



# Agenda Report

**MEETING DATE:** Tuesday, August 24, 2021

**TO:** City Council

**FROM:** COMMUNITY DEVELOPMENT DIRECTOR MERRIAM  
JUSTIN MEEK, AICP, PRINCIPAL PLANNER

**SUBJECT:** PROPOSED 21-UNIT TOWNHOUSE PROJECT ON A 1.57± ACRE  
SITE LOCATED AT 547 AIRPORT BOULEVARD (APN 015-321-01)

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## STATEMENT OF ISSUES

The project proposes to construct 21 row-style, two-story townhouse units on a 1.57± acre site located at 547 Airport Boulevard. Overall development includes installing new onsite circulation and parking lot, landscaping, common space amenities, stormwater facilities, and trash enclosure. Development of the project also involves discontinuing an existing rebar processing operation and demolishing an existing residence along with impervious surfaces, such as building foundations and surface parking areas. Project entitlements consist of a General Plan Map Amendment, Zoning Map Amendment, Planned Development, Major Subdivision (Tentative Map), Special Use Permit/Specific Development Plan with Design Review, and Environmental Review.

## RECOMMENDED ACTION

The Planning Commission failed to make a recommendation for approval or denial. With a simple majority the Planning Commission adopted Resolution No. 06-21 (PC), recommending that the City Council: adopt a Mitigated Negative Declaration; and approve a General Plan Map Amendment, Zoning Map Amendment, Planned Development, Major Subdivision (Tentative Map), and Special Use Permit with Design Review and Specific Development Plan (PP2018-11) to allow the construction of the 21 townhomes on a 1.57± acre site located at 547 Airport Boulevard (APN 015-321-01). However, a 5-vote majority is required to make an affirmative recommendation in support of the Planned Development Overlay District, so the Planning Commission action was "No Recommendation."

Staff recommends that the City Council adopt the Mitigated Negative Declaration and approve of the above identified project entitlements based on the evidence in support of the required findings and subject to the recommended conditions of approval.

## DISCUSSION

### Planning Commission Meeting and Public Comment

On June 1, 2021, the Planning Commission considered all written and verbal evidence regarding

this application at a public hearing. One member of the public, Lowell Hurst, Councilmember, District 3, submitted a letter regarding the draft Initial Study and Mitigated Negative Declaration. The comment is included in that document along with a response. No letters in support or opposition to the project were submitted prior to the hearing. No one from the public spoke at the public hearing. Attachment 1 provides a copy of the minutes for the hearing, and Attachment 2 provides the packet of written materials, including the staff report to the Planning Commission along with attachments. The applicant submitted a letter following the meeting on behalf of the project and to address some of the comments that arose during deliberations by the Planning Commission (Attachments 3).

#### Planning Commission Deliberation and Action

The Planning Commission had a variety of questions and concerns about the project, including the following:

- The site may be contaminated by asbestos, lead paint, or the byproducts of the rebar manufacturing activities.
- The proposed one-car garages, and requested deviation from standards allowing use of the driveways for required parking, may result in parking problems.
- The site appears to make insufficient provision for fire department vehicles to access and turn-around.
- Is there a potential for impacts to nesting birds?
- Is there a potential for shadows to be cast by the proposed two-story structures onto the mobile homes east of the site?
- The proposed use may be incompatible with some of the existing businesses west of the site in particular if any are cannabis growing locations or dispensaries.

Staff discussed these items with the Commission during the public hearing ([video recording](#)). Following discussion, a motion was made and seconded to recommend approval of the environmental document and the project entitlements, with the conditions proposed by staff and the mitigation measures in the draft Mitigated Negative Declaration. The Commission voted 4-3 to recommend approval. However, the proposed Planned Development Overlay District must receive at least 5 affirmative votes for a recommendation of approval to be forwarded to the City Council. [WMC § 14-16.2507](#). Therefore, the action by the Planning Commission is to, in effect, make “no recommendation” to the City Council. Since the Planning Commission only makes a recommendation to Council, the project applications, including the environmental document and all proposed entitlements, are still forwarded to the City Council for final action.

Should the City Council wish to approve the project, the Council would adopt a Mitigated Negative Declaration and approve the project entitlements. These actions are described further on the next page.

#### Project Information and Analysis

The staff report to the Planning Commission includes a detailed description of the existing setting and proposed project (see pages 7-10). Altogether, the proposed project involves constructing a total of 21 dwellings in four buildings totaling approximately 19,000± square feet on a 1.57± acre site. Each building has two stories and is approximately 26 feet in height. Overall development includes installing new onsite circulation and parking areas, landscaping, open space areas, stormwater facilities, and a trash enclosure. Vehicle access will be provided by a

20-foot wide, two-way driveway and includes a fire truck turnaround that has been reviewed by the City's Fire Inspector Plans Examiner. A sight distance analysis conducted for the project in the Focused Traffic Analysis ([Appendix F](#) to the Initial Study) determined adequate sight distance for the posted 45-mph speed limit (site lines extend more than 400 feet in both directions). A condition of approval requires the height of the wooden fence along the western property line, near the street, to be reduced to preserve sight visibility for vehicles entering and exiting the property. Development of the project also involves demolishing one residence, various structures related to the rebar manufacturing operation, and impervious surfaces such as building foundations and surface parking areas.

The staff report to the Planning Commission also provides a discussion of the following:

- The project's consistency with General Plan goals and policies, including the City's adopted Housing Element (see pages 10-16);
- The project's consistency with all development regulations for the proposed RM-3/PD Zoning District and the City of Watsonville Residential Development Standards with certain modifications, per approval of the requested Planned Development (PD) Overlay District (see pages 16-23);
- The project's conformity with the City's Livable Community Residential Design Guidelines (2001), including with respect to principles and objectives concerning site planning, common areas, architectural design, colors and materials, lighting, and landscaping (see pages 23-26);
- Site access via Airport Boulevard (see page 26);
- Anticipated light levels from proposed pole- and wall-mounted light fixtures, which are consistent with light levels in a residential neighborhood and would not result in a visual nuisance (see pages 26-27);
- Proposed drainage facilities and post-construction features, which are intended to control the flow rate and pollutant load to pre-project conditions (see page 27); and
- Preparation of an Initial Study/Mitigated Negative Declaration for the project, in accordance with the California Environmental Quality Act (see pages 28-29).

#### Required Findings

The proposed project may be granted provided the City Council makes the required findings for the following requested entitlements:

- General Plan / Zoning Map Amendment (WMC § 14-12.708)
- Planned Development Overlay District (WMC § 14-16.2508)
- Special Use Permit (WMC § 14-12.513)
- Design Review (WMC § 14-12.403)
- Tentative Map (WMC § 13-04.09(d))

Supportive evidence is provided for each of the required findings.

#### Actions

The actions for consideration by the City Council consist of first acting on the Initial Study/Mitigated Negative Declaration prepared for the project and then acting on the requested project entitlements, as follows:

- Adopt a Resolution adopting the Mitigated Negative Declaration (PP2018-11) for the project on the 1.57± acre site located at 547 Airport Boulevard, Watsonville, California (APN 015-321-01); and adopting concurrently a Mitigation Monitoring and Reporting Program for the project, in accordance with the California Environmental Quality Act;
- Adopt a Resolution approving a General Plan Amendment from Industrial to Residential High Density;
- Introduce an Ordinance to change the zoning from Industrial Park to Multiple Residential High Density, and adopt a Planned Development Overlay District, and directing changes to be made on the Zoning Map of the City of Watsonville; and
- Adopt a Resolution approving a Special Use Permit/Specific Development Plan with Design Review and Environmental Review (PP2018-11); and
- Adopt a Resolution approving a Tentative Tract Map to allow construction of the 21-unit townhome project on the 1.57± acre site located at 547 Airport Boulevard, Watsonville (APN 015-321-01).

### Conclusion

The proposed General Plan Amendment, Zone Change, Planned Development, Special Use Permit/Specific Development Plan with Design Review and Environmental Review (PP2018-11) would allow the construction of the 21-unit townhome project on the 1.57± acre site located at 547 Airport Boulevard (APN 015-321-01). The project is consistent with the General Plan and Zoning Ordinance with approval of the requested amendments to the General Plan and Zoning Map and with the modifications as allowed by the Planned Development Overlay District approval. The project would provide housing for the City's residents and help accomplish the community's affordable housing goals in the Housing Element. The project design is consistent with the City's Livable Community Residential Design Guidelines. An Initial Study has been prepared for the project in accordance with the provisions of CEQA, which provides substantial evidence that the project would not have a significant effect on the environment. Therefore, staff recommends that the City Council (1) adopt a Mitigated Negative Declaration and (2) approve the project entitlements, subject to findings and conditions.

### **STRATEGIC PLAN**

The purpose of the City of Watsonville's 2021-2023 Strategic Plan is to help the City prioritize its efforts, allocating both fiscal and human resources to achieve a shared vision and goals. The 2021-2023 Strategic Plan identifies seven long-range priorities concerning housing, fiscal health, infrastructure and environment, economic development, community engagement and well-being, public safety, and efficient and high performing government.

This action is consistent with the City Council's goal to increase housing options, in that the project would provide 21 new townhouse units, including affordable housing for lower income households in accordance with the City's Affordable Housing Ordinance, and is designed in conformance with the City's Livable Community Residential Design Guidelines (2001).

### **FINANCIAL IMPACT**

The project applicant would be required to pay development impact fees at either the time of issuance of building permits or certificate of occupancy. These one-time fees paid to the City by developers are used, for instance, to offset the additional cost of extending public services to a

site along with partially funding road improvement projects. In addition, a portion of the property tax for each residential lot would be allocated to the City, in accordance with Proposition 13 and Revenue and Taxation Code section 95 *et seq.*

## **ALTERNATIVE ACTION**

The City Council shall decide whether to approve, conditionally approve, or deny the application and take separate actions on the environmental review and project entitlements. The Council may choose to not adopt the Initial Study/Mitigated Negative Declaration and/or deny the requested entitlements for project approval, provided that the Council provides substantial evidence contrary to making required findings. There are a number of possible scenarios for actions the City Council may take, which are listed below.

1. The City Council, in the exercise of its independent judgment as the decision-making body for the City of Watsonville as Lead Agency, makes and adopts findings in compliance with the requirements of CEQA regarding the Initial Study/Mitigated Negative Declaration.
2. The City Council makes and adopts findings to approve or deny the requested project entitlements (General Plan Map Amendment, Rezoning, Tentative Map, Special Use Permit with Design Review and Specific Development Plan).
3. In response to public testimony, the City Council may modify the conditions of approval to address issues raised during the hearing.
4. If the City Council determines that the project is not consistent with the General Plan and/or the Zoning Code and therefore cannot make required findings for one or more of the requested project entitlements, the City Council may provide direction to staff on developing new findings to deny the project.

## **ATTACHMENTS**

1. June 1, 2020 Planning Commission public hearing minutes
2. June 1, 2020 Planning Commission meeting packet, consisting of the staff report to the Planning Commission and the following attachments:
  - a. Site and Vicinity Map
  - b. Plan Set (2-16-21 and 1-3-18)
  - c. Post-construction Stormwater Requirements Summary
  - d. Preliminary Stormwater Control Plan (Roper Engineering, 2019; Bowman and Williams, February, 2021)
  - e. Initial Study/Mitigated Negative Declaration (prepared August 2020; updated April 2021)
  - f. Response to Comments Memorandum (October 26, 2020)
  - g. Mitigation Monitoring and Reporting Program (October 13, 2020)
3. Letter from Raoul & Eve Ortiz (July 12, 2021)