

**Report to Evaluate the Impact of Passage of a Ballot Measure to Renew the Watsonville Urban Limit Line and the Provisions of Ballot Measure U Until 2040**



Prepared by

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## I. Introduction

This report has been prepared by the Committee for Planned Growth and Farmland Protection to discuss the effects of the newly qualified ballot Measure using the impact areas identified in California Elections Code Section 9212. The Committee gathered enough valid signatures from registered Watsonville voters to place a new Measure on either the June 2022 or November 2022 ballot. The Measure asks City of Watsonville voters to decide if the existing Urban Limit Line (ULL) for the City, approved by popular vote through Measure U in 2002, should be extended until the year 2040. Most provisions of approved Measure U expire in 2022. Section 9212 permits the local governing body to prepare a report that assesses potential impacts of ballot Measures (if they are approved) according to seven suggested categories. The City of Watsonville has prepared a "9212 Report" which will be presented to the Watsonville City Council on March 8, 2022.

While 9212 Reports are expected to be prepared by local government staffs, the law does not prevent other entities or organizations from preparing companion reports if so desired. The Committee for Planned Growth and Farmland Protection created a similar report that evaluates the continuation of the ULL according to the seven criteria specified by Section 9212 in the following sections. Each section focuses on each individual criterion item in the same sequence as stated in Section 9212.

Before evaluating the continuation of the ULL in separate sections, the report commences with Section II that evaluates the strengths and weaknesses of the City-prepared 9212 Report.

Our evaluation concludes that renewing the existing ULL for an additional 18 years will not only preserve important farmland and open space lands surrounding Watsonville ULL but will also provide more carbon sequestration to fight climate change and encourage more innovative land use planning and "smart growth" development than has occurred previously in the City. This conclusion is summarized in "Section X: Summary" of this report. The other sections of the report explain why there is ample land and associated resources within the ULL to provide an adequate number of new dwelling units and new commercial uses to serve a growing population and to provide additional employment opportunities for City residents.

## II. Our Preliminary Assessment of the City-Prepared 9212 Report

### Background

The City has hired an Oakland based consulting firm to help prepare a report pursuant to Elections Code Section 9212. Their report is titled, "Watsonville Urban Limit Line Ballot Initiative Impact Assessment" (City Report).<sup>1</sup> The City Report was first made available to the public in the afternoon of March 3, 2022. This section summarizes the results of our preliminary review of the City Report. In this case, we stress the word "preliminary" as the March 3 report release date has limited our review of the City Report to a four-day period before our report must be submitted to the City Clerk by the March 7, 2022 deadline for its inclusion with City Council agenda materials for the Council's meeting of March 8, 2022. We believe it is important for Council members to also have a copy of our report as part of their consideration of potential impacts of renewing Measure U and the Urban Limit Line (ULL). Comments from a more thorough review of the City Report may be prepared at a later date. However, at present, we are providing the following comments.

We agree with the conclusion on page 5 of the City Report that "providing service to new neighborhoods on the urban edge will be more expensive than serving infill development." This echoes one of the conclusions made in Section VI of our report. Other conclusions of the City Report are at sharp contrast to those resulting from our analysis. We believe this disparity is due to several errors, omissions and biases in the City Report which are summarized in the remainder of this Section.

### Errors and Omissions of the City Report

- **Fails to Address All Criterion of Elections Code Section 9212:** Unlike our report, the City Report does not include an assessment of all seven topical items listed for Section 9212. Rather, it discusses just a few of the topics. A glaring omission is the City Report's lack of discussion on impacts on surrounding agricultural lands, which is specified in item #7 of Section 9212. This is particularly alarming since the protection of agricultural land from urbanization is one of the main stated objectives of renewing the City ULL.
- **Number of Infill Parcels Available for New Development is Understated:** The City Report understates the infill lots available for new development and the number of dwelling units they could support. It also completely ignores the potential for existing housing stock to be developed with additional units, as anticipated and allowed by state laws like SB 9 and Government Code 65852.2. With over 13,000 existing units, Watsonville could meet the highest anticipated housing stock need by 2040 by simply adding a unit or ADU to roughly one-fifth of the City's existing units.<sup>2</sup> It also uses the

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<sup>1</sup> Economic and Planning Systems, Inc. "Watsonville Urban Limit Line Ballot Initiative Impact Assessment - Briefing Document", March 2022

<sup>2</sup> The City's 2015-2023 Housing Element states that the City currently had 13,528 units as of 2010. The City Report states that 2,856 additional units may be needed by 2040.

highest forecasts of units needed by 2040 to fulfill housing needs. As such, the City Report uses skewed data to conclude renewing the ULL will not allow enough of the needed additional housing to be constructed.

There is no mention of the potential for new dwelling units within the Manfre Road area or the unnamed area that borders both Green Valley Road and Freedom Blvd. These two areas are both beyond the city limits but within the ULL and shown with orange and green colorings on the page 7 map of the City Report. Pages 12--16 discuss housing potentials in other areas inside the ULL but outside of the city limits; but the Manfre and Green Valley Road areas are not acknowledged nor discussed in the remainder of the report.

- **Many Housing Units Now Being Built are Omitted:** Several of the dwelling units currently being constructed have been omitted from the City Report data analysis pertaining to Watsonville meeting its regional housing needs allocation (RHNA). For example, the townhouses currently being constructed at 221 Airport Blvd and the 72 projected housing units on Miles Lane are not included.
- **Certain Information is not Factual:** The map and text on page 17 of the City Report shows that, other than the FedEx facility, the 95-acre Manabe-Ow area "...is mainly undevelopable due to flood plain and peat soil constraints." This statement is contrary to the fact that City Planning staff has accepted permit applications in 2021 and 2022 for two large commercial projects on flood plain properties near FedEx. The applications propose to elevate 1-foot above flood level as required by FEMA. In addition, the 87 dwelling units now being constructed by the Sunshine Gardens project and within the Manabe-Ow area are *not* within a flood plain.

The map on page 19 of the City Report identifies the Hillcrest Estates site as "undevelopable parcel" (red coloring). This is false. The City has approved this site for a 147-unit subdivision. While there are soil contamination issues on this site, this problem can be remediated. The project applicant is currently working on a soil remediation plan for this project.

- **Other Information Shows the Report is Biased:** The listing on page 7 of the City Report titled "What has Measure U Achieved" is presented as Measure U being responsible for "0" housing units and "0" jobs being created in the Buena Vista area. This rationale is false. The reason why no dwellings or jobs have been provided in the Buena Vista area near the airport is the City's faulty preparation of Watsonville Vista 2030 General Plan which resulted in a successful civil suit against the City. The court ruling required de-certification (nullification) of the new General Plan and the City decided to take no further planning action, and as a result, there has been no development to date in the Buena Vista area. However, this situation could be remedied to plan for and allow housing in at least some of this area.

Similarly, another entry under "What has Measure U Achieved" on page 7 shows a comparison of the 200 existing jobs (FedEx) within the Manabe-Ow area with the "2,100

jobs proposed in 2030 General Plan”. This comparison is repeated on page 8. Again, the reason there is currently a lower than expected jobs number is *not* the result of Measure U or the ULL. Rather, the City has not followed the guidelines of the Manabe-Own Specific Plan to attract a mixture of retail and office commercial to this area. Instead, the City has accepted project applications for warehouse-type commercial uses which have substantially lower jobs/floor area ratios than other commercial uses.

In a separate instance, pages 8, 39 and 40 of the City Report uses RHNAs for both Cycles 6 and 7 that have not been finalized and are significantly and suspiciously higher than any of the other estimates they quote on page 24 of the same report. The report fails to provide a single mention of the new housing potential provided by the future Downtown Specific Plan currently under preparation by City staff.

The economic impact summary on page 34 of the City Report only identifies a single site (the 13.6-acre parcel at Hwys. 1 and 129) as a “strategic commercial growth area beyond the Urban Limit Line (that) could be developable in the future”. This site, the Redman House site,” is controversial and is not part of any analysis of the impacts of this Initiative. The City Report fails to identify any other site within or outside of the ULL for commercial growth. Conversely, our report correctly identifies the Downtown Specific Plan area, which includes vacant and under-utilized parcels, as one realistic area for future commercial growth combined with new housing. We also suggest additional areas where commercial revitalization could occur by adopting other Specific Plans promoting mixed-use. By being so selective in identifying one site for future commercial growth, the City Report gives an impression that it has been prepared to promote annexation of the 13.6-acre site for a specific project rather than to assess the effects of the pending ballot Measure.

## Conclusion

The City Report addresses only selected items of Code Section 9212. Further, its analysis is both incomplete and contains skewed data and factual errors. The lack of complete information and inclusion of non-factual data, including that related to housing, results in all of the data projections for housing potential with a renewal of Measure U being substantially understated and incorrect. These problems make the report inadmissible to accurately assess the impacts of passage of the ballot Measure to renew the ULL. Our following report provides a more comprehensive and factual analysis.

### III. Fiscal Impact

#### California Elections Code Section 9212, Item 1

#### Determination

Continuation of the adopted ULL language in City plans will protect the business economy of the City and reduce public service and infrastructure costs as explained in the following bullet points.

#### Background

- Watsonville's major revenue sources are similar to most other cities. They include:
  - Property taxes: City staff expects this revenue to grow in the next two fiscal years
  - Sales tax: Staff anticipates a 3.6% increase in this revenue in the 2021/22 fiscal year compared to the previous year.
  - Hotel room tax: anticipated to be about the same as in 2018/19 (pre-pandemic) fiscal year. In other words, an increase from the previous two fiscal years.
  - Utility use charges: Customer charges for City provided services of water, sanitary sewer and storm sewer
  - Utility use tax: Surcharges on cable, telephone, gas, electricity and City provided services
  - Medical cannabis: Staff anticipates \$550,000 in the 2021/22 fiscal year with an increase to \$605,000 in the 2022/23 fiscal year.
  - Various other smaller revenue sources, including a special 0.25 cent sales tax approved by the voters.<sup>3</sup>
- The 2022-23 State budget proposed by the governor in January 2022 has been named the "California Blueprint". Among other things, it includes funds to provide new housing, reduce homelessness and fight climate change. Statewide there is \$2 billion in new grants and tax credits for communities that submit successful proposals. Half of this amount (\$1 billion) is earmarked for new "infill" housing within developed areas, and for the "Affordable Housing and Sustainable Communities" program, which funds "land-use, housing, transportation and land preservation projects."
- As discussed in Sections IV, V, VIII and X of this report, the existing Urban Limit Line (ULL) will encourage more infill development and mixed-use projects within the ULL.

#### Analysis and Supportive Evidence

- If adopted as expected, the California Blueprint will provide a unique opportunity for communities to obtain grants to build affordable housing and fund climate clean transit (e.g. electric buses, etc.). The City will be able to apply for and receive funding for

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<sup>3</sup> City of Watsonville website; [www.cityofwatsonville.org/DocumentCenter/View/17125/Final-Budget-2021--2023](http://www.cityofwatsonville.org/DocumentCenter/View/17125/Final-Budget-2021--2023), pp. 23--24.

projects that meet the California Blueprint criteria. Much of this criterion encourages urban infill housing projects.

- Increased infill construction will produce cost benefits to local construction, building supply businesses, and increased sales tax to the City.
- While construction for urban sprawl projects can provide similar revenues to those cited in the previous bullet point, much of these revenues are off-set by new costs associated with long-term maintenance of miles of new infrastructure (e.g. streets, sidewalks, water lines, sewer, etc.) and new costs of providing services throughout a wider spatial area (e.g. police and fire protection). This issue is discussed further in Section VI of this report.
- New development that focuses on enhancing Watsonville city-centered activities, new or revitalized restaurants and tourist-based venues will bring more customers and revenue to existing local businesses as well as to newly created businesses, and generate increased sales tax to the City.
- Retaining the ULL will retain agricultural jobs as well as employment in agricultural support business. Farmworker unemployment and agricultural support business down-sizing will be prevented. Maintaining financially healthy agricultural support businesses inside the city limits will enable these businesses to generate strong sales tax revenues to the City. Of the leading 13 employers in the City, 4 are directly related to local agriculture. (Lakeside Organic Farms, Martinelli's, Driscoll's Berries and Del Mar Foods).<sup>4</sup>
- Because the expiration of the existing Measure U would trigger new annexation proposals for adjacent farmland, there is a need to balance impacts of the upcoming ballot Measure with impacts without the Measure. These include:
  - Certain opponents to extending Measure U maintain it will restrict growth and will land-lock the City. This position necessitates the annexation of adjacent farmland to create new housing opportunities. Outward development on previously agricultural or open space lands is the definition of urban sprawl.
  - A major fiscal impact of future sprawl to the City would be substantial staff time for preparation of annexation documents and new Sphere of Influence applications to LAFCO along with the expense of funding consulting firms to prepare Environmental Impact Reports (EIR) for the proposed annexations.

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<sup>4</sup> City of Watsonville website; [www.cityofwatsonville.org/DocumentCenter/View/17125/Final-Budget-2021--2023](http://www.cityofwatsonville.org/DocumentCenter/View/17125/Final-Budget-2021--2023), p. 16.

Additional City staff time for all related meetings and public hearings would also be required.

- The fiscal impacts of sprawl to municipalities are well-documented. Developer impact fees cover some new infrastructure hard costs (roads, water and sewer, parks, public facilities) but not all of them, including capital costs for new fire and police sub-stations and long-term maintenance of expanded water systems, streets, sidewalks, domestic sewer, storm sewer and solid waste collection.<sup>5</sup> This issue is discussed in more detail in Section VI.

## Conclusion

The existing ULL has been instrumental in preserving productive agricultural land surrounding the ULL by preventing urban sprawl into those lands. During the same time period, the City government has operated with moderately increasing revenues. Agriculture continues to be a major employment provider for City residents. Agricultural support businesses are also an important source of employment for residents and tax funds to City government. These beneficial impacts are expected to continue if the ULL is renewed until 2040. By retaining new development within the ULL, the City has avoided the expenses required to maintain new infrastructure that extend into new geographic areas with urban sprawl.

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<sup>5</sup> J. Carruthers and G. Ulfarsson, "Urban Sprawl and the Cost of Public Services". *Environment and Planning B: Planning and Design* 2003, volume 30, pages 503-- 522

## IV. Effects on Internal Consistency of General Plan, Specific Plans and Zoning

### California Elections Code Section 9212, Item 2

*(2) Its effect on the internal consistency of the City's general and specific plans, including the housing element, the consistency between planning and zoning, and the limitations on City actions under Section 65008 of the Government Code\* and Chapters 4.2 (commencing with Section 65913) and 4.3 (commencing with Section 65915) of Division 1 of Title 7 of the Government Code\*.*

*\*California Gov't Code Section 65000 makes it unlawful for any City or county to deny any individual or group of individuals the enjoyment of residence, landownership, tenancy, or any other land use in this state based on age, income, method of financing or proposed multi-family housing when consistent with the zoning and General Plan.*

*\*California Gov't Code Section 65915 requires local governments to provide for the expeditious processing of a density bonus applications.*

### Determination

Continuation of the adopted ULL language in City plans will not affect the internal consistency of those plans as explained in following bullet points.

### Background

- Watsonville's 2005 General Plan, adopted in 1969 and updated in 1994, is the current General Plan that guides planning and land use throughout the City. In 2012 the City prepared a new General Plan named "Watsonville Vista 2030" but adoption of that document was overturned by the courts. Therefore, the 2005 General Plan remains the legal document to guide land use planning and development.
- The Housing Element of the Watsonville 2005 General Plan was updated in 2015. It guides housing policy through the year 2023. State law requires this element be updated more frequently than other elements of a General Plan.
- Watsonville has one Specific Plan, the Manabe-Own Business Park Specific Plan, which was adopted in 2010. It provides a more detailed set of policies to guide planning and development of the area surrounded by the Seaview Ranch and Las Brisas subdivisions, the railroad corridor and Highway 1. Currently, the City is formulating a second Specific Plan, the Downtown Specific Plan, but it has not been adopted.
- Title 14 of the Watsonville Municipal Code contains the City Zoning Ordinance. Zoning designations and regulations in any municipality are supposed to be consistent with the land use designations and policies of the General Plan. However, zoning regulations

provide more specificity and detail. Chapter 14-04 of Code Title 14 (Zoning) establishes various zoning designations, including four residential zoning districts, seven commercial zoning designations and two industrial zoning designations. Chapter 14-08 provides a location map of the various zoning designations. Chapter 14-16 establishes regulations for each zoning district. The locations of the City's zoning districts are generally consistent with land use designations of the General Plan. Regulations for these zoning districts are silent regarding the provisions of Measure U.

## Analysis and Supportive Evidence

- The 2005 General Plan and the Manabe-Ow Specific Plan incorporate voluminous language from Measure U which was approved by the voters in 2002. Measure U mandated the existing Urban Limit Line (ULL) for Watsonville. The Housing Element acknowledges the adoption of Measure U language in other elements of the General Plan. Development within the City has proceeded with such language without creating consistency issues within or among these official plans. Examples to support this conclusion are provided below.
- For example, the 2005 General Plan includes these polices that were adopted as a result of the passage of Measure U, including language taken directly from text of Measure U.
  - **Policy 3.A.3:** “The City shall fully utilize its powers of utility extension and annexation to support its polices of City centered development and maintaining agriculture and open space surrounding the Urban Limit Line.”
  - **Policy 3.B-Annexation:** “The City shall pursue annexation of undeveloped and underdeveloped parcels between the City limit boundary and the Urban Limit Line (ULL) in phases within existing urban areas before development of lands in outlying areas.”
  - **Policy 3.C.1 - Urban Limit Line Location:** The text of this policy provides a detailed 2-1/2-page description of the location of the ULL as specified in the language of Measure U.
  - **Policy 3.F.1 - Urban Limit Line:** “In order to preserve agricultural uses outside the urbanized area, the City shall not support annexation or increased urbanization by the City or the County outside of the Urban Limit Line as identified in the Watsonville 2005 Land Use Diagram.”
  - Several other policies in the General Plan support the ULL and the concept of Measure U. For the sake of brevity, they are not all listed above.
- Where needed, the General Plan language would be updated to accommodate the changes proposed by the Initiative.
- For example, the General Plan's Housing Element includes polices that are harmonious with the language and vision of Measure U and/or corresponding policies of other elements in the General Plan:

- **Introduction; Section E - Relationship to the General Plan:**
  - Paragraph 1: “The City’s General Plan, establishes a goal for the City to grow as a compact, unified City and maintain a clear definition between rural and urban uses”
  - Paragraph 4: “The City will ensure consistency between the Housing Element and other General Plan Elements so that policies introduced in one Element are consistent with other Elements. At this time the Housing Element does not propose significant changes to any other Element of the City’s General Plan.”
- **Charts 4.2 & 4.3 - Vacant and Underutilized Parcels:** These two charts (Pages 61--73 & 78) identify individual characteristics of 202 separate parcels with a combined site area of 107.65 acres within the City limits that are available for new residential and commercial development. Table 4.3 provides this data in aggregate. The text following Table 4.2 states these parcels could provide an estimated 1,494 new dwelling units.
- **Section C.1 - Housing Growth:** The second paragraph of this section (page 25) states “For housing development beyond the 2015-2023 timeframe of the Housing Element, Watsonville voters passed Measure U (2002), the Watsonville Urban Limit Line and Development Timing Initiative, that will guide the logical expansion of Watsonville through 2025.
- In addition, the Manabe-Ow Business Park Specific Plan, adopted by the City in 2010, includes these provisions that were based on the language of Measure U and correspond with similar General Plan policies.
  - **Chapter 1.1 - Project Background; paragraph 3:** “The proposed plan is consistent with the provisions of Measure U and is supported by Action Pajaro Valley.:
  - **Chapter 1.5 - Specific Plan Purpose and Authorization; paragraph 1:** “The purpose of this specific plan is to provide a blueprint for the development of the project site consistent with Measure U and other provisions of the City’s General Plan.”
  - **Implementation Measure 3.4.11:** “The City shall prepare or commission the preparation of specific plans for the new growth areas designated by Measure U: Buena Vista I, II, and III, Atkinson Lane and Manabe-Burgstrom.” (later named Manabe-Ow)
  - Several other provisions of the Manabe-Ow Specific Plan support the ULL and the concept of Measure U. For the sake of brevity, they are not all listed above.
- While the rescinded Watsonville Vista 2030 General Plan is non-functioning, a look at some the policies it contained gives an indication of more recent thinking of the public and City decision-makers regarding the idea of continuing a ULL.
  - **Policy 2.1.1 - City-Centered Development:** “Urban development will occur as infill within existing City of Watsonville limits and in designated future growth areas within the Urban Limit Line. The City will continue to encourage land use

- policies in existing urbanized areas in the Planning Area that implement the Action Pajaro Valley Growth Management Strategy.” (AKA Measure U).
- **Policy 2.2.1 - Annexation:** The City shall pursue annexation of undeveloped and underdeveloped land between the City limit boundary and Urban Limit Line (ULL) in phases to allow efficient expansion of urban infrastructure and promote development of lands within existing urban areas before development of lands in outlying areas.”
  - **Policy 2.2.21 - Urban Limit Line Location:** “The Urban Limit Line has been adopted by vote of the people of the City of Watsonville through the Watsonville Orderly Growth and Agricultural Protection Initiative. The specific location represents a shared vision, taking into account and balancing agricultural and open space land preservation, economic development and stability, environmental integrity, and social equity. The location of the Urban Limit Line is based on practical considerations such as: the size of parcels, location of lot lines, existing development at urban densities, environmentally sensitive areas, and other natural features such as the Corralitos Creek, Salsipuedes Creek, Pajaro River, sloughs, and topography.”
  - Several additional policies of the rescinded Vista 2030 General Plan were written to support the ULL and the concept of Measure U. For the sake of brevity, they are not all listed above.

## Conclusion

- The current ballot measure that will go before the voters in either June 2022 or November 2022 generally does not change the ULL or the text language that was approved by the voters in 2002 other than extending the provisions of the Measure to the year 2040. As a considerable amount of text from Measure U was and is incorporated into the City's General Plan and Manabe-Ow Specific Plan and these planning documents have been guiding land use and development in the City since 2002 without generating internal consistency problems, and Measure U is acknowledged in the General Plan's Housing Element, continuation of this language in these planning documents will not result in consistency problems.
- Further, the City Zoning Ordinance (Municipal Code Title 14) has been implementing the policies of the General Plan throughout the City and the Manabe-Ow Specific Plan within the Specific Plan Area in a manner that has not generated conflicts with the content of either these two planning documents. This implementation can continue if the existing language related to Measure U is retained in the General Plan and Specific Plan until 2040.

## V. Effects on the Use of Land and Meeting Regional Housing Needs

### California Elections Code Section 9212, Item 3

*(3) Its effect on the use of land, the impact on the availability and location of housing, and the ability of the City to meet its regional housing needs.*

#### Determination

Through innovative land use planning, the City can provide housing availability in locations throughout the city limits and meet the City's share of regional housing needs without expanding beyond the existing ULL, as explained in following bullet points.

#### Background

- Watsonville's 2005 General Plan, adopted in 1994, includes a Housing Element that provides policies to meet housing needs in the City.
- As stated in the preceding section, the Housing Element was updated in 2015 and guides housing policy through the year 2023. State law requires this element be updated more frequently than other elements of a General Plan.
- The State Department of Housing and Community Development (HCD) determines how many more dwelling units should be constructed throughout the state to meet housing needs of the population, including numbers of lower-income dwellings (AKA affordable dwelling units). Affordable dwellings are defined by the State as housing that costs no more than 30% of a gross household income. In Watsonville's Housing Element this housing is further defined with these categories:
  - Moderate income housing - defined as 81--120% of the County's median income
  - Low income housing - defined as 51--80% of the County's median income
  - Very Low-income housing - defined as 31--50% of the County's median income
  - Extremely Low-income housing - defined as under 30% of the County's median income.
- HCD tells each regional planning agency how much housing their region is responsible for producing to meet the overall need in the state. This is called the Regional Housing Need Allocation. The Association of Monterey Bay Area Governments (AMBAG) is the regional planning agency in this area. AMBAG tells each City and county within their jurisdiction what their individual Regional Housing Need Allocation (RHNA) is for an 8-year period. The RHNA stated in Watsonville's existing Housing Element is 700 new dwelling units. Of this total, 406 units (59%) should be affordable rate units with the remaining 294 units (41%) at market rate cost.<sup>6</sup>

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<sup>6</sup> City of Watsonville Housing Element-2015 Update, Charts 4.3 and 4.4, pp. 72-73.

- Watsonville is currently preparing a new Housing Element update but its proposed contents are not available to the public. Therefore, we are relying on data in the existing 2015 Housing Element update.

## Analysis and Supportive Evidence

- The Housing Element identifies a list of 201 parcels with an aggregate total of 105 acres that were either "vacant" or "underutilized" within the City limits and concludes these properties have the potential to provide 1,445 new dwelling units.<sup>7</sup> This is more than double the number of dwellings specified for Watsonville's RHNA.
- These 202 parcels also include commercial zoned properties that can be developed with either new commercial uses (e.g. retail stores, offices, etc.) or a mixture of commercial and residential uses.
- Since preparation of the Housing Element in 2015, the City has issued Building Permits for new residential projects towards meeting the RHNA. Completed projects include:

- 35 Harkins Slough Road: A parcel with one single-family dwelling has been converted to 42 dwelling units, named Blackbird subdivision, located near Ramsey Park.
- 445 Main Street: A vacant business building was demolished to construct a four-story building with two retail stores and a TOGO's eatery on the ground level and over 40 apartment units on the upper three floors, named The Terrace.



The Terrace - A good example of a mixed-use "smart growth" project that provides housing in an area where traditionally only commercial uses occurred.

- Other approved projects are in the construction phase, such as Sunshine Gardens, which will provide 64 dwelling units at 1773 Santa Victoria Avenue. This is the portion of the Manabe- Ow Specific Plan area designated for housing.
- The majority of parcels identified as "vacant" or "underutilized" remain in their same vacant or underdeveloped condition as in 2015 and remain available for future development. In addition, there are several parcels within the city limits that were not identified in the Housing Element as available for development that have since become new potential sites for future housing and mixed-use projects.

<sup>7</sup> Watsonville Housing Element-2105 Update, Chart 4.3, p. 72.

- One example is 221 Airport Blvd. where a former school and church parcel have been rezoned to residential zoning. The developer is currently working with City staff to submit a permit application to build 48 townhomes on the 2.64-acre site.
- Another example is the proposed Hillcrest Estates subdivision at the former Cluster auto wrecking yard. If approved, this project would construct 149 homes.



This property at 221 Airport Blvd. is an example of an opportunity site now approved for 48 townhomes that was not included in the City Housing Element's list of underutilized parcels.

- As discussed in the previous section, City staff is currently formulating a Downtown Specific Plan that would promote mixed-use projects in downtown Watsonville. There is a large potential for new multi-family dwelling units, similar to The Terrace project, within this limited geographic area. The higher density residential use of the downtown area was not envisioned or included in Housing Element 2015 update. New higher density downtown housing could provide many more housing units near the Metro bus transportation hub on Rodrigues Street and near the community of Pájaro that is already served by Cal Train allowing locals to connect to the Bay Area transportation network.
- As discussed above, the state has recently changed land use laws to permit landowners to more readily build accessory dwelling units and duplexes on lands zoned for residential use. Even a modest uptake in the use of these new laws could provide a significant number of new residential units by 2040.

## Conclusion

Whatever number the RHNA gives to Watsonville in 2023, the City has already shown its ability to utilize vacant and/or underutilized parcels within the City for providing new housing, and to a lesser extent, new commercial uses. There are many parcels that have been identified in the Housing Element that remain vacant or under-utilized. Likewise, parcels developed with single-family residences can now be redeveloped to provide duplexes or accessory dwelling units. Based on data in the existing Housing Element, these properties provide adequate space for the City to meet its share of the RHNA.

The addition of properties rezoned to higher densities, including those within new Specific Plan areas that encourage housing uses to mix with commercial uses, will provide many more new housing and employment opportunities within the current ULL. This rezoning can be done with dwelling densities to meet an increase in the RHNA for 2023--2031, including meeting an increased allocation for affordable un

## VI. Impact on Funding for Infrastructure

### California Elections Code Section 9212, Item 4

*(4) Its impact on funding for infrastructure of all types, including, but not limited to, transportation, schools, parks, and open space. The report may also discuss whether the measure would be likely to result in increased infrastructure costs or savings, including the costs of infrastructure maintenance, to current residents and businesses.*

### Determination

Renewing the ULL will decrease public service and infrastructure costs as compared to more outward sprawling urbanization without the ULL as explained in the following bullet points.

### Background

- Publicly owned infrastructure in Watsonville consists of streets, curbs, gutters, sidewalks, street lighting, the storm sewer system (e.g. the network of sewer lines), the sanitary sewer system and a domestic water system. The City also provides weekly curbside collection of trash, yard waste and recyclables.
- Streets, curbs, gutters and sidewalk are maintained by the City Public Works Department. This department is also responsible for maintaining street lights, traffic signals, street signs and bike paths. The bike/pedestrian trails along the sloughs are maintained by Watsonville Wetlands Watch under a contract with Public Works.
- The City sewer system includes a network of more than 150 miles of sewer pipelines and a treatment plant located on Clearwater Lane. A 2017 report prepared by the City Public Works and Utilities Department states that 30%--40% of the pipelines are over 50 years old and need to be replaced. The City has commenced a pipeline replacement program that will replace segments of old clay pipe with new pipelines annually. It will take several years to replace the entire length of pipeline that needs replacement.<sup>8</sup> Adding infill development will likely increase the number of households/units that can pay to help fund this replacement.
- The City's water system serves the entire City and an unincorporated area north and northwest of the city limits that extends to Corralitos. The beach community of Pajaro Dunes is also a discontinuous part of the service area. The water system consists of 190 miles of pipelines, 14 wells, 8 reservoirs and the Corralitos Filtration Plant treatment plant that delivers to population of 66,000 customers within the service area.<sup>9</sup> Customers include dwellings, businesses and institutions (e.g. City Hall, Cabrillo College). The 2017 report cited above states that 100 miles of pipelines are over 50 years old and need to be replaced. In addition, half of the water source infrastructure, wells and reservoirs, are

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<sup>8</sup> City of Watsonville website: Investing in Our Infrastructure 2017.

<sup>9</sup> City of Watsonville website; [cityofwatsonville.org/714/Water-Division](http://cityofwatsonville.org/714/Water-Division).

over 50 years old and need to be upgraded.<sup>10</sup> Adding infill development will likely increase the number of households/units that can pay to help fund this replacement.

- Weekly refuse collection is provided for over 11,000 homes, business and institutional uses. Recyclables are transported to the Solid Waste and Recycling Service Center at 320 Harvest Drive for sorting and recovery. Non-recyclable refuse is transported to the City landfill at 730 San Andreas Road. The landfill is very close to capacity.

## Analysis and Supportive Evidence

- While it cannot be known where proposed annexations of lands will occur without an ULL, the annexations of land outside the ULL but within the City water service area north and northwest of the city limits could benefit from existing water and sewer infrastructure. But this area also contains substantial residential properties at urban and suburban densities and therefore would not be viewed as profitable to developers as annexing open space and agricultural lands adjoining other parts of the City. While initial infrastructure installation costs may be lower north and northwest of the city limits than other surrounding areas, *all* areas beyond the ULL will result in higher long-term infrastructure maintenance costs to the public as discussed in the following bullet points.
- According the Brookings Institute providing water, sewer, roads, and other services to far-flung neighborhoods is very costly for local governments. More compact development with a mixture of uses, like the “Smart Growth” approach to urban form, allows more affordable housing types at increased densities, reduces land requirements per household, has lower public service costs, and reduces transportation costs. The higher housing prices that residents may pay in newly revitalized mixed-use areas will be offset by lower transportation costs, energy costs, and better access to jobs, services, and amenities in more centralized locations<sup>11</sup>
- Sprawl causes more traffic. Building or expanding roads to serve new outward sprawling development increases traffic congestion through “induced demand.” Adding road capacity and locating housing farther from commercial and recreational centers (e.g. parks, gyms, etc.) encourages people to take longer trips and more trips by car.<sup>12</sup> The more streets and associated roadside infrastructure (e.g. street lighting, traffic signals, etc.) a city has, the higher the overall cost to maintain city infrastructure.
- Sprawl requires more expensive public services than more compact growth. For example, a new development on the outskirts of a city requires police and fire services. Because this development is more distant, more officers may need to be working at the same time to cover the additional area. Alternatively, many municipalities that grow outward

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<sup>10</sup> City of Watsonville website: Investing in Our Infrastructure 2017.

<sup>11</sup> The Brookings Institute. *The Link Between Growth Management and Housing Affordability: The Academic Evidence*. 2012.

<sup>12</sup> Greenbelt Alliance, “How Urban Growth Boundaries Strengthen Communities and Protect Greenbelts”, p. 2 and Data analysis conducted by INRIX, a traffic data analysis corporation.

address this issue by constructing new sub-stations which must be staffed and maintained separately from the main station. This too increases costs, compared to relying on a single main station, even when the main station is enlarged or renovated to address the service needs of a growing population in a more compact area.

- Much of the existing City water system and sewer system are in serious need for replacement due to age and deterioration of pipes. Without the ULL, some of the funds for pipe replacement are expected to be diverted to inspecting and maintaining new water and sewer infrastructure with expansion of these systems to serve newly annexed areas.
- Various studies show that a more cost-effective urban form is achieved by urbanizing at higher densities and by consuming less land. Growth management programs suggests that they may help to reduce public expenditures by their influence on creating a more compact urban form. These studies also show the per capita cost of most services and infrastructure costs declines with increased density and rises with increasing the spatial extent of urbanized land area.<sup>13</sup>

## Conclusion

Maintaining a ULL influences the development of the urban form inside the ULL to be more compact with higher density housing that is more proximate to commercial and recreational uses. Various studies have shown that a more compact form decreases public service and infrastructure costs. This is due, in large part, because there are less miles of streets, sewer lines and other required urban infrastructure facilities to build and maintain. Of course, new infill development inside a ULL must still install services to newly constructed residential and commercial buildings. However, these services, can take advantage of connecting to existing water mains, sewer mains and similar facilities that are near the newly constructed uses. Conversely, outward development, that relies on converting open space or agricultural lands to urban uses cannot typically rely on these types of existing facilities because they are not present in rural areas. Even the rural roads that are existing must be upgraded to provide the streets and street-side facilities (e.g. curb, gutter, sidewalk) to meet municipal street standards and street-side standards. Renewing the City ULL will be more cost effective compared to removal of the ULL to allow outward sprawl development. This will facilitate use of public funds on needed infrastructure replacement rather funding the construction and maintenance of new infrastructure.

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<sup>13</sup> J. Carruthers and g. Ulfarssom, "Urban Sprawl and the Cost of Public Services". *Environment and Planning B: Planning and Design* 2003, volume 30, pages 503 - 522

## VII. Impact on the Community's Ability to Attract and Retain Business and Employment

### California Elections Code Section 9212, Item 5

*(5) Its impact on the community's ability to attract and retain business and employment*

#### Determination

The agricultural land surrounding the City is necessary for economic vitality of businesses inside the City. Through innovative land use planning and use of existing available sites, there will continue to be locations inside the ULL to support existing business and to attract new business until 2040 as explained in following bullet points.

#### Background

- Watsonville “has a population of over 51,000. It is a rich agricultural community. The Pajaro Valley is one of the world’s largest agricultural centers famous today for its fresh berries, apples, and cut flowers.”<sup>14</sup> Agricultural production supports a large number of professional and good-paying jobs in Watsonville. Examples include crop protection professionals, agricultural research scientists/technicians, seed sales, equipment sales, fabrication, transportation, mechanics, cooling system repairs, office professionals, legal support, and box manufacturers to name a few.
- In recent years various light manufacturing firms have expanded Watsonville’s economic base to include electronics, high-tech, marine supplies, and construction, such as Applied Motion Products, CSE Group, Annieglass, Granite Construction and Granite Rock.<sup>15</sup> During this same time, local institutions, including Cabrillo College, Watsonville Hospital and Salud Para La Gente, have grown and increased their employment of local residents. However, agriculture continues to be the primary economic driver of the local economy.
- The agricultural industry is changing, to become much more technology driven, especially as we focus on robotics, green house production, biotechnology and other farm parameters. This will be a catalyst to offer the community increasingly higher paying jobs, people with higher education and research skills, and to attract industries that focus on climate smart farming techniques.

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<sup>14</sup> City of Watsonville website; [www.cityofwatsonville.org/DocumentCenter/View/17125/Final-Budget-2021--2023](http://www.cityofwatsonville.org/DocumentCenter/View/17125/Final-Budget-2021--2023), p.13

<sup>15</sup> Ibid

- The City Housing Element includes an inventory of vacant commercial properties and under-utilized commercial properties that are potentially available for the location of new businesses.
- Restoring the natural systems of the City's slough wetlands during the last 30 years has provided Watsonville with a newly appreciated resource benefiting residents and local business. The Monterey Bay Birding Festival, which occurred annually during 2004--2020, is an example of nature-based activity that added a new source of funds to the Watsonville economy.

## Analysis and Supportive Evidence

- The future of Watsonville's economic prosperity is rooted in the local agricultural industry and the growing institutional service sector. There is also a potential for a tourism/recreation industry focused on the slough system and nearby beaches.
- While land in crop cultivation is located outside of the ULL, it is that crop production on rural land that is the economic driver for several agricultural support businesses located inside the ULL. Support businesses include cold storage companies, produce packing companies, testing labs and farm supply stores. Examples of some of these businesses are:
  - Superior Foods - 275 Westgate Drive
  - Fog City Farms - 1000 W. Beach Street
  - NFS Davis Fresh - 195 Aviation Way
  - Pacific Agricultural Packaging - 160 Aviation Way
  - Sambrailo Packaging - Walker Street
  - Pajaro Valley Cold Storage - 172 2<sup>nd</sup> Street
  - Americold Watsonville - 750 W. Riverside Drive
  - Cascade Refrigerated - 400 Cascade Way
  - Terminal Freezers - 400 Cascade Way
  - Control Laboratories - 42 Hangar Way
  - Western Farm Service - 425 W. Beach Street
  - Ag Grow supply Company - 449 E. Beach Street
  - Tractor Supply Company - 580 Auto Center Drive
  - Sand Channel Greens (irrigation) - 444 Airport Blvd.
- Similar to how the businesses listed above are necessary to support agricultural production, several other local businesses provide necessary support services to the local agricultural-support industry. Examples of such businesses are Home Depot and Big Creek Lumber. All businesses in this economic linkage will be affected if crop production is reduced by urbanizing surrounding farmland.

- The City Housing Element identifies 45 vacant parcels with an aggregate site area of 13.3 acres and 12 under-utilized parcels with an aggregate site area of 16.8 acres that are zoned for commercial uses.<sup>16</sup> These sites can support new retail and office uses. In addition, there are also additional sites available to attract new business. The Watsonville Airport vicinity and Manabe-Ow Specific Plan area have existing sites for new businesses that need larger buildings.



The Beer Mule Tavern, which has co-located with three locally-owned eateries and an exercise studio at the Watsonville Airport, is a good example of revitalizing an existing light industrial area and converting it into a new retail business hub. And there is still space for light industrial uses at the airport.

- The Specific Plan currently being formulated for the downtown, can be done to provide additional spaces for retail and office uses along with new housing. There are also vacant commercial buildings, such as K-Mart in the Pajaro Valley Shopping Center, that are available for new commercial use.
- By preventing encroachment on our natural open space and agricultural areas, infill development can foster an economic climate that will encourage new businesses where there is existing infrastructure to support business. Agritourism and nature-related activities, such as bird festivals, can create new economic opportunities for the City.
- The City is experiencing new areas of business and employment, such as new pubs, Mexican food restaurants and taquerias, panadería and craft bakeries, floral gift shop and a natural foods market. “This is very exciting for the business world in the Pajaro Valley,” said Shaz Roth, CEO of the Pajaro Valley Chamber of Commerce and Agriculture. “Things are moving forward.”<sup>17</sup>
- Urban growth boundaries and limit lines combined with “Smart Growth” development of higher-density mixed-use areas promote economic prosperity. Compact development where housing is contiguous to commercial and recreational uses increases the ease of access to local businesses. When people live within walking distance of more businesses, parks, and services these proximate businesses thrive. By reducing transportation costs, residents are more likely to purchase locally produced goods from locally owned shops and services.

<sup>16</sup> City of Watsonville Housing Element-2015 Update, Chart 4.3, p. 72

<sup>17</sup> Register-Pajaronian, April 15, 2021

- Watsonville has rail, freeway and airport access that are assets for all local businesses. These assets will not be impacted by the renewal of the ULL and provisions of Measure U.

## Conclusion

The economic well-being of the business economy inside the ULL is inextricably tied to the vitality of agricultural production occurring outside the ULL. Several new businesses and new types of businesses have located in Watsonville during the time the ULL has been in existence. There is adequate space inside the ULL to further attract and expand businesses, and to stimulate the local economy with the ULL remaining in place during the next 18 years. Adopting new Specific Plans that promote mixed-use projects in selected commercial and industrial areas is an additional way the City can attract both new housing and new businesses.

## VIII. Impact on Vacant Parcels of Land

(6) *Its impact on the uses of vacant parcels of land.*

### Determination

Renewing the City's existing ULL will encourage infill development on vacant parcels throughout the city limits which is an appropriate use of these parcels as explained in the following bullet points.

### Background

- As stated in Section V, Chart 4.3 of the City's General Plan Housing Element identifies a list of 201 parcels with an aggregate total of 105 acres that were either "vacant" or "underutilized" within the City limits. Of this total, 101 parcels have been identified as "vacant". Fifty-six vacant parcels were zoned for residential uses and 45 parcels were zoned for commercial uses.<sup>18</sup> City zoning regulations allow various forms of residential uses with a Special Use Permit in all commercial zoning districts.<sup>19</sup>
- Other information in the Housing Element contradicts the data cited above as follows:
  - Chart 4.2 of the Housing Element only lists a total of 64 vacant parcels.<sup>20</sup>
  - The text on page 70 of the Housing Element states there are only 38 vacant parcels designated for housing. Other text indicates an additional 38 vacant parcels are designated for commercial uses (for a total of 76 vacant parcels). This appears to be an error. But even using this incorrectly deflated number of vacant parcels, the text continues to state the 38 parcels could be developed to provide approximately 63 single-family dwellings in the R-1 zoning district and approximately 235 multi-family dwellings in the RM-2 and RM-3 zoning districts.<sup>21</sup>
- According to Chart 4.2, only 10 vacant parcels have environmental constraints that could preclude or limit development. Five vacant parcels are within the flood plain; two are between industrial buildings; one is within the agricultural buffer setback and two parcels are likely to have soil contamination.
- Readers are referred to the "Background" subsection of both Section IV: "Effects on Internal Consistency of General Plan, Specific Plans and Zoning and Section" and Section V: "Effects on the Use of Land and Meeting Regional Housing Needs" for additional background information that is applicable to this topic.

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<sup>18</sup> City of Watsonville Housing Element-2015 Update, Chart 4.3, p. 72.

<sup>19</sup> City of Watsonville Municipal Code, Title 14 (Zoning), Chapters 14--16, CC, CCA, CT & CN Zoning Districts.

<sup>20</sup> Housing Element, chart 4.2, pp 57--69.

<sup>21</sup> Housing Element p. 70.

## Analysis and Supportive Evidence

- The Housing Element's Figure 4-1 map shows vacant parcels are located throughout the City, not just in a few selected areas.
- Since identified as "vacant" in 2015, some of the 101 vacant parcels cited above have been developed or have obtained permits to begin construction. However, we have also identified other vacant parcels that were *not* listed in Chart 4.3 of the Housing Element.

- There are additional vacant parcels that have *not* been identified in the 2015 Housing Element Update. One example is A 5-acre parcel on Errington road owned by Tony Campos. Therefore, it is reasonable to assume the number of these additional vacant parcels balance out the number of previously vacant parcels that are currently being developed. For this reason, it is reasonable to continue to quantify vacant parcels as totaling 101 properties throughout the City.



1483 Freedom Blvd. This vacant parcel at the corner of Atkinson Lane contains 1.77 acres.

- The discrepancy of total number of vacant parcels discussed in the second bullet point in the "Background" subsection indicates the City has not conducted an accurate count of vacant properties.
- If we use the more conservative number of 76 vacant parcels (rather than 101 vacant parcels), the City staff calculations, conclude 38 of these vacant parcels that are designated for rehousing could provide a total of 298 dwelling units. This is 43% of the 700 units specified as Watsonville's share of the regional housing need allocation (RHNA) for 2015--2023.<sup>22</sup> Using this same data there are an additional 38 parcels that are vacant which are zoned for commercial uses. Many of these properties can and should be developed as mixed-use projects that combine retail, office commercial with multi-family dwellings on the same site. City staff estimates these parcels could provide about 270 dwellings in addition to commercial uses. This would raise the number of estimated new dwellings on vacant parcels to 568 dwellings units which is 81% of the City's RHNA.
- However, if the data in Chart 4.3 is used, the new housing numbers would be considerably greater than that in the preceding bullet point.
- Vacant parcels with environmental constraints may still be usable as follows:

<sup>22</sup> City of Watsonville Housing Element-2015 Update, Chart 4-5, p. 74.

- Flood plain parcels could become mini parks or water retention basins for the City storm sewer system.
- Parcels between industrial buildings could be developed as heavy commercial or light industrial uses.
- Parcels with contaminated soils could be remediated and used for commercial or light industrial uses.

## Conclusion

Vacant parcels designated for both residential use and commercial uses occur throughout the City. While there are discrepancies in the number of vacant parcels shown in the City Housing Element, it is reasonable to estimate this number totaling 201 vacant parcels. City staff will need to inventory vacant sites with better accuracy in the next update of the Housing Element. Using the most conservative numbers for vacant parcels developing these properties would generate 568 new dwelling units which is 81% of the City's existing RHNA.

However, these are not the only properties that can provide new dwellings and commercial uses. There are also 100 under-utilized (under-developed) parcels where higher density development can occur. According to City staff calculations in chart 4.3 of the Housing Element, both vacant and underutilized parcels could generate 1,445 dwelling units, in addition to some new commercial uses. This total is more than double the City's existing RHNA. Even if some vacant parcels are needed for future parkland (e.g. mini-parks), there are adequate vacant parcels for new residential and commercial uses to help meet the current RHNA with parcels remaining to help meet the future RNHA for 2023--2031.

## IX. Impact on Agricultural Lands, Open Space and Traffic Congestion

### California Elections Code Section 9212, Item 7

*(7) Its impact on agricultural lands, open space, traffic congestion, existing business districts, and developed areas designated for revitalization.*

### Determination

Renewing the City's existing ULL will protect the prime agricultural lands surrounding the City from conversions to urban uses and protect surrounding open space lands from various negative impacts as explained in the following bullet points.

### Background

- Watsonville area farmland is a major driver of the agricultural economy of Santa Cruz County. The total gross production value of Santa Cruz County agricultural commodities for 2020 was \$636,032,000, equal to over \$1.5 billion with the multiplier effect on the economy.
- If the Pajaro Valley were a county, it would rank 5th in agricultural production in California. Primary crops grown include strawberries, apples, fresh flowers, cauliflower, broccoli and artichokes. Watsonville has the largest family-owned and operated solely organic vegetable grower/shipper in the USA.
- Besides providing food for California and the rest of the nation, Santa Cruz County exports 35 commodities to 18 countries. More than \$280 million a year is spent on transporting fresh and processed farm crops to worldwide destinations. Agriculture and food processing are the mainstay of the Pajaro Valley economic structure.
- Our local farmland is irreplaceable not only because of its deep fertile soils, but because of the location of those soils in the moderate Mediterranean climate – mild wet winters and warm dry summers. This type ecosystem only occurs in narrow areas of five regions of the world – California coast; Chile; South Africa, Australia and the Mediterranean. These regions cover only slightly more than 2% of the world's land areas.
- The Watsonville sloughs cover about 800 acres adjacent to the City of Watsonville. The slough system has six interlinked, freshwater sloughs lying at the southern end of Santa Cruz County, in central-coast California. They are fed by the waters of the Pajaro Valley watershed. Wetlands provide water purification, wildlife habitat, flood protection, shoreline stabilization, groundwater recharge and streamflow maintenance.

- Since the arrival of European explorers, California has lost 90 percent of its wetlands to development and land alteration. The Watsonville Sloughs — one of the largest remaining freshwater marshlands in the state's coastal zone — provide a crucial resting place for many species of migrating birds. Among the thousands of birds and other abundant wildlife frequenting the sloughs are a variety of rare species, including 23 native plant and animal species that are listed by the federal and California Endangered Species Acts as threatened, endangered, or of special concern.



A cane berry field in the northern part of the fertile Pajaro Valley is an example of one of the variety of crops that grow on the prime soils surrounding Watsonville.

## Analysis and Supportive Evidence

- Renewal of Measure U and ULL would protect our irreplaceable farmland from urban sprawl, and would enable the continuation of food production in a climate and soils that occur almost nowhere else in the world.
- Viability of agricultural lands adjacent to proposed developments would be preserved.
- Open space, which comprises our unique system of wetlands that course through the City, would be protected from environmental and societal impacts, such as polluted runoff and human egress, that could result from developments adjacent to and abutting the wetlands.
- Prohibiting urban sprawl encroachment on natural areas surrounding the City will preserve key ecosystem services, including water filtration, flood water storage and runoff control, erosion control, wildlife habitat, fresh air, carbon sequestration, pollination, recreation and aesthetic enjoyment.
- Prohibiting sprawl development also provides other benefits that don't appear on financial statements, such as reduced air pollution and climate change emissions. An acre

of urban land with multiple households generates about 70 times more greenhouse gases than one acre in agriculture (livestock raising excepted).<sup>23</sup>

- Renewal of the ULL will direct City Planning staff to focus on the Downtown Specific Plan and revitalizing the nearby industrial area, rather than planning for annexation and sprawl-type growth.
- Traffic congestion can be addressed with creative planning for mixed-use development, new parking strategies and improved in-city transportation systems. This issue is addressed in Section VI (Infrastructure) and Section X (Summary) of the report.

## Conclusion

Urban infill development enables food security and the continuance of the local agricultural-based economy by preserving surrounding farmland for food and flower production and necessary jobs for local residents. It recognizes importance of the prime farmland surrounding the City is a world-class resource; not merely land reserved for future urbanization. Infill development protects surrounding open spaces, including wetlands from urban encroachment and impacts to wildlife caused by human induced light and noise impacts and predation from pets. Infill facilitates the strengthening of the downtown revitalization that can be implemented to reduce greenhouse gases with fewer car trips.

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<sup>23</sup> Helen K. Cahill center for Farmland Conservation Policy Innovation and the American Farmland Trust, "Agricultural Land Conservation: An Important Part of California's Climate Strategy", April 2016, p. 2

## X. Summary

### The ULL Can Revitalize Our City

It takes little imagination for cities to provide new housing and commercial centers by sprawling outward and converting their surrounding open space to streets and buildings. That's how the sprawling growth of San José, CA began. But we, supporters of renewing Watsonville's existing Urban Limit Line (ULL), envision a more positive and imaginative future for our town.

Renewing the ULL that Watsonville has established for the past 20 years will require developers and City leaders to focus on available sites for infill development that utilizes the over 200 vacant and underutilized parcels within our city limits<sup>24</sup> and re-imagines our downtown and other commercial areas as opportunities for innovative mixed-use projects. A mixed-use approach for existing commercial areas can revitalize them with interesting street-level stores and offices combined with residential apartments and condominiums along their side or in the upper levels above. Mixed use allows commercial, residential and recreational uses to be located in the same neighborhood rather than segregated from each other. A mixture of uses which are located proximate to each other promotes more walkability and less reliance on the automobile to reach daily destinations; including stores, jobs, schools and parks. People that walk more are healthier and they interact with neighborhood residents more thereby creating a stronger and happier sense of community. It is with good reason, that the name for this type of urban development is "smart growth".

There is no reason why the Downtown Specific Plan, currently being formulated, cannot be written to provide, at least 1,000 new dwelling units over the next 10 years along with a mixture of other uses. A more densely populated downtown will revitalize our city center and provide more incentives for mass transit. There is no reason why we can't have similar Specific Plans for focal points along the Freedom Blvd. and East Lake Avenue corridors as well. This is the type of "smart growth" that is now occurring in Santa Cruz and many other cities across the nation. By growing up rather than out, we can preserve the surrounding farmland that is so vital in employing a significant portion of our city's residents and supporting many local agricultural related businesses.

### Developing Available Land Inside the ULL is the Wiser Choice

The commercial corridors are not the only resource for future development. The existing ULL also includes 168 parcels beyond these corridors and within the current city limits that remain vacant or not developed to their full potential.<sup>25</sup> Many of these parcels adjoin each other, thereby providing opportunity sites for larger planned residential or mixed-use projects.

The existing ULL also extends beyond the city limits to include 620 acres of partially developed and marginal agricultural land in the Buena Vista area. There has been some controversy about this area located near the airport. In 2006 the Watsonville Pilots' Association and the Buena

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<sup>24</sup> City of Watsonville Housing Element-2015 Update, Chart 4.2, p. 72

<sup>25</sup> City of Watsonville Housing Element-2015 Update, Charts 4.3 and 4.4, pp. 72-73

Vista Neighborhood Association (BVNA) sued the City over its adoption of the Vista 2030 General Plan. Much of the litigants' concern was development within this part of the ULL. However, the Superior Court decision of March 21, 2008 requiring the City to rescind its approval of the Watsonville Vista 2030 Plan, does not mean the Buena Vista area cannot be wisely developed in the future for new lower density housing. The City should work with the Pilots' Association and the BVNA towards providing lower density housing in this area. In doing so, the City would provide a diversity of future housing choices to balance new homes built at higher densities within the city center and other neighborhoods within the current city limits.



This vacant 5.77 -acre parcel at 18 Eileen Ave. near the intersection of Holm Road and Main Street is a potential opportunity site for additional housing or a planned mixed-use project.

### The ULL Reduces the Costs for Public Services and Infrastructure

Directing new development inward rather than outward is a wiser fiscal choice for City taxpayers. New infill development can be served by existing infrastructure rather than building miles of new streets, sidewalks, sanitary sewers, storm sewers and water lines to serve outward sprawling development. While developers may be required to pay for the initial cost of installing this type of infrastructure to serve new development, City taxpayers will always be required to pay to maintain these facilities. In theory, new development generates additional taxpayers who will fund increased maintenance costs of new infrastructure. However, tax monies go a much longer way in maintaining infrastructure when it's in a compact form rather than a sprawled form because there is far less of it to maintain. Numerous studies have shown, outward growth will also cost more to fund City services, like police and fire protection, when these services must be provided over a wider geographic area than a more compact area.<sup>26</sup>

Renewing the City's existing ULL is critical to protect the surrounding farmland and wetland open spaces from development. But containing development within the ULL has several more benefits. It will save tax money by reducing public service and infrastructure costs. Our ULL will also provide the impetus to create a more vigorous and innovative community through building a diversity of housing types, integrating more homes with other types of uses that will allow less use of automobiles and generate more social interaction.

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<sup>26</sup> Carruthers and Ulfarsson, "Urban Sprawl and the Cost of Public Services", *Environment and Planning B: Planning and Design* 2003, volume 30, pages 503 ^ 522