

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF HOUSING POLICY DEVELOPMENT**

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November 19, 2024

Chair Ed Acosta  
Vice Chair Peter Radin  
Planning Commissioners Daniel Dodge, Brando Sencion, Jenni Veitch-Olson,  
Martha Vega, Lucy Rojas  
City of Watsonville  
250 Main Street  
Watsonville, CA 95076

Dear Chair Ed Acosta, Vice Chair Peter Radin, and Planning Commissioners Daniel Dodge, Brando Sencion, Jenni Veitch-Olson, Martha Vega, Lucy Rojas:

**RE: 118 1<sup>st</sup> Street – Letter of Support and Technical Assistance**

The purpose of this letter is for the California Department of Housing and Community Development (HCD) to express support for the proposed Low Barrier Navigation Center at 118 1<sup>st</sup> Street (Project) and to provide technical assistance regarding the obligations of the City of Watsonville (City) under state law with respect to the Project.

**Background**

HCD understands that the County of Monterey (County) submitted a Zoning Clearance Application (PP2023-6297) for the Project on August 23, 2024. On September 20, 2024, the City ministerially approved the Zoning Clearance Application, in accordance with California law regarding By-Right Low Barrier Navigation Centers.<sup>1</sup> On October 2, 2024, the City received an appeal (PP2024-7954) of the approval of the Zoning Clearance Application (Appeal).

The City of Watsonville has a clear need for the Project and other similar projects. The 2023 Santa Cruz County Homeless Point-in-Time count found 421 individuals experiencing homelessness in Watsonville, a 15-percent year-over-year increase; 322 of those individuals were unsheltered.<sup>2</sup> In 2018, the City adopted a resolution declaring a Homeless Shelter Crisis;<sup>3</sup> that resolution remains in effect today.

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<sup>1</sup> Gov. Code, §§ 65660-65668.

<sup>2</sup> City of Watsonville 2023-2031 draft Housing Element, page B-29, available at <https://www.watsonville.gov/DocumentCenter/View/22500/Draft-Housing-Element-2023-2031>.

<sup>3</sup> City of Watsonville Resolution 121-18 (CM), available at <https://www.watsonville.gov/DocumentCenter/View/12042/Item-4F-Declaration-of-Homeless-Emergency---Resolution-121-18?bidId=>.

In June 2023, the State of California provided an \$8 million Encampment Resolution Fund grant to help fund the Project. HCD strongly supports the Project as a key step towards addressing the needs of residents experiencing homelessness.

### **By-Right Low Barrier Navigation Centers**

A Low Barrier Navigation Center is defined as a Housing First, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing. “Low Barrier” refers to best practices to reduce barriers to entry, and may include, but is not limited to, the following:

- (1) The presence of partners if it is not a population-specific site, such as for survivors of domestic violence or sexual assault, women, or youth.
- (2) Pets.
- (3) The storage of possessions.
- (4) Privacy, such as partitions around beds in a dormitory setting or in larger rooms containing more than two beds, or private rooms.<sup>4</sup>

A Low Barrier Navigation Center development is a use by-right in areas zoned for mixed-use and nonresidential zones permitting multifamily uses if it meets certain statutory requirements:

- (a) It offers services to connect people to permanent housing through a services plan that identifies services staffing.
- (b) It is linked to a coordinated entry system.
- (c) It complies with Chapter 6.5 (commencing with Section 8255) of Division 8 of the Welfare and Institutions Code.
- (d) It has a system for entering information regarding client stays, client demographics, client income, and exit destination through the local Homeless Management Information System.<sup>5</sup>

Watsonville City staff have determined that the Project is a Low Barrier Navigation Center, is located in the Downtown Core zoning district, which is an area zoned for mixed use, and meets the statutory requirements listed above. Therefore, the Project is a use by right.

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<sup>4</sup> Gov. Code, § 65660, subd. (a).

<sup>5</sup> Gov. Code, § 65662.

“Use by right” means that “the local government’s review ... may not require a conditional use permit, planned unit development permit, or other discretionary local government review or approval that would constitute a ‘project’ for purposes of [the California Environmental Quality Act].”<sup>6</sup>

Accordingly, the City acted appropriately in approving the Project ministerially. Furthermore, since the Project qualifies as a use by right, it is questionable whether the City’s Zoning Clearance Application approval can be appealed. Even if the City is permitted to hear an appeal, the statute further requires that “a local jurisdiction *shall permit* a Low Barrier Navigation Center development” if it meets the statutory requirements (emphasis added).<sup>7</sup> For the Planning Commission to do anything other than deny the Appeal would violate this statutory rule.

### Conclusion

HCD strongly supports the Project. The Planning Commission must deny the Appeal in order to comply with state law regarding Low Barrier Navigation Centers. HCD will continue to monitor the Project and reminds the City that, pursuant to Gov. Code section 65585, subdivision (j), HCD may notify the Office of the Attorney General if HCD finds that any local government has taken an action in violation of state housing law, including but not limited to By-Right Low Barrier Navigation Center law.<sup>8</sup>

If you have any questions regarding the content of this letter or would like additional technical assistance, please contact Stephanie Reyes at [Stephanie.Reyes@hcd.ca.gov](mailto:Stephanie.Reyes@hcd.ca.gov).

Sincerely,



Shannan West  
Housing Accountability Unit Chief

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<sup>6</sup> Gov. Code, § 65583.2, subd. (i).

<sup>7</sup> Gov. Code, § 65662.

<sup>8</sup> Gov. Code, § 65585, subd. (j)(9).