



**Watsonville**  
CALIFORNIA

## PLANNING COMMISSION AGENDA REPORT

**MEETING DATE:** Tuesday, June 3, 2025  
**TO:** PLANNING COMMISSION  
**WRITTEN BY:** ASSISTANT COMMUNITY DEVELOPMENT DIRECTOR ORBACH  
ASSISTANT COMMUNITY DEVELOPMENT DIRECTOR MEEK  
**RECOMMENDED BY:** COMMUNITY DEVELOPMENT DIRECTOR BRLETIC  
**APPROVED BY:** TAMARA VIDES, CITY MANAGER  
**SUBJECT:** 6TH CYCLE HOUSING ELEMENT IMPLEMENTATION

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### RECOMMENDATION:

City Staff recommends the Planning Commission adopt a resolution recommending City Council adopt zoning code text amendments to multiple chapters within Title 14 (Zoning) of the Watsonville Municipal Code and amendments to the Downtown Watsonville Specific Plan related to implementation of programs within the 6th Cycle 2023-2031 Housing Element; and finding the action exempt from review under the California Environmental Quality Act (CEQA) as it is not a “project” but if a project, exempt pursuant to CEQA Guidelines section 15061(b)(3).

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### BACKGROUND:

On September 26, 2023, the City of Watsonville accepted a \$180,000 Regional Early Access Planning (REAP) 2.0 Grant from the Association of Monterey Bay Area Governments (AMBAG) for the implementation of programs in the City’s 6th Cycle Housing Element.

In 2024, due to state budget shortfalls, the grant amount was reduced by approximately six percent to \$169,380.

On September 17, 2024, the California Department of Housing and Community Development (HCD) provided the City with a findings letter stating that the Draft City of Watsonville 2023-2031 Housing Element was in substantial compliance with the requirements of Housing Element law, stating:

“The revised draft, including revisions, element meets the statutory requirements that were described in HCD’s May 10, 2024 review. The housing element will substantially comply with State

Housing Element Law (Gov. Code, § 65580 *et seq.*) when it is adopted, submitted to and approved by HCD, in accordance with Government Code section 65585.”

On October 1, 2024, the Planning Commission adopted Resolution No. 12-24 (PC), recommending the City Council repeal in its entirety the 5th Cycle 2015-2023 Housing Element of the General Plan and adopt in full the 6th Cycle 2023-2031 Housing Element as an amendment to the 2005 General Plan by an affirmative vote of a majority of the total membership of the Commission in compliance with Government Code Section 65354.

On October 15, 2024, the City Council adopted Resolution No. 213-24 (CM), repealing in its entirety the 2015-2023 Housing Element and adopting in full the 2023-2031 Housing Element as an amendment to the 2005 General Plan. The following day, staff submitted the adopted Housing Element to HCD for final certification review. On October 28, 2024, HCD provided a letter, certifying that the adopted Housing Element is in substantial compliance with State Housing Element Law. In this letter, HCD also noted that the City must continue timely and effective implementation of all programs in the adopted Housing Element.

On November 12, 2024, the City Council adopted Resolution No. 228-24 (CM), awarding a contract to Raimi + Associates for consultant services for 6th Cycle Housing Element implementation.

On May 6, 2025, City Staff presented an overview of the proposed changes to the Watsonville Municipal Code and the Downtown Watsonville Specific Plan to the Planning Commission for discussion and feedback. The Planning Commissioners expressed their general support for the staff's recommendations, asked several clarifying questions, and offered feedback on the presentation of certain items, such as the City's more generous ADU provisions.

## **PROCESS:**

Pursuant to [WMC Section 14-12.801](#), the text of the adopted Zoning Code may be amended in a manner identical to [WMC Section 14-12.701](#), which outlines the process for General Plan amendments. Any proposed zoning code text amendment shall be reviewed by the Planning Commission at a public hearing for recommendation to the City Council. At the conclusion of the public hearing, the Commission shall adopt a resolution, recommending approval or denial of the proposed amendment, by the affirmative vote of the majority of the Commission members, subject to findings required by [WMC Section 14-12.708](#).

Pursuant to [WMC Section 14-12.905](#), minor amendments to an adopted specific plan, defined as amendments that do not increase intensity of land use by more than 10 percent or have any impact on areas that are identified as being environmentally sensitive, may be considered by the Zoning Administrator without a public hearing in compliance with Part 5 of WMC Chapter 14-10. Major amendments shall be processed in the same manner as an application for original approval of the Specific Plan. The proposed amendments to the Downtown Watsonville Specific Plan (DWSP) qualify as minor amendments. However, because the DWSP was adopted by ordinance and is regulatory in nature, the amendments will be treated as major amendments so they can be taken back to the City Council for review and approval. Therefore, the Planning Commission and City Council shall review the proposed

amendments in accordance with [WMC Section 14-12.903](#) and, in approving the proposed specific plan amendments, make the findings required by [WMC Section 14-12.904](#).

## **STANDARD OF REVIEW:**

The decision regarding whether to recommend approval of Zoning Code text amendments and specific plan amendments to the City Council is legislative and requires environmental review. For more information on standard of review and process, see the [Standard of Review and Process Overview](#) on the City website.

## **DISCUSSION:**

The 6th Cycle Housing Element programs must be implemented according to the timelines set forth in the Policy Plan in Chapter 2 of the Housing Element. City staff created a Housing Element implementation program checklist to track and monitor progress (Attachment 1). Staff used this checklist to identify the first round of implementation action items for inclusion in the scope of work for the Housing Element Implementation consultant.

Raimi + Associates conducted a review and analyzed existing policy documents, staff reports, previous studies, and relevant sections of the 6th Cycle Housing Element, Watsonville Municipal Code (WMC) Title 14 Zoning, and Downtown Watsonville Specific Plan (DWSP) pertaining to the following Housing Element program-related items:

- Program C.7 – Transitional Housing and Emergency Shelters (WMC Chapter 14-16 District Regulations)
- Program C.8 – Supportive Housing – By-Right/Supportive Housing-Monitoring Program
- Program D.1 – Density Bonus (WMC Chapter 14-47)
- Program D.4 – ADUs and JADUs (WMC Chapter 14-23)
- Program D.5 – Reasonable Accommodations Procedures
- Program D.6 – Definition of Family (WMC Chapter 14-18 Definitions)
- Program D.8 – DWSP land use mix for mixed-use projects (permit 50% residential in Downtown Central Core)
- Program D.9 – Residential Care Facilities – 7 or more persons
- Program D.13 – DWSP building height limits
- Program E.6 – Farmworker and Workforce Housing

Each of these programs is briefly described below, along with the proposed action. The programs are organized into two categories:

1. Amendments to the Zoning Ordinance (WMC Title 14), and
2. Amendments to the DWSP.

The proposed amendments to WMC Title 14 Zoning are included in Attachment 2, and the proposed DWSP amendments are included in Attachment 3.

## Amendments to the Zoning Ordinance

### **Program C.7 – Transitional Housing (WMC Chapter 14-16 District Regulations)**

*Description:* Adopt a Zoning Ordinance amendment to permit transitional housing<sup>1</sup> in all residential zoning districts under the same restrictions as other residential dwellings of the same type in the same zone.

*Proposed Action:* Add transitional housing as appropriate to the use tables in WMC Chapter 14-16: District Regulations, for the following zones:

- R-1P – Single-Family Planned Residential District
- RM-2 – Multiple Residential District (Medium Density)
- RM-3 – Multiple Residential District (High Density)
- R-MH – Residential Manufactured Home Park District
- CT – Thoroughfare Commercial District
- CN – Neighborhood Commercial District

### **Program C.8 – Supportive Housing By-Right**

*Description:* Amend the Zoning Ordinance to permit permanent supportive housing<sup>2</sup> by-right in all zones where residential uses are permitted.

*Proposed Action:* Revise the use tables in WMC Chapter 14-16: District Regulations for the following zones to allow supportive housing by-right:

- R-1P – Single-Family Planned Residential District
- RM-2 – Multiple Residential District (Medium Density)
- RM-3 – Multiple Residential District (High Density)
- R-MH – Residential Manufactured Home Park District
- CT – Thoroughfare Commercial District
- CN – Neighborhood Commercial District

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<sup>1</sup> Defined in Watsonville Municipal Code section 14-18.828 and proposed to be revised to mean temporary housing provided to individuals or families recovering from the effects of economic dislocation or emotional/mental problems and/or substance abuse. Transitional housing is meant to be a bridge between not having stable housing and moving into a permanent home. Transitional housing typically provides various treatment options onsite including individual or group counseling, mental therapy, case management, vocational skills, and legal aid. “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.

<sup>2</sup> Defined in Watsonville Municipal Code section 14-18.795 as 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.

### **Program D.1 – Density Bonus (WMC Chapter 14-47)**

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

*Proposed Actions:*

1. Refer to State law except in areas where the City exceeds State minimum requirements.
2. Continue being less restrictive than the State for the following:
  - a. Daycare definition which includes both child and adult daycare facilities.
  - b. Allow in-lieu fees.
3. Align with State law by increasing the minimum period of deed-restriction for affordability from 40 years to 55 years.

### **Program D.4 – ADUs and JADUs (WMC Chapter 14-23)**

*Description:* Maintain Compliance with State housing for ADUs and JADUs. Remove maximum bedroom requirements in the City's ADU Ordinance to comply with State law. Establish and maintain an ADU Manual guiding applicants through the permitting and construction of an ADU.

*Proposed Actions:*

1. Remove requirements in the City's ADU Ordinance that do not comply with State law.
2. Refer to State law except in areas where the City exceeds State minimum requirements.
3. Continue exceeding State minimums for the following:
  - a. Max # ADUs: Allow 2 ADUs for SFR lots 12,000 sf or larger (state requires at least 1 unit)
  - b. ADU Size: Allow up to 1,200 sf unit(s) (state only requires up to 1,000 sf unit(s))
4. Clarify allowance for increased height, as follows:
  - a. Where on-site parking is provided below a single ADU
  - b. Stacked ADUs (for large SFR lots >12,000 sf or in MF zones)

### **Program D.5 – Reasonable Accommodations Procedures**

*Description:* Adopt reasonable accommodations procedures.

*Proposed Action:* Add new WMC Chapter 14-11 to address reasonable accommodations.

### **Program D.6 – Definition of Family (WMC Chapter 14-18 Definitions)**

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

*Proposed Action:* Add the definition of "Family" to WMC Chapter 14-18: Definitions.

Other amendments to the defined terms in Chapter 14-18 are also proposed including but not limited to, day care center, dimensions, occupant, qualified buyer, and qualified nonprofit corporation.

### **Program D.9 – Residential Care Facilities – 7 or more persons**

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

*Proposed Action:* Revise the use tables in WMC Chapter 14-16: District Regulations for the following zones to allow residential care facilities of 7 or more with an administrative review permit:

- R-1 – Single-Family Residential District (Low Density)
- RM-2 – Multiple Residential District (Medium Density)
- RM-3 – Multiple Residential District (High Density)

### **Program E.6 – Farmworker and Workforce Housing**

*Description:* 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).

*Proposed Action:* Add farmworker and employee housing as appropriate to the use tables in WMC Chapter 14-16: District Regulations. Also, these terms are included in the proposed edits to the definitions in Chapter 14-18

The zoning code amendments are located in Exhibit A to the resolution.

#### Handouts – Density Bonus, ADUs, Reasonable Accommodation

The updated articles of the zoning ordinance relating to Density Bonus and ADUs primarily reference sections of the State code, as these requirements are frequently updated by the State. Incorporating every change directly into the City's ordinance would require ongoing amendments and could result in periods when the ordinance is out of date and in conflict with State law. To address this, the City has developed user-friendly handouts that clearly explain the current requirements, as described in the section below.

Three handouts were prepared to facilitate in the application process for each of the following requests: density bonus, ADUs and reasonable accommodations. Each handout explains the purpose, identifies current requirements, and clarifies steps for how to apply to the City. These user-friendly handouts can be easily updated as State and City regulations change over time. The three handouts are included in Attachments 4 – 6.

#### Amendments to the Downtown Watsonville Specific Plan

### **Program D.8 – DWSP land use mix for mixed-use projects**

*Description:* Amend requirements for applicable sites in the DWSP to require a minimum of 50 percent of the proposed floor area to be for residential use for mixed-use projects.

*Proposed Action:* Modify Table 6-3: Land Use Regulations to add in requirement for a minimum of 50 percent of the proposed floor area to be for residential use for mixed-use projects.

#### **Program D.13 – DWSP building height limits**

*Description:* 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.

*Proposed Action:* No amendments to the heights in the DWSP are recommended at this time. Further analysis of the existing development and design standards found that the maximum allowable densities in the DWSP zoning districts can be achieved under current height limits. This analysis was initially conducted based on a unit mix that aligns with market conditions in Watsonville and then conducted again with the assumptions used in the certified Housing Element. Therefore, increasing height limits is not necessary to support full buildout potential as envisioned in the DWSP. Additionally, as a result of this analysis, several minor refinements and clarifications to the plan's design standards and the Regulating Plan have been identified to improve development feasibility, particularly in areas where overlays intersect. These include updates to the Neighborhood Transition Overlay and Gateway Overlay boundaries as shown on Figure 6-1: Regulating Plan to better align with actual site conditions and to support redevelopment opportunities such as the Watsonville Transit Center. Additionally, several design standards that regulate upper floor massing and step backs have been clarified and revised. These proposed modifications are illustrated in more detail in Attachment 3.

The DWSP amendments are located in Exhibit B to the resolution.

### **ZONING CODE TEXT AMENDMENT FINDINGS:**

Pursuant to [WMC Section 14-12.807](#), the Planning Commission and the City Council shall, in approving a text amendment to the zoning code, make the findings in [WMC Section 14-12.708](#). Those findings with supportive evidence are below.

**a) That the proposed amendment is consistent with the policies embodied in the General Plan.**

**Supportive Evidence:** The proposed amendments are consistent with the following policies embodied in the General Plan as described below:

- **Goal 3.1 Orderly Growth** – Provide for orderly urban development that respects existing community character and provides for a clear separation between urban and agricultural land uses.

The proposed amendments were identified in the adopted and certified 6th Cycle Housing Element, which provides for orderly urban development by only identifying potential housing sites within the existing city limits. No housing inventory sites are within close proximity to agricultural land uses. Adoption of the proposed amendments

will allow the Housing Element to remain certified, therefore, adoption of the proposed amendments is consistent with Goal 3.1.

- **Goal 3.2 Containment of Urban Development** – Discourage urban sprawl by maintaining a well-defined boundary to contain urban development.

The proposed amendments were identified in the adopted and certified 6th Cycle Housing Element, which discourages urban sprawl and contains urban development by only identifying potential housing sites within the existing city limits. Adoption of the proposed amendments will allow the Housing Element to remain certified, therefore, adoption of the proposed amendments is consistent with Goal 3.2.

- **Goal 5.6 Urban Design** – Achieve high standards of street, site, and building design that are both efficient and aesthetically pleasing.

The proposed amendments were identified in the adopted and certified 6th Cycle Housing Element, which was built on the 2023 Downtown Watsonville Specific Plan (DWSP), which set new high standards of street, site, and building design that are both efficient and aesthetically pleasing, by identifying sites within the DWSP area for infill development. Inclusion of the sites identified in the 6<sup>th</sup> Cycle Housing Element sites inventory increases the potential redevelopment within the next eight years, which will help the City achieve this goal. Adoption of the proposed amendments will allow the Housing Element to remain certified, therefore, adoption of the proposed amendments is consistent with Goal 5.6.

- **Goal 10.2 Transit Facilities and Service** – Promote the use of transit as an alternative to the automobile for all types of travel.

The proposed amendments were identified in the adopted and certified 6th Cycle Housing Element, which was built on the 2023 Downtown Watsonville Specific Plan (DWSP), which concentrates higher density residential and mixed-use development in the downtown area surrounding the City's Metro station. The station was identified as an opportunity site in the DWSP and has received funding to redevelop with updated and expanded bus facilities and more than 70 units of 100% affordable housing above the station. Inclusion of the sites identified in the 6th Cycle Housing Element sites inventory increases the potential redevelopment within the next eight years, which will help the City achieve this goal. Adoption of the proposed amendments allows will allow the Housing Element to remain certified, therefore, adoption of the proposed amendments is consistent with Goal 10.2.

- **Goal 10.3 Rail Facilities and Service** – Plan and provide for the continued use of rail to move industrial/agricultural commodities and encourage the establishment of passenger service to the Watsonville area.

The proposed amendments were identified in the adopted and certified 6th Cycle Housing Element, which was built on the 2023 Downtown Watsonville Specific Plan

(DWSP), which concentrates higher density residential and mixed-use development in the downtown area adjacent to the rail corridor and the historic train depot, which has been identified as a possible location for a new Watsonville train station. Inclusion of the sites identified in the 6th Cycle Housing Element sites inventory increases the potential redevelopment within the next eight years, which will help the City achieve this goal by creating demand for passenger rail service in close proximity to the planned rail station. Adoption of the proposed amendments will allow the Housing Element to remain certified, therefore, adoption of the proposed amendments is consistent with Goal 10.3.

**b) That the proposed amendment is compatible to the extent possible with the actual and general planned use of the adjacent properties.**

**Supportive Evidence:** The proposed amendments are consistent and compatible with the densities and development standards identified in the Downtown Watsonville Specific Plan (DWSP), which was adopted in October 2023, the General Plan as modified by the DWSP, and the 6th Cycle Housing Element, which was adopted and certified in October 2024. As such, the 6<sup>th</sup> Cycle Housing Element does not require any changes to the Zoning Map or the General Plan Land Use Diagram. Therefore, the proposed amendment is compatible with the actual and general planned use of the adjacent properties.

These findings are located in Exhibit C to the resolution.

## SPECIFIC PLAN AMENDMENT FINDINGS:

In order to approve the Specific Plan Amendment, the City Council must make the findings in [WMC §14-12.904](#). The findings with Staff analysis are below.

**a) That the proposed location of the development and proposed conditions under which it will be operated or maintained is consistent with the goals and policies embodied in the General Plan.**

**Supportive Evidence:** The proposed amendments are consistent with the following policies embodied in the General Plan as described below:

- **Goal 3.1 Orderly Growth** – Provide for orderly urban development that respects existing community character and provides for a clear separation between urban and agricultural land uses.

The proposed amendments were identified in the adopted and certified 6th Cycle Housing Element, which provides for orderly urban development by only identifying potential housing sites within the existing city limits. No housing inventory sites are within close proximity to agricultural land uses. Adoption of the proposed amendments will allow the Housing Element to remain certified, therefore, adoption of the proposed amendments is consistent with Goal 3.1.

- **Goal 3.2 Containment of Urban Development** – Discourage urban sprawl by maintaining a well-defined boundary to contain urban development.

The proposed amendments were identified in the adopted and certified 6th Cycle Housing Element, which discourages urban sprawl and contains urban development by only identifying potential housing sites within the existing city limits. Adoption of the proposed amendments will allow the Housing Element to remain certified, therefore, adoption of the proposed amendments is consistent with Goal 3.2.

- **Goal 5.6 Urban Design** – Achieve high standards of street, site, and building design that are both efficient and aesthetically pleasing.

The proposed amendments were identified in the adopted and certified 6th Cycle Housing Element, which was built on the 2023 Downtown Watsonville Specific Plan (DWSP), which set new high standards of street, site, and building design that are both efficient and aesthetically pleasing, by identifying sites within the DWSP area for infill development. Inclusion of the sites identified in the 6th Cycle Housing Element sites inventory increases the potential redevelopment within the next eight years, which will help the City achieve this goal. Adoption of the proposed amendments will allow the Housing Element to remain certified, therefore, adoption of the proposed amendments is consistent with Goal 5.6.

- **Goal 10.2 Transit Facilities and Service** – Promote the use of transit as an alternative to the automobile for all types of travel.

The proposed amendments were identified in the adopted and certified 6th Cycle Housing Element, which was built on the 2023 Downtown Watsonville Specific Plan (DWSP), which concentrates higher density residential and mixed-use development in the downtown area surrounding the City's Metro station. The station was identified as an opportunity site in the DWSP and has received funding to redevelop with updated and expanded bus facilities and more than 70 units of 100% affordable housing above the station. Inclusion of the sites identified in the 6th Cycle Housing Element sites inventory increases the potential redevelopment within the next eight years, which will help the City achieve this goal. Adoption of the proposed amendments allows will allow the Housing Element to remain certified, therefore, adoption of the proposed amendments is consistent with Goal 10.2.

- **Goal 10.3 Rail Facilities and Service** – Plan and provide for the continued use of rail to move industrial/agricultural commodities and encourage the establishment of passenger service to the Watsonville area.

The proposed amendments were identified in the adopted and certified 6th Cycle Housing Element, which was built on the 2023 Downtown Watsonville Specific Plan (DWSP), which concentrates higher density residential and mixed-use development in the downtown area adjacent to the rail corridor and the historic train depot, which has been identified as a possible location for a new Watsonville train station. Inclusion of

the sites identified in the 6th Cycle Housing Element sites inventory increases the potential redevelopment within the next eight years, which will help the City achieve this goal by creating demand for passenger rail service in close proximity to the planned rail station. Adoption of the proposed amendments will allow the Housing Element to remain certified, therefore, adoption of the proposed amendments is consistent with Goal 10.3.

- b) That the proposed development is in accordance with the purposes and objectives of this title and, in particular, will further the purposes stated for each zoning district.**

**Supportive Evidence:** The proposed amendments were identified in the adopted and certified 6th Cycle Housing Element, which was built on the 2023 Downtown Watsonville Specific Plan (DWSP). The amendments provide clarification on several elements of the DWSP identified by the California Department of Housing and Community Development (HCD) that could have potentially been viewed as constraints on the development of housing. The proposed amendments are consistent with the purpose and objectives of Title 14 and support the purpose stated for each zoning district within the DWSP area.

- c) That the development will not be detrimental to the public health, safety or welfare of persons residing or working in or adjacent to such a development and properties or improvements in the vicinity or to the general welfare of the City.**

**Supportive Evidence:** The proposed amendments were identified in the adopted and certified 6th Cycle Housing Element, which was built on the 2023 Downtown Watsonville Specific Plan (DWSP). The proposed amendments are limited to providing clarification on definitions and development standards and as such will not be detrimental to the public health, safety, or welfare of persons residing or working in or adjacent to the plan area or to the general welfare of the City.

- d) That the Specific Plan and resulting development will be consistent with the provisions of Article 8 of Chapter 3 of Division 1 of Title 7 of the California Government Code, commencing with Section 65450.**

**Supportive Evidence:** The DWSP was developed in accordance with Section 65450 of the California Government Code and includes all the required sections and analysis required by the State and the City's Specific Plan Ordinance, [WMC Section 14-12.900](#). The proposed amendments do not make substantial changes affecting any of the required plan components identified under Government Code Section 65451.

These findings are included in Exhibit D of the resolution for the Specific Plan Amendment.

## **CEQA DETERMINATION:**

The City Council previously found that the adoption of the Housing Element update, including associated implementation programs, was exempt from review under the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21000 *et seq.*, as necessary to implement the City's Regional Housing Needs Allocation (RHNA).

The proposed zoning amendments described in this report are consistent with and implement the programs identified in the certified Housing Element and are primarily clarifying changes or changes to conform to state law. Therefore, the proposed amendments do not constitute a "project" under CEQA, as they do not have the potential to result in a direct or reasonably foreseeable indirect physical change in the environment.

Even if the proposed zoning amendments were considered a "project," they would be exempt from CEQA review under the common sense exemption set forth in CEQA Guidelines Section 15061(b)(3), as it can be seen with certainty there is no possibility the activity may have a significant effect on the environment.

Accordingly, no further environmental review is required.

## **ALTERNATIVE ACTION:**

The Planning Commission may consider the following alternative actions:

1. Adopt Resolution No. XXX recommending that the City Council adopt zoning code text amendments to multiple chapters of the Watsonville Municipal Code Title 14 Zoning and Resolution No. XXX recommending that the City Council adopt amendments to the Downtown Watsonville Specific Plan related to implementation of programs within the 6th Cycle 2023-2031 Housing Element.
2. Continue the project and direct staff to return with additional information and/or revisions.

Staff recommends Option 1, as it complies with the requirements established in the adopted and certified Housing Element implementation program. Option 2 is not recommended, as it could potentially delay the project and compromise the City's ability to meet the implementation timelines identified in the City's Housing Element.

## **REFERENCES:**

AMBAG. *REAP 2.0: Local Suballocation Grant Program Guidelines*. June 14, 2023. (Available at <https://ambag.org/plans/regional-early-action-planning-grants-program>)

City of Watsonville. *City of Watsonville 2023-2031 Housing Element*. Adopted October 15, 2024 (Reso. No. 213-24 [CM]). (Available at <https://www.watsonville.gov/DocumentCenter/View/25062/Housing-Element-2023-2031>)

City of Watsonville. *Downtown Watsonville Specific Plan*. Adopted October 10, 2023 (Ordinance No. 1457-23 [CM]). (Available at <https://www.watsonville.gov/DocumentCenter/View/23797/Adopted-DWSP-10-25-23>)

## ATTACHMENTS:

1. Housing Element Implementation Program Checklist
2. Zoning Ordinance Amendments (tracked changes)
3. DWSP Amendments (tracked changes)
4. Density Bonus Handout
5. ADU Handout
6. Reasonable Accommodations Handout