



Agenda Report

MEETING DATE: Tuesday, June 1, 2021

TO: PLANNING COMMISSION

FROM: COMMUNITY DEVELOPMENT DIRECTOR MERRIAM
ASSISTANT PLANNER SARAH WIKLE

SUBJECT: SPECIAL USE PERMIT (APPLICATION NO. 1360) TO ALLOW FOR THE ESTABLISHMENT OF A SECONDHAND STORE IN AN EXISTING ±9,400 SQUARE FOOT COMMERCIAL TENANT SPACE WITH THE OPTION TO EXPAND OPERATIONS TO THE REMAINDER OF THE COMMERCIAL BUILDING AT 555 MAIN STREET (APN 018-231-44)

STATEMENT OF ISSUES

The project involves the establishment of a secondhand store (ReStore) in a ±9,400 square foot commercial tenant space for Habitat for Humanity with an option to expand retail operations into the remainder of the commercial building. Project entitlement consists of a Special Use Permit with Environmental Review.

RECOMMENDED ACTION

Staff recommends that the Planning Commission adopt a resolution either approving or denying the Special Use Permit with Environmental Review (Application No. 1360) to allow the establishment of a secondhand store (ReStore) in an existing ±9,400 square foot commercial space with the option to expand operations into the ±20,000 square feet remainder area of the commercial building for Habitat for Humanity located at 555 Main Street (APN 018-231-44), based on the attached findings and conditions of approval. Staff recommends that if the Planning Commission chooses to approve the project, that the approval be limited to 5 years.

BASIC PROJECT DATA

Application No.: 1360

Location: 555 Main Street

APN: 018-231-44

Lot Size: ±1.15 acres

General Plan: Central Commercial (CC)

Zoning: Central Commercial Core Area (CCA)

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Surrounding General Plan/Zoning: Central Commercial in the CCA Zoning District to the north, northeast, west, northwest, southeast, and southwest, Public/Quasi Public (P) in the Public Facilities (PF) Zoning District to the east and south.

Existing Use: ±9,400 square foot family entertainment center

Proposed Use: ±9,400 square foot secondhand store with the option to expand retail operations

Surrounding Uses: various commercial and public uses along Main Street

Flood Zone: N/A

CEQA Review: The project qualifies for a Class 32 Categorical Exemption from the provisions of the California Environmental Quality Act (CEQA), pursuant to section 153032 of the CEQA Guidelines

Applicant: Habitat for Humanity Monterey Bay, 108 Magnolia Street, Santa Cruz, CA 95062

Property Owner: Benjamin Ow, 1601 41st Avenue, Suite 202, Capitola, CA 95010

BACKGROUND

According to the Santa Cruz County Assessor's Office, the commercial space located at 555 Main Street was constructed in 1910 and modified in 1966.

On April 1, 2008, the Planning Commission of the City of Watsonville adopted Resolution No. 07-08 (PC), approving Special Use Permit (PP2008-98) allowing for the establishment of a family entertainment center for Pump'd.

On May 1, 2014, the Zoning Administrator of the City of Watsonville issued Zoning Clearance (BL2014-34), approving a change in ownership of the Pump'd family entertainment center.

On March 9, 2017, the Zoning Administrator of the City of Watsonville issued Zoning Clearance (BL2017-11), approving a change in ownership and name of the Pump'd family entertainment center to Jump-N-Around.

On May 20, 2019, the Zoning Administrator of the City of Watsonville issued Zoning Clearance (PP2019-193), approving a change in ownership and name of the Jump-N-Around family entertainment center to Bounce Land Inflatable Center.

On September 19, 2019, the Zoning Administrator of the City of Watsonville issued Zoning Clearance (PP2019-369) to allow for a change in ownership of the Jump-N-Around family entertainment center.

On March 16, 2021, business representative Satish Rishi, on behalf of the property owner, Benjamin Ow, submitted a Special Use Permit application (App No. 1360) to establish a secondhand store (Habitat for Humanity's ReStore) at 555 Main Street.

PROCESS

Special Use Permit

A secondhand store is conditionally permitted in the CCA Zoning District with issuance of a Special Use Permit. [WMC §14-16.1002\(b\)](#).

The Planning Commission is authorized to approve Special Use Permits in accordance with the procedures set forth in WMC Sections [14-12.509](#) through [14-12.512](#) if it can make the findings required by [14-12.513](#).

The purpose of the Special Use Permit is to ensure the proper integration of uses which, because of their special nature, may be suitable only in certain locations or zoning districts or only provided that such uses are arranged or designed in a particular manner.¹ This special review shall be for the purpose of determining that the proposed use is, and will continue to be, compatible with surrounding, existing, or planned uses; and for the further purpose of establishing such special conditions as may be necessary to ensure the harmonious integration and compatibility of uses in the neighborhood and with the surrounding area.²

Environmental Review

The California Environmental Quality Act (CEQA) requires local and state governments to consider the potential environmental effects of a project before making a decision on it. CEQA's purpose is to disclose any potential impacts of a project and suggest methods to minimize identified impacts. Certain classes of projects, however, have been identified that do not have a significant effect on the environment, and are considered categorically exempt from the requirement for the preparation of environmental documents. [State CEQA Guidelines § 15300](#).

STANDARD OF REVIEW & APPEAL PROCESS

The decision whether to approve this Special Use Permit is adjudicative, sometimes referred to as quasi-judicial. The Commission is called upon to determine whether this project complies with local ordinances.

Whether a particular decision is adjudicative or legislative affects the requirements for findings to support the decision. Legislative decisions involve the adoption of broad policies applicable to many situations (for example, general plan amendments and zoning ordinance changes). Legislative decisions need not be accompanied by findings, unless a State law or City ordinance requires them.

Adjudicative (or "quasi-judicial") decisions, on the other hand, are not policy decisions. Adjudicative/quasi-judicial decisions apply already adopted policies or standards to individual

¹ [WMC § 14-12.500](#)

² [WMC § 14-12.501](#)

cases, such as a variance or conditional use permit application. Adjudicative/quasi-judicial decisions are based on evidence and must always be supported by findings.³

The decision before the Planning Commission—a Special Use Permit—is an adjudicative/quasi-judicial decision and requires findings, either for denial, or as recommended, for approval that is supported by substantial evidence. *Toigo v Town of Ross* (1998) 70 Cal App 4th 309; see also *Petrovich v. City of Sacramento* (2020) 48 Cal App 5th 963

If the Planning Commission’s decision is appealed, the City Council will consider whether the action taken by the Planning Commission was erroneously taken and may sustain, modify or overrule the action. In order for an official action to be overturned by an appeal, the City Council must find that the action taken by the Planning Commission was taken erroneously and was inconsistent with the intent of the Zoning District regulations that regulate the proposed action. [WMC § 14-10.1106](#)

A lawsuit is required to challenge a Council’s decision. A reviewing court will consider whether an adjudicative/quasi-judicial decision by the Council was supported by adequate findings. Courts scrutinize adjudicative/quasi-judicial decisions closely. An action may be overturned if the City (1) exceeded its authority, (2) failed to provide a fair hearing⁴, or (3) made a decision not supported by substantial evidence (also called “a prejudicial abuse of discretion”).

Another important difference between legislative and adjudicative/quasi-judicial decisions is the substantial evidence standard: in weighing evidence of what happened at the Council meeting, courts go beyond whether a decision was “reasonable” (the legislative standard). Court’s reviewing adjudicative/quasi-judicial decisions look to make sure the decision is supported by substantial evidence. Denied applicants argue the there is no substantial evidence to support the decision. Cities usually assert there is substantial evidence to support the decision and rely on (1) the written words in the staff findings, (2) the statements by those presenting at the hearing, and (3) the words of the Planning Commission or Council.

DISCUSSION

Existing Site

The ±1.15 acre subject site is located in the heart of downtown Watsonville and is developed with a ±20,750 commercial building with three tenant spaces. Habitat for Humanity proposes to lease a ±9,400 square foot tenant space along the northwest property boundary. A furniture store utilizes the remaining two tenant spaces in the building. The commercial building is located on the property line fronting Main Street, with a rear parking lot accessed off West Fifth

³ Quasi-judicial decisions require the decision-making body to take evidence and use its judgment to make factual as well as legal determinations about whether a particular property or project meets the standards established by the land use ordinance.

⁴ *Petrovich*, supra

Street. The surface parking lot contains 43 parking stalls. As shown in Figure 1, bordering the project site are various commercial uses along Main Street, including a recently entitled mixed use residential project across Main Street, and Radcliff Elementary school to the rear of the site.



FIGURE 1. Aerial Photograph of Project Site and Surrounding Uses

Source: Santa Cruz County GIS, 2020

Proposed Project

The ±9,400 square foot tenant space would be dedicated to the sale of new and secondhand discounted goods for Habitat for Humanity Monterey Bay's ReStore. See Figure 2 for the floor plan.

As noted on the proposed floor plan, ReStore would sell a variety of household items, furniture, building materials, hardware, and appliances. A living room vignette area would front Main Street, with additional rows of merchandise along the sides of the tenant space and approximately seven aisles to the rear of the living room vignette area. At the rear of the tenant space, the applicant proposes to install a roll up door to allow for a donation receiving and processing area. Adjacent to the donation receiving and processing area, is the customer check out location.

Figure 3 shows that two existing parking stalls will be utilized for donation drop-off areas. The location of the drop-off areas would not impact the existing circulation pattern in the parking lot area.

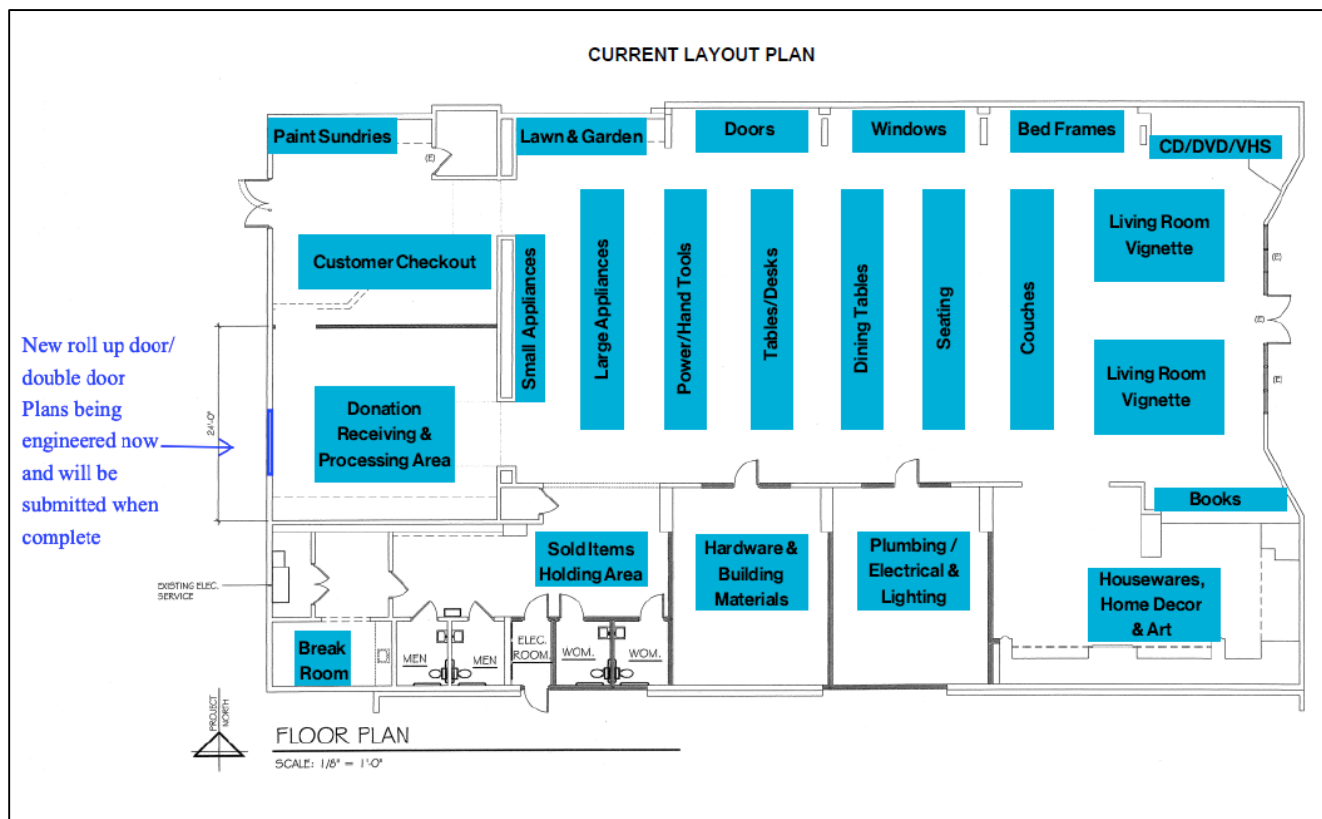


FIGURE 2. Proposed Floor Plan

Source: Habitat for Humanity Monterey Bay ReStore Business Plan, received March 16, 2021 (revised April 12, 2021)

ReStore proposes to be open Tuesday through Sunday from 10:00AM to 4:00PM and may expand hours of operation to Monday if conditions allow. Approximately three full time employees and two part time employees will staff the ReStore, with additional volunteers from the community. The Director of ReStores would manage the location.

Option for Expansion

As noted in the Business Plan, the applicant has the option to expand the ReStore operations into the remainder of the building ($\pm 20,000$ square feet) if ReStore’s sales allow and the adjacent tenant vacates the space. See Figure 3 for the potential expansion plan.

Habitat for Humanity Monterey Bay’s plans on moving their administrative offices into a portion of the commercial building currently occupied by Ramos Furniture. Office uses are not principally permitted in the CCA Zoning District for ground-floor commercial spaces along Main Street. Therefore, the applicant has requested that this Special Use Permit application include the potential expansion of Habitat for Humanity’s operations into a portion of the $\pm 20,000$ square feet remainder area of the commercial building at 553 Main Street. The majority of the 20,000

square feet would be an expansion of the retail space. A condition of approval requires the applicant to apply for an Administrative Review Permit with the Community Development Department prior to expanding into the adjacent commercial space.

For additional information regarding Habitat for Humanity Monterey Bay ReStore's Business Plan, see Attachment 2.

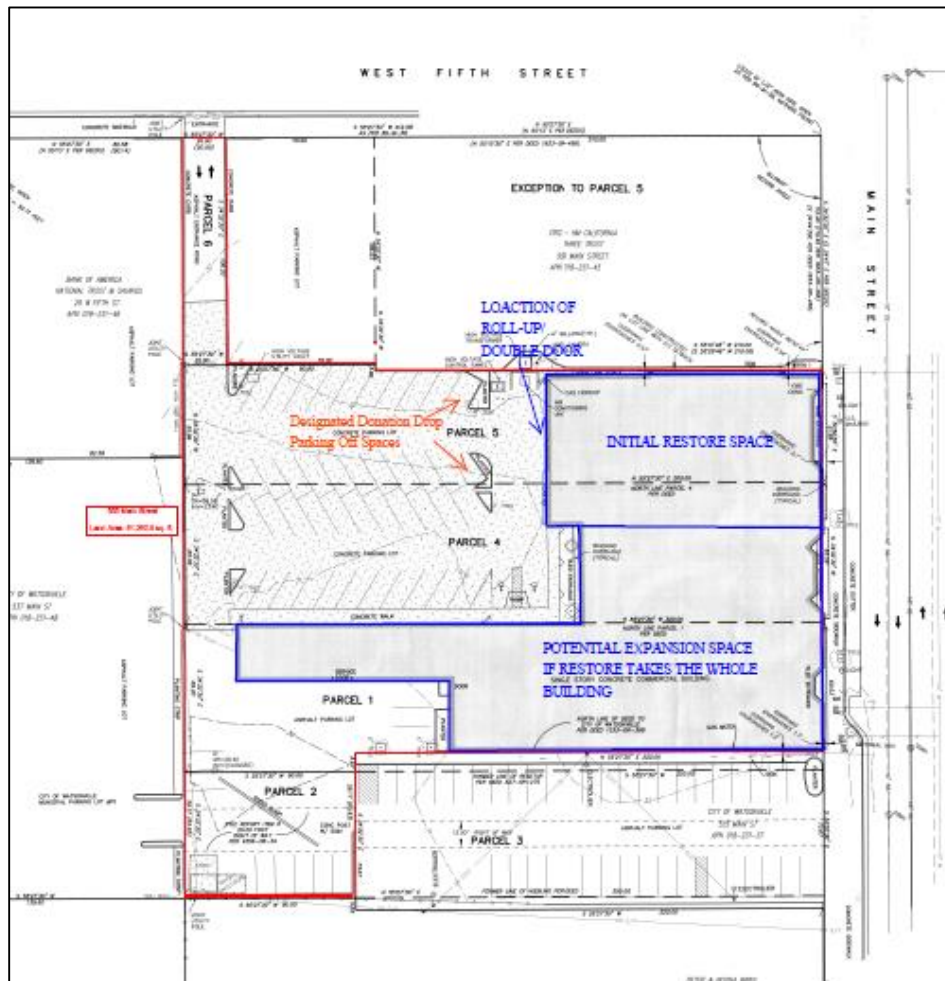


FIGURE 3. Site Plan – Expansion Plan and Donation Drop-Off

Source: Habitat for Humanity Monterey Bay ReStore Business Plan, received March 16, 2021 (revised May 10, 2021)

General Plan

Land designated Central Commercial (CC) in the *City of Watsonville's 2005 General Plan* allows for a variety of commercial related uses, including retail sales; professional, financial and medical services; lodging; entertainment; and restaurants serving the needs of the community.

The 2005 General Plan details the following goals and policies concerning commercial land uses in downtown Watsonville:

- **Goal 4.3 Commercial Land Use** – Revitalize the central business district and provide adequate neighborhood commercial services
- **Policy 4.C. Commercial Land Use** – The City shall plan for revitalization of the central business district along with the distribution of convenient neighborhood commercial centers.
- **Implementation Measure 4.C.1.** – The City shall use the redevelopment process to encourage the location of retail, professional, and residential uses as well as personal services within the central business district to serve the entire Pajaro Valley

The proposed project would convert a ±9,400 square foot portion of an existing commercial building from a family entertainment center into a secondhand store operated by Habitat for Humanity Monterey Bay. Sale of goods would benefit the organization’s mission of funding the construction of affordable housing throughout the Monterey Bay region.

Zoning

The purpose of the Central Commercial Core Area (CCA) Zoning District is to establish an area for the development of a concentrated, pedestrian-oriented downtown center with intensive commercial, financial, administrative, professional, entertainment, cultural, and residential uses within the heart of the city. Building regulations, floor area ratios, and site plan and design review regulations shall foster an efficient, concentrated, and balanced pattern of buildings and land uses. Uses which are detrimental to, or adversely affect, the pedestrian environment shall not be permitted within the core area. [WMC §14-16.1000.](#)

The establishment of a secondhand store is a conditionally permitted use within the CCA Zoning District, requiring issuance of a Special Use Permit from the Planning Commission. [WMC §14-16.1002\(b\).](#)

The establishment of ReStore would supply residents with opportunities to purchase secondhand and discounted household items and building materials. However, downtown Watsonville residents have two secondhand stores to meet the demand for secondhand items: Goodwill is located at 470 Main Street and Stop. Shop Family Bargain Center is located at 18 West Lake Avenue. Another secondhand store is also not anticipated to provide a commercial use that would generate a lot of foot traffic supportive of a pedestrian-oriented downtown.

Currently, the City of Watsonville is in the midst of the development of a Downtown Watsonville Specific Plan. Through this plan, the City’s goal is to attract new retail businesses, restaurants, and housing to help revitalize downtown Watsonville. The City has identified the site at 555 Main Street as an infill opportunity site that could accommodate a multi-story, mixed use development to include retail and residential uses and help catalyze more development downtown.

Given that the City is investing in the development of a comprehensive Specific Plan for the downtown area, staff is concerned that the establishment of another second hand store in the downtown will be contrary to the City’s long-term vision.

Building Design

The applicant proposes to install a roll-up door to allow for Restore to take in donations to the rear of the commercial space. Additionally, the applicant proposes to paint the building. For proposed colors, see Figure 4.

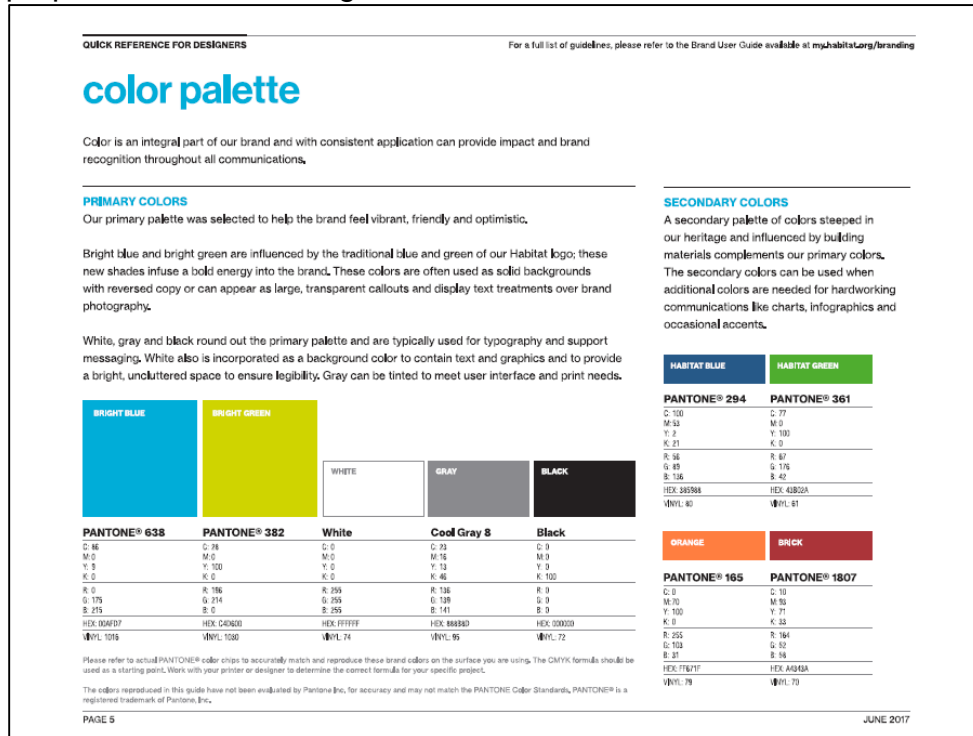


FIGURE 4. Proposed Color Palette

Source: Habitat for Humanity Monterey Bay ReStore Business Plan, received March 16, 2021 (revised May 10, 2021)

A Condition of Approval requires the applicant to submit for a Design Review Permit if any additional exterior modifications or site improvements are proposed. A Design Review Permit is not required for painting. [WMC §14-12.400](#).

Parking

The property is located in the Downtown Parking District, and pursuant to [WMC Section 14-17.106](#), no off-street parking is required for the project. However, the property provides 43 parking stalls at the rear of the building.

Bicycle Parking

Pursuant to [WMC Section 14-17.113](#), when 20 or more parking spaces are provided, five percent of the automobile parking must be dedicated for bicycle parking. A Condition of Approval would require the applicant to provide a minimum of one bicycle-parking stall for customers of ReStore.

Signage

The project plans did not provide proposed signage for ReStore. A Condition of Approval requires that the applicant submit a separate sign permit application for review and approval by the Community Development Department.

Time Limit

As the Downtown Watsonville Specific Planning effort is still underway, the proposal is subject to current Zoning and General Plan requirements. Should the Planning Commission decide, the following language could be added to the final Conditions of Approval should the project be approved by the Planning Commission:

- **Time Limit.** This Special Use Permit shall be valid for a period of five years from the date of approval. The permit shall expire on June 1, 2026.

Placing a limit on the time that the proposed ReStore can be located at 555 Main Street gives the City the ability to review the appropriateness of this use at that location in 5 years.

Environmental Review

If the Planning Commission grants the Special Use Permit to allow the establishment of a secondhand store within an existing commercial building at 555 Main Street, a Class 32 Categorical Exemption may be prepared because the project qualifies as an infill development project within an urbanized area and is located within an urbanized area where all necessary public services and facilities are available and the surrounding area is not environmentally sensitive. *CEQA Guidelines § 15332.*

STRATEGIC PLAN

The purpose of the City of Watsonville's 2018-2020 Strategic Plan is to help the City prioritize its efforts, allocating both fiscal and human resources to achieve a shared vision and goals. The 2018-20 Strategic Plan identifies six goals, concerning housing, fiscal health, infrastructure and environment, economic development, community engagement and well-being, and public safety.

The economic development goal (Goal 04) articulates the Council's priorities to "strengthen and diversify the City's economy for all, by supporting and growing existing businesses, attracting new businesses, enhancing workforce development, revitalizing downtown, and engaging the community to reinvest in the City." One of the focus areas is the completion of the Downtown Watsonville Specific Plan to help foster downtown revitalization.

The project involves the establishment of a secondhand store that is anticipated to provide employment for three full-time employees and two part-time employees to staff ReStore. The secondhand store would also provide some sales tax revenues, however the revenue generated from a secondhand store is generally significantly less than revenue generated from retail stores that sell new goods.

If the requested Special Use Permit is granted by the Planning Commission, a condition of approval sets a time limit of five years from the date of approval. The applicant would have to apply for an extension of said permit before its expiration to allow the continuation of the secondhand store and potential office space expansion. If requested, the Planning Commission would re-evaluate anew for consistency with adopted policies and compatibility with revitalization objectives for downtown Watsonville.

FINANCIAL IMPACT

The establishment of a secondhand store would provide minimal sales tax revenue to the City. Approval of the project would not cause any additional financial impacts to the City.

PLANNING COMMISSION ACTION RECOMMENDED

Staff recommends that the Planning Commission adopt a resolution either approving or denying the Special Use Permit with Environmental Review (Application No. 1360) to allow the establishment of a secondhand store (ReStore) in an existing ±9,400 square foot commercial with the option to expand into the remaining ±20,000 square feet commercial building for Habitat for Humanity located at 555 Main Street (APN 018-231-44), based on the attached findings and conditions of approval. Staff recommends that if the Planning Commission chooses to approve the project, that the approval be limited to 5 years.

ATTACHMENTS

1. Site and Vicinity Map
2. Habitat for Humanity Monterey Bay ReStore's Business Plan (received March 16, 2021, revised May 10, 2021)