increased the development potential in the Downtown area to accommodate up to 3,900 additional units over the next 20 years. This effort necessitated the modification of the 2005 General Plan to allow increased density and the creation of a new land use classification.

As this narrative demonstrates, the City of Watsonville has been committed to providing housing for its residents, despite numerous challenges.

2050 General Plan Update

The draft 2050 General Plan Update will build upon the draft 2030 General Plan by increasing densities along the City's major corridors, such as East Lake Avenue and Freedom Boulevard, while also taking advantage of the Atkinson Lane and Buena Vista annexation areas. In addition to annexed land to accommodate housing, the City is considering significant modifications to the Watsonville Municipal Airport, by shortening or closing the Crosswind Runway, also known as Runway 9-27, which has been classified as an "Additional Runway" that will no longer be supported by the Federal Aviation Administration (FAA).

With the shortening or removal of the Crosswind Runway, additional redevelopment opportunities open up in both the Buena Vista Annexation area as well as along Freedom Boulevard in the vicinity of the airport. All development, and residential development in particular, has been severely constrained in these two areas due to airport land use restrictions in the past. The owners of two large parcels in the Freedom Boulevard Corridor have expressed interest in developing mixed use projects if the Airport Safety Zones were modified. The City has done preliminary calculations and estimates that these parcels could accommodate up to 474 residential units at 40 dwelling units per acre.

Options being considered as part of the 2050 General Plan update include annexation of areas adjacent to the City that could accommodate significant residential development over the next 25 years.

Policy Support in Zoning Code

Affordable Housing Ordinance

The City adopted its first Affordable Housing Ordinance in 1991, and it has been updated twice since its inception. The Ordinance requires that 20% of all rental projects that propose 7 or more units be deed restricted affordable, and 15-20% of all ownership projects that propose 7 or more units must be sold to eligible low-income buyers.

This program has led to the development of 1,636 affordable units (317 for sale units and 1,319 rental units) in the City since 1991.



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In addition to the affordable housing requirement, the City has provided \$5,335,000 in loans to nonprofit housing developers for the construction of 171 affordable units.

Downtown Watsonville Specific Plan

On October 10, 2023, the City Council adopted the Downtown Watsonville Specific Plan (DWSP). The Specific Plan is a significant change in the vision for the downtown area. Consistent with the general vision of the draft 2030 General Plan, the Specific Plan provides significant additional policy and regulatory support to encourage and facilitate residential development on infill sites.

The DWSP permits significant residential densities to allow for a variety of product types and affordability levels. These densities include:

- **Downtown Mixed-Use:** 85 dwelling units/acre
- **Downtown Commercial Core:** 125 dwelling units/acre

The DWSP is intended to enhance the downtown area as the City's cultural hub, with a variety of opportunities for residential and other uses that will further encourage residential development. The Specific Plan's EIR assumes a large amount of growth potential, including:

- 3,886 residential dwelling units
- 231,151 sf of commercial space (e.g., restaurant, bars, cafes, retail, office)
- 376,827 sf of industrial space (e.g., restaurants, research & development, office, industrial)
- 114,572 sf of civic space

Residential development opportunity in the DWSP provides significant opportunities to meet 6th Cycle growth need and the need in future cycles.

Key influencing factors supporting residential development in the DWSP Area

The following key influencing factors contribute to and support the development of housing in the DWSP area. The policy and regulations in the Plan are supported and reinforced by the behaviors of the market, including new investments and commitments to future investments.

- The Downtown area had historically struggled to compete regionally with other commercial areas and has experienced high retail and commercial vacancy rates for the past several decades. The new policy commitments in the DWSP have the potential to reshape the downtown area and make it an attractive regional investment opportunity for both commercial and residential development.
- The adoption of the DWSP has resulted in significant interest from private developers for new mixed-use and residential development. There has been growing interest in downtown Watsonville in recent years that has already resulted in built projects and the DWSP will support this trend by creating a flexible and streamlined environment for the development of new mixed-use and residential projects during the Planning Period.



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- Roughly 60 percent of the downtown residential stock is comprised of multifamily structures. Watsonville's downtown has seen the successful delivery of new mid-rise housing developments, demonstrating the viability of residential redevelopment in the downtown area.
- Existing infrastructure systems, including water and sewer, as evaluated in the DWSP Environmental Impact Report, have adequate capacity to serve development within the DWSP area. The availability of infrastructure contributes to lower development costs and supports improved project feasibility.
- Median Selling prices are lower and more affordable in Watsonville compared to neighboring cities (\$695k in Watsonville vs \$1.2m in Scotts Valley vs \$1.3m in Santa Cruz). This creates greater opportunity to develop a wide range of housing types at different affordability levels.
- Santa Cruz County has expressed its interest in affordable housing adjacent to transportation centers. The Santa Cruz Metro station in the downtown, located at 475 Rodriguez Street, has already been identified as an opportunity to provide increased transit use in conjunction with affordable housing.
- Public and stakeholder participation in the development of the DWSP has indicated a strong desire to increase housing opportunities and willingness to invest in the downtown.
- The DWSP has specific policies and regulations supporting affordable residential development opportunity in the downtown area. The DWSP land use plan and policies prioritize infill development, reuse of underutilized parcels, reimagined mobility options, mixed-use design, and preservation of key elements that make downtown Watsonville unique. New development is prioritized where existing roads, water, sewer, and other utilities are in place and in a manner that minimizes the impact of development on existing infrastructure and services.
- Recent infill development in the downtown has shown strong market support. For example, The Terrace at 445 Main Street has been well received by the market and residential renters leased up the project almost immediately,
- When comparing residential real estate downtown versus the city as a whole, residential stock citywide is overwhelmingly single-family (approximately two-thirds) while the majority of the housing stock downtown is multifamily. Roughly 60 percent of the Downtown residential stock is in multifamily structures.



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Attachment A: Letters of Support for Residential Development

475 Rodriguez Street METRO Letter of Interest

Santa Cruz Metropolitan Transit District



Suzi Merriam
Community Development Department
City of Watsonville
250 Main Street
Watsonville, CA 95076

November 3, 2023

RE: Planned Redevelopment of Watsonville Transit Center

Dear Ms. Merriam,

It is with great enthusiasm that the Santa Cruz Metropolitan Transit District (METRO) writes this letter of interest outlining METRO's plans to redevelop the Watsonville Transit Center into a 65+unit, net-zero, 100% affordable housing development. Besides providing much needed affordable housing in downtown Watsonville, the project will support METRO's efforts to expand transit services, provide a state-of the-art transit center in Watsonville, and increase the deployment of zero-emission fleets in Santa Cruz County.

The Watsonville Transit Center site is an ideal location for affordable housing for the following reasons:

- The site is well-located, with easy access to many amenities;
- The site will yield 60+ homes for low-income families or individuals;
- The City of Watsonville has previously expressed support for housing at this location and will be a partner in the entitlement and permitting processes.

Santa Cruz METRO has already received \$8 million towards construction of the project from the California State Transportation Agency's highly competitive Transit and Intercity Rail Capital Program (TIRCP). The project has also been recommended for \$2 million in funding from the AMBAG REAP 2.0 Program. Lastly, the project will be well-positioned to apply for financing designed to encourage density near transit, including the Affordable Housing and Sustainable Communities program.

The proposed project is an important step toward meeting the housing and transit needs of our community and we look forward to continued collaboration with the City of Watsonville as we work toward financing and construction of this exciting development.

Sincerely,
John Urgo
Planning and Development Director

110 Vernon Street, Santa Cruz, CA 95060 (831) 426-6080, FAX (831) 426-6117
Santa Cruz METRO OnLine at <http://www.scmtd.com>



2023-2031 HOUSING ELEMENT

734 East Lake Avenue Email Inquiry

From: [REDACTED]
Sent: Monday, November 6, 2023 3:43 PM
To: [REDACTED]
Subject: Re: myFirstAm Tax Map: 734 E Lake Ave , Watsonville, CA 95076

[REDACTED]
Thanks for your email.

We have begun working on it. We received information the information we were waiting for from Structural Engineering today, and it was encouraging. I'll pass this info to our design team so they can make sure we meet the guidelines.

With regards to whether it's 11 or 22 units, I still think you're reading the parcel map wrong. If you look at the parcel map I sent you you will see two #'s on each parcel, one is circled and one isn't, each # is 1 parcel with the parking lot being common area and the 23rd parcel.

511 Pennsylvania Drive Email Inquiry

From: [REDACTED]
Sent: Tuesday, October 10, 2023 11:01 AM
To: [REDACTED]
Subject: 511 Pennsylvania feasibility questions

Hi [REDACTED]

I hope you're well. I'm running a feasibility study for a property owner at 511 Pennsylvania Dr, and so I wanted to open the conversation with you.

It's zoned RM-2. It's in a good spot for a denser housing project. I think it really fits too and can really activate the casual and natural walking paths across the street from the slough.

There are a couple things that have stood out to me when reviewing the GIS and 2030 VISTA General Plan.

First, when looking at the map (below) it's just outside the "Redevelopment Zone." What are your thoughts for the new upcoming plan on sites like this? It doesn't seem to fit into the greater picture in the 2030 VISTA GP. Are there plans to upzone or further clarify zoning usage? For example, the City of Santa Cruz changed some zoning codes in January.

Second, I see the property is along the Slough, but it's on the opposite side of the street. Would this have similar setbacks to a riparian corridor and if so what would those be?

Thank you so much for the information! I'm sure I'll have some other questions as I dig deeper here.

Best,

[REDACTED]



2023-2031 HOUSING ELEMENT

121 Martinelli Street Email Inquiry

Fw: 121 Martinelli Street - Elks Lodge - Proposed 100 percent affordable housing project

[REDACTED]
Tue 11/14/2023 11:32 AM

To [REDACTED]

Hello [REDACTED]

Here is the email from [REDACTED] who works for [REDACTED] regarding interest in developing an affordable housing project at 121 Martinelli Street (Elks Lodge).

Let me know if you have any questions.

Thanks,



From: [REDACTED]
Sent: Tuesday, November 14, 2023 11:06 AM
To: [REDACTED]
Subject: RE: 121 Martinelli Street - Elks Lodge - Proposed 100 percent affordable housing project

[REDACTED]
We have an interest in redeveloping a portion of the site to allow for 100-150 rental units. The current concept is for 100% affordable, but that creates a risk in the event of winning the federal tax credit and state tax credits needed to complete the project. We are looking into all options available to make it financially feasible.

Sincerely,

[REDACTED]
From: [REDACTED]
Sent: Monday, November 13, 2023 1:27 PM
To: [REDACTED]
Subject: RE: 121 Martinelli Street - Elks Lodge - Proposed 100 percent affordable housing project

[REDACTED]
Can you please reply to this email with a project scope and intent for the Elks Lodge to do a multifamily project?

This way, the City can use the proposed project toward our RHNAs allocations.



2023-2031 HOUSING ELEMENT

Table F-15: 5th Cycle Sites

Inventory/Map ID	APN	Site Address	Parcel Size(s)	General Plan Designation (Current)	Zoning (Current)	Vacancy	5th Cycle Sites?	Existing Units	Density	Total Yield	Assumed Net Unit Yield				Explanation of Development/Redevelopment Potential
											80% Yield	Low/Very Low	Mod	Above Mod	
5th Cycle Sites															
9	014-091-10	11 CAREY AVE	0.42	RLD	R-1	Vacant	Yes	-	7.99	3	2	0	1	1	Vacant 5th Cycle Site
10	016-491-04	135 MILES LN	1.40	RMD	RM-2	Vacant	Yes	-	13.99	19	17	0	7	10	Vacant 5th Cycle Site
11	016-071-02	1385 FREEDOM BLVD	0.22	RMD	RM-2	Vacant	Yes	-	13.99	3	2	0	1	1	Vacant 5th Cycle Site
12	016-071-03	1385 FREEDOM BLVD A	0.11	RMD	RM-2	Vacant	Yes	-	13.99	1	1	0	0	1	Vacant 5th Cycle Site
13	019-054-13	217 STANFORD ST	0.14	RMD	RM-2	Vacant	Yes	-	13.99	1	1	0	0	1	Vacant 5th Cycle Site
14	019-053-06	222 PROSPECT ST	0.15	RMD	RM-2	Vacant	Yes	-	13.99	2	1	0	0	1	Vacant 5th Cycle Site
15	017-162-15	228 LOCUST ST	0.16	RLD	R-1	Vacant	Yes	-	7.99	1	1	0	0	1	Vacant 5th Cycle Site
16	017-162-16	234 LOCUST ST	0.18	RLD	R-1	Vacant	Yes	-	7.99	1	1	0	0	1	Vacant 5th Cycle Site
17	017-621-09	290 W RIVERSIDE DR	2.95	RLD	R-1	Vacant	Yes	-	7.99	23	18	0	7	11	Vacant 5th Cycle Site
18	017-221-03	484 BECK ST	0.49	RLD	R-1	Vacant	Yes	-	7.99	3	3	0	1	2	Vacant 5th Cycle Site
19	019-236-01	78 ATKINSON LN	0.50	RLD	R-1	Vacant	Yes	-	7.99	3	3	0	1	2	Vacant 5th Cycle Site
20	015-201-08	N/A	0.14	RLD	R-1	Vacant	Yes	-	7.99	1	1	0	0	1	Vacant 5th Cycle Site
21	014-161-02	9 COMPTON TER	0.15	RLD	R-1	Vacant	Yes	-	7.99	1	1	0	0	1	Vacant 5th Cycle Site
22	015-201-07	N/A	0.14	RLD	R-1	Vacant	Yes	-	7.99	1	1	0	0	1	Vacant 5th Cycle Site
23	018-151-08	213 BRENNAN ST	0.06	RHD	RM-3	Vacant	Yes	-	36.99	2	2	0	1	1	Vacant 5th Cycle Site
24	016-181-14	511 PENNSYLVANIA DR	1.51	RMD	RM-2	Vacant	Yes	-	13.99	21	19	0	8	11	Vacant 5th Cycle Site
Total 5th Cycle Units										86	74	0	27	47	



2023-2031 HOUSING ELEMENT

Table F-16: Vacant Existing Zoning Sites

Inventory/Map ID	APN	Site Address	Parcel Size(s)	General Plan Designation (Current)	Zoning (Current)	Vacancy	5th Cycle Sites?	Existing Units	Density	Total Yield	Assumed Net Unit Yield				Explanation of Development/Redevelopment Potential	
											80% Yield	Low/Very Low	Mod	Above Mod		
Existing Zoning - Vacant Sites																
25	016-071-04	1385 FREEDOM BLVD	0.09	RMD	RM-2	Vacant	No	-	13.99	1	1	0	0	1	Vacant Residential Land, this parcel can be combined with APNs 016-071-05, -06 and -24 to allow for development with sufficient acreage.	
26	016-071-05	1385 FREEDOM BLVD B	0.28	RMD	RM-2	Vacant	No	-	13.99	3	3	0	0	3	Vacant Residential Land, this parcel can be combined with APNs 016-071-04, -06 and -24 to allow for development with sufficient acreage.	
27	016-071-06	1385 FREEDOM BLVD C	0.26	RMD	RM-2	Vacant	No	-	13.99	3	3	0	1	2	Vacant Residential Land, this parcel can be combined with APNs 016-071-04, -05 and -24 to allow for development with sufficient acreage.	
28	016-071-24	1385 FREEDOM BLVD E	0.22	RMD	RM-2	Vacant	No	-	13.99	3	3	0	1	2	Vacant Residential Land, this parcel can be combined with APNs 016-071-04, -05 and -06 to allow for development with sufficient acreage.	
Total Vacant Existing Zoning Units											10	10	0	2	8	



2023-2031 HOUSING ELEMENT

Table F-17: DWSP Vacant Sites

Inventory/Map ID	APN	Site Address	Parcel Size(s)	General Plan Designation (Current)	Specific Plan Zoning (Current)	Vacancy	5th Cycle Sites?	Existing Units	Density	Total Yield	Assumed Net Unit Yield				Explanation of Development/Redevelopment Potential
											74% Yield	Low/Very Low	Mod	Above Mod	
DWSP Vacant Sites															
29	018-151-06	762 FREEDOM BLVD X	0.05	DMU	DN	Vacant	No	-	85.00	4	3	0	1	2	Vacant Residential Land, this parcel can be combined with APNs 018-151-34, -33, -11, and -09 to allow for redevelopment with sufficient acreage.
30	017-011-31	176 W BEACH ST	0.30	DMU	DN	Vacant	No	-	85.00	25	18	3	5	11	Vacant Commercial Land, this lot can be consolidated with APN 017-011-30 to provide sufficient acreage for redevelopment
31	017-011-30	170 W BEACH ST	0.33	DMU	DN	Vacant	No	-	85.00	28	20	3	5	12	Vacant Commercial Land, this lot can be consolidated with APN 017-011-31 to provide sufficient acreage for redevelopment
32	017-011-02	145 W LAKE AVE	0.75	DMU	DI	Vacant	No	-	85.00	63	47	7	12	28	Vacant Industrial Land
33	016-153-04	6 ALTON WAY	0.47	DCC	DC	Vacant	No	-	125.00	58	43	6	11	26	Vacant Residential Land, this land can be combined with adjacent parcels 016-153-03 and -05 for more development potential.
34	016-153-03	1 WESTERN DR	0.50	DCC	DC	Vacant	No	-	125.00	62	46	7	11	28	Vacant Commercial Land, this land can be combined with adjacent parcels 016-153-04 and -05 for more development potential.
Total DWSP Vacant Units										240	176	26	44	106	



2023-2031 HOUSING ELEMENT

Table F-18: DWSP Non-Vacant Sites

Inventory/Map ID	APN	Site Address	Parcel Size(s)	General Plan Designation (Current)	Specific Plan Zoning (Current)	Vacancy	5th Cycle Sites?	Existing Units	Density	Total Yield	Assumed Net Unit Yield				Explanation of Development/Redevelopment Potential	
											74% Yield	Low/Very Low	Mod	Above Mod		
DWSP Non-Vacant Sites																
35	018-471-04	144 W LAKE AVE	1.57	DMU	DN	No	No	-	85.00	133	99	20	25	54	This site is currently underutilized per the lower improvement value of the land, making it feasible for redevelopment. Redevelopment Factor(s): 1, 2, 3, 6	
36	018-242-29	123 E LAKE AVE	0.96	DMU	DN	No	No	-	85.00	81	60	12	15	33	On this lot, this use and the adjacent one is both dilapidated, making the feasibility of this lot being redeveloped for housing in the next 8 years possible. Redevelopment Factor(s): 2, 3, 7	
37	018-241-44	35 E LAKE AVE	0.52	DMU	DN	No	No	-	85.00	43	32	5	8	19	This parcel is currently used for retail. Currently, there are vacancies in one of the spaces in this building, and vacant building adjacent to this parcel. The underutilization of this parcel and the possibility of this land to be combined with APNs 018-241-14, -15, -20, -23, -40, or -42 to provide sufficient buildable acreage makes this site suitable for redevelopment in the next 8 years. Improvement percentage for the parcel is 54%. Redevelopment Factor(s): 2, 3, 5, 7	
38	018-241-42	15 BRENNAN ST	0.43	DMU	DN	No	No	-	85.00	36	27	4	7	16	This parcel is currently used for retail. Currently, there are vacancies in one of the spaces in the adjacent building, along with this parcel seeming vacant as well. Additionally, the lower improvement value compared to land value is another indicator of redevelopment potential. Lastly, with the opportunity of this land to be combined with APNs 018-241-14, -15, -20, -23, -40, or -44 to provide sufficient buildable acreage makes this site suitable for redevelopment in the next 8 years. Redevelopment Factor(s): 1, 2, 3, 5, 6, 7	
39	018-241-40	29 E LAKE AVE	0.20	DCC	DC	No	No	-	125.00	24	18	2	5	11	This parcel is currently used as a parking lot. Since there are no actual structures on the site that can accrue improvement value. Additionally, the opportunity for this land to be combined with APNs 018-	



2023-2031 HOUSING ELEMENT

Table F-18: DWSP Non-Vacant Sites

Inventory/Map ID	APN	Site Address	Parcel Size(s)	General Plan Designation (Current)	Specific Plan Zoning (Current)	Vacancy	5th Cycle Sites?	Existing Units	Density	Total Yield	Assumed Net Unit Yield				Explanation of Development/Redevelopment Potential	
											74% Yield	Low/Very Low	Mod	Above Mod		
DWSP Non-Vacant Sites																
															241-01, -14, -15, -20, -23, -40, or -44 to provide sufficient buildable acreage makes this site suitable for redevelopment in the next 8 years.	
																Redevelopment Factor(s): 1, 3, 5, 6, 7
40	017-641-16	No Address	3.17 (2.35)	DCC	DC	No	No	-	125.00	293	216	43	54	119	This parcel is currently a large parking lot that is severely underutilized for the uses it is meant to serve. Only 2.35 acres of the parcel are assumed to be utilized as "buildable area," due to the fact that an existing use currently utilizes a portion of the parcel as parking. Along with its no improvement value and accessibility to the street, it is a feasible site that can be redeveloped in the next 8 years.	
																Redevelopment Factor(s): 1, 3, 6, 7
41	018-241-37	30 E 5TH ST A	0.63	DMU	DN	No	No	-	85.00	53	39	6	10	23	This parcel and its surrounding uses are all older and underutilized. With this area being near a large concentration of residential uses, this site also has potential to be redeveloped for housing in the next 8 years.	
																Redevelopment Factor(s): 2, 3, 5, 7
42	018-241-35	15 E LAKE AVE	0.05	DCC	DC	No	No	-	125.00	6	4	1	1	2	This parcel is part of an underutilized parking lot. It has no improvement value, and the opportunity for this land to be combined with APNs 018-241-01, -14, -15, -20, -23, -40, -44, or -45 to provide sufficient buildable acreage makes this site suitable for redevelopment in the next 8 years.	
																Redevelopment Factor(s): 1, 5, 6, 7
43	018-241-34	17 E LAKE AVE	0.05	DCC	DC	No	No	-	125.00	5	4	1	1	2	This parcel is part of an underutilized parking lot. It has no improvement value, and the opportunity for this land to be combined with APNs 018-241-01, -14, -15, -20, -23, -35, -40, -44, or -45 to provide sufficient buildable acreage makes this site suitable for redevelopment in the next 8 years.	



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Table F-18: DWSP Non-Vacant Sites

Inventory/Map ID	APN	Site Address	Parcel Size(s)	General Plan Designation (Current)	Specific Plan Zoning (Current)	Vacancy	5th Cycle Sites?	Existing Units	Density	Total Yield	Assumed Net Unit Yield				Explanation of Development/Redevelopment Potential	
											74% Yield	Low/Very Low	Mod	Above Mod		
DWSP Non-Vacant Sites																
																Redevelopment Factor(s): 1, 5, 6, 7
44	018-241-45	11-13 E LAKE AVE	0.99	DCC	DC	No	No	1	125.00	124	92	14	23	55	This parcel is part of an underutilized parking lot. It has no improvement value, and the opportunity for this land to be combined with APNs 018-241-01, -14, -15, -20, -23, -34, -35, -40, or -44 to provide sufficient buildable acreage makes this site suitable for redevelopment in the next 8 years. Redevelopment Factor(s): 1, 2, 6	
45	018-241-23	21 BRENNAN ST	0.67	DMU	DN	No	No	-	85.00	57	42	6	11	25	This site's development has a number of vacant suites in it. The lack of tenants shows this building is being underutilized, and the opportunity for this land to be combined with APNs 018-241-01, -14, -15, -20, -34, -35, -40, -44, or -45 to provide sufficient buildable acreage makes this site suitable for redevelopment in the next 8 years. Improvement percentage for the parcel is 55 percent. Redevelopment Factor(s): 2, 3, 5, 7	
46	018-241-15	19 E LAKE AVE	0.24	DCC	DC	No	No	-	125.00	29	22	3	6	13	This parcel has an improvement value that is lower than its land value, indicating that the parcel is underutilized. Additionally, the opportunity for this land to be combined with APNs 018-241-01, -14, -20, -23, -34, -35, -40, -44, or -45 to provide sufficient buildable acreage makes this site suitable for redevelopment in the next 8 years. Redevelopment Factor(s): 1, 2, 3, 4, 5, 6	
47	018-241-14	23 E LAKE AVE	0.33	DCC	DC	No	No	-	125.00	41	30	4	8	18	This parcel has an improvement value that is lower than its land value, indicating that the parcel is underutilized. Additionally, the opportunity for this land to be combined with APNs 018-241-01, -20, -23, -34, -35, -40, -44, or -45 to provide sufficient buildable acreage makes this site suitable for redevelopment in the next 8 years.	



2023-2031 HOUSING ELEMENT

Table F-18: DWSP Non-Vacant Sites

Inventory/Map ID	APN	Site Address	Parcel Size(s)	General Plan Designation (Current)	Specific Plan Zoning (Current)	Vacancy	5th Cycle Sites?	Existing Units	Density	Total Yield	Assumed Net Unit Yield				Explanation of Development/Redevelopment Potential	
											74% Yield	Low/Very Low	Mod	Above Mod		
DWSP Non-Vacant Sites																
																Redevelopment Factor(s): 1, 2, 3, 4, 5, 6, 7
48	018-241-03	22 E 5TH ST	0.15	DMU	DN	No	No	-	125.00	19	9	1	2	6	<p>This parcel has an improvement value that is lower than its land value, indicating that the parcel is underutilized. Additionally, the opportunity for this land to be combined with APNs 018-241-01, -02, -14, -20, -23, -34, -35, -40, -44, or -45 to provide sufficient buildable acreage makes this site suitable for redevelopment in the next 8 years.</p> <p>Redevelopment Factor(s): 1, 2, 5, 6</p>	
49	018-241-02	18 E 5TH ST	0.21	DCC	DC	No	No	-	125.00	25	19	3	5	11	<p>This parcel has an improvement value that is lower than its land value, indicating that the parcel is underutilized. Additionally, the opportunity for this land to be combined with APNs 018-241-01, -03-14, -20, -23, -34, -35, -40, -44, or -45 to provide sufficient buildable acreage makes this site suitable for redevelopment in the next 8 years.</p> <p>Redevelopment Factor(s): 1, 2, 3, 5, 6, 7</p>	
50	018-231-46	29 W 5TH ST	0.28	DCC	DC	No	No	-	125.00	34	25	4	6	15	<p>This parcel is an underutilized parking lot. The improvement value being lower than the land value indicates that redevelopment can be desired. Additionally, the opportunity for this parcel to combine with adjacent APNs 018-231-44 and -06 to provide sufficient acreage, indicates that this parcel can be redeveloped for housing in the next 8 years.</p> <p>Redevelopment Factor(s): 1, 3, 5, 6, 7</p>	
52	018-231-06	31 W 5TH ST	0.10	DCC	DC	No	No	-	125.00	12	9	1	2	6	<p>This parcel is an underutilized parking lot. The improvement value being lower than the land value indicates that redevelopment can be desired. Additionally, the opportunity for this parcel to combine with adjacent APNs 018-231-44 and -46 to provide sufficient acreage, indicates that this parcel can be</p>	



2023-2031 HOUSING ELEMENT

Table F-18: DWSP Non-Vacant Sites

Inventory/Map ID	APN	Site Address	Parcel Size(s)	General Plan Designation (Current)	Specific Plan Zoning (Current)	Vacancy	5th Cycle Sites?	Existing Units	Density	Total Yield	Assumed Net Unit Yield				Explanation of Development/Redevelopment Potential	
											74% Yield	Low/Very Low	Mod	Above Mod		
DWSP Non-Vacant Sites																
																redeveloped for housing in the next 8 years. Redevelopment Factor(s): 1, 3, 5, 6, 7
53	018-151-34	203 BRENNAN ST	0.17	DMU	DC	No	No	-	85.00	14	10	1	3	6		This parcel is a vacant parking lot. The lack of improvement value is an indicator that this parcel has redevelopment potential. Additionally, this parcel can be combined with APNs 018-151-06, -33, -11, and -09 to allow for redevelopment with sufficient acreage. Redevelopment Factor(s): 1, 3, 5, 6
54	018-151-33	207 BRENNAN ST A	0.17	DMU	DN	No	No	5	85.00	14	10	1	3	6		This parcel is a number of dilapidated, underdeveloped apartments that can be combined with APNs 018-151-06, -34, -11, and -09 to allow for redevelopment into more quality housing in the next 8 years. Redevelopment Factor(s): 2, 4, 5
55	018-151-32	217 BRENNAN ST	0.08	DMU	DN	No	No	-	85.00	6	4	1	1	2		This parcel currently has a single-family development. All parcels adjacent to this site is higher density apartments. Additionally, the opportunity that this parcel can be combined with APNs 018-151-06, -33, -34, -11, and -09 increases the likelihood that this parcel will convert to a higher density development in the next 8 years. Improvement value of the parcel is 52 percent. Redevelopment Factor(s): 2, 4, 5, 6
56	018-151-11	151 BRENNAN ST A	0.15	DMU	DN	No	No	3	85.00	12	9	1	2	6		This parcel currently has a single-family development. All parcels adjacent to this site is higher density apartments. Additionally, the opportunity that this parcel can be combined with APNs 018-151-06, -32, -33, -34, and -09 increases the likelihood that this parcel will convert to a higher density development in the next 8 years. Redevelopment Factor(s): 2, 4, 5



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Table F-18: DWSP Non-Vacant Sites

Inventory/Map ID	APN	Site Address	Parcel Size(s)	General Plan Designation (Current)	Specific Plan Zoning (Current)	Vacancy	5th Cycle Sites?	Existing Units	Density	Total Yield	Assumed Net Unit Yield				Explanation of Development/Redevelopment Potential	
											74% Yield	Low/Very Low	Mod	Above Mod		
DWSP Non-Vacant Sites																
57	018-151-09	209 BRENNAN ST 1	0.17	DMU	DN	No	No	5	85.00	14	10	1	3	6	This parcel is a number of dilapidated, underdeveloped apartments that can be combined with APNs 018-151-06, -34, -11, and -32, -33 to allow for redevelopment into more quality housing in the next 8 years. Redevelopment Factor(s): 2, 4, 5	
58	017-101-40	119 W BEACH ST	0.39	DCC	DC	No	No	-	125.00	49	36	5	9	22	This underutilized building has become dilapidated and seems to not have been taken care of for a number of years. This couple with the fact it is adjacent to other dilapidated developments shows that they can be redeveloped for housing. Adjacent parcels 017-101-14 and -39 can be consolidated to allow sufficient acreage for housing opportunity. Redevelopment Factor(s): 2, 4, 5	
59	017-101-39	127 W BEACH ST	0.46	DCC	DC	No	No	-	125.00	56	42	6	11	25	This underutilized building has become dilapidated and seems to not have been taken care of for a number of years. This couple with the fact it is adjacent to other dilapidated developments shows that they can be redeveloped for housing. Adjacent parcels 017-101-14 and -40 can be consolidated to allow sufficient acreage for housing opportunity. Redevelopment Factor(s): 1, 3, 4, 5, 6, 7	
60	017-681-08	49 UNION ST	0.96	DCC	DC	No	No	22	125.00	120	89	18	22	49	This parcel has two underutilized, dilapidated buildings and an underdeveloped parking lot. These factors make this parcel feasible for development in the next 8 years. Redevelopment Factor(s): 2, 7	
61	017-661-28	480 UNION ST	0.31	DMU	DN	No	No	-	85.00	26	19	3	5	11	This parcel is an underutilized parking lot. The lack of improvement value is an indicator that this parcel has redevelopment potential. Additionally, this parcel can be combined with APNs 017-661-11, -10, and -09 to allow for redevelopment with sufficient acreage.	



2023-2031 HOUSING ELEMENT

Table F-18: DWSP Non-Vacant Sites

Inventory/Map ID	APN	Site Address	Parcel Size(s)	General Plan Designation (Current)	Specific Plan Zoning (Current)	Vacancy	5th Cycle Sites?	Existing Units	Density	Total Yield	Assumed Net Unit Yield				Explanation of Development/Redevelopment Potential	
											74% Yield	Low/Very Low	Mod	Above Mod		
DWSP Non-Vacant Sites																
																Redevelopment Factor(s): 1,2, 3, 6, 7
62	017-661-11	25 CARR ST	0.21	DMU	DN	No	No	-	85.00	18	13	2	3	8	This parcel is an underutilized parking lot. The lack of improvement value is an indicator that this parcel has redevelopment potential. Additionally, this parcel can be combined with APNs 017-661-28, -10, and -09 to allow for redevelopment with sufficient acreage. Redevelopment Factor(s): 1, 3, 4, 5, 6, 7	
63	017-661-10	27 CARR ST	0.22	DMU	DN	No	No	-	85.00	19	14	2	4	8	This parcel is an underutilized parking lot. The lack of improvement value is an indicator that this parcel has redevelopment potential. Additionally, this parcel can be combined with APNs 017-661-11, -28, and -09 to allow for redevelopment with sufficient acreage. Redevelopment Factor(s): 1, 3, 4, 5, 6, 7	
64	017-661-09	31 CARR ST	0.18	DMU	DN	No	No	-	85.00	15	11	1	3	7	This parcel is an underutilized parking lot. The lack of improvement value is an indicator that this parcel has redevelopment potential. Additionally, this parcel can be combined with APNs 017-661-11, -10, and -28 to allow for redevelopment with sufficient acreage. Redevelopment Factor(s): 1, 3, 4, 5, 6, 7	
65	017-192-42	100 UNION ST	0.75	DCC	DC	No	No	-	125.00	93	69	14	17	38	This parcel is underutilized, as the improvement value is lower than the land value. Additionally, there are a number of vacant tenant spaces in the building these factors make redevelopment in the next 8 years into housing feasible. This site also can be consolidated with adjacent APN 017-192-31 to provide sufficient acreage for affordability. Redevelopment Factor(s): 1, 2, 3, 4, 6, 7	
66	017-192-31	114 UNION ST	0.17	DCC	DC	No	No	1	125.00	21	16	2	4	10	This parcel has two underutilized, dilapidated buildings and an underdeveloped parking lot. These factors make this parcel feasible for development	



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Table F-18: DWSP Non-Vacant Sites

Inventory/Map ID	APN	Site Address	Parcel Size(s)	General Plan Designation (Current)	Specific Plan Zoning (Current)	Vacancy	5th Cycle Sites?	Existing Units	Density	Total Yield	Assumed Net Unit Yield				Explanation of Development/Redevelopment Potential	
											74% Yield	Low/Very Low	Mod	Above Mod		
DWSP Non-Vacant Sites																
																in the next 8 years. This site also can be consolidated with adjacent APN 017-192-42 to provide sufficient acreage for affordability. Redevelopment Factor(s): 1, 2, 4, 5
67	017-121-04	112 E BEACH ST	0.95	DMU	DN	No	No	-	85.00	81	59	12	15	32	This parcel is an opportunity site per new laws that incentivize churches to develop housing. This makes it likely to develop housing in the next 8 years. Redevelopment Factor(s): 2, 3, 7	
68	017-111-44	210 RODRIGUEZ ST	0.32	DCC	DC	No	No	-	125.00	40	29	4	7	18	This parcel is part of a vacant parking lot. The lack of improvement value also makes this site opportunity for redevelopment into housing. It can be combined with adjacent APN 017-111-42 to provide sufficient affordability acreage. This parcel is City-owned. Redevelopment Factor(s): 1, 3, 4, 5, 6, 7, 8	
69	017-111-42	320 RODRIGUEZ ST	0.20	DCC	DC	No	No	-	125.00	25	18	2	5	11	This parcel is part of a vacant parking lot. The lack of improvement value also makes this site opportunity for redevelopment into housing. It can be combined with adjacent APN 017-111-44 to provide sufficient affordability acreage. This parcel is City-owned. Redevelopment Factor(s): 1, 3, 4, 5, 6, 7, 8	
70	017-033-28	237 E BEACH ST	2.30	DMU	DN	No	No	-	85.00	195	144	29	36	79	This parcel has a number of old, dilapidated buildings that have not been restored in a number of years. Additionally, this development is adjacent to residential uses, which makes redevelopment within the next 8 years possible. Redevelopment Factor(s): 2, 3	
71	017-022-42	29 E BEACH ST	0.57	DCC	DC	No	No	-	125.00	70	52	10	13	29	This parcel has a building with a number of vacant spaces for tenants in it, which indicates the current uses lack of performance. The improvement value being lesser than the land value also	



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Table F-18: DWSP Non-Vacant Sites

Inventory/Map ID	APN	Site Address	Parcel Size(s)	General Plan Designation (Current)	Specific Plan Zoning (Current)	Vacancy	5th Cycle Sites?	Existing Units	Density	Total Yield	Assumed Net Unit Yield				Explanation of Development/Redevelopment Potential	
											74% Yield	Low/Very Low	Mod	Above Mod		
DWSP Non-Vacant Sites																
																makes this site opportunity for redevelopment into housing. Redevelopment Factor(s): 1, 2, 3, 6, 7
72	017-022-37	449 UNION ST	0.74	DCC	DC	No	No	-	125.00	91	68	14	17	37		This parcel is part of a vacant parking lot. The lack of improvement value also makes this site opportunity for redevelopment into housing. Parcel is City-owned. Redevelopment Factor(s): 3, 6, 7, 8
73	016-153-05	21 WESTERN DR	0.38	DCC	DC	No	No	11	125.00	47	35	5	9	21		This parcel has a number of old, dilapidated buildings that have not been restored in a number of years and has vacant land adjacent to both sides of the site. Additionally, this site can be combined with adjacent parcels 016-153-03 and -04 for more development potential. Redevelopment Factor(s): 2, 3, 5
74	017-101-46	307 RODRIGUEZ ST	0.48	DCC	DC	No	No	-	125.00	60	44	7	11	26		This parcel is near a number of sites that have gained developer interest, which in turn makes this site and the adjacent APN 017-101-17 likely to be redeveloped for housing in the next 8 years. Redevelopment Factor(s): 1, 2, 3, 5, 6, 7
75	017-101-17	321 RODRIGUEZ ST	0.28	DCC	DC	No	No	-	125.00	35	26	3	7	16		This parcel is near a number of sites that have gained developer interest, which in turn makes this site and the adjacent APN 017-101-46 likely to be redeveloped for housing in the next 8 years. Improvement value for the parcel is 58 percent. Redevelopment Factor(s): 2, 3, 7
76	017-262-56	118 RIVERSIDE DR E	0.79	DCC	DC	No	No	-	125.00	99	73	15	18	40		This used car lot has a much lower improvement value compared to its land value. Due to this and the site meeting size criteria, this property can be seen as underutilized and feasible for redevelopment into housing in the next 8 years. Redevelopment Factor(s): 1, 2, 3, 6, 7



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Table F-18: DWSP Non-Vacant Sites

Inventory/Map ID	APN	Site Address	Parcel Size(s)	General Plan Designation (Current)	Specific Plan Zoning (Current)	Vacancy	5th Cycle Sites?	Existing Units	Density	Total Yield	Assumed Net Unit Yield				Explanation of Development/Redevelopment Potential	
											74% Yield	Low/Very Low	Mod	Above Mod		
DWSP Non-Vacant Sites																
77	017-681-12	50 UNION ST	0.39	DCC	DC	No	No	-	125.00	48	35	7	9	19	As a result of the lack of cars being on the lot and many vacant car spaces, this used car lot is considered severely underutilized. Due to this, this property can be seen as feasible for redevelopment into housing in the next 8 years. Redevelopment Factor(s): 1, 2, 3, 6, 7	
Total DWSP Non-Vacant Units											2,283	1,692	297	421	964	



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Table F-19: Commercial Sites for Future Consideration

Inventory/Map ID	APN	Site Address	Parcel Size(s)	General Plan Designation (Current)	Zoning (Current)	Vacancy	5th Cycle Sites?	Existing Units	Density	Total Yield	Assumed Net Unit Yield				Explanation of Development/Redevelopment Potential	
											80% Yield	Low/Very Low	Mod	Above Mod		
Commercial Sites																
78	016-031-06	86 MARIPOSA AVE	0.17	GC	CO	Yes	No	-	20.00	3	2	0	1	1	Vacant Commercial Land	
79	017-113-08	16 PECK ST	0.19	CC	DWSP-DC	Yes	No	-	125.00	23	17	3	4	10	Vacant Commercial Land	
80	017-183-07	105 UNION ST	0.11	CC	DWSP-DC	Yes	No	-	125.00	13	7	1	2	4	Vacant Commercial Land	
82	019-043-04	1114 FREEDOM BLVD	0.14	GC	CN	Yes	No	-	20.00	2	2	0	1	1	Vacant Commercial Land	
83	019-302-15	N/A	1.96	GC	CNS	Yes	No	-	30.00	58	47	9	12	26	Vacant Commercial Land	
84	019-851-11	N/A	0.76	GC	CT	Yes	No	-	20.00	15	12	2	3	7	Vacant Commercial Land	
85	019-851-16	102 GREEN VALLEY RD	0.72	GC	CT	Yes	No	-	20.00	14	12	2	3	7	Vacant Commercial Land	
86	016-121-14	1021 FREEDOM BLVD	0.31	GC	CN	Yes	No	-	20.00	6	5	1	1	3	Vacant Commercial Land	
87	016-121-13	1031 FREEDOM BLVD	0.24	GC	CN	Yes	No	-	20.00	4	3	0	1	2	Vacant Commercial Land	
88	016-121-12	1037 FREEDOM BLVD	0.38	GC	CN	Yes	No	-	20.00	7	6	1	2	3	Vacant Commercial Land	
89	017-321-74	820 EAST LAKE AVE	0.37	GC	CNS	Yes	No	-	20.00	7	5	1	1	3	Vacant Commercial Land	
90	017-321-02	632 EAST LAKE AVE	1.18	GC	CNS	Yes	No	-	30.00	35	28	4	7	17	Vacant Commercial Land	
91	019-093-02	1005 EAST LAKE AVE	0.23	GC	CN	Yes	No	-	20.00	4	3	0	1	2	Vacant Commercial Land	
92	019-092-11	1007 EAST LAKE AVE	0.30	GC	CN	Yes	No	-	20.00	6	4	1	1	2	Vacant Commercial Land	
93	014-162-01	2134 FREEDOM BLVD	0.40	GC	CT	Yes	No	-	20.00	8	6	1	2	3	Vacant Commercial Land	
94	016-172-79	580 AUTO CENTER DR	0.47	GC	CT	Yes	No	-	20.00	9	7	1	2	4	Vacant Commercial Land	
95	019-102-20	1015 EAST LAKE DR	0.30	GC	CN	Yes	No	-	36.99	11	9	1	2	6	Vacant Commercial Land	
96	019-282-01	25 BLANCA LN	1.59	GC	CNS	Yes	No	-	30	48	39	8	10	21	Vacant Commercial Land	
										Total Commercial Zoned Units	273	214	37	54	123	

APPENDIX G

COMMUNITY OUTREACH

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A. Summary of Community Outreach

Section 65583(c)(9) of the Government Code states that the Housing Element shall, “include a diligent effort by the local government to achieve public participation of all economic segments of the community in the development of the Housing Element, and the program shall describe this effort.” Meaningful community participation is also required in connection with the City’s Assessment of Fair Housing. The community’s participation is key in designing a successful General Plan that is representative of the Watsonville community.



Beginning in Spring 2023, the City conducted a variety of outreach and engagement efforts detailed in this Appendix. As required by Government Code Section 65585(b)(2), all written comments regarding the Housing Element made by the public have previously been provided to each member of the City Council.

1. Online Community Survey

The City provided an Online Community Survey on its Watsonville General Plan 2050 website which was available from April to June 2023. This survey was available in both English and Spanish. The survey was promoted online, at public meetings, and at multiple pop-up events around the City, from the Friday Farmers Markets to Beer Mule Happy Hour. The survey is part of the City’s efforts to shape the future of Watsonville with community guidance at the forefront. The survey asks for the respondents’ opinions about community values, challenges, and visions for the future as well as specific questions about housing preferences and challenges. The City received 503 survey responses, 432 of which were in English and 71 of which were in Spanish. The City has reviewed the survey results and taken them into consideration during this process.

2. Plug into the Community Engagement Plan

The City provided the Engagement Guide to provide insight into the City’s approach to community engagement throughout the process of the General Plan Update. The guide laid out the following community engagement goals for the General Plan Update:

- Understand the community’s assessment of current conditions in Watsonville;
- Educate the community on all elements of the General Plan;
- Ensure equitable engagement that encompasses the entire community; and
- Ensure that community input is reflected in the plan.

PROJECT PHASES	MAJOR ENGAGEMENT ACTIVITIES
DISCOVERY & VISIONING	CAC Community Workshop Pop-up Events Elected Officials Study Session Online Survey
ALTERNATIVES	CAC Community Workshop Pop-up Events Online Survey Elected Officials Study Session Community Groups
POLICY DEVELOPMENT	CAC Community Workshop Comm Group Meetings Stakeholder/ Agency Meetings Meetings with Council, Board & Commissions Pop-Up Events
PLAN DEVELOPMENT/REVIEW & ADOPTION	CAC Stakeholder/ Agency Meetings Public Review of Plans Elected Officials Study Session Community Open House Online Feedback Form Elected Officials Hearings Meetings with Council, Board & Commissions

If you are interested in helping shape the vision and future of Watsonville, visit www.cityofwatsonville.org/2240/General-Plan-Update to learn more about the General Plan Update as well as sign up for email updates and invites to upcoming events.

cityofwatsonville.org @cityofwatsonvillegov @WatsonvilleCity @WatsonvilleCity



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A flyer was included as part of the Community Engagement Plan and provided an overview of the process, its project phases, and major engagement activities.

3. Community Advisory Committee Meeting #1

On March 29th, 2023, the City hosted a Community Advisory Committee Meeting at the Library Community Meeting Room. The topics of discussion in this meeting were to:

- Initiate the Community Advisory Committee for the General Plan Update;
- Discuss the roles and responsibilities of the Community Advisory Committee;
- Provide an overview of the General Plan Update process, including the Housing Element;
- Discuss key issues and opportunities in Watsonville; and
- Revisit the guiding principles for the VISTA 2030 General Plan.

Meeting Summary

This meeting primarily discussed the role of the Community Advisory Committee Meeting (CAC), the community engagement process, key issues and opportunities, and expanding on the VISTA 2030 General Plan. Lastly, the meeting reviewed the next steps in the process. The City posted the full presentation slides on the Watsonville General Plan 2050 website.

4. Technical Advisory Committee Meeting #1

On April 12th, 2023, the City hosted a virtual meeting which aimed to meet the following objectives:

- Initiate the Technical Advisory Committee for the General Plan Update.
- Discuss the roles and responsibilities of the Technical Advisory Committee.
- Provide an overview and schedule of the General Plan Update process, including the Housing Element.
- Discuss key issues, needs, opportunities, and initiatives in Watsonville.

Meeting Summary

This meeting primarily discussed the role of the Technical Advisory Committee (TAC), key issues, needs, and opportunities for housing, land use, airport land use compatibility, community design, safety & public hazards, circulation, transportation, environmental resources management, economic development, and public services & infrastructure. Lastly, the meeting asked for feedback regarding the key initiatives presented as well as the next steps in the process. The City posted the full presentation slides on the Watsonville General Plan 2050 website.

5. Discovery Workshop #1

On May 3rd, 2023, the City hosted a virtual meeting that was designed specifically for the public to learn about the City of Watsonville's General Plan Update, including the Housing Element, and provide input about what they would like to see for the future of Watsonville. The meeting was held in English with Spanish translation.

Meeting Summary

The Discovery Workshop was held virtually over Zoom on Wednesday, May 3, 2023, from 5:30pm-7:30pm. There were approximately 65 community members that participated in the workshop with additional community members watching the livestream on Facebook. The workshop was conducted in English and



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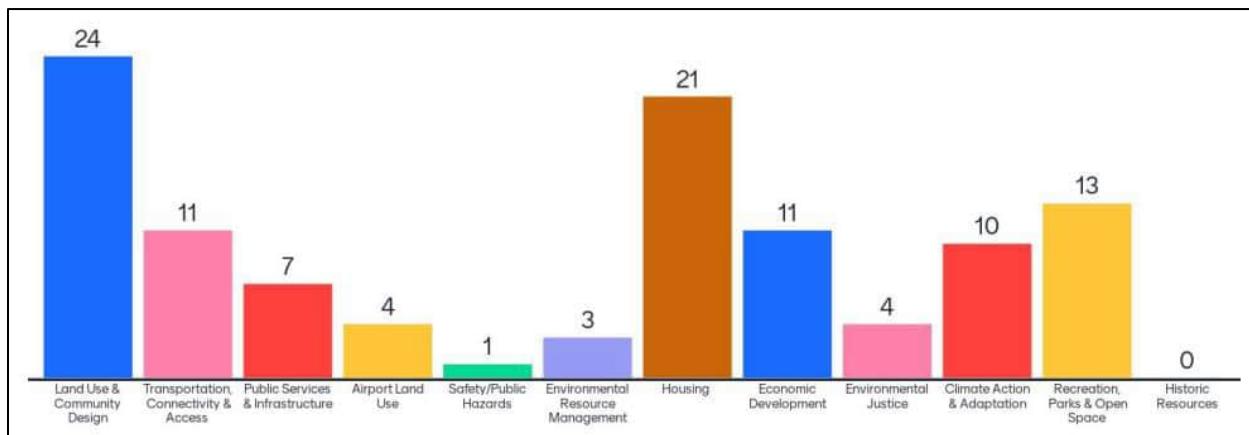
Spanish. The goal of the Discovery Workshop was to educate the Watsonville community about the General Plan Update, including the Housing Element, encourage the community to get involved, and solicit ideas from meeting participants on Watsonville assets, challenges, and opportunities for the future that should be included in the General Plan. Throughout the workshop, participants answered questions via an interactive online polling tool (MentiMeter) and provided input into the Zoom “chat” box. The City posted the meeting summary on the Watsonville General Plan 2050 website.

Workshop Participant Input & Feedback

Several questions were posed to attendees during the first portion of the workshop to get a sense of who was in attendance. Highlights include:

Which of the General Plan Topics Mentioned Most Interest You?

Key topics and required elements anticipated to be addressed in the general plan were shared and participants were asked which ones are most important to them. The top three topics emerging from the polling exercise were: land use and community design; housing; and recreation, parks, and open space.

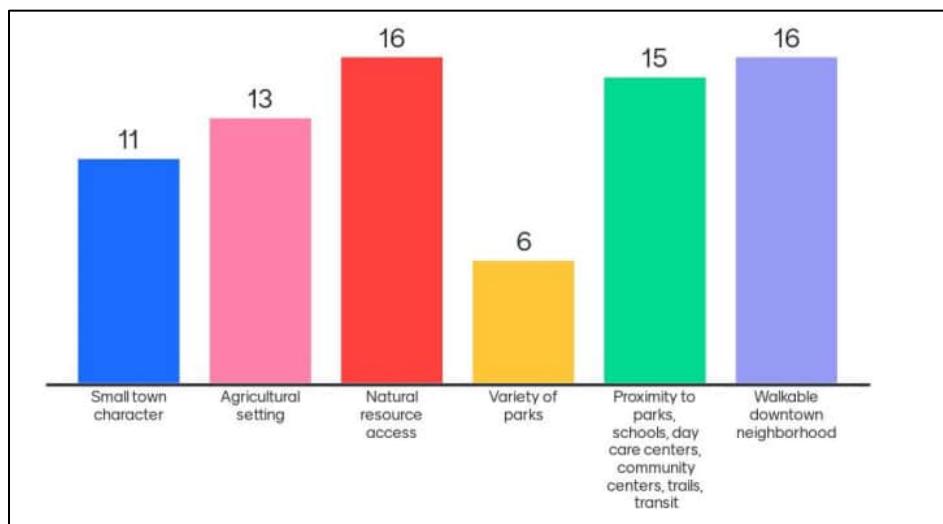


Which of the Community Assets Presented Have the Most Meaning for You?

The next portion of the workshop focused on local assets. A series of initial assets and unique attributes were presented. Participants were asked to identify the most meaningful Watsonville assets from that list. The top three community assets identified by participants included natural resource access; walkable downtown neighborhood; and proximity to parks, schools, day care centers, community centers, trails, and transit. These assets were closely followed by agricultural setting and small-town character.

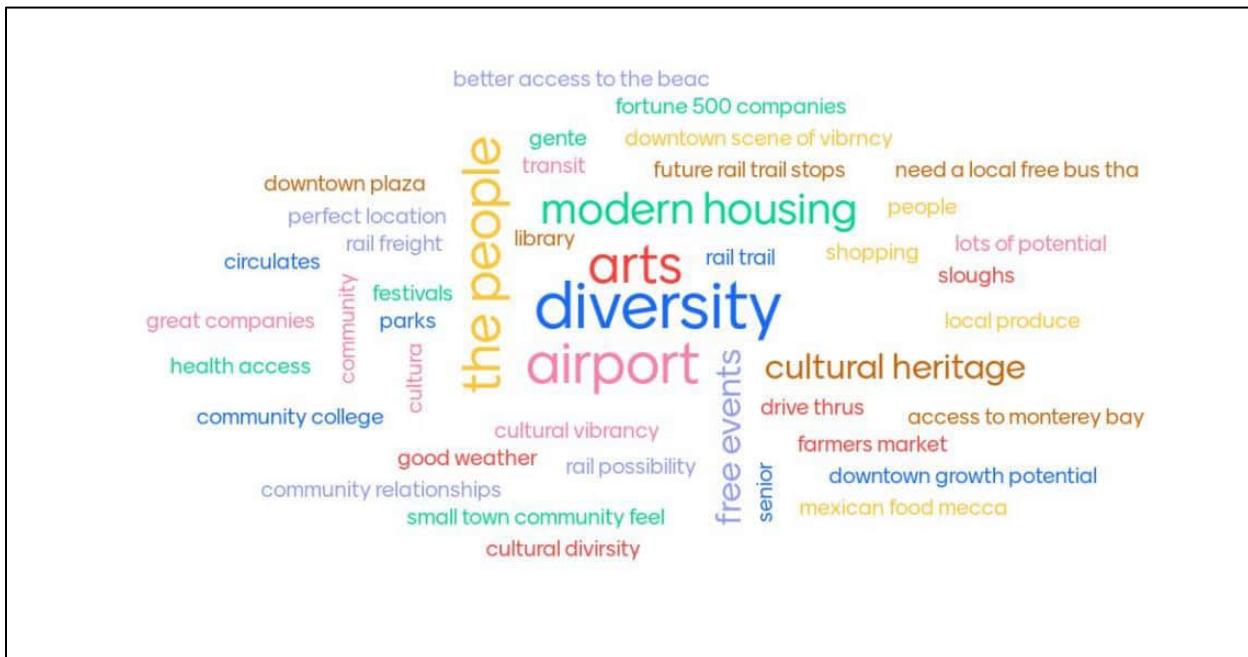


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What Are Some Other Important Watsonville Assets?

Participants were then asked to share and record directly into the survey other assets that they thought were not addressed or not fully addressed. The top additional assets identified by participants were diversity, arts, modern housing, the people, and the airport.

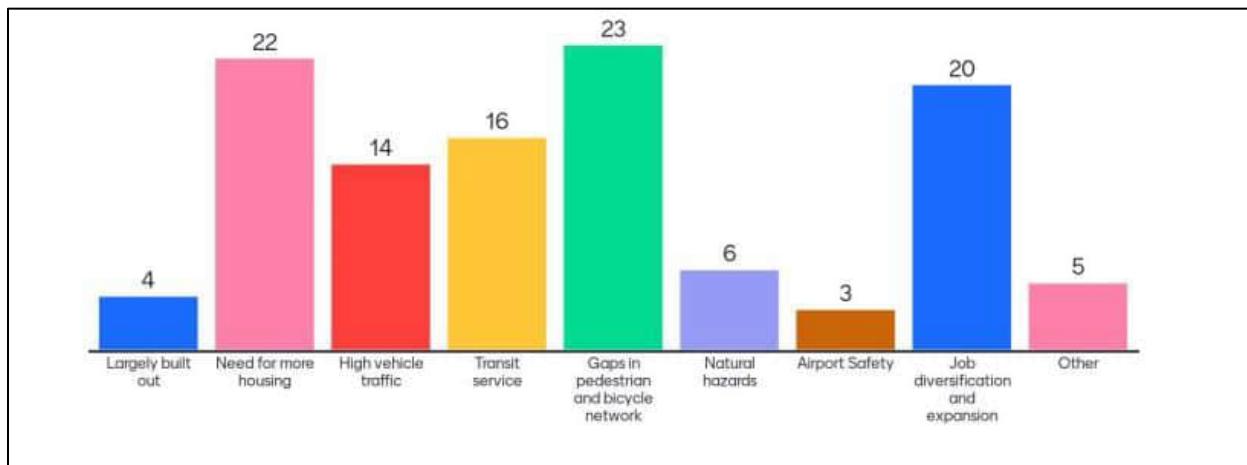


Which of the Challenges Presented Do You Feel Are Most Important?

The presentation then went over key challenges for the City of Watsonville. A set of challenges were presented to participants, and they were asked to identify which challenges are most important to them. The top three challenges for the City of Watsonville identified by participants were gaps in the pedestrian and bicycle network, the need for more housing, and job diversification and expansion.

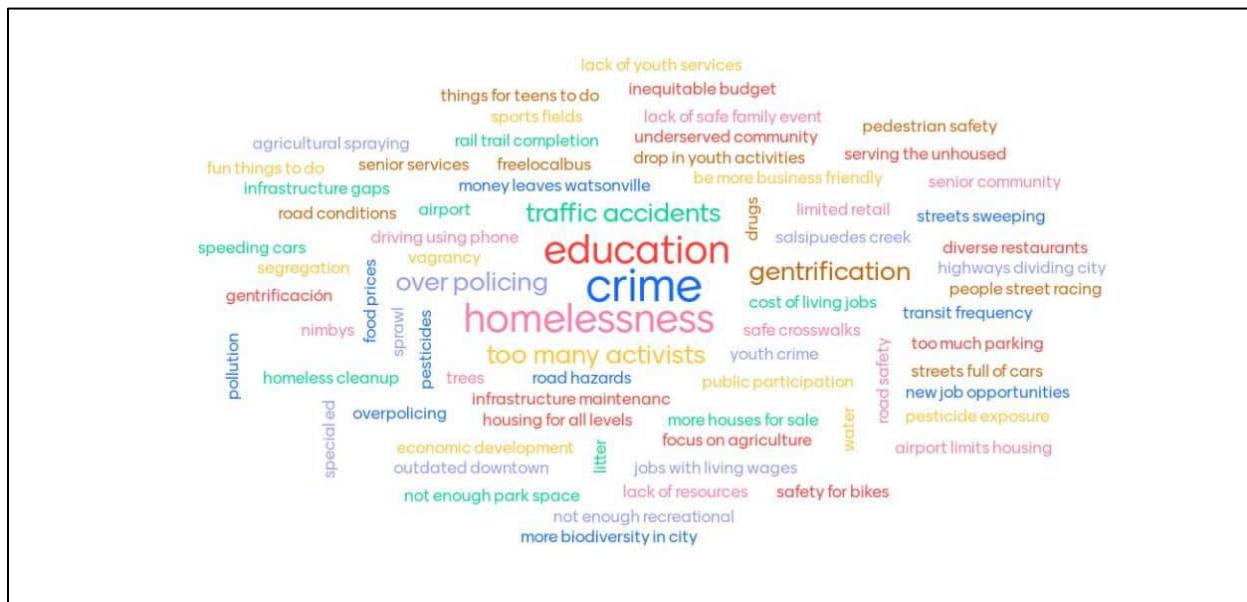


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What Are Some Key Watsonville Challenges?

Participants were then asked to identify key challenges that were not mentioned. The top challenges mentioned were education, crime, homelessness, traffic accidents, and gentrification. The word cloud showcases other community thoughts and opinions.

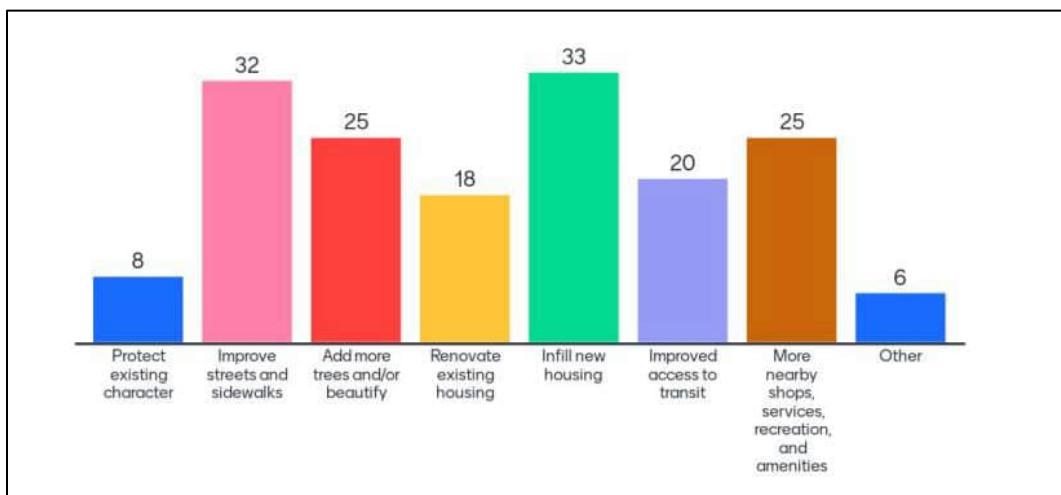


What Should Be Some Priorities for Existing Watsonville Neighborhoods?

Participants were asked to identify priorities for existing Watsonville neighborhoods. Participants identified the need for infill and new housing and improving neighborhood streets. These were followed by the desire for more nearby shops, services, recreational amenities; the need to plant more trees and general beautification of the city; and improving access to transit. Lower priorities included renovating existing housing and protecting the existing character of the neighborhoods.

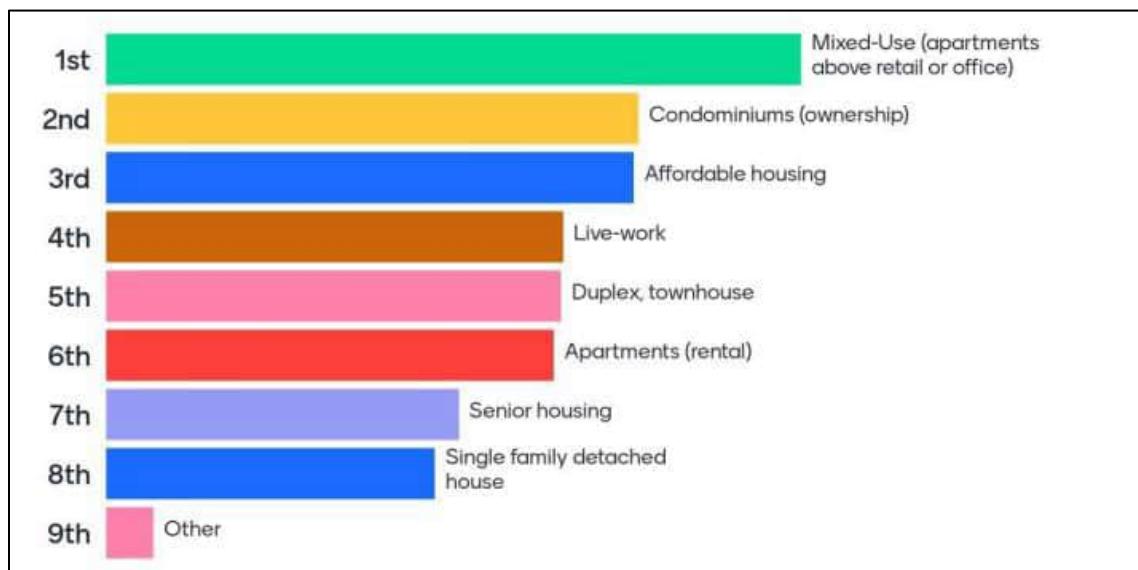


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What Kind of Housing Would You Like to See?

Participants were then asked what new types of housing they would like to see. Responders indicated they would like to see new mixed-use (apartments above retail or office), followed by condominium (ownership) housing and then affordable housing.



What Else Would You Like to See Along and Near These Corridors?

Attendees were asked to list what additional opportunities they would like to see along and near the above corridors. Top preferences for changes and improvements that participants indicated they would like to see along Watsonville's corridors consisted primarily of public realm improvements, including safe streets, new parks and parklets, more outdoor seating, and more trees. Other suggestions included housing options such as tiny homes, destinations such as local coffee shops, breweries, and bowling alleys, and community benefits such as childcare centers, bathrooms, and more wetlands art.



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6. Stakeholder Focus Group Meetings

On June 6, 2023, the City of Watsonville held a series of stakeholder focus groups to discuss topics relevant to the ongoing General Plan Update and Housing Element Update projects. Focus groups were led by City staff and members of the consultant teams for each project. A range of stakeholder groups were represented, as further described below. The following summarizes key discussion points and comments related to housing in the City, based on two focus group meetings: Housing and Human & Community Services.

Housing Groups

The Housing focus group meeting was held to better understand the existing housing-related challenges in the City and the community's housing needs. The focus group was attended by representatives from MidPen Housing Developers, Envision Housing, Eden Housing, local realtors, local banks, local property management groups, and the Community Opportunity to Purchase Act (COPA).

Based on the feedback provided, the key challenges in the City include overall housing affordability, the need for for-sale housing, and the provision of workforce housing (e.g., agriculture workers, teachers, day laborers), housing for people with disabilities, and middle-class housing (80 to 100% AMI). Additionally, due to the cost of housing in the City, there has been an increase in overcrowding with many families living in garages or doubling up in apartments to afford rent. A number of lower-income individuals have also relocated outside the City to areas including Salinas, Fresno, and other parts of the Central Valley. Stakeholder representatives also expressed a need for housing that serves special needs groups, including those with disabilities and unhoused individuals, including many unhoused students. Currently, the same services in the City target these groups, however their needs vary and housing-related resources and developments should be distinct.

To address housing-related challenges, stakeholder representatives suggested a number of potential priorities and programs for the Housing Element: a focus on 2–3-bedroom units for larger families, transitional housing, an additional homeless shelter in the southern portion of the County, transitional



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housing, and affordable workforce housing. When asked whether ownership or rental housing should be prioritized, representatives expressed that there is a demand for both, but there have not been any new for-sale units on the market in many years. There are many barriers to entry for ownership, but people are still interested in this if there are programs to make it more attainable. As such, programs such as the City's down payment assistance program should continue to be supported.

Further, to facilitate efficient progress on the City's housing needs, stakeholder representatives recommended finding opportunities to collaborate with other cities and the County, Catholic charities, and the school district to address the needs of unhoused students. While continuing to develop housing, a focus should also be placed on maintaining other services in the city, including public facilities and services (libraries, etc.) to meet demand associated with population growth.

Despite the housing challenges and needs, stakeholder representatives noted that there are also a number of things that are valued by the community. City staff is known for being very supportive of affordable housing, while many other cities in the region are not. Additionally, City staff is helpful and supportive of developers through the development process. Concerning community character, many people appreciate the small-town feeling and value maintaining community character while continuing to develop additional housing.

Human & Community Services

This meeting was started by addressing the stakeholder representatives' vision for the City. Concerning housing, the need for affordable housing was a key focus. Many people, primarily farmworkers, are leaving the City for other cheaper cities (e.g., Salinas and San Juan Bautista). Of those who do remain in the City, many households are living in garages. To address these concerns, representatives suggested government assistance with managing the existing housing stock and assisting community members with buying homes through offering down payment assistance or programs similar to a housing trust fund.

Many obstacles were identified to achieving the vision, including community members not being aware of the services that are currently available to them, scaling back of available services since Covid, and the distance of housing from available community services. Additionally, community services and infrastructure need to be maintained alongside housing development to meet the needs of residents. This includes improving bicycle/pedestrian infrastructure throughout the City, as some developments don't have safe access for people trying to walk to/from school, bus stops, etc. Further, there should be a priority placed on including recreational or community facilities as part of developments to serve the needs of residents.

To help achieve the City's housing needs, stakeholders suggested several programs/policies including:

- Incentivizing housing through density bonuses;
- State-supported housing;
- Inclusionary Zoning Ordinance;
- Mixed-use development;
- Placing supportive services along ground-floor frontages with housing on top; and
- Collaboration with faith-based organizations to reconceptualize the properties they own (e.g. allowing housing on church properties).

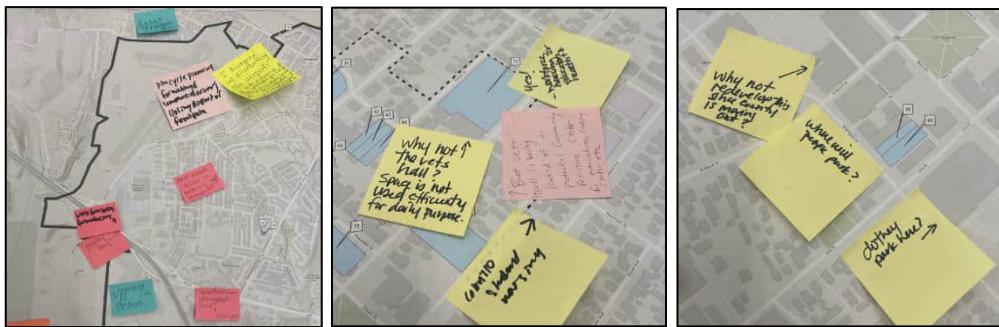


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7. Community Advisory Committee Meeting #2

On August 16, 2023, the City hosted a Community Advisory Committee Meeting at the Library Community Meeting Room. The objectives of this meeting were to:

- Discuss Fair Housing priorities within Watsonville,
- Evaluate sites feasible for development/redevelopment around the City,
- Provide input on housing policies that should be considered for implementation; and
- The relation of sites selection to the Downtown Watsonville Specific Plan.



Meeting Summary

This meeting primarily focused on housing priorities in the City and suitable sites that would provide fair housing throughout Watsonville. The City posted the full presentation slides on the Watsonville General Plan 2050 website. Topics discussed included: the need to define each income category and its relation to sites selected, homeless resources, the need for more ownership opportunities, and opportunities to create a “15-minute city,” which was described as a city that has all the necessary resources for the community living there within a 15-minute walk or bike ride. One important point of concern was the availability of land within the city limits for development. This carried over to the second topic of suitable sites. Over the course of this conversation, the need for workforce housing for healthcare workers, schoolteachers, and students were discussed. In addition, rezoning and the re-use of certain locations such as K-Mart and the Fox Theater were evaluated. When discussing the airport and surrounding areas, some residents were concerned with adequate distance between homes and the airport and land use restrictions related to airport safety zones. In addition, some individuals supported and others opposed dismantling the airport to provide more opportunities to develop housing in the area.

8. City Council & Planning Commission Study Session

On September 26, 2023, the City held a Joint City Council/Planning Commission Meeting to discuss the Draft Housing Element and the candidate site selection inventory in the City Hall Community Room. The objectives of this meeting were to:

- Provide an overview of the Housing Element update process and the Draft Housing Element;





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- Discuss Fair Housing priorities within Watsonville;
- Evaluate sites feasible for development/redevelopment within the City; and
- Provide an overview of how the capacity of the candidate sites selected relates to the Downtown Watsonville Specific Plan and the City's RHNA.

Meeting Summary

During the study session, the City Council made the following points:



- Expressed concerns regarding the availability of diverse housing types and opportunities for all demographics, such as ownership condominiums, townhomes, and single-family dwellings.
- ADU projections are lower than what is reflected in the presentation due to the nature of city residents.
- A three-story development by Metro station should be a part of the pipeline projects inventory but was not identified during staff presentation.
- Expressed need for amenities for residents and visitors to enjoy and keep business within the city.
- Discussed ramifications of annexation and its role in housing.
- Raised concerns about environmental constraints in the city and consideration by Association of Monterey Bay Area Governments (AMBAG).

Additionally, the Planning Commission agreed with City Council members that the availability of diverse housing types is important to consider. A member of the public commented on enhancing local control due to Watsonville's status as a charter city; however, no other substantive comments from the public regarding the housing element were made.



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B. Public Comments on Draft Housing Element

This section contains a summary of public comments received during the 2023-2031 Housing Element Update process.

1. Pre-HCD Submittal Public Review Draft (December '23 - January '24)

The City made the Draft 6th Cycle Housing Element available for public review and comment from Friday, December 22, 2023, to Friday, January 26, 2024. A total of 13 written comments were received. All comments received during this period are summarized below. All written comments received are also provided following this section.

Summary of Public Review Comments Received:

- **The Regional Housing Needs Allocation (RHNA)** – comments related to the methodology of determining the RHNA for the City.
- **Public Review Requirements** – comments related to requirements of the Public Review period, such as timeline and accessibility of the Housing Element document.
- **Site Specific Development** – comments related to specific sites not included in the Housing Element Update.
- **The 2050 General Plan Update** – comments related to the overall status of the 2050 General Plan Update and its various elements in relation to housing.
- **The 2005 General Plan** – comments related to consistency in policies and programs in the upcoming update to the City's General Plan.
- **Agriculture** – comments related to the agricultural land outside of the city limits and its balance with providing new housing opportunity.
- **Transportation** – comments related to the promotion of transportation strategies that could provide easier access to housing.
- **Homelessness** – comments related to services that help persons experiencing homelessness.
- **Housing Types** – comments related to the potential types of housing that can be built during the 6th Cycle.
- **Housing Assistance** – comments related to the types of housing assistance provided by the City.
- **The Downtown Watsonville Specific Plan (DWSP)** – comments related to the DWSP document and its relation to the Housing Element.
- **Clarification** – comments related to clarification of various topics discussed in the Housing Element.

The City reviewed and considered these comments for a 10-day period following the close of the public comment period (January 27 to February 11). The HCD Submittal Draft Housing Element reflects this review and consideration of these comments. The comments received did not necessitate any substantial changes or modifications to the policies or analysis contained in the Draft Housing Element.

For privacy purposes, personal addresses and other contact details of commentors have been redacted.



2023-2031 HOUSING ELEMENT

2. HCD Submittal Public Review Draft

On July 12, 2024, the City posted revisions to the Housing Element for the mandated 7-day public review. Stakeholders were also directly notified of the updated draft. No public comments were received.

3. HCD Submittal Public Review Draft

On September 6, 2024, the City posted revisions to the Housing Element for the mandated 7-day public review. Stakeholders were also directly notified of the updated draft. One public comment was received.



2023-2031 HOUSING ELEMENT

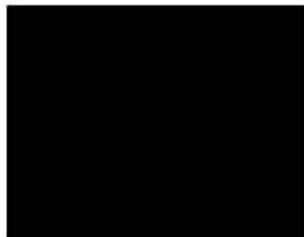
Attachment A: Public Comments Received

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2023-2031 HOUSING ELEMENT

Pre-HCD Submittal Draft Public Comment #1



City of Watsonville Community Development Department
Attn: [REDACTED]
250 Main Street, Watsonville, CA 95076
Email: [REDACTED]

January 25, 2024

Regarding Watsonville Housing Element

Dear Community Development Department City of Watsonville;

I am responding to the proposed Housing Element, specifically the development on undeveloped land and zoning for single-family homes.

Do not build on undeveloped land and do not create zoning for single-family homes.

The undeveloped land in Watsonville, both inside and outside the urban limit line as designated by measure U, is one of our greatest assets. Undeveloped land is rare and finite. There will not be any more. Once developed, it is gone forever. We do not know what this land may yield in terms of agriculture, forest land, parks, or open space. It's imperative that housing be built elsewhere, and that the city preserve and maintain its open space.

Single-family homes are no longer relevant. California eliminated most single-family zoning in 2022. For the city to abide by the requirements of AMBAG and to meet the needs of housing for every income bracket, please build high-density units that can create a "15-minute city" in Watsonville for each segment of the population; low-income, high-income, market-rate, etc., People in our county are aging. As we become older, we require services closer to our homes. We can create a useful and vibrant city by building new multi-unit buildings with better access to public transportation. This will address the needs of future residents in all income brackets.

Thank you,

[REDACTED]
Watsonville



2023-2031 HOUSING ELEMENT

Pre-HCD Submittal Draft Public Comment #2



SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION

1101 Pacific Avenue, Suite 250, Santa Cruz, CA 95060-4418 • (831)460-3200•info@sccrtc.org

City of Watsonville Community Development Department
250 Main Street
Watsonville, CA 95076

RE: City of Watsonville Draft 6th Cycle Housing Element Update (2023-2031)

Dear [REDACTED]

On behalf of the Santa Cruz County Regional Transportation Commission (RTC), thank you for your efforts and your commitment to supporting sustainable communities in the City of Watsonville Housing Element update. Planning for affordable housing development that provides greater opportunities for walking, biking, and access to clean transit options will help greatly to reduce greenhouse gas emissions.

The RTC supports the Housing Element's priority for future affordable housing developments in Opportunity Sites along transit corridors in the Downtown Watsonville Specific Plan. This will greatly help to achieve Target 1.A in the 2045 Regional Transportation Plan (RTP) for Santa Cruz County to improve people's ability to meet most of their daily needs without having to drive, and to improve access and proximity to employment centers. The RTC encourages the Housing Element Update to consider prioritizing mixed use affordable housing near the potential Ohlone Parkway Station and the Downtown Watsonville Station identified in the locally preferred alternative, Electric Passenger Rail, of the Transit Corridor Alternatives Analysis completed by the RTC in 2021.

The RTC recommends that the City of Watsonville consider implementing Transportation Demand Management strategies to reduce parking needs for multi-family developments and help incentivize new affordable developments. This will help to achieve Policy 1.1 in the RTP to expand Transportation Demand Management programs that decrease the number of vehicle miles traveled and result in mode shift. Incorporating TDM strategies will help to ensure that new developments with reduced parking standards are designed to support sustainable transportation choices for residents, employees, and visitors. RTC staff are available to assist Watsonville to develop TDM strategies, policies, and programs if needed.

The Housing Element is one component of the General Plan, which also includes a Circulation Element to addresses transportation. However, considering some of the information and discussion in the Housing Element communicating the importance of the transportation system to access housing and to access everyday needs from housing locations, RTC recommends adding convenient and easy access to various modes of transportation to Policy 3.8 or adding a policy specific to ensuring convenient and easy access to various transportation modes.

In closing, we appreciate that the Housing Element Update prioritizes affordable high-density housing developments with multimodal connections to employment, goods, and services. If you have any questions regarding these comments, feel free to contact me or my staff at [REDACTED]

Sincerely,

[REDACTED]
Interim Executive Director



2023-2031 HOUSING ELEMENT

Pre-HCD Submittal Draft Public Comment #3



Watsonville Wetlands Watch

P.O. Box 1239 • Freedom, CA 95019

www.watsonvillewetlandswatch.org

"Dedicated to protecting, restoring and appreciating the wetlands of the Pajaro Valley"

January 26, 2024

[REDACTED]
City of Watsonville
250 Main Street
Watsonville, CA 95076

Re: Watsonville's Housing Element

Dear [REDACTED]

Watsonville Wetlands Watch supports a Housing Element that addresses the needs of our current and anticipated citizens. We look forward to continuing to work with the City to develop creative housing solutions that will protect our valuable and unique wetlands and farmlands.

Documents that are organized and accessible, in both Spanish and English, are critical to getting the participation of all members of the community.

Sincerely,

[REDACTED]
Executive Director
Watsonville Wetlands Watch



2023-2031 HOUSING ELEMENT

Pre-HCD Submittal Draft Public Comment #4



January 25, 2024

Board of Directors Officers

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

City of Watsonville
275 Main St.
Watsonville, CA 95076

Subject: Support for Watsonville Housing Element Update

Dear Mayor, City Councilmembers, and City Staff,

Monterey Bay Economic Partnership (MBEP) extends our enthusiastic support for the comprehensive and forward-thinking Housing Element Draft recently presented by the City of Watsonville.

The proposed policies and goals outlined in the Housing Element align closely with the 5 policy recommendations from MBEP's white paper, *Practical Housing Policy: Increasing Supply and Affordability*.

- Streamline permitting and reduce discretionary reviews
- Increase allowable densities
- Reform impact fees
- Increase funding sources for affordable housing
- Optimize inclusionary housing ordinances

The policies outlined in this Housing Element not only echo the vision and mission of MBEP to improve housing affordability in a highly constrained housing market, but also showcases the city's unwavering dedication to fostering a diverse, inclusive, and thriving community for all residents.

Within Watsonville's Housing Element, policies like 3.1, 3.3, 3.6, 3.8, and 4.3 align with MBEP's goal to create better housing for all within the tri-county region. While policies like 2.5 and 3.5 directly align with MBEP's outlined policy recommendation to explore funding resources to increase funding for affordable housing. Additionally, Watsonville's Policy 4.1, which aims to provide regulatory and/or financial incentives to offset or reduce the costs of affordable housing development, aligns with MBEP's outlined policy recommendation to streamline permitting mainly because incentives can help reduce costs and accelerate the development process.

In order to elevate the Watsonville Housing Element we recommend optimizing height limits and density calculations, to support more efficient land use and development for policies 1.6 and 2.1. And for policies such as 1.5 and 2.2 we believe that they can benefit from the reform of impact fees; because scaling fees by square footage can reduce financial barriers and burdens on homeowners and developers, and will ultimately support the goal of expansion and protection of housing opportunities and promote the

3180 Imjin Road, Suite 102
Marina, CA 93933 831.915.2806

Santa Cruz, San Benito, Monterey



2023-2031 HOUSING ELEMENT

Pre-HCD Submittal Draft Public Comment #4 – Continued



preservation of affordable housing.

Furthermore, MBEP acknowledges and commends the significant efforts outlined in the Downtown Watsonville Specific Plan (DWSP) to revitalize the downtown area and incorporate additional housing and economic opportunities. The DWSP, covering approximately 195.5 acres, dedicates roughly 55.5 acres to streets and rights-of-way, aiming to accommodate up to 3,900 additional residential uses through both new construction and adaptive reuse of historic buildings. It is noteworthy that 1,954 of the total 2,053 units identified for residential development in the 2021-2029 RHNA are associated with the DWSP. The City must implement as many policies as possible to streamline housing in the DWSP early in the RHNA cycle in order to achieve its goals. Also, the recent surge in developer interest, spurred by the adoption of the DWSP, underscores the plan's effectiveness in attracting investment and facilitating infill opportunities. Recent inquiries from property owners and developers, exemplify the growing momentum toward mixed-use and affordable residential developments in Watsonville. This surge in developer interest reflects confidence in the City's commitment to accommodating higher density residential development and underscores the importance of initiatives like the DWSP in driving economic growth and community revitalization. Encouraging signs indicate that higher densities are indeed possible, particularly within the DWSP, demonstrating the potential for transformative urban development in Watsonville.

We are excited about the positive impact the City of Watsonville's Housing Element policies will have on the community and look forward to witnessing the continued progress toward a vibrant and inclusive housing landscape.

Sincerely,



3180 Imjin Road, Suite 102
Marina, CA 93933 831.915.2806

Santa Cruz, San Benito, Monterey



2023-2031 HOUSING ELEMENT

Pre-HCD Submittal Draft Public Comment #5

January 24, 2024

To: City of Watsonville, Community Development Department
Attn: [REDACTED]

Questions and comments addressing the City of Watsonville 6th Cycle Housing Element update:

- 1) The City released a 350-page Housing Element on December 22, (three days before the Christmas/New Year's holiday), and gave the public 35 days to make final comments. From the City: "Due to the proximity of the release date to the holidays, the Housing Element will be available for a 35-day review period beginning **Friday, December 22, 2023, and ending Friday, January 26, 2024.**" This makes it sound like they were doing us a favor by giving us 35 days, 3 days before the holiday and when the library was closed for a week. Why was the public not given more time to review such a long and complicated document, particularly when accessing information was very difficult?
- 2) It has been extremely difficult if not impossible to access information and documents pertaining to review of the Housing Element. Why did the City or the consultant not test the process and put time or resources into making information easily accessible to the public?
- 3) Are the Housing Element and the 2005 General Plan and the elements all in Spanish?
- 4) Which ones of the documents were NOT translated into Spanish? The links inside the Spanish versions of the announcements come up in English.
- 5) Will the questions and comments submitted by the public and the consultants' responses be published?



2023-2031 HOUSING ELEMENT

Pre-HCD Submittal Draft Public Comment #5 – Continued

- 6) In the General Plan Update document (<https://experience.arcgis.com/experience/6423c33848d24cf94c7c6d717b8c94d>) the words "Agriculture" and "farming" are not mentioned a single time, under the Land Use and Community Design element or the Environmental Resource Management element. Neither is the word "Wetlands" mentioned. Additionally, there is no reference to the fact that the citizens of Watsonville over the last 20 years have voted three times to protect the farmlands and wetlands that are so integral to the city. Watsonville and the Pajaro Valley are known all over the world for their world-class farmland and climate that produce berries and vegetables, and this should be embraced by this report, not stifled.
- 7) Chapter 1, page 1-3, The RHNA chart allocates 51% of the City's RHNA to Above Moderate-Income level, based on the calculation using Santa Cruz County median income level of \$132,800. Should the City be using \$132,800 as median income for Watsonville?
- 8) Where does the City acknowledge that there is a high percentage of low-income residents, that would affect the proposed RHNA?
- 9) In Chapter 1, page 1-3, it states: "*The Housing Element works in tandem with the development policies in the Land Use Element For the Housing Element to be successful.... It's goals, policies and programs must be consistent with those established in ALL other elements in the City's General Plan.*" However, how can the public read the "policies" of the Land Use Element, or for any of the other ten elements that are difficult to access?



2023-2031 HOUSING ELEMENT

Pre-HCD Submittal Draft Public Comment #5 – Continued

- 10) What are the ramifications if it is determined in the future that goals, policies or programs of one or more of the other eleven elements are NOT consistent with those of the Housing Element?
- 11) Why is the language from 2005 being used for the goals, policies and programs of the elements? The name of the Urban Limit Line in the Land Use element is incorrect, referring to the 2002 Measure U, and not to the recently passed Measure Q. Why were the texts for the elements not updated?
- 12) Policy 4.7, Chapter 2, page 2-4 says "*Revise and update Title 14, Zoning Ordinance, of the Watsonville Municipal Code, to achieve community-wide objectives.*" What community-wide objectives are being referred to?
- 13) Program A-3, Chapter 2, page 2-7: "*Watsonville has a significant stock of affordable housing units that receive public subsidies or are regulated by the City's Affordable Housing Ordinance.*" What is the definition of "significant"? What is the number of total housing units that is used for comparison?
- 14) It was earlier announced that a Draft EIR was to be released in August 2023. Is there a new date for the release of the Draft EIR?

Thank you for addressing these questions and comments.





2023-2031 HOUSING ELEMENT

Pre-HCD Submittal Draft Public Comment #6

January 25, 2024

To: [REDACTED]

Comment on the Housing Element

I believe that the document needs to acknowledge and embrace Agriculture as such a central component of all discussions around the housing issues in the city. Increased population and resulting increased pressures to create housing for all income levels are critical issues facing all areas of California. What needs to be emphasized is that the lands surrounding Watsonville are among the most productive lands in California, in the US and in the world. Only 2% of the world has the soils with the climate and fertility that exist at the intersection of Highway 129 and Highway 1, that the report is offering as a site for commercial and residential development. So while attempting to satisfy our local demands for housing, we have to keep the protection of our unique and irreplaceable food-producing soils as the primary focus, and create new and innovative solutions for housing. Can you please add the honoring and acknowledging Agriculture more into this report, beginning by adding it to your listing of elements in both the Land Use and Environmental Resources in the Update section (<https://experience.arcgis.com/experience/6423c33848d24c1f94c7c6d717b8c94d>), and reviewing how throughout the report Agriculture and agricultural workers seem to be marginalized in favor of finding places outside the Urban limit Line to develop and sprawl onto.

[REDACTED]



2023-2031 HOUSING ELEMENT

Pre-HCD Submittal Draft Public Comment #7

Dear [REDACTED] and members of the Watsonville community,

I hope this message finds you well. My name is [REDACTED] with the Carpenter Union Local 505. I recently had the opportunity to review the housing document for our city, and I must commend the team for the thorough work put into it. The vision for the future development is indeed commendable.

However, as I went through the document, I noticed a crucial aspect that seems to be missing language for labor standards. The success of our housing projects greatly depends on the workforce that will bring them to fruition. I believe it is imperative to address key area labor standards, including a livable wage, health care, apprenticeship programs, and local hire.

Several neighboring cities, such as Capitola, Saratoga, Los Gatos, Sunnyvale, and Santa Clara, have successfully implemented these standards to protect and support their workforce. Doing so not only ensures fair treatment but also fosters a stronger and more sustainable community.

I kindly request the consideration and incorporation of area labor standards into the housing document for Watsonville. By embracing these standards, we can demonstrate our commitment to the well-being of the workforce responsible for building our community's future.

Thank you for your time and dedication to the betterment of Watsonville.



2023-2031 HOUSING ELEMENT

Pre-HCD Submittal Draft Public Comment #8

Hi [REDACTED] thanks for the info. Looks like its approx 20% for very low and low income units for the whole project for these 8 years?

Below this concern is not just for these two developments, but for future developments to implement:

Since, in the last few years, both Marin St. and Miles Lane have both experienced housing construction that leads right onto Freedom Blvd. with uphill stop signs, obviously, there will also be more traffic flow from these dicey-atbest entrances (viewing oncoming traffic, stepping on gas just to get into the lane, etc.) onto Freedom Blvd.—which will also increase incidents/deaths). Am wondering if there is more than an unlighted cross walk that can be placed where most cars are traveling at 30-40 mph around turns...you see where I'm going with this! I really believe there needs to be real safety measures taken here (the Miles Lane project is almost completed) given the influx of residents, coupled with the difficulty in crossing almost anywhere between Calahan Park and Martinelli street while on Freedom Blvd.

Best,

[REDACTED]
PS Is the K-Mart area going to be housing in the future?



2023-2031 HOUSING ELEMENT

Pre-HCD Submittal Draft Public Comment #9

Hi [REDACTED]

Thank you for your work on the Watsonville Housing Element.

I may have found a small typo for correction, highlighted in red. On page 301, Chapter 7: Suitability of Non-Vacant Sites: "...if the Housing Element utilizes 50-percent **of** more of its lower income RHNA"

Best,

[REDACTED]



2023-2031 HOUSING ELEMENT

Pre-HCD Submittal Draft Public Comment #10

Dear Community Development Department and [REDACTED]

My name is [REDACTED] and my father is a part of the Watsonville community.

I have great concerns for the farm working population housing situation in Watsonville. I feel that this Housing Element and the DWSP are more focused on land use than providing housing solutions for its community.

I believe the DWSP is a stale corporate development plan that is not based on the unique needs of the Watsonville community.

What other proposals for innovative city center revitalization, did you consider? Have you heard about Cul-de-sac in Tempe Arizona?

<https://www.bloomberg.com/news/features/2023-12-15/culdesac-tempe-s-car-free-development-model-is-hitting-the-road>

Here are some additional questions/concerns I have from the Draft Housing Element.

- 1) In efforts to be state compliant and receive HCD certification, does the City of Watsonville intend to use the powers vested in them to make amendments to housing provisions?
 - a) If so, has the City Council determined substantial evidence to amend housing provisions and ULL?

Evidence required by the City Council to make amendments would have to substantiate that:

- City is unable to accommodate the housing needs with current Title 14 zoning ordinance
- Less density is necessary to accommodate required housing needs for above moderate income households
- Alternative sites within the ULL don't satisfy the housing law

Declaring that the success of the Housing Element is hinged on its compliance with the Land Use Element does alleviate the burden of the Housing Element to be state compliant on its face.

- 2) Is the objective for program C.2, to adopt and amend municipal code for residential development on sites currently zoned and designated for commercial or retail uses?
 - How do potential amendments impact Senate Bill 330 compliance and residential density reductions?
- 3) How effective is the Draft-Housing-Element-2023-2031 in ensuring every resident has access to housing and a sustainable living environment?
 - What agency has oversight over these calculations and assessments?
 - What oversight is there for the other remaining 11 Elements?
 - Does the public have access to all 12 Elements of the General Plan, if so where are those documents located?
 - Is the Draft Housing Element only available in English language? (84.3% Watsonville Hispanic or Latino, Table B-3 Appendix B: Housing Needs Assessment B-4)
- 4) How have Propositions 46 and 1C funds been used?



2023-2031 HOUSING ELEMENT

Pre-HCD Submittal Draft Public Comment #10 – Continued

- 5) Does the City of Watsonville have the authority to override, amend, disregard or remove constraints from the following?
 - i) Measure U
 - ii) Measure Q
 - iii) EIR findings (2024)
 - iv) AMBAG requirements (density, infill metrics?)
- 6) With focus on bringing substandard units into building, housing and property maintenance codes, should residents, tenants, homeowners and landlords living in the DWSP: Downtown Watsonville Specific Plan Zone, be prepared for code enforcements?
 - Could those code enforcements lead to relocation and/or displacement?
<https://www.codepublishing.com/CA/Watsonville/html/images/2024ZoningMap.pdf>
- 7) What are the key performance indicators (KPI's) for Housing Assistance Programs?
 - Program A.2 Housing Rehabilitation Loans
 - 2018-2022 approved 36 loans out of 100 inquiries/3 for farmworkers
 - 2023-2031 aim to support 20 households over planning period (4 per year)
 - Program B.1 First Time Home Buyer Loans
 - 2018-2022 approved 21 loans out of 835 inquiries
 - 2023-2031 aim to support 60 households over planning period (8 per year)
 - Program B.2 Down Payment Assistance Loans
 - 2018-2022 approved 6 loans out of inquiries
 - 2023-2031 aim to support 25 households over planning period (3 per year)
 - Program B.4 Relocation Assistance Ordinance
 - Assisted in 66 household relocations - Landlords must provide up to 3 months rent
- 8) Is it correct that Farmworkers do not typically qualify for the majority of these housing assistance programs due to their low income levels? How does that comport with RHNA "fair share" distributions?
 - 3 housing rehabilitation loans since 2018 to farmworkers
- 9) What is the significant stock of affordable housing units?
 - a) Miles Lane Project - 72 affordable units
 - b) 1482 Freedom Boulevard project - 53 affordable units
 - c) Hillcrest Estates project - 29 affordable units
 - d) 558 Main Street Project - 10 affordable units
- 10) Is it appropriate for the City of Watsonville's RHNA is based on Santa Cruz County's area median income for a family of four? The AMI for Santa Cruz County is \$132,800.
 - That doesn't seem equitable for Watsonville's median income or every resident required to have access to housing and a suitable living environment. Is this in conflict with HCD certification? - What is the methodology for this calculation?
 - What is the baseline demographic, income and employment data set?
 - Where was the 2010 census data used vs 2020 census?



2023-2031 HOUSING ELEMENT

Pre-HCD Submittal Draft Public Comment #10 – Continued

- How does a Very Low Income RHNA of 283 translate to 4,020 extremely low-income households in Watsonville? according to 2016- 2020 Comprehensive Housing Affordability Strategy (CHAS) Data

Thank you in advance for revisiting these incredibly important calculations AND never forget the farm workers are the core to Watsonville's primary industry.

Sincerely,

[REDACTED]
[REDACTED]



2023-2031 HOUSING ELEMENT

Pre-HCD Submittal Draft Public Comment #11

To whom it may concern:

I had a couple of comments regarding the housing element for Watsonville if still possible.

I just found out about the housing element tonight, and would appreciate having more time to look over a report like this in the future.

Re: Appendix F: Constraints to housing 2050 General Plan Update

I am very supportive of new housing in the Freedom Boulevard corridor if the Airport Safety Zones were modified.

Re: the number of ADUs built in the last cycle.

I wonder if there's a way to establish incentive programs for Senior retirement village areas (such as Pajaro Villa, Bay Village)? As a resident of a neighborhood adjacent to Bay Village, I would appreciate more density in the area, as it can help ameliorate housing demand, and thus, lower the cost of housing. As a young person born and raised in Watsonville, I fear having to move in the near future in pursuit of more affordable housing instead of having the opportunity to live in my hometown.

Thank you,

[REDACTED]



2023-2031 HOUSING ELEMENT

Pre-HCD Submittal Draft Public Comment #12

Hi [REDACTED]

Here are some questions/ comments I have about the draft housing element

Overall I liked learning about the policies and programs the city has to improve housing and make it affordable. So thank you.

My 1st concern is that we only got a short time to review the housing element. If people were out on vacation for the holidays they could have missed the email. Plus the library was closed extra days during this time because staff also had vacation days.

My second concern is on Special needs housing related to people experiencing homelessness. The report mentioned the salvation army but not that it was running out of funding or maybe I missed that. So how many beds are we going to lose and what plans do we have to help those people that rely on the Salvation Army for food and shelter?

I like the idea of a tiny home village and I liked the presentation the builders gave the city council a while back. They had a higher percentage of people transition into permanent housing.

How can we get the county to give us more money for homeless services?

It is great the city does First time buyer Loans and Down Payment Assistance Loans. My concern is that the last housing element the city did not give out all the loans they had set goals for. How can we make sure that we have more of these loans to give out during this housing element cycle? How much staff time is spent on this?

I am in support of closing down or at least shortening the Crosswind Runway at the airport especially since there are two large parcels on Freedom blvd that would like to make mixed use development projects. We need more infill housing. (please add more often public transportation to support this)

Loved the goal for areas of the city to be a "15 minute city"

I like that landlords are required to help tenants with 3 months rent if they have to be relocated because of the property being in substandard conditions. How can we make sure that this is widely known by tenants so they are not just kicked out.

What are some creative solutions the city is looking into for creating more farmworker housing?

Why didn't you use 2020 census data if this draft didn't come out until 2023.

Why was the development across from the grocery outlet (where the Starbucks is) not zoned for mixed residential? Half of those suites are still empty. Can it still be rezoned for mixed use and add work live housing. In Emeryville and Oakland they are allowing artists to live in their art studios. Could those be art studios? It feels like that was just developed with a drive through for Starbucks in mind instead of what the community wanted (more housing).

When was the last time apartments were converted to condos in watsonville? Has the city found anyways to get developers to build condos instead of apartments?

I like that it is easier for people to build ADU's now. Can the city make a plan to talk to homeowners in areas with lower densities to add adu's? The Pajaro Village and Bay Village retirement areas have a lot of



2023-2031 HOUSING ELEMENT

Pre-HCD Submittal Draft Public Comment #12 – Continued

street parking and many seniors live by themselves or with just one other person. This might be a good area to encourage ADU's.

If more land is ever annexed to make housing please don't make suburban models like the franch park area. Yes it is good they added townhomes, single family homes and apartments mixed in but there are still too many dead end streets and winding streets and this leads to more driving and car dependency. We need stuff built on a grid. Long stretches with a sound wall make it so people drive faster on the outside of that wall. There's so many studies that show that these types of developments are not ideal.

I liked the Downtown Watsonville Specific plan and that you want to do a specific plan for Freedom Blvd and East Lake.

Also liked that the city would look into a housing share program where you will match up people looking to rent a room. That already happens here. At the laundry mats you see announcements for rooms for rent sometimes or younger people put up ads online. What would make this not feasible?

Thanks for taking the time to hear people out.

Best,

[REDACTED]



2023-2031 HOUSING ELEMENT

Pre-HCD Submittal Draft Public Comment #13

Another comment sorry:

Is there a way to connect people selling homes to buyers that are from Watsonville. Like to share stories so that possibly the homes could go to people from our community even if they don't have the highest bids or if the city can't do it because it's giving too much preference to people from here then can you hand this off to a housing non profit?



2023-2031 HOUSING ELEMENT

Pre-HCD Submittal Draft Public Comment #14

From: [REDACTED]
Sent: Friday, September 13, 2024 11:34 AM

To: [REDACTED]

Subject: HE Public Comment: Advocating for Housing Initiatives for those with Intellectual and Developmental Disabilities in Watsonville

Dear [REDACTED] Watsonville Community Development Department, and other Watsonville City Staff,

On behalf of Housing Choices, I want to extend our gratitude for recognizing the housing needs of individuals with intellectual and developmental disabilities (IDD) in your Housing Element (HE). As you may know, many individuals with IDD in Watsonville struggle to afford housing solely on their SSI. Due to the lack of deeply affordable housing in the city, only 13 percent of adults with developmental disabilities have been able to transition from the family home into their own apartment with supportive services. Your commitment to seeking state and federal funding, providing incentives for IDD housing, and collaborating with organizations to address homelessness among individuals with disabilities is a vital step toward creating a more inclusive community.

To truly address the housing challenges for people with intellectual and developmental disabilities, we strongly urge the City of Watsonville to utilize available funding through Prop 46, Prop 1C, and other affordable housing programs to prioritize housing specifically for individuals with IDD. This means, creating deeply affordable housing so that the ~ 535 people with developmental disabilities living in Watsonville are not being priced out or income disqualified for units. Specifically, we advocate for the development of extremely low-income housing (30% AMI and below) to ensure the most vulnerable members of the IDD population can access safe, stable, and affordable housing.

In addition to leveraging these funds, we believe it's crucial to focus on key redevelopment projects where IDD housing can be integrated. Having reviewed the latest draft HE, we identified several sites where the inclusion of IDD units would be highly beneficial:

222 Main Street: We urge this site to be developed as 100% affordable with a significant portion allocated for 30% AMI and below units for individuals with IDD.

121 Martinelli Street & 1005 East Lake Avenue: We understand these sites are looking for funding opportunities. If they include units dedicated for the IDD population, they have the potential to qualify for tax credits and specific IDD grant opportunities

475 Rodriguez Street: With funding already secured and the project in the design phase, this site presents an ideal opportunity to set aside units in this 100% affordable development that includes housing for individuals with IDD.



2023-2031 HOUSING ELEMENT

Pre-HCD Submittal Draft Public Comment #14 – Continued

It is essential not only to address the housing needs of people with disabilities who are currently homeless but also to take proactive steps to prevent housing instability for the IDD community. The redevelopment of these key parcels provides an excellent opportunity to ensure that people with IDD are included in the city's broader affordable housing initiatives.

Finally, we support your plan to offer workshops for those with physical disabilities by December 2025. We would love the opportunity to participate and contribute to this important initiative as there is often overlap between those with physical disabilities and those with intellectual and developmental disabilities. Our involvement would help ensure that individuals with IDD are informed about the resources available to them and have a platform to voice their specific housing needs. We look forward to working with you on this initiative and supporting your broader community outreach efforts.

Thank you once again for your ongoing efforts to address the housing needs of individuals with IDD. We appreciate all the work the city has been doing to get their HE certified and we are eager to collaborate further to create meaningful, long-term solutions for this underserved community.

Warm Regards,
[REDACTED]

APPENDIX H

GLOSSARY

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2023-2031 HOUSING ELEMENT

Definitions

American Community Survey. Demographic data source from the United States Census Bureau related to population, education, employment, age, race/ethnicity, housing, internet access, and transportation.

Area Median Income. Area median income for Santa Cruz County as published by the State of California pursuant to California Code of Regulations, Title 25, Section 6932, or successor provision. Commonly abbreviated as AMI. Area median income is the median or average income of a specific area and is based on household size.

Assessment of Fair Housing. An analysis of housing discrimination and residential segregation and exclusion based on a protected class such as race, gender, ethnicity, disability, income, religion, familial status, or national origin. The assessment is mandated by Assembly Bill 686 (AB 686)(2019) and implemented through various policies and programs in the Affirmatively Furthering Fair Housing section of the Housing Element.

Acre Foot Per Year. A unit of measurement for water supply volume that measures the amount of water that can cover one acre of land one foot deep for one year. One thousand acre-feet per year is equivalent to 0.8921 million gallons per day¹.

Below-Market-Rate Housing. Any housing unit specifically priced to be sold or rented to low- or moderate-income households for an amount less than the fair-market value of the unit. Both the State of California and the U.S. Department of Housing and Urban Development set standards for determining which households qualify as “low income” or “moderate income.” The financing of housing at less than prevailing interest rates.

Child Care Home for Children. A private family home in which is provided daytime care (including the furnishing of supervision, recreation, food, and rest) for not more than six (6) children, including children of the proprietary family.

Community Development Block Grant. A grant program administered by the U.S. Department of Housing and Urban Development (HUD) on a formula basis for entitled communities and administered by the State Department of Housing and Community Development (HCD) for non-entitled jurisdictions. This grant allots money to cities and counties for housing rehabilitation and community development, including public facilities and economic development.

Conditional Use Permit. A type of authorization by the local government which allows specific land uses on a property to occur that is not otherwise listed in the municipal code. Conditional use permit applicants typically go through a discretionary approval process such as design review, environmental impact review, public hearings, and other reviews specific to the jurisdiction.

Cost Burden: Monthly housing costs (including utilities) exceeding 30 percent of monthly income.

¹ Groundwater Exchange. Accessed on July 2023 at <https://groundwaterexchange.org/glossary/acre-feet-per-year/>.



2023-2031 HOUSING ELEMENT

Cost Burdened, Severely. Monthly housing costs (including utilities) exceeding 50 percent of monthly income.

Coverage. The percent of the total site area covered by structures.

Density Bonus. The allocation of development rights that allow a parcel to accommodate additional square footage or additional residential units beyond the maximum for which the parcel is zoned, usually in exchange for the provision or preservation of an amenity such as affordable rent for lower income residents at the same site or at another location.

Density, Residential. The number of permanent residential dwelling units per acre of land. Densities specified in the General Plan may be expressed in units per gross acre or per net developable acre.

Deed. A legal document which affects the transfer of ownership of real estate from the seller to the buyer.

Deed-Restricted Affordable. A housing unit that has a use-restriction that limits the rent or purchase price and requires occupancy by low-income housing for a set period of time.

Dormitory. A residential facility with three (3) or more sleeping accommodations for individuals or groups, with or without meals, by the week or by the month, for rent paid in money, foods, labor, or otherwise, and providing communal kitchen and dining facilities. Dormitories may allow individuals rooms to be occupied by no more than two (2) paying guests per room.

Duplex. A building designed as a single structure, containing two (2) separate living units, each of which is designed to be occupied as a separate permanent residence for one housekeeping unit.

Dwelling Group. a group of two (2) or more detached or semi-detached buildings, each of which contains one or more dwelling units, located on a parcel of land in one ownership.

Dwelling, multi-family. Any building, with three (3) or more individual dwellings with separate cooking, sleeping, and bathroom facilities for each dwelling. The term shall include flats and apartments.

Dwelling, single-family. One detached dwelling per legal lot of record designed with a kitchen, bedroom(s) and bathroom(s), used exclusively for residential purposes by one housekeeping unit.

Dwelling, townhouse. A single dwelling unit in a townhouse group, located or capable of being located on a separate lot, and being separated from the adjoining dwelling unit by an approved wall extending from the foundation through the roof and structurally independent of the corresponding wall of the adjoining unit.

Dwelling, townhouse group. A group of not fewer than two (2) townhouse units arranged side-by-side and separated from any other townhouse group by a yard area.

Dwelling unit. One or more habitable rooms which are occupied, or which are intended or designed to be occupied, by one housekeeping unit, with a living area(s), bedroom(s), bathroom(s), a kitchen, and a dining area.

Dwelling unit, accessory (accessory dwelling unit). An attached or a detached accessory residential dwelling unit that provides complete independent living facilities for one (1) or more persons and is located on a lot with a proposed or existing primary residence/residences. It shall include permanent



2023-2031 HOUSING ELEMENT

provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family dwelling or multifamily dwelling is or will be situated.

Dwelling unit, junior accessory. A unit that is no more than five hundred (500) square feet in size and contained within an existing or proposed single-family dwelling. A JADU shall include an efficiency kitchen and may include separate sanitation facilities, or may share sanitation facilities with the existing single-family dwelling. A JADU shall have its own exterior access for ingress/egress separate from the existing or proposed single-family dwelling.

Emergency Shelter. Housing with minimal supportive services for homeless persons that is limited to occupancy of six (6) months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay.

Extremely Low-Income Household. A household with an annual income that is less than 30 percent of the area median family income adjusted by household size, as determined by a survey of incomes conducted by a city or a county, or in the absence of such a survey, based on the latest available eligibility limits established by the U.S. Department of Housing and Urban Development (HUD) for the Section 8 housing program.

Fair Market Rent. The rent, including utility allowances, determined by the United States Department of Housing and Urban Development for purposes of administering the Section 8 Program.

Family. An individual, or two or more persons living together and occupying a dwelling which is not a rooming house, lodging house, or residential institutional use.

Foster Home (Children). A private family home for foster children in which is provided full-time care for not more than six (6) children, including children of the proprietary family, and in which such foster children are resident on a more or less permanent basis and participate in a normal family relationship with the proprietary family.

Foster Home (Family). A boarding home for not more than six (6) aged ambulatory guests as licensed by the Department of Social Welfare of the County.

General Plan. Plan for the future development of the City of Watsonville, California, as adopted by the City Council and as amended from time to time.

Goal. A general, overall, and ultimate purpose, aim, or end toward which the City will direct effort.

Group Care Homes. A boarding home for seven (7) to fifteen (15) aged ambulatory guests as licensed by the Department of Social Welfare of the County.

HOME Investment Partnership Program. A grant program administered by the U.S. Department of Housing and Urban Development (HUD) on a formula basis for states and localities. HOME is the largest federal block grant to state and local governments designed exclusively to create affordable housing for low-income households. HOME funds are awarded annually as formula grants to participating jurisdictions (PJs). This grant allots money for building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people.



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Household: All people living in a housing unit. Members of a households can be related (see family) or unrelated.

Housing and Community Development. The State agency that has principal responsibility for assessing, planning for, and assisting communities to meet the needs of low- and moderate-income households.

Housing and Urban Development, U.S. Department. A cabinet-level department of the federal government that administers housing and community development programs.

Housing Element. One of the seven State-mandated elements of a local general plan, it assesses the existing and projected housing needs of all economic segments of the community, identifies potential sites adequate to provide the amount and kind of housing needed, and contains adopted goals, policies, and implementation programs for the preservation, improvement, and development of housing. Under State law, Housing Elements must be updated every eight years.

Housing Payment. For ownership housing, this is defined as the mortgage payment, property taxes, insurance, and utilities. For rental housing, this is defined as rent and utilities.

Housing Problems: There are four housing problems in the CHAS data: 1) housing unit lacks complete kitchen facilities; 2) housing unit lacks complete plumbing facilities; 3) household is overcrowded; and 4) household is cost burdened. A household is said to have a housing problem if they have any 1 or more of these 4 problems.

Implementation Measures. Actions, procedures, programs, or techniques that carry out policies.

Land Use Classification. The systematic grouping of related land uses (activities on land) to facilitate the collection, tabulation, analysis, and presentation of land use data.

Live-Work-Units. Buildings or spaces within buildings that are used jointly for commercial and residential purposes where the residential use of the space is secondary or accessory to the primary use as a place of work.

Low-Income Household. A household with an annual income usually between 51 and 80 percent of the area median income adjusted by household size, as determined by a survey of incomes conducted by a city or a county, or in the absence of such a survey, based on the latest available eligibility limits established by the U.S. Department of Housing and Urban Development (HUD) for the Section 8 housing program.

Low-Income Housing Tax Credits. Tax reductions provided by the federal and State governments for investors in housing for low-income households.

Metropolitan Planning Organization. A policy-making organization comprised of representatives from local government and governmental transportation authorities that implements a transportation improvement program for urbanized areas within a region.

Mixed-use. Properties on which various uses such as office, commercial, institutional, and residential, are combined in a single building or on a single site in an integrated development project with significant functional interrelationships and a coherent physical design. A "single site" may include contiguous properties.



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Mobile Home. A vehicle constructed in such a manner as to permit occupancy thereof as a dwelling unit and so designed that it is or may be mounted on wheels for conveyance over streets and highways. Mobile homes are considered dwelling units for the purpose of this title only when they are located in mobile home parks.

Mobile Home Park. Any parcel of land, or portion thereof, which is used or offered for use as a location for one or more mobile homes.

Moderate-income Household. A household with an annual income usually between 81 and 120 percent of the area median income adjusted by household size, as determined by a survey of incomes conducted by a city or a county, or in the absence of such a survey, based on the latest available eligibility limits established by the U.S. Department of Housing and Urban Development (HUD) for the Section 8 housing program.

Ordinance. A law or regulation set forth and adopted by a governmental authority, usually a city or county.

Overcrowded Housing Unit. A housing unit in which the members of the household or group are prevented from the enjoyment of privacy because of small room size and housing size. The U.S. Bureau of Census defines an overcrowded housing unit as one which is occupied by more than one person per room.

Parcel. A lot or tract of land.

Planned Development District. A master planning mechanism that establishes alternative zoning regulations for the development of large parcels of land in residential, commercial, industrial, and open space designated areas. The purpose of a planned development district is to encourage innovative uses of land that promote a jurisdiction's vision and goals.

Planned Unit Development. A zoning tool used by jurisdictions to implement a planned development district; developers can also initiate a PUD through a comprehensive plan that includes a mix of land uses such as residential, commercial, recreational, open space, and infrastructure, and which dictates how the development is designed.

Policy. A specific statement of principle or of guiding action that implies clear commitment but is not mandatory. A general direction that a governmental agency sets to follow, in order to meet its objectives before undertaking an action program.

Poverty level. As used by the U.S. Census, families and unrelated individuals are classified as being above or below the poverty level based on a poverty index that provides a range of income cutoffs or "poverty thresholds" varying by size of family, number of children, and age of householder. The income cutoffs are updated each year to reflect the change in the Consumer Price Index.

Program. An action, activity, or strategy carried out in response to adopted policy to achieve a specific goal or objective. Policies and programs establish the "who," "how" and "when" for carrying out the "what" and "where" of goals and objectives.

Racially or Ethnically Concentrated Areas of Poverty. R/ECAP is a metric that analyzes the spatial distribution of race and income at a census tract level throughout a jurisdiction. R/ECAP areas typically



2023-2031 HOUSING ELEMENT

have a majority non-White population and a poverty rate that exceeds 40 percent or is three times the average tract poverty rate for the metropolitan area, whichever is lower.

Racially Concentrated Areas of Affluence. Similar to R/ECAP, RCAA is a metric that analyzes the spatial distribution of race and income at a census tract level. RCAA areas typically have a White, Non-Hispanic population rate that is greater than 80 percent and a median household income of at least \$125,000 or more.

Redevelop. To demolish existing buildings; or to increase the overall floor area existing on a property; or both; irrespective of whether a change occurs in land use.

Regional. Pertaining to activities or economies at a scale greater than that of a single jurisdiction and affecting a broad geographic area.

Regional Housing Needs Allocation. A quantification by the local council of governments of existing and projected housing need, by household income group, for all localities within a region.

Residential or R-District. Any district classification the symbol for which has an "R" prefix.

Residential Care Facilities. Any family home, group care facility, or similar facility determined by the State Department of Social Services, that is maintained and operated to provide nonmedical residential care services for children, adults, or children and adults, including, but not limited to, the physically handicapped, mentally impaired, incompetent persons, and abused or neglected children, and provides twenty-four (24) hour nonmedical care of persons in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual. (California Health and Safety Code Section 1502.)

Retirement Home. Multiple dwelling units containing not less than four (4) dwelling units which are designated and intended to provide suitable living quarters and specialized services to elderly, or retired, ambulatory persons. Such units shall be designed to serve elderly persons and may include such special facilities and services as, but not limited to, communal cooking and eating areas, special dietary programs, wheelchair ramps, hallway handrails, and other special features and programs intended to serve the needs of elderly, retired persons.

Special Housing Needs. Special housing needs are those associated with specific demographic or occupational groups that call for specific Housing Element program responses. State law specifically requires Housing Element analysis of the special housing needs of people who are elderly or disabled (including developmental disabilities), female-headed households, large families, farmworkers, and people experiencing homelessness. These special-needs groups often spend a disproportionate amount of their income to secure safe and decent housing and are sometimes subject to discrimination based on their specific needs or circumstances.

Special Needs Population. Disabled Households, agricultural workers, single-parent households, victims or survivors of domestic or physical abuse, households enrolled in Welfare-to-Work programs, homeless persons or persons at risk of becoming homeless, chronically ill persons including those with HIV and mental illness, displaced dependent parents (or expectant dependent parents), emancipated foster youth, individuals exiting from institutional settings, chronic substance abusers, or other specific groups with



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unique housing needs as determined by the Housing and Community Development Department. "Special Needs Populations" do not include seniors or the frail elderly unless they otherwise qualify as a Special Needs Population.

Specific Plan. A compilation of all ordinances, maps, regulations, documents, or other descriptive material, based on the General Plan, setting forth in detail a plan or program for the effectuation of a particular element, or portion of an element, of the General Plan.

Subsidize. To assist by payment of a sum of money or by the granting to terms or favors that reduces the need for monetary expenditures. Housing subsidies may take the forms of mortgage interest deductions or tax credits from federal and/or state income taxes, sale, or lease at less than market value of land to be used for the construction of housing, payments to supplement a minimum affordable rent, and the like.

Substandard Housing. Residential dwellings that, because of their physical condition, do not provide safe and sanitary housing.

Supportive Housing. Housing with no limit on length of stay, that is occupied by the target population as defined in Section 14-18.802.1, and that is linked to on-site or off-site services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community.

Transitional Housing. Temporary housing provided to individuals or families recovering from the effects of economic dislocation or emotional/mental problems and/or substance abuse. Housing involving on-site therapy and supervision in the manner of a halfway house is subject to the same regulations as a group care home. "Transitional housing and transitional housing development" shall also mean buildings configured as rental housing developments, but operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six (6) months.



2023-2031 HOUSING ELEMENT

Acronyms

ACS: American Community Survey	HEAP: Homeless Emergency Aid Program
ADU: Accessory Dwelling Unit	HERO: The Homeless Engagement Resources Officers
AFC: Association of Faith Communities	HHAP: Homeless Housing Assistance and Prevention Program
AFH: Assessment of Fair Housing	HMDA: Home Mortgage Disclosure Act
AFY: Acre-Foot Per Year	HOPES: Homeless Outreach, Proactive Engagement Services
ALUPH: Airport Land Use Planning Handbook	HPHP: Homeless Persons' Health Project
AMBAG: Association of Monterey Bay Area Governments	HUD: U.S. Department of Housing and Urban Development
AMI: Area Median Income	ICC: The International Code Council
ASR: Applied Survey Research	JADU: Junior Accessory Dwelling Unit
BMR: Below Market Rate	LIHTC: Low-Income Housing Tax Credit
CALHFA: California Housing Finance Agency Multifamily Programs	METRO: Metropolitan Area Transit Authority
CAR: The California Association of Realtors	MGD: Million Gallons Per Day
CCRC: California Community Reinvestment Corporation	MHI: Median Household Income
CDBG: Community Development Block Grant	MOBPSP: Manabe-Ow Business Park Specific Plan
CDDS: California Department of Developmental Services	MPO: Metropolitan Planning Organizations
CDF: California Department of Forestry and Fire Protection	OEHHA: The California Office of Environmental Health Hazard Assessment
CESH: California Emergency Solutions and Housing Program	PBV: Project Based Vouchers
CHAS: Comprehensive Housing Affordability Strategy	PG&E: Pacific Gas and Electric Company
CoC: Continuum of Care	PD: Planned Development District
COG: Council of Government	PUD: Planned Unit Development
CRLA: California Rural Legal Assistance	PVSS: Pajaro Valley Shelter Services
CUP: Condition Use Permit	PVUSD: Pajaro Valley Unified School District
DFEH: California's Department of Fair Employment and Housing	R/ECAP: Racially Concentrated Areas of Poverty
DOF: Department of Finance	RCAA: Racially Concentrated Areas of Affluence
DWSP: Downtown Watsonville Specific Plan	RFP: Request For Proposal
EDD: California Employment Development Department	RHNA: Regional Housing Needs Allocation
ECS: Encompass Community Services	SARC: San Andreas Regional Center
ELI: Extremely Low-Income	SCA: South County Adult
EMS: Emergency Medical Services	SRO: Single Room Occupancy
FEHA: California Fair Employment and Housing Act	SS: Suspended Solids
FHA: Federal Housing Administration	SSI: Supplemental Security Income
FHAA: Federal Fair Housing Amendment Act	SSVF: Supportive Services for Veterans Families
FHEO: Office of Fair Housing and Equal Opportunity	TAY: Transition Age Youth
FIT: Families in Transition	TBRA: Tenant Based Rental Assistance
FMR: Fair Market Rent	TCAC: California Tax Credit Allocation Committee
HACSC: Housing Authority of the County of Santa Cruz	UCSC: University of California, Santa Cruz
HAP: Homeless Action Partnership	UDP: Urban Displacement Project
HAMI: HCD Area Median Family Income	VASH: HUD-Veterans Affairs Supportive Housing Program
HCD: California State Department of Housing and Community Development	WFD: Watsonville Fire Department
HCV: Housing Choice Voucher	WPD: Watsonville Police Department
	WWTF: Watsonville Wastewater Treatment Facility



2023-2031 HOUSING ELEMENT

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HCD: California State Department of Housing and Community Development	WFD: Watsonville Fire Department
HCV: Housing Choice Voucher	WPD: Watsonville Police Department
	WWTF: Watsonville Wastewater Treatment Facility

RESOLUTION NO. 213-24 (CM)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE REPEALING IN ITS ENTIRETY THE 2015-2023 HOUSING ELEMENT OF THE GENERAL PLAN AND ADOPTING IN FULL THE 2023-2031 6th CYCLE HOUSING ELEMENT AS AN AMENDMENT TO THE 2005 GENERAL PLAN AND FINDING THE ACTION NOT SUBJECT TO REVIEW UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, the City has prepared a draft 2023-2031 Housing Element as an amendment to the 2005 Watsonville General Plan; and

WHEREAS, notice of time and place of the hearing to consider approval of the General Plan Amendment for the 2023-2031 Housing Element was given at the time and in the manner prescribed by the Government Code and Zoning Ordinance of the City of Watsonville. The matter called for hearing evidence both oral and documentary introduced and received, and the matter submitted for decision; and

WHEREAS, the City Council has found that the proposed General Plan amendment is exempt from review under the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21000, *et seq.* and the CEQA Guidelines (14 Cal. Code Regs. §§ 15000 *et. seq.*), including without limitation, Sections 15262, 15283, and 15061(b)(3), because it is a feasibility or planning study for possible future actions by the City and is an action to implement a regional housing needs determination, further, the proposed amendment is not a “project” that may cause a direct, or reasonably foreseeable indirect, physical change in the environment; and because even if adoption of the Resolution were considered to be a “project”, it would be exempt under the “common sense” exception (14 Cal. Code Regs. § 15061(b)(3)), because it can be seen with certainty that there is no possibility that this action may have a significant effect on the environment; and

WHEREAS, the California Department of Housing and Community Development (HCD) reviewed the Draft 6th Cycle Housing Element four times between February 2024 and September 2024; and

WHEREAS, HCD provided the City with a findings letter on September 17, 2024, indicating that the draft Housing Element meets the requirements of Housing Element Law; and

WHEREAS, based on substantial evidence in the record including the City's history of development on infill sites, current entitlements on infill sites, the propensity of existing uses to redevelop, developer and property owner interest in redevelopment, and current and future policy commitments, as described in detail in Appendix F, Section B7 – Suitability of Non-Vacant Sites, the existing uses are likely to discontinue during the planning period and will not impede additional residential development and therefore the inclusion of non-vacant sites in the 6th Cycle Housing Element is not an impediment to residential development; and

WHEREAS, on October 1, 2024, the Planning Commission adopted Resolution 12-24 (PC) recommending the City Council repeal in its entirety the 2015-2023 Housing Element of the General Plan and adopt in full the 2023-2031 6th Cycle Housing Element as an amendment to the 2005 General Plan by an affirmative vote of a majority of the total membership of the Commission (4 members) in compliance with Government Code Section 65354; and

WHEREAS, pursuant to Watsonville Municipal Code (WMC) Section 14-12.703, the general plan amendment was reviewed by Planning Commission and the Commission adopted Resolution 12-24 (PC) recommending approval of the proposed general plan

amendment to the City Council and including the findings required by WMC Section 14-12.708; and

WHEREAS, per WMC Section 14-12.708(a), the City Council has found that the proposed amendment is consistent with the policies embodied in the General Plan, as described in Exhibit A; and

WHEREAS, per WMC Section 14-12.708(b), the City Council has found that the proposed amendment is compatible to the extent possible with the actual and general planned use of the adjacent properties, as described in Exhibit A; and

WHEREAS, there are no proposed changes to the General Plan Land Use Diagram; and

WHEREAS, the City Council has considered all written and verbal evidence regarding this application at the public hearing and has solicited and considered public comment to allow a General Plan amendment in consideration of the Draft 6th Cycle Housing Element Update for the 2023-2031 planning cycle.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATSONVILLE, CALIFORNIA, AS FOLLOWS:

1. The foregoing recitations are true and correct and are hereby incorporated into this Resolution.

2. Adoption of the 6th Cycle Housing Element is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Sections 15262, 15283, and 15061(b)(3).

3. The 6th Cycle Housing Element is consistent with the purposes of the General Plan and Municipal Code as set forth in Exhibit A which is attached hereto and incorporated herein by this reference.

4. The 6th Cycle Housing Element complies with Housing Element Law, as provided in Government Code Section 65580 *et seq.*, and contains all provisions required by Housing Element Law.

5. As required by Government Code Section 65583.2(g)(2), based on substantial evidence in the record including the City's history of development on infill sites, current entitlements on infill sites, the propensity of existing uses to redevelop, developer and property owner interest in redevelopment, and current and future policy commitments, as described in detail in Appendix F, Section B7 – Suitability of Non-Vacant Sites, the existing uses are likely to discontinue during the planning period and will not impede additional residential development and therefore the inclusion of non-vacant sites in the 6th Cycle Housing Element is not an impediment to residential development.

6. Good cause appearing, therefore, the City Council of the City of Watsonville does hereby repeal the 2015-2023 Housing Element in its entirety and replace it in full with the 2023-2031 6th Cycle Housing Element, attached hereto and incorporated herein by this reference, as an amendment to the 2005 General Plan.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Watsonville, held on the 15th day of October, 2024, by Mayor Pro Tempore Orozco, who moved its adoption, which motion being duly seconded by Member Salcido, was upon roll call carried and the resolution adopted by the following vote:

AYES: COUNCIL MEMBERS: **Dutra, Orozco, Salcido, Quiroz-Carter**
NOES: COUNCIL MEMBERS: **None**
ABSENT: COUNCIL MEMBERS: **Clark, Montesino, Parker**

Signed by:

461BEB7282D04EA
Vanessa Quiroz-Carter, Mayor

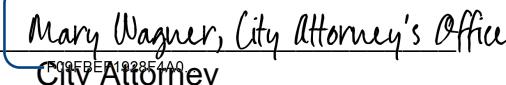
ATTEST: Signed by:


Irwin I. Ortiz
95916F110838147A0
City Clerk

10/16/2024 | 10:16 AM PDT

Date

APPROVED AS TO FORM:

Signed by:

Mary Wagner, City Attorney's Office
City Attorney
4700FEBE1922E4A0

I, Irwin I. Ortiz, City Clerk of the City of Watsonville, do hereby certify that the foregoing Resolution No. 213-24 (CM) was duly and regularly passed and adopted by the Watsonville City Council at a meeting thereof held on the 15th day of October, 2024, and that the foregoing is a full, true and correct copy of said Resolution.

Signed by:

Irwin I. Ortiz
95920F9A882E47A0
Irwin I. Ortiz, City Clerk
Date 10/16/2024 | 10:16 AM PDT

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**DIVISION OF HOUSING POLICY DEVELOPMENT**

651 Bannon Street, Suite 400, Sacramento, CA 95811

(916) 263-2911 / FAX (916) 263-7453

www.hcd.ca.gov

October 28, 2024

Suzi Merriam, Director
Community Development Department
City of Watsonville
250 Main Street
Watsonville, CA 95076

Dear Suzi Merriam:

RE: City of Watsonville's 6th Cycle (2023-2031) Adopted Housing Element

Thank you for submitting the City of Watsonville's (City) housing element that was adopted on October 15, 2024 and received October 16, 2024. Pursuant to Government Code section 65585, the California Department of Housing and Community Development (HCD) is reporting the results of its review.

HCD is pleased to find the adopted housing element in substantial compliance with State Housing Element Law (Gov. Code, § 65580 et seq) as of the date of this letter. The adopted element was found to be substantially the same as the revised draft element that HCD's September 17, 2024 review determined met statutory requirements.

Additionally, the City must continue timely and effective implementation of all programs including but not limited to the following:

- Program A.3: Preservation of Affordable Housing
- Program A.4: Mobile Home Park Conservation Ordinance
- Program A.5: Replacement Housing
- Program A.6: Displacement Protection
- Program B.4: Relocation Assistance Ordinance
- Program B.7: Promotion of Resources for Large Households
- Program B.8: Promotion of Resources for Female-Headed Households
- Program C.2: Explore Additional Residential Opportunity Sites
- Program C.4: Affordable Housing Ordinance
- Program C.5: Partnership with Non-profit Housing Agencies
- Program C.6: Mixed-Use Development in Commercial Areas
- Program C.7: Transitional Housing and Emergency Shelters
- Program C.8: Supportive Housing
- Program C.9: Low-Barrier Navigation Centers
- Program C.10: Water and Sewer Providers

- Program C.12: Surplus Land Act
- Program D.1: Density Bonus Ordinance
- Program D.4: Accessory Dwelling Units and Junior Accessory Dwelling Units
- Program D.5: Reasonable Accommodations
- Program D.6: Definition of Family
- Program D.7: Addressing Development Constraints for Affordable Housing
- Program D.8: Require Residential Use in Downtown Central Core Area
- Program D.9: Allow Residential Care Facilities of 7 or More Persons
- Program D.10: Manufactured Homes
- Program D.13: Building Height Limits
- Program E.2: Housing for Persons with Physical Disabilities
- Program E.3: Housing for Persons with Developmental Disabilities
- Program E.4: Affirmatively Further Fair Housing
- Program E.6: Farmworker and Workforce Housing
- Program E.7: Environmental Justice Element

The City must monitor and report on the results of these and other programs through the annual progress report, required pursuant to Government Code section 65400.

Please be aware, Government Code section 65585, subdivision (i) grants HCD authority to review any action or failure to act by a local government that it determines is inconsistent with an adopted housing element or housing element law. This includes failure to implement program actions included in the housing element. HCD may revoke housing element compliance if the local government's actions do not comply with state law.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant, the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities program, and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City now meets housing element requirements for these and other funding sources.

HCD appreciates the collaboration and dedication of you and the housing element update team provided throughout the housing element update and review. HCD wishes the City success in implementing its housing element and looks forward to following its progress through the General Plan annual progress reports pursuant to Government Code section 65400. If HCD can provide assistance in implementing the housing element, please contact Mao Lee, of our staff, at Mao.Lee@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager