



# Agenda Report

**MEETING DATE:** Tuesday, April 25, 2023

**TO:** City Council

**FROM:** COMMUNITY DEVELOPMENT DIRECTOR MERRIAM  
HOUSING MANAGER LANDAVERRY

**THROUGH:** CITY MANAGER MENDEZ

**SUBJECT:** PRESENTATION OF THE WATSONVILLE 2022 HOUSING  
ELEMENT ANNUAL PROGRESS REPORT

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## **RECOMMENDED ACTION:**

Staff recommends that the City Council by motion, based on the Planning Commission's recommendation, accept the Housing Element Annual Progress Report (APR) for the 2022 calendar year for the adopted 2015-2023 Housing Element and submittal of the reports to the State Housing and Community Development Department (HCD) and the Governor's Office of Planning and Research.

## **DISCUSSION:**

Government Code Section 65400 requires each local government to prepare an Annual Progress Report (APR) on the status and progress of implementation of the Housing Element and submit it to the State Housing and Community Development Department (HCD) and the Governor's Office of Planning and Research (OPR) by April of each year. Cities and counties with a compliant housing element and up-to-date submissions of APRs gain access to State grant funds.

This part of the Housing Element Annual Report details progress in meeting the City's share of regional housing needs and local efforts to remove governmental constraints to the maintenance, improvement, and development of housing. The Housing Element APR is prepared using standards, forms, and definitions adopted by HCD. The data and information in the HCD forms document the number of new units of all types of housing in each income category, and the progress in meeting the City's share of the Regional Housing Needs Allocation (RHNA). The APR summarizes the planning activities for the City of Watsonville from January 1 to December 31, 2022, in compliance with Government Code section 65400.

The reporting forms (Tables A-J) have been revised by HCD in recent years and require detailed information on each application, entitlement, issued building permit and completed construction in an Excel spreadsheet format. As a result, the tables are large and difficult to

reproduce as attachments to this report. Summaries of the information presented in Tables A and A2 are attached to this report and the entire report can be found at the following link:  
<https://cityofwatsonville.org/165/Housing>

Table A contains data on the housing development applications that were submitted to the Community Development Department in 2022. These data are limited to discretionary applications received in 2022. A total of 33 complete applications were received last year. Four applications were still in process at the end of 2022 and are expected to be approved in 2023. The table below shows all proposed units in 2022.

<b>Table A: Housing Applications Summary</b>	
Total Housing Applications Submitted:	33
Number of Proposed Units in All Applications Received:	33
Total Housing Units Approved:	33
Total Housing Units Disapproved:	0

Table A2 contains data on the discretionary housing development applications that were approved (entitled), all ministerial building permits issued for housing development, and housing construction completed. Building permits were issued for a total of 155 housing units in 2022 including multi-family units and ADUs. The table below shows all the permits issued in 2022 by income category.

<b>Table A2: Building Permits Issued by Affordability Summary</b>		
<b>Income Level</b>		<b>Current Year</b>
Very Low	Deed Restricted	125
	Non-Deed Restricted	0
Low	Deed Restricted	0
	Non-Deed Restricted	30
Moderate	Deed Restricted	0
	Non-Deed Restricted	0
Above Moderate		0
Total Units		<b>155</b>

Table B places these 155 new housing units into affordability categories to demonstrate the City's progress in meeting the allocated share of regional housing needs for the planning period (RHNA).

Table C is not applicable to the City.

Table D contains information on the status and progress of Housing Element program and policy implementation for all programs described in the Housing Element.

Tables E and F are not applicable to the City.

Table G requests a list of City-owned sites from the Housing Element Sites Inventory that were sold, leased, or otherwise disposed of during the reporting year.

Table H requests an inventory of City-owned surplus lands. In 2022, the property at 280 Main Street was designated as surplus land pursuant to Government Code 54230 et seq.

Table I request a list of Units Constructed Pursuant to Government Code 65852.21 and Applications for Lot Splits Pursuant to Government Code 66411.7 (SB9) (None in 2022 – Not Applicable).

Table J request a list of Student housing development for lower income students for which was granted a density bonus pursuant to subparagraph (F) of paragraph (1) of subdivision (b) of Section 65915 (None in 2022 – Not Applicable).

The Summary Table provides a summary of housing units for which building permits were issued and applications were submitted in 2022. These tables also include information on SB 35 streamlining applications and permits; one project (1482 Freedom Blvd. by Eden Housing) has applied for SB 35 streamlining in the City to date.

The LEAP Reporting table is required for any jurisdictions that have received Local Early Action Planning (LEAP) grants. The City of Watsonville submitted an application for the LEAP grant that was executed in November, 2021. The grant funds will be used to cover City costs for the Downtown Specific Plan as well as implementation of the Specific Plan once it has been adopted.

The Housing Element Annual Progress Report was presented to the Planning Commission at its regularly scheduled meeting on April 4, 2023. No written comments in support or opposition were submitted prior to the meeting and no one from the public spoke during the meeting. The Planning Commission voted unanimously to recommend that the City Council accept the Watsonville Housing Element Annual Progress Report for 2022.

### **STRATEGIC PLAN:**

The Housing Element Annual Progress Report is an informational document that shows the City's progress in meeting our Regional Housing Needs Allocation and is consistent with the following elements of the City's Strategic Plan.

- 1-Housing
- 2-Fiscal Health
- 3-Infrastructure & Environment
- 5-Community Engagement & Well-Being
- 7-Efficient and High Performing Government

**CEQA**

The preparation and submittal of the APR is not subject to CEQA, as the action is not a project as defined in Section 15378(b) (2) of the Public Resources Code, and therefore no further review is required.

**FINANCIAL IMPACT:**

Preparation of the Housing Element Annual Progress Report is part of the Community Development Department's budgeted work program using existing staff resources

**ALTERNATIVE ACTION:**

The City Council may decide not to accept the Planning Commission's recommendation to accept the Housing Element Annual Progress Report for 2021 at this time, but doing so, may jeopardize the City's ability to gain access to State grant funds.

**ATTACHMENTS AND/OR REFERENCES (If any):**

- 1) 2022 Housing Element Summary Table
- 2) Link to the 2022 Housing Element Annual Progress Report:  
<https://cityofwatsonville.org/165/Housing>