



Watsonville
CALIFORNIA

CITY COUNCIL AGENDA REPORT

MEETING DATE: Tuesday, August 26, 2025
TO: CITY COUNCIL
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

RECOMMENDATION:

1. Introduce, for first reading only, waiving full reading of the text, an Ordinance Amending the Downtown Specific Plan Related to Implementation of Programs within the 6th Cycle 2023-2031 Housing Element; and
2. Introduce, for first reading only, waiving full reading of the text, an Ordinance Amending Sections of Title 14 of the Watsonville Municipal Code Related to Implementation of Programs within the 6th Cycle 2023-2031 Housing Element.

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 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 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 6th Cycle 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.

On June 3, 2025, the Planning Commission adopted Resolution No. 10-25 (PC) recommending the City Council adopt zoning code text amendments to multiple chapters within Title 14 (Zoning) of the Watsonville Municipal Code and adopt amendments to the Downtown Watsonville Specific Plan related to implementation of programs within the 2023-2031 6th Cycle Housing Element.

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:

Overview on the Housing Element Implementation Program

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 2-a). 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, Title 14 Zoning of the Watsonville Municipal Code, 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

Planning Commission Meeting

The Planning Commission considered all written and verbal evidence regarding this item at a public hearing. Attachment 1 provides a copy of the unadopted minutes for the hearing, and Attachment 2 provides the packet of written materials, including the staff report to the Planning Commission along with attachments 2-a through 2-f.

Proposed Amendments to the Zoning Code and Downtown Watsonville Specific Plan

The staff report to the Planning Commission includes a description of each of the aforementioned programs along with the proposed action(s) (see Attachment 2, pages 4-7). The staff report also provides the Zoning Code text amendment findings (see Attachment 2, pages 7-9) and Specific Plan amendment findings (see Attachment 2, pages 9-11).

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 amendments to the Zoning Code and DWSP 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 amendments to the Zoning Code and DWSP 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.

STRATEGIC PLAN:

The purpose of the City of Watsonville's 2023-2025 Strategic Plan is to help the City prioritize its efforts, allocating both fiscal and human resources to achieve a shared vision and goals. The 2023-2025 Strategic Plan identifies seven goals, concerning economic development, infrastructure and environment, housing, fiscal health, public safety, community engagement and well-being, and efficient and well-performing government.

This action is consistent with the City Council's goal regarding housing, in that it involves implementing the following programs in the City's adopted Housing Element: Program C.7 (Transitional Housing and Emergency Shelters), Program C.8 (Supportive Housing), Program D.1 (Density Bonus Ordinance – State Law consistency), Program D.4 (ADUs and JADUs – State Law consistency); Program D.5 (Reasonable Accommodations Procedures), Program D.6 (Definition of Family), Program D.8 (Permit 50% residential in Downtown Central Core), Program D.9 (Residential Care Facilities – 7 or more persons), Program D.13 (DWSP building height limits), and Program E.6 (Farmworker and Workforce Housing).

FINANCIAL IMPACT:

A fiscal impact analysis estimates the costs and revenues to a local government from new plans or development proposals. The proposed item involves amending the Watsonville Municipal Code and DWSP in accordance with certain programs identified in the 6th Cycle Housing Element and would not result in new costs or revenues to the City.

This work is funded through a REAP 2.0 grant administered by AMBAG.

ALTERNATIVE ACTION:

The City Council may consider the following alternative actions:

1. Introduce ordinances for adopting zoning code text amendments to multiple chapters of the Watsonville Municipal Code Title 14 Zoning and adopting amendments to the Downtown Watsonville Specific Plan related to implementation of programs within the 2023-2031 6th Cycle 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>)

Watsonville Municipal Code. *Title 14, Zoning*. Watsonville, CA: City of Watsonville. (Available at: <https://www.codepublishing.com/CA/Watsonville/>)

ATTACHMENTS:

1. Planning Commission June 3, 2025 Meeting Minutes
2. Planning Commission June 3, 2025 Packet, consisting of the staff report and the following attached documents:
 - a) Housing Element Implementation Program Checklist
 - b) Zoning Ordinance Amendments (tracked changes)
 - c) DWSP Amendments (tracked changes)
 - d) Density Bonus Handout
 - e) ADU Handout
 - f) Reasonable Accommodations Handout