

**ORDINANCE NO. Introduction (CM)**

**AN UNCODIFIED ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING A DEVELOPMENT AGREEMENT (P155) BETWEEN LANDCO HILLCREST, LLC, AND THE CITY OF WATSONVILLE FOR THE RESIDENTIAL DEVELOPMENT PROJECT KNOWN AS “HILLCREST ESTATES” LOCATED AT 511 OHLONE PARKWAY**

**Project: Hillcrest Estates Subdivision  
APNS: 018-371-14 and 018-381-01**

**WHEREAS**, Resolution No. 9-85 (CM), adopted by the City Council on January 8, 1985, establishes procedures for consideration of development agreements in the City of Watsonville; and

**WHEREAS**, Section 1 in Article 3 (Standards of Review) of Resolution No. 9-85 requires that development agreements first be considered by the Planning Commission with recommendation made to the City Council; and

**WHEREAS**, the purpose of development agreements is to establish an understanding regarding dedications and public improvements to be made by the developer, project phasing, long-term maintenance of public areas, fees to be deferred/waived by the City, standards for affordable housing, and profit participation in the resale of homes; and

**WHEREAS**, on August 28, 2018, the City Council took the appropriate actions, including certifying the Final Environmental Impact Report (EIR) pursuant to the California Environmental Quality Act (CEQA), to approve the Hillcrest Estates residential development; and

**WHEREAS**, the City Council adopted Addendum No. 2 to the Environmental Impact Report (EIR Addendum) at its July 6, 2021, meeting; and

**WHEREAS**, Major Modification and Tentative Map for Hillcrest Estates was approved by the City Council on July 6, 2021, and the Development Agreement is intended to a variety of components, mainly construction phasing; and

**WHEREAS**, this Development Agreement is intended to address a variety of project components, including construction phasing, consistent with the entitlements and adopted CEQA findings; and

**WHEREAS**, the appropriate public noticing procedures have been followed and a public hearing was held in accordance with the California Government Code and City of Watsonville Municipal Code requirements; and

**WHEREAS**, the Planning Commission adopted a Resolution No. 9-21 (PC) on July 13, 2021, recommending that the City Council adopt an uncodified ordinance approving the Hillcrest Estates Development Agreement; and

**WHEREAS**, the City Council has considered all written and verbal evidence regarding this application and finds the following:

1. The Development Agreement is consistent with the objectives, policies, land uses and programs specified in the General Plan and any applicable specific plan. The Development Agreement sets out the timing for all improvements for the Hillcrest Estates development, and identifies what parties are responsible for such improvements. In addition, the Development Agreement identifies the effective building code for the project and the fee schedule to be used for each phase. The entire project was reviewed for consistency with the General Plan and all applicable Municipal Code regulations and policies as part of the Major Modification to the project entitlements and EIR addendum that was approved by the City Council on July 6, 2021.

The Development Agreement clarifies the timing for the items listed below:

- Location of affordable units by phase
  - Common area amenities
  - Trail development
  - Unit phasing
  - Street improvements
  - Emergency access
  - Street tree replacement on Loma Vista
  - Roundabout at Loma Vista and Ohlone Parkway
  - Stormwater improvements
  - Improvement of Errington Road as 1-way ingress
  - Building code cycle
  - Procedures for modification to the project
2. The Development Agreement is compatible with the uses authorized in, and the regulations prescribed for, the land use district in which the real property is located. The Hillcrest Estates subdivision was approved by the City Council in 2018, and included a General Plan Amendment and Rezoning to allow residential uses on the project site. The Development Agreement provides the roadmap for how the entitled Project will be constructed, in that it clearly lays out what improvements will be required for each phase of development. Through the Major Modification application and EIR Addendum prepared for the Project and approved by City Council on July 6, 2021, the Project was found to be compatible with the RM-3 (Multi-Family Residential, High Density) Zoning district.
3. The Development Agreement is in conformity with public convenience, general welfare and good land use practice. The Development Agreement defines what public amenities will be constructed at each phase of development, so that equitable improvements are made with each stage. For instance, Common Area A, the bird overlook, replacement of trees on Loma Vista, and emergency access roads, will all be constructed during Stage 1 of the Project. Stage 2 will include the

beginning of the development of the Slough Trail and a portion of the par-course that will extend throughout the Project.

The Development Agreement also references the Affordable Housing Agreement for the Project and identifies equitable numbers of affordable units within each stage of the Project construction.

By carefully identifying what amenity and improvement is required at each stage the Development Agreement provides a clear roadmap for the Project in line with good land use practices and facilitates the provision of amenities that increase as the development progresses.

4. The Development Agreement will not be detrimental to the health, safety, and general welfare. The Development Agreement creates a clear roadmap for the phased development of the Project. By clearly outlining the improvements required at each stage of the Project, and providing a timeline in which all phases of development will be completed, the agreement ensures that the overall Project will be a benefit to the community and will not become detrimental or a nuisance for the adjoining neighborhood.
5. The Development Agreement will not adversely affect the orderly development of property or the preservation of property values. The proposed Development Agreement provides a clear timeline and path for development of the Hillcrest Project to be constructed in stages so that it is completed in an orderly fashion. Without a development agreement, the Project would have a higher potential to follow a disordered development pattern which could affect neighboring properties and property values. As stated in Finding #1, the list of items identified in the

Development Agreement are required to be constructed during certain stages, which provides certainty and clarity for both the City and the development team.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WATSONVILLE, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:**

**SECTION 1: ENACTMENT.**

The City Council hereby approves a Development Agreement between the City of Watsonville and Landco Hillcrest, LLC., allowing dedications and public improvements to be made by the developer, project phasing/staging, long-term maintenance of public areas, fees to be deferred/waived by the City, standards for affordable housing, and profit participation in the resale of homes located at 511 Ohlone Parkway, Watsonville, California, and directs the City Manager Pro Tempore to execute same.

**SECTION 2. PUBLICATION.**

This ordinance shall be published in the Watsonville Register-Pajaronian and/or Santa Cruz Sentinel in compliance with the provisions of the Charter of the City of Watsonville.

**SECTION 3. EFFECTIVE DATE.**

This ordinance shall be in force and take effect thirty (30) days after its final adoption.

**SECTION 4. RECORDATION.**

The Development Agreement shall be recorded by the City Clerk pursuant to Government Code § 65868.5.