



Watsonville
CALIFORNIA

CITY COUNCIL AGENDA REPORT

MEETING DATE: Tuesday, March 25, 2025
TO: CITY COUNCIL
WRITTEN BY: CITY ATTORNEY ZUTLER
RECOMMENDED BY: CITY MANAGER VIDES
APPROVED BY: TAMARA VIDES, CITY MANAGER

SUBJECT: APPROVAL OF AGREEMENT BETWEEN PAJARO VALLEY UNIFIED SCHOOL DISTRICT, CEIBA PUBLIC SCHOOLS AND THE CITY OF WATSONVILLE

RECOMMENDATION:

Adopt a resolution approving an agreement between the Pajaro Valley Unified School District ("PVUSD" or "District"), CEIBA Public Schools ("CEIBA"), and the City of Watsonville.

BACKGROUND:

In February and March of 2023, the City Council granted to CEIBA a general plan amendment, zone change, and special use permit to allow the permanent establishment of CEIBA School, a 525-student charter school, on a 2.1-acre site located at 215 Locust Street.

DISCUSSION:

Shortly after the City granted the approvals described above, WESTIA (Watsonville Environmental Safety Traffic Industrial Alliance) and Marta Bulaich filed a lawsuit against the City and CEIBA, alleging violations of CEQA, the Watsonville Municipal Code, the Brown Act, and an unfair hearing. That lawsuit is currently being litigated; trial is set for May 21, 2025.

Proposition 39, codified at California Education Code Section 47614, is a State law that requires school districts to share their facilities with charter schools, and that the conditions must be "reasonably equivalent" to those in other District schools.

California Government Code Section 53094 authorizes a school district to render a City Zoning Ordinance inapplicable to a proposed use of property by the School District. Similarly, Government Code Section 53097.3 allows a school district to render a City Zoning Ordinance inapplicable to a proposed use of property by a charter school, so long as that property is located within the geographical jurisdiction of the school district.

On November 21, 2023, CEIBA requested that PVUSD consider exempting CEIBA from Watsonville zoning requirements, in exchange for CEIBA relinquishing its Prop. 39 rights in perpetuity.

On November 1, 2024, CEIBA submitted a Prop. 39 request to PVUSD for 2025-2026 School Year facilities in which CEIBA reiterated its request that PVUSD exempt CEIBA's continued operation of the charter school at 215 Locust Street from the City of Watsonville's zoning regulations. CEIBA stated that, should PVUSD grant CEIBA's request for an exemption from the City's zoning regulations applicable to its school site, and the exemption not be challenged (or, if challenged, successfully defended), CEIBA would withdraw its Prop. 39 request.

If the School Board votes to grant CEIBA's request for an exemption, CEIBA will no longer be subject to the City's zoning regulations, meaning that the City's land use approvals (based on its zoning regulations) would be rendered moot.

Over the past several months, the City, PVUSD, and CEIBA have discussed an agreement that includes the following terms: 1) PVUSD agrees to approve CEIBA's zoning exemption within 30 days from the effective date of the agreement; 2) upon PVUSD's approval, CEIBA's pending Prop 39 request will be tolled. CEIBA will withdraw its Prop. 39 request and waive its rights to any future Prop. 39 requests (except under limited circumstances) until July 31, 2044; 3) the City agrees not to challenge PVUSD's grant of the zoning exemption; 4) CEIBA and PVUSD agree to restrict the scope of the zoning exemption to CEIBA's current campus (215 Locust Street), and to exclude the property adjacent to CEIBA (228 to 234 Locust Street) and all parcels contiguous to the campus; 5) CEIBA agrees not to submit any future requests to PVUSD or applications to the City for a zoning exemption or to develop any of the parcels contiguous to CEIBA for any school related uses, for as long as CEIBA or any other successor charter school operates a school on the campus; and 6) after PVUSD approves the zoning exemption, the City agrees to take action on CEIBA's request to rescind the City's land use entitlements, within 90 days of receiving the request; and 7) CEIBA agrees to indemnify the City from any and all claims related to the land use entitlements, and to indemnify the City and PVUSD from any and all claims related to the agreement, zoning exemption, or the City's rescission of the land use approvals.

The proposed order of operations for the parties' decision makers to consider approval of this three party agreement is as follows: CEIBA Board to consider approval of the Agreement on March 19, 2025 at 5:30 pm; Watsonville City Council to consider approval of the Agreement on March 25, 2025; and PVUSD Board to consider approval of the Agreement and approval of CEIBA's requested Zoning Exemption on March 26, 2025.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) DETERMINATION:

The approval of this Agreement is not a “project” under or subject to the California Environmental Quality Act (CEQA) because it is not an activity that could cause any physical change in the environment. The Agreement will not result in any direct or reasonably foreseeable indirect physical change in the environment. If the City’s approval of the Agreement is a project subject to CEQA, it is exempt from CEQA under the common sense exemption (CEQA Guidelines § 15061(b)(3)) because the Agreement will not result in any physical changes to the environment and will not change the status quo regarding CEIBA’s operation of a charter school at the existing campus at 215 Locust Street, and it can be seen with certainty that there is no possibility that the City’s approval of the Agreement may have a significant effect on the environment, and/or the Class 1 existing facilities categorical exemption (CEQA Guidelines § 15301) because City’s approval of the Agreement will not change the status quo regarding CEIBA’s operation of a charter school at the existing campus at 215 Locust Street.

FINANCIAL IMPACT:

In the Agreement, CEIBA agrees to continue indemnifying the City from challenges to the approval or rescission of land use entitlements, the zoning exemption, and the Agreement. There should thus be no financial impact to the City of signing the Agreement.

ALTERNATIVE ACTION:

The Council could decline to approve the Agreement.