

# Agenda Report



**Watsonville**  
CALIFORNIA

**MEETING DATE:** Tuesday, October 22, 2024

**TO:** City Council

**FROM:** COMMUNITY DEVELOPMENT DIRECTOR MERRIAM  
PRINCIPAL PLANNER ORBACH

**SUBJECT:** DENSITY BONUS, MAJOR SUBDIVISION, AND TENTATIVE MAP FOR CONSTRUCTION OF A 5-LOT SUBDIVISION LOCATED AT EVAN CIRCLE (APN: 015-391-43 & 49) AND FINDING THE PROJECT CATEGORICALLY EXEMPT UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO CEQA G

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## RECOMMENDED ACTION:

Staff Recommends the City Council adopt a resolution approving a Density Bonus and a resolution approving a Major Subdivision and Tentative Map (PP2024-6731) for a five-lot subdivision located at Evan Circle (APN: 015-391-43 & 49) and finding the project categorically exempt under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15332 (In-Fill Exemption).

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## BASIC PROJECT DATA

**APPLICATION NO.:** PP2024-6731

**APN:** 015-391-43 & 49

**LOCATION:** Evan Circle

**LOT SIZE:** 28,053 square feet (0.644 acres)

**PROJECT DESCRIPTION:** Density Bonus, Major Subdivision, and Tentative Map for a New Five-Lot Subdivision with Five New Single-Family Residences with Five Attached Accessory Dwelling Units. Additionally, the Applicant is requesting certain concessions and waivers based on State Density Bonus Law because the Applicant will be providing one affordable lot with two low-income units.

**GENERAL PLAN:** Residential Medium Density

**ZONING:** Multiple Residential – Medium Density (RM-2)

**SURROUNDING GENERAL PLAN/ZONING:** Single-family residential development in the Residential Medium Density General Plan land use classification and the RM-2 zoning district.

**EXISTING USE:** Vacant Land  
**PROPOSED USE:** Subdivision with 5 Single-family residential units and five attached accessory dwelling units  
**SURROUNDING USES:** Single-family residential uses  
**CEQA REVIEW:** The proposed project qualifies for a Class 32 categorical exemption as an in-fill development project.  
**APPLICANT:** Bill Kempf, Architect  
**PROPERTY OWNER:** Doug Wallace

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**BACKGROUND:**

On September 26, 2006, the City Council of the City of Watsonville adopted Resolution No. 225-06 (CM), adopting a negative declaration with mitigation measures (PP2006-141), to allow for the construction of 19 single family units with a mini park on three parcels totaling 2.62 acres at 36, 42, and 54 Airport Road (APNs 015-391-20, -21, & -23).

Also on September 26, 2006, the City Council of the City of Watsonville adopted Resolution No. 226-06 (CM), approving a Special Conditional Use Permit with Design Review (PP2006-141), to allow for the construction of 19 single family units with a mini park on three parcels totaling 2.62 acres at 36, 42, and 54 Airport Road (APNs 015-391-20, -21, & -23).

Also on September 26, 2006, the City Council of the City of Watsonville adopted Resolution No. 227-06 (CM), approving a tentative subdivision map, Tract No. 1518 (PP2006-141), to allow for the construction of 19 single family units with a mini park on three parcels totaling 2.62 acres at 36, 42, and 54 Airport Road (APNs 015-391-20, -21, & -23).

On February 12, 2008, the City Council of the City of Watsonville adopted Resolution No. 24-08 (CM), to allow for a modification and one year time extension (PP2007-371) to Tentative Tract Map No. 1518 and three phase construction of 19 single family units cluster lot subdivision with a mini park on three parcels totaling 2.62 acres at 36, 42, and 54 Airport Road (APNs 015-391-20, -21, & -23).

On November 13, 2018, the City Council of the City of Watsonville adopted Resolution No. 4-18 (SHA), in its capacity as the successor to the housing assets and functions to the former redevelopment agency of the City of Watsonville: 1) approving disposition and development agreement (36 Airport Road) between the successor housing agency to the former redevelopment agency of the City of Watsonville and Habitat for Humanity Monterey Bay, a corporation, for the sale and development of 36 Airport Road (APN: 015-391-20) as an affordable, self-help, single-family, home ownership development; 2) making certain findings pursuant to health and safety code section 33433 in connection therewith; and 3) authorizing and directing the city manager to execute all documents with clarifying and/or non-substantive modifications, necessary to implement agreement.

On January 3, 2023, Bill Kempf, applicant, on behalf of Doug Wallace, property owner, submitted a Pre-Application (PP2022-4834) for a new five-lot subdivision and the construction of five new two-story single-family residences with five attached accessory dwelling units on two vacant parcels located at Evan Circle (APN: 015-391-43 & 49). Staff issued the Pre-Application letter for Pre-Application PP2023-4834 on April 20, 2023.

On February 12, 2024, Bill Kempf, applicant, on behalf of Doug Wallace, property owner, submitted an application for an Administrative Use Permit, Density Bonus, Major Subdivision, and Tentative Map for a new five-lot subdivision and construction of five new, two-story, single-family residences with five attached accessory dwelling units located at Evan Circle (PP2024-6731). Additionally, the Applicant is requesting certain concessions and waivers based on State Density Bonus Law because the Applicant will be providing one affordable low-income unit.

On October 1, 2024, the Planning Commission adopted Resolution 10-24 (PC) approving an Administrative Use Permit and recommending to the City Council approval of a Density Bonus, Major Subdivision, and Tentative Map (PP2024-6731) for the construction of a 5-unit subdivision located at Evan Circle (APN: 015-391-43 & 49).

## **PROCESS**

Pursuant to [WMC Section 13-4.09\(c\)\(1\)](#), the City Council shall approve, conditionally approve, or deny the tentative map within the thirty (30) day period following the filing of the Planning Commission's report on the tentative map and may modify or delete any of the conditions of approval recommended by the Planning Commission in its report (except conditions required by ordinance related to the public health and safety) or may add requirements as conditions of approval. The City Council may not approve a tentative map unless it makes all of the findings in [WMC Section 13-4.09\(d\)](#).

Pursuant to [WMC Section 14-47.140\(a\)](#), upon review and recommendation by the Planning Commission, the City Council shall adopt a resolution for a Density Bonus pursuant to Chapter 14-47. Before approving an application for a Density Bonus, the City Council shall make all of the findings located in [WMC Section 14-47.140\(b\)](#).

## **STANDARD OF REVIEW**

The decision regarding whether to approve a Density Bonus, Major Subdivision, and Tentative Map is adjudicative 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:**

### Existing Site

Assessors' Parcels 015-391-43 & 49 are 0.644 acres (28,053 sq. ft.). The project site is designated Residential Medium Density on the General Plan Land Use Map and is within the RM-2 Multiple Residential – Medium Density Zoning District. The site is currently vacant and surrounded by single-family residential parcels.



**FIGURE 2** Aerial view of the project site and surrounding area  
*Source:* Santa Cruz County GIS, 2020

Proposed Project

The proposed project involves subdividing the existing parcels into five lots, with a proposed 48-foot-wide public right of way (including sidewalks, curb, and gutter) to provide access and a six-foot-wide public utilities easement to provide the extension of public utilities. A new sidewalk with curb and gutter would extend along the roadway along both sides of the extension of Evan Circle. The plans indicate that the development would consist of five two-story single-family homes with five attached accessory dwelling units (ADUs) for a total of ten units. Lot sizes are proposed to vary in size from 4,000 to 4,280 square feet. All lots would contain three off-street parking spaces, one covered space in a garage and two tandem spaces in the driveway, accessed from Evan Circle.

Lot 9 would include a two-story floor plan with a gross floor area of 2,292 square feet. The single-family dwelling has three bedrooms and two bathrooms and the second-story attached ADU has one bedroom and one bathroom. The units on Lot 9, single-family dwelling and ADU, would both be affordable units.



Lots 10 and 12 would include a two-story floor plan with a gross floor area of 2,638 square feet. The single-family dwelling has three bedrooms and two and a half bathrooms and the second-story attached ADU has one bedroom and one bathroom.

Lots 11 and 13 would include a two-story floor plan with a gross floor area of 2,638 square feet. The single-family dwelling has three bedrooms and two and a half bathrooms and the second-story attached ADU has one bedroom and one bathroom.

The applicant is proposing one affordable low-income unit, which is 20% of the total units.

The applicant has requested two concessions and three waivers, including:

Concessions:

1. Reduced Minimum Lot Sizes ([WMC §14-16.304](#))
2. Reduced Minimum Frontage ([WMC §14-16.304](#))

Waivers:

1. 20-foot front yard setback ([WMC §14-16.304](#))
2. 20-foot setback from sidewalk ([WMC §14-16.304](#))
3. 20-foot rear yard setback ([WMC §14-16.304](#))

Per Government Code Section 65915(e)(1), the City cannot apply any development standard that will have the effect of physically precluding the construction of a development providing affordable housing units at the levels described in Government Code Section 65915(b) at the densities or with the concessions or incentives permitted by Section 65915. An applicant may submit to the City a proposal for waivers or reductions of any development standards that will have the effect of physically precluding the construction of the development. The City can only deny waiver requests if the denial would not have a specific adverse impact upon health and safety, and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact. The proposed waivers would not have a specific adverse impact upon health and safety, for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact. Therefore, City staff recommends approval of the requested waivers.

General Plan Consistency

The proposed project is consistent with the following 2005 General Plan goals, policies, and implementation measures, as supported by Staff analysis below.

- **Goal 4.2 Neighborhoods** – Conserve and improve the living environment of existing Watsonville neighborhoods.

Staff Analysis: The proposed project will improve Evan Court by repaving it and adding new curb, gutter, and sidewalk to the south side of the street and connect it, via another pending development, to Evan Circle. The project will also connect existing sidewalks to the north and south along Airport Road by adding curb, gutter, and sidewalk along the property's Airport Road frontage.

- **Goal 4.7 Land Use Suitability** – Ensure that the orderly development of land for the needs of the existing and projected population within the City limit and Sphere of Influence is based on the land’s overall suitability, including: the accessibility of existing and proposed public facilities, services, and utilities, physical and financial constraints; and/or growth inducing impacts.

Staff Analysis: Since 2006, the property has identified for residential development. The land is suitable for residential development, with accessible public facilities, services, and utilities and no significant physical constraints or growth inducing impacts. The project will also provide a link between the existing Evan Circle subdivision and the proposed 13-unit subdivision at 36 Airport Road, creating a loop road with better accessibility and a more cohesive neighborhood.

- **Policy 4.G Land Use Suitability** – The City shall encourage the development of urban uses on those lands best suited for urban uses and discourage it on lands unsuited for urban uses.

Staff Analysis: Since 2006, the property has identified by the City for residential development. The project will also provide a link between the existing Evan Circle subdivision and the proposed 13-unit subdivision on Evan Court, creating a loop road with better accessibility and a more cohesive neighborhood. The proposed project site is surrounded by existing and proposed urban residential uses and is therefore well-suited for the proposed residential use.

- **Policy 4.A.2 Land Use Compatibility** – The project will provide a link between the existing Evan Circle subdivision and the proposed 13-unit subdivision on Evan Court, creating a loop road with better accessibility and a more cohesive neighborhood. The city shall monitor housing production to ensure compatibility with surrounding land uses.

Staff Analysis: The proposed project site is surrounded by existing and proposed residential development and is therefore compatible with the surrounding land uses.

- **Implementation Measure 4.G.2** – The City, through the development review process, shall consider higher densities on those lands found to be least affected by physical, policy, or economic constraints.

Staff Analysis: The property has a General Plan land use designation of Multiple-Residential-Medium Density (RM-2), which has a target residential density of up to 13.99 dwelling units per acre (du/acre). The proposed project, with just the single-family dwellings, has a density of 7.76 du/acre. Government Code prohibits local governments from considering ADUs when calculating density. In this instance, because there is only one unit proposed per parcel, the project requires approval of an Administrative Use Permit. If the ADUs were included in the density calculation, the project would exceed the maximum density of 13.99 units per acre.

### Zoning Code Consistency

With the concessions and waivers allowed under State Density Bonus Law, the project complies with the RM-2 development standards in [WMC Section 14-16.304](#) as shown below.

<b>Development Standard</b>	<b>Permitted</b>	<b>Proposed</b>
Minimum Lot Size	Interior - 5,000 sq. ft. Exterior – 6,500 sq. ft.	4,000-4,280 sq. ft. (Concession)
Frontage (Lot Width)	Interior - 50 ft. Exterior – 65 ft.	48.5' – 58.17' (Concession, Lots 9 & 12)
Front Setback	20'	15'-17' (Waiver)
Rear Setback	20'	15'-20' (Waiver, only Lot 9)
Distance to Rear of Sidewalk	20'	15'-17' (Waiver)
Side Setback - Interior	5'	5'
Side Setback - Exterior	10'	15'
Height	28'	25'-2" to 25'-10"
Max. Lot Coverage	50%	33% - 37%

### Density Bonus Findings

Pursuant to WMC Section 14-47.140(b), before approving an application for a Density Bonus, the Planning Commission and Council shall make certain findings. Those findings are listed below with staff analysis.

1. The application is eligible for a Density Bonus and any concessions, or incentives requested if conforms to all standards included in this Chapter and includes a financing mechanism for all implementation and monitoring costs;

Staff Analysis: The Density Bonus application has been reviewed and is eligible for a Density Bonus and the two requested concessions and three requested waivers, conforms to all standards in Chapter 14-47, and includes a financing mechanism for all implementation and monitoring costs.

2. Any requested incentive or concession will result in identifiable, financially sufficient, and actual cost reductions based upon appropriate financial analysis and documentation as described in Section 14-47.130 of this Chapter;

Staff Analysis: The requested concessions and waivers will result in identifiable, financially sufficient, and actual cost reductions based on appropriate financial analysis and documentation.

3. If the Density Bonus is based all or in part on donation of land, the approval body has made the findings included in Section 14-47.070(c) of this Chapter;

Staff Analysis: The Density Bonus is not based all or in part on donation of land, so this finding is not applicable.

4. If the Density Bonus, incentive, or concession is based all or in part on the inclusion of a Day Care Center, the approval body has made the findings required by Section 14-47.080(b) of this Chapter;

Staff Analysis: The Density Bonus is not based all or in part on the inclusion of a Day Care Center, so this finding is not applicable.

5. A Density Bonus Housing Agreement in recordable form has been signed by the owner of the Residential Development with terms and conditions reasonably to satisfy the requirements of this Chapter and the Density Bonus Program Guidelines.

Staff Analysis: Per the City's standard procedures related to deed-restricted affordable units, a condition of approval (Condition #16) was included in the conditions of approval for the Administrative Use Permit approved by the Planning Commission stating that a Density Bonus/Affordable Housing Agreement in recordable form shall be approved by City Council and signed by the owner of the Residential Development with terms and conditions reasonably to satisfy the requirements of Chapter 14-47 and the Density Bonus Program Guidelines prior to issuance of a building permit.

These Findings are included in Exhibit A of the density bonus resolution.

#### Tentative Map - Required Findings

Pursuant to WMC Section 13-4.08(b), in recommending approval, conditional approval, or denial of a tentative map, the Planning Commission shall make all of the applicable findings in WMC Section 13-4.09(d). Those findings are listed below with staff analysis.

1. The proposed map is consistent with the general plan or any applicable specific plan, the zoning code, this chapter, the Subdivision Map Act, and other applicable provisions of this code.

Staff Analysis: The proposed use is consistent with the following General Plan goals, policies, and implementation measures: Goal 4.2, Goal 4.7, Policy 4.G, Policy 4.A.2, and Implementation Measure 4.G.2. With the concessions and waivers granted under State Density Bonus Law, the proposed use is also consistent with the general purpose and intent of the applicable district regulations.

2. The design or improvement of the proposed subdivision is consistent with the general plan and any applicable specific plan.

Staff Analysis: The proposed single-family residential subdivision is compatible with the existing single-family residential uses in the neighborhood and preserves the character and integrity of the area. Right-of-way improvements associated with the project will mitigate any potential adverse impacts, provide improved automobile and pedestrian



infrastructure, and connect the existing and proposed single-family neighborhoods on Evan Circle and Evan Court.

3. The site is physically suitable for the proposed type of development.

Staff Analysis: The site is relatively flat, surrounded by single-family residential development, is served by City utilities, and the site would connect two existing single-family residential subdivisions. As such, the project is physically suitable for the proposed type of development.

4. The site is physically suitable for the proposed density of development.

Staff Analysis: The site is relatively flat, surrounded by single-family residential development, is served by City utilities, is zoned RM-2, and the proposed project density is close to the target density for medium-density residential development. As such, the project is physically suitable for the proposed density of development.

5. The design of the subdivision or the proposed improvements is not likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat.

Staff Analysis: There are no sensitive environmental areas on or near the proposed project site, so the design of the proposed subdivision is not likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat.

6. The design of the subdivision or the type of improvements is not likely to cause serious public health problems.

Staff Analysis: The proposed subdivision, with the concessions and waivers granted under State Density Bonus Law, complies with the development standards of the RM-2 zoning district, is surrounded by existing single-family residential neighborhoods, and qualifies for a categorical exemption from CEQA review as in-fill development. It is therefore not likely to cause serious public health problems.

7. The design of the subdivision or the type of improvements will not conflict with easements, acquired by the public at large, for access through or use of property within the proposed subdivision.

Staff Analysis: The proposed subdivision does not conflict with any existing easements for access through or use of property within the proposed subdivision.

8. The waste discharge from the proposed subdivision into a community sewer system will not result in or add to violations of existing requirements prescribed by the Regional Water Quality Control Board.

Staff Analysis: The sewer system in the public right of way in Airport Road has adequate capacity to accommodate the additional load from the proposed subdivision and there are no existing RWQCB violations in the area. Therefore, the waste discharge from the proposed subdivision into the community sewer system will not result in or add to violations of existing requirements prescribed by the Regional Water Quality Control Board.

9. If the land is subject to any of the development restrictions included in Section 66474.4(a) of the Subdivision Map Act (including, but not limited to, Williamson Act contracts, open-space easements, and conservation easements), then the findings required by Section 66474.4 must be made to approve or conditionally approve the tentative map.

Staff Analysis: The land is not subject to any of the development restrictions included in Section 66474.4(a) of the Subdivision Map Act.

10. If the tentative map is subject to the water supply requirements included in Section 66473.7 of the Subdivision Map Act, then the findings required by Section 66473.7 must be made to approve or conditionally approve the tentative map.

Staff Analysis: The tentative map is not subject to the water supply requirements included in Section 66473.7 of the Subdivision Map Act.

These findings are included in Exhibit A, the tentative map conditions of approval are included in Exhibit B, and the tentative map is included as Exhibit C of the tentative map resolution.

### Environmental Review

As an in-fill development project, the proposed project qualifies for a Class 32 categorical exemption from the California Environmental Quality Act (CEQA) under California Code of Regulations Title 14 Section 15332. The project meets the conditions of Section 15332, including: the project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations; the project occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses; the project site has no value as habitat for endangered, rare, or threatened species; approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality; and the site can be adequately served by all required utilities and public services. Additionally, none of the exceptions in section 15300.2 apply: the project is not located on an environmental resource of hazardous or critical concern; there would not be a cumulative impact from successive projects of the same type in the same place; there is no evidence that there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances; the project is not located near a scenic highway or on a hazardous waste site or on a historical resource.

### **STRATEGIC PLAN:**

The proposed 5-lot subdivision located at Evan Circle and the associated improvements will provide five new single-family residences with five attached accessory dwelling units (ADUs). One lot will include two affordable units (primary residence and ADU). The project will provide

new infrastructure connecting Evan Court and Evan Circle, including new street, curb, gutter, and sidewalks. Therefore, the project supports the following Strategic Plan priorities.

2-Infrastructure & Environment  
3-Housing

**FINANCIAL IMPACT:**

The proposed project has no fiscal impact other than an increase in property tax revenue due to site improvements.

**ALTERNATIVE ACTION:**

The City Council could deny the application for a Density Bonus, Major Subdivision, and Tentative Map.

**ATTACHMENTS:**

1. Project Plan Set – Evan Circle (PP2024-6731)