



# Agenda Report

**MEETING DATE:** Tuesday, July 13, 2021

**TO:** Planning Commission

**FROM:** COMMUNITY DEVELOPMENT DIRECTOR MERRIAM

**SUBJECT: CONSIDERATION OF A TEXT AMENDMENT TO CHAPTER 14-16.603 (GENERAL INDUSTRIAL ZONING DISTRICT CONDITIONAL USES) TO ALLOW CHARITABLE ORGANIZATIONS (DLU 7917) AS CONITIONALLY PERMITTED USES IN THE GENERAL INDUSTRIAL ZONING DISTRICT.**

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## STATEMENT OF ISSUES:

Text amendment to the General Industrial Zoning regulations to allow qualified non-profit corporations organizations (DLU 7917) as a conditionally permitted use.

## RECOMMENDED ACTION:

Staff recommends that the Planning Commission adopt a Resolution recommending that the City Council adopt amendments to Chapter 14-16.603 (District Regulations) to allow charitable organizations (DLU 7917) as a conditionally permitted use in the IG (General Industrial) zoning district.

## DISCUSSION:

### Background

"The purpose of the General Industrial Zoning district is to provide and protect an environment which will encourage sound industrial development. The General Industrial Zoning district is meant to facilitate industrial operations to the highest degree while protecting the district and adjacent land uses, persons, and property from excessive noise, odor, dust, dirt, smoke, vibration, heat, glare, heavy traffic, and other objectionable influences and from fire, explosion, fumes, radiation, and other hazards<sup>1</sup>."

In the last few decades, the types of heavy industrial uses in the City have evolved from the historically heavy-polluting, noisy factories to cold storage, auto repair, and less intensive land uses that do not conflict as much with non-industrial uses. In other cities (Santa Cruz, Monterey), uses such as churches, commercial associations, and public and quasi-public uses are allowed in heavy industrial zoning districts with approval of a Special Use Permit.

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<sup>1</sup> Section 14-16.600 of WMC.

By allowing non-profit charitable corporations to operate in the IG Zoning district, they may be able to share space with an existing industrial user, for example a small office space or warehouse area to store goods for the non-profit, thus better utilizing the industrial space.

- The permittee would have to be a non-profit charitable corporation qualified by the IRS under Section 501(c) of the Internal Revenue Code. Section 501(c) entities include charities, government entities, advocacy groups, educational and artistic groups, and religious entities. The 501(c)(3) organization is probably the most familiar such entity. But there are others: 501(c)(4)s are nonprofit organizations that promote social welfare; 501(c)(5)s are labor, agricultural, or horticultural associations; 501(c)(6)s are business leagues, [chambers of commerce](#) and similar that are not organized for profit; and 501(c)(7)s are recreational organizations

Such non-profit charitable corporations would still need approval by a Special Use Permit which gives the City the ability to determine whether such a use would be appropriate in the proposed location.

#### Environmental Review

The proposed zoning code text amendment is exempt from the California Environmental Quality Act (CEQA), in that the action is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. It can be seen with certainty that there is no possibility that the text amendment to allow and regulate non-profit organizations in the IG Zoning district would have a significant effect on the environment. *CEQA Guidelines § 15061(b)(3)*.

#### **STRATEGIC PLAN:**

The proposed ordinance amendment may allow for greater flexibility for non-profit corporations to find office locations in the City. This aligns with Strategic Plan Goal 5: Community Engagement and Well-Being, by supporting non-profits in the City.

#### **FINANCIAL IMPACT:**

There is no financial impact to the City by approval or denying the proposed Ordinance amendment.

#### **ALTERNATIVE ACTION:**

1. Deny the proposed amendment
2. Adopt the proposed amendment, with revisions

#### **ATTACHMENTS AND/OR REFERENCES (If any):**

None

**RESOLUTION NO. 10- 21 (PC)**

**RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF  
WATSONVILLE, CALIFORNIA, RECOMMENDING TO THE CITY COUNCIL  
ADOPTION OF AN ORDINANCE AMENDING SECTION 14-16.603  
(CONDITIONAL USES (TABLE)) OF THE WATSONVILLE MUNICIPAL  
CODE TO ALLOW IRS CODE 501(C)(3) CHARITABLE NON-PROFIT  
CORPORATIONS (DLU 7917) AS CONDITIONALLY PERMITTED USES  
IN THE GENEAL INDUSTRIAL ZONING DISTRICT WITHIN THE CITY**

**WHEREAS**, the General Industrial Zoning district allows a variety of non-industrial uses including dance studios, business and trade organizations, labor union offices and restaurants; and

**WHEREAS**, a similar use to those listed above that could be conditionally permitted in the IG Zoning district is a non-profit charitable organization; and

**WHEREAS**, allowing Internal Revenue Code qualified charitable non-profit corporations to be established in the IG Zoning district as a conditionally permitted use would provide for more flexibility of uses in the IG Zoning district while giving the Planning Commission and City staff the ability to determine appropriate locations for such uses; and

**WHEREAS**, the proposed text amendment will serve to diversify the economic opportunities in the IG Zoning district; and

**WHEREAS**, the Planning Commission has conducted a public hearing in accordance with Part 10 of WMC Chapter 14-10, considered all written and verbal evidence regarding the proposed Zoning Code text amendment, and made the following findings to recommend approval of the Ordinance text to the City Council per WMC Section 14-12.807:

- (a) That the proposed Zoning Code text amendment is consistent with the policies embodied in the General Plan, in that the text

amendment allows for diversification of allowed uses in the IG Zoning district and provides a variety of employment opportunities in that district; and

- (b) That the proposed Zoning Code text amendment is compatible to the extent possible with the actual and general planned use of the adjacent properties, in that the text amendment will allow for City staff and the Planning Commission to determine whether a US Internal Revenue Code non-profit charitable corporation will be compatible with adjacent properties through the Special Use Permit process.

**WHEREAS**, the Planning Commission has found that the proposed Zoning Code text amendment is exempt from the California Environmental Quality Act (CEQA), in that the action is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.

**NOW, THEREFORE, BE IT RESOLVED** by the Planning Commission of the City of Watsonville, California, as follows:

Good cause appearing, therefore, the Planning Commission of the City of Watsonville does hereby recommend the City Council adopt a text amendment to Chapter 14-16.803 (General Industrial Zoning District Conditional Uses) allowing US Internal Revenue Code 501(c)(3) corporations (DLU 7917) as conditionally permitted uses. The proposed Zoning Code text amendment language is attached as Exhibit "A."

**I HEREBY CERTIFY** that the foregoing Resolution was introduced at a regular meeting of the Planning Commission of the City of Watsonville, California, held on the 13<sup>th</sup> day of July, 2021, by Commissioner Kammer, who moved its adoption, which motion being duly seconded by Commissioner Dodge, was upon

roll call, carried and the resolution adopted by the following vote:

Ayes: Commissioners: Acosta, Cole, Dodge, Dorantes-Pulido, Kammer,  
Rojas, Veitch-Olson

Noes: Commissioners: None

Absent: Commissioners: None

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Suzi Merriam, Secretary  
Planning Commission

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Jenny Veitch-Olson, Chairperson  
Planning Commission

## Exhibit A

Section 14-16.603 (Conditional Uses) of Title 14 (Zoning) of the Watsonville Municipal Code is hereby amended by amending the table in Section 14-16.603 to read in the words and figures as follows:

### 14-16.603 Conditional Uses

(b) The following uses require a Special Use Permit:

GLU	15	Minerals and petroleum, wholesale
	28	Chemicals and allied products
	29	Petroleum products refining and storage
	40	Railroad transportation
	41	Transit, local and suburban
	42	Motor freight transportation
	43	Right-of-way transportation
	44	Water transportation
	45	Air transportation
	46	Pipeline transportation
	47	Utilities, R/W
	48	Communication
	49	Electric, gas, and sanitary service
	4811	Telecommunications sites
	4812	Telecommunications facilities
DLU	50	Retail cannabis facility (Type 10 license only)
	51	Service station
	551	Motor vehicle dealers—new and used
	552	Used car sales and display
	555	Recreation vehicles and mobile homes, sales and displays
	5811	Restaurant

	5811	Restaurant with beer and wine sales
	5811	Restaurant with liquor sales
	5811	Restaurant with bar
	5812	Eating and drinking places Exclusions: drive-through facilities
	5814	Donuts/pastry shops
	618	Cabinet or furniture, custom manufacturing
	6193	Equipment rental and leasing services
	6212	Outdoor advertising company
	624	Service to buildings, machinery, and property
	6297	Automatic merchandising companies
DLU	63	Automotive repair, services, and garages
	64	Repair services, miscellaneous
	651	Dance studio
	6791	Artist studio
	692	Utility company offices
	715	Industrial trade school
	731	City garage
	733	Fire station
	734	Police station
	78	Armory
	7911	Business and trade organization
	7913	Labor union office
	<u>7917</u>	<u>Charitable Organization</u>
GLU	91	Indoor cultivation of cannabis up to twenty-two thousand (22,000) square feet (Type 1A, 2A or 3A license)