

CITY OF WATSONVILLE  
6<sup>TH</sup> CYCLE HOUSING ELEMENT



CITY OF WATSONVILLE 2023-2031

# HOUSING ELEMENT



## AGENDA

HOUSING ELEMENT OVERVIEW

CHAPTER 1 - INTRODUCTION

CHAPTER 2 – HOUSING PLAN

APPENDICES

NEXT STEPS

# HOUSING ELEMENT OVERVIEW

THE HOUSING ELEMENT IS A CRITICAL TOOL FOR PLANNING FOR AND ACCOMMODATING CURRENT AND FUTURE HOUSING GROWTH AND SERVICES OVER THE NEXT 8 YEARS.

ONE OF SEVEN STATE-MANDATED ELEMENTS IN THE WATSONVILLE GENERAL PLAN.

REQUIRED TO BE UPDATED EVERY EIGHT YEARS IN 'CYCLES'

CURRENTLY IN THE 6<sup>TH</sup> CYCLE

CONTAINS DETAILED GOALS, POLICIES, AND OBJECTIVES FOR THE PROTECTION, IMPROVEMENT, AND PRODUCTION OF HOUSING.



# CHAPTER 1

## INTRODUCTION

# CHAPTER 1 - INTRODUCTION

- **State Requirements**

Ensure every resident has access to housing and a suitable living environment

- **Regional Housing Need Allocation (RHNA)**

Methodology used for determining future housing need, by income category, throughout the State based on growth in population, households, and employment.

- **Relationship to Other General Plan Elements**

Goals, policies, and programs must be consistent with those established in all other elements in the City's General Plan.

- **Public Participation**

Local governments must make diligent and continued efforts to achieve public participation from all economic segments of the community

- **Data Sources**

U.S. Census, American Community Survey (ACS), 2022 Homeless Point-In-Time Count & Survey, etc.

- **Housing Element Organization**

Chapter 1, Chapter 2, Appendices A-H



# CHAPTER 1

## INTRODUCTION

# CHAPTER 1 – INTRODUCTION

## REGIONAL HOUSING NEEDS ALLOCATION (RHNA)

**Table 1-2: City of Watsonville 6<sup>th</sup> 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
<b>TOTAL RHNA</b>		<b>2,053</b>

*Source: AMBAG Final 6<sup>th</sup> Cycle Regional Housing Needs Allocation Plan 2023-2031*

# CHAPTER 1 – INTRODUCTION

## PUBLIC PARTICIPATION

- Four public outreach meetings between February and April 2023
- Joint Planning Commission & City Council Study Session on September 26, 2023
- Three public review periods for draft Housing Element submittals
  - December 22, 2023, to January 26, 2024
    - 13 comments from 12 individuals
    - Some changes made, but no substantive changes required
  - July 12, 2024, to July 19, 2024
    - 1 comment received
    - No substantive changes required
  - September 6, 2024, to September 13, 2024
    - 1 comment received
    - No substantive changes required
- Community outreach summary in Appendix G

# CHAPTER 1 – INTRODUCTION

## HOUSING ELEMENT ORGANIZATION

- Chapter 1 – Introduction
- Chapter 2 – Housing Plan
- Appendix A – Review of Past Performance
- 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

# CHAPTER 2 – HOUSING PLAN

**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.

**Goal 2:** Expand and protect housing opportunities for all economic segments and special needs groups within the community.

**Goal 3:** Provide housing opportunity for Watsonville’s share of the regional housing need for all income and special needs groups.

**Goal 4:** Where appropriate, mitigate unnecessary governmental constraints to the maintenance, improvement, and development of housing.

**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.



# CHAPTER 2

## HOUSING PLAN

# CHAPTER 2 – HOUSING PLAN

## **1. Housing and Neighborhood Conservation**

- Program A.1 to A.6

## **2. Provision of Housing Assistance**

- Program B.1 to B.8

## **3. Housing Production**

- Program C.1 to C.12

## **4. Removal of Governmental Constraints**

- Program D.1 to D.13

## **5. Equal Housing Opportunity**

- Program E.1 to E.7

# CHAPTER 2 – HOUSING PLAN

## Programs of Note:

### Program A.6 – Displacement Protection

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

### Program C.2 – Explore Additional Residential Opportunity Sites

- Research opportunity sites in commercial and institutional areas within 3 years and adopt Municipal Code amendments within 4 years.

### Program C.7 – Transitional Housing and Emergency Shelters

- Adopt Code amendments permitting transitional housing by-right in all residential zoning districts within one year.

### Program C.8 – Supportive Housing

- Adopt Code amendments permitting supportive housing by-right in all residential zoning districts and establish a monitoring program by June 2026.

# CHAPTER 2 – HOUSING PLAN

## Programs of Note:

### Program C.9 – Low-Barrier Navigation Centers

- Amend the Zoning Ordinance to include procedures and regulations to process low-barrier navigation centers in compliance with State law by June 2026.

### Program C.11 – SB 35 Streamlining

- Establish streamlining procedures and objective standards for qualifying projects under SB 35 to be approved ministerially by December 2025.

### Program C.12 – Surplus Land Act

- Declare City-owned sites as surplus and approve a resolution making the findings that the project will be put out to competitive bid by December 2026.

### Program D.3 – Design Review Process

- Update the City’s Residential Design Guidelines to provide objective design standards by December 2026.

## CHAPTER 2 – HOUSING PLAN

### Programs of Note:

#### **Program D.7 – Development Constraints for Affordable Housing**

- Amend the parking requirements in the Zoning Ordinance and any other constraints to reduce potential constraints for multifamily developments by June 2026.

#### **Program D.8 – Require 50% Residential Use in Downtown Central Core Area**

- 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 by June 2026.

#### **Program D.13 – Building Height Limits**

- Adopt an amendment to the DWSP increasing height limits for the Downtown Neighborhood and Downtown Industrial zoning districts to six stories and for the Downtown Core zoning district to eight stories by January 2027.

## CHAPTER 2 – HOUSING PLAN

### **Revision to Program D.8 – Require 50% Residential Use in Downtown Central Core Area**

*Program D.8: ~~Permit~~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 a 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 ~~allow~~ 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~~2025*

*Responsible Agency: Community Development Department*

*Funding Source: General Fund*

# CHAPTER 2 – HOUSING PLAN

## Program D.13 – Building Height Limits

- City Staff provided the following justification for the existing four- and six-story height limits in the Downtown Watsonville Specific Plan (DWSP) area:
  - Detailed description of engagement with nonprofit and for-profit developers in crafting the DWSP
  - Testimonial from non-profit developer that the four- and six-story height limits are not a constraint on housing development
  - Local example of the project at 445 Main Street that was able to provide 101 du/acre in a four-story project
  - Table D-4 highlighting projects in downtown Santa Cruz that provide densities at or above the 85 du/acre and 125 du/acre DWSP densities in the four- and six-story height range.
  - Hypothetical project examples demonstrating how densities could be achieved at the four- and six-story height limits
    - 1-Acre Redevelopment in the Downtown Neighborhood Zoning District
    - 2-Acre Redevelopment in the Downtown Core Zoning District
- HCD still demanded increased building heights.
- HCD provided no evidence or justification demonstrating why the densities could not be achieved with the four- and six-story height limits.

# CHAPTER 2 – HOUSING PLAN

## **Program D.13 –Building Height**

### *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 for the Downtown Core zoning district up to a maximum of eight stories.*

*Timeframe: By January 2027*

*Responsible Agency: Community Development Department*

*Funding Source: General Fund*



# APPENDIX A

## REVIEW OF PAST PERFORMANCE

# APPENDICES

Appendix A – Review of Past Performance

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



# APPENDIX E

## FAIR HOUSING ANALYSIS

# APPENDIX E – FAIR HOUSING ANALYSIS

- 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, familial status, and disability.

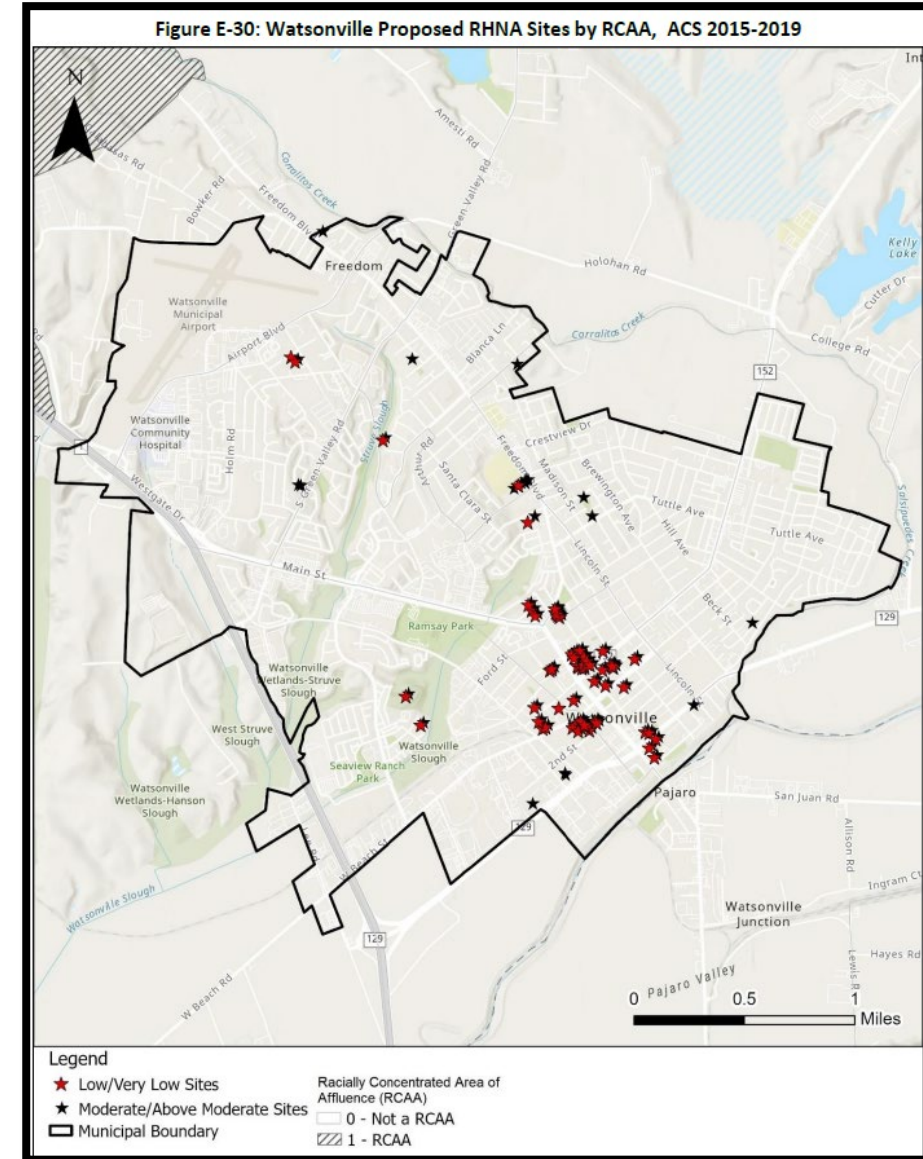
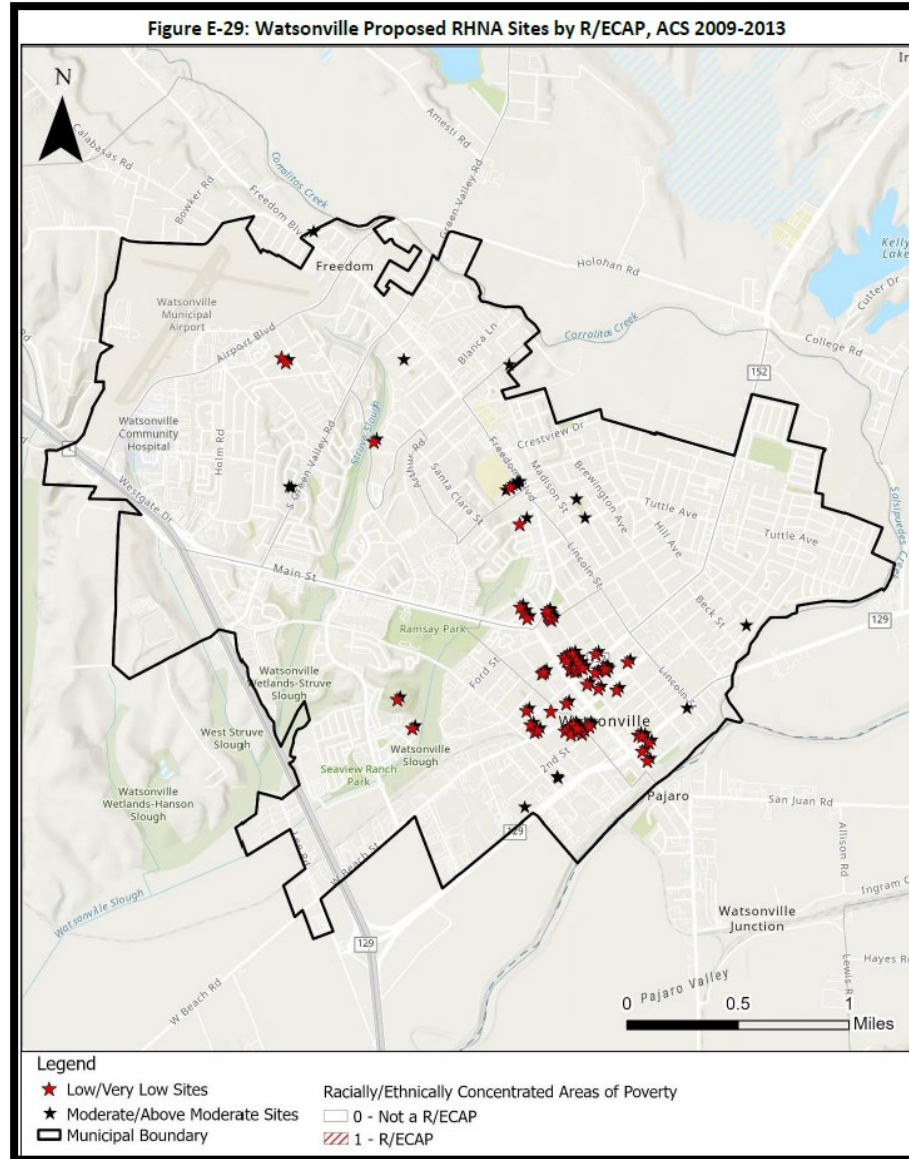
# APPENDIX E – FAIR HOUSING ANALYSIS

## Fair Housing Analysis:

1. Resource Levels
  - a. All of Watsonville is categorized as a ‘Low Resource’ area
2. Patterns of Integration and Segregation
  - a. All of Watsonville is either ‘Mostly Latinx’ or “Latinx-White” with no demonstrable segregation
3. Diversity
  - a. All of Watsonville is categorized as either ‘≥85” or “Higher Diversity”
4. Racially and Ethnically Concentrated Areas of Poverty
  - a. No racially or ethnically concentrated areas of poverty in Watsonville
5. Racially Concentrated Areas of Affluence
  - a. No racially concentrated areas of affluence in Watsonville

# APPENDIX E – FAIR HOUSING ANALYSIS

## APPENDIX E FAIR HOUSING ANALYSIS



# APPENDIX F

## SITES ANALYSIS

# APPENDIX F – 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 below.

<b>Income Category</b>	<b>Percent of Area Median Income (AMI)</b>	<b>RHNA Units</b>
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
<b>TOTAL RHNA</b>		<b>2,053</b>

*Source: AMBAG Final 6<sup>th</sup> Cycle Regional Housing Needs Allocation Plan 2023-2031*

# APPENDIX F – SITES ANALYSIS

## APPENDIX F SITES ANALYSIS

Table F-2: Summary of RHNA Status and Sites Inventory				
	Lower Income	Moderate Income	Above Moderate Income	Total
<b>2023-2031 RHNA</b>	469	521	1,063	2,053
<b>Sites Available</b>				
<b>Projects in the Pipeline</b>	127	70	315	512
<b>Projected Accessory Dwelling Units Production</b>	92	46	46	184
<b>5th Cycle Sites</b>	0	27	47	74
<b>Existing Zoning on Vacant Sites</b>	0	2	8	10
<b>Downtown Watsonville Specific Plan</b>	323	465	1,070	1,858
<i>Vacant Parcels</i>	26	44	106	176
<i>Nonvacant/Infill Parcels</i>	297	421	964	1,692
<b>Total Potential Development Capacity</b>	<b>543</b>	<b>609</b>	<b>1,486</b>	<b>2,638</b>
<b>Remaining RHNA</b>	--	--	--	--
<b>Sites Surplus/Shortfall (+/-)</b>	<b>73</b>	<b>88</b>	<b>423</b>	<b>584</b>
<b>Percentage Buffer</b>	<b>16%</b>	<b>17%</b>	<b>40%</b>	<b>28%</b>

# APPENDIX F

## SITES ANALYSIS

# APPENDIX F – SITES ANALYSIS

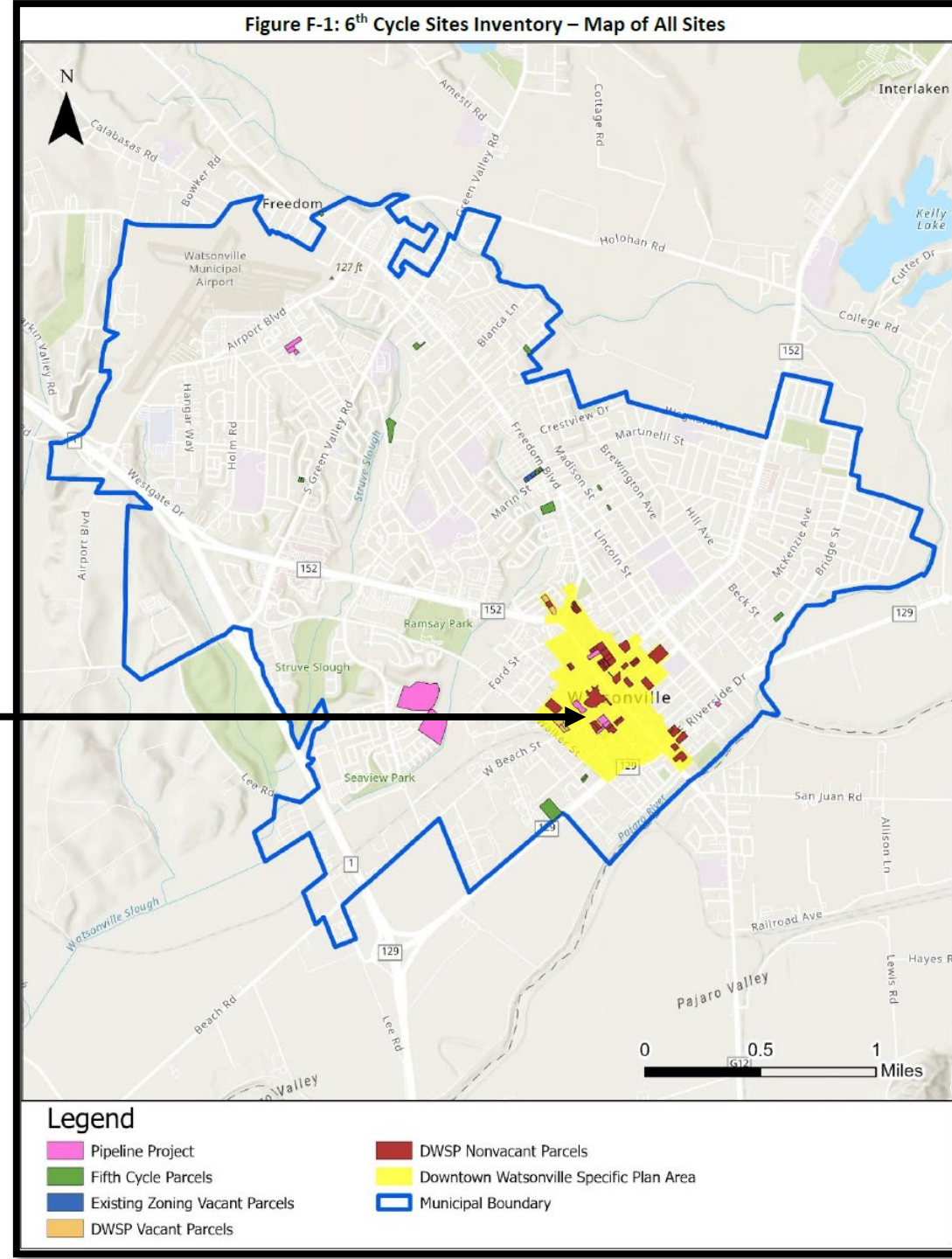
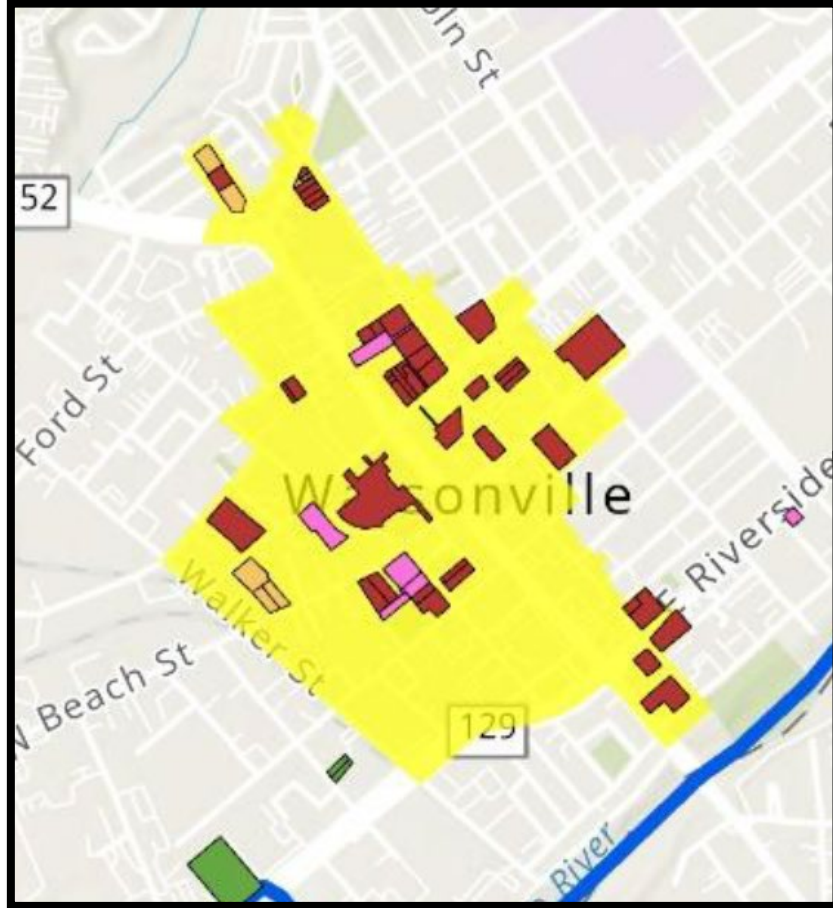


Figure F-1: 6<sup>th</sup> Cycle Sites Inventory – Map of All Sites



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## NEXT STEPS

- Once City Council adopts a General Plan Amendment replacing the 5<sup>th</sup> Cycle Housing Element with the 6<sup>th</sup> Cycle Housing Element, the City's consultants can submit the draft 6<sup>th</sup> Cycle Housing Element to HCD for final certification.



CITY OF WATSONVILLE 2023-2031

# HOUSING ELEMENT



## RECOMMENDATION

Staff recommends the City Council approve a resolution adopting a general plan amendment to include the California Department of Housing and Community Development approved 2023-2031 6th Cycle Housing Element in the 2005 City of Watsonville General Plan and finding the project exempt from the California Environmental Quality Act (CEQA) under Sections 15262, 15283, and 15061(b)(3) of the State CEQA Guidelines.