



SANTA CRUZ
COUNTY
GRAND JURY

Grand Jury <grandjury@scgrandjury.org>

City of Watsonville Grand Jury Response for Housing Our Workers

'Suzi Merriam' via Santa Cruz Grand Jury <grandjury@scgrandjury.org>

Fri, Sep 1, 2023 at 1:48 PM

Reply-To: Suzi Merriam <suzi.merriam@watsonville.gov>

To: Grand Jury <grandjury@scgrandjury.org>, "Syda.Cogliati@santacruzcourt.org" <Syda.Cogliati@santacruzcourt.org>

Cc: "Denise S. Bazzano" <dbazzano@bwslaw.com>, "Samantha W. Zutler" <szutler@bwslaw.com>

To Whom It May Concern,

I want to extend our sincerest apologies for providing this past the August 31 due date. While this response was accepted by City Council on August 29, we failed to email it ahead of the deadline. Please let me know if you have any questions. Thank you.

Suzi

Suzi Merriam

CDD Director, City of Watsonville

831-768-3074



4) Housing our Workers - Watsonville Response.pdf

214K



The 2022–2023 Santa Cruz County Civil Grand Jury
Invites the
Director, Watsonville Community Development
to Respond by August 31, 2023
to the Findings and Recommendations listed below
which were assigned to them in the report titled
Housing Our Workers
Essential Workers Need Affordable Housing!

Responses are **invited** from appointed agency and department heads, appointed committees, and non-profit agencies contracted to the county which are investigated by the grand jury. You are not required to respond by the California Penal Code [\(PC\) §933\(c\)](#); if you do, [PC §933\(c\)](#) requires you to make your response available to the public.

If you choose to respond, your response will be considered **compliant** under [PC §933.05](#) if it contains an appropriate comment on **all** findings and recommendations **which were assigned to you** in the report.

Please follow the instructions below when preparing your response.

Instructions for Respondents

Your assigned [Findings](#) and [Recommendations](#) are listed on the following pages with check boxes and an expandable space for summaries, timeframes, and explanations. Please follow these instructions, which paraphrase [PC §933.05](#):

- 1. For the Findings, mark one of the following responses with an “X” and provide the required additional information:**
 - a. **AGREE with the Finding**, or
 - b. **PARTIALLY DISAGREE with the Finding** – specify the portion of the Finding that is disputed and include an explanation of the reasons why, or
 - c. **DISAGREE with the Finding** – provide an explanation of the reasons why.

- 2. For the Recommendations, mark one of the following actions with an “X” and provide the required additional information:**
 - a. **HAS BEEN IMPLEMENTED** – provide a summary of the action taken, or
 - b. **HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE** – provide a timeframe or expected date for completion, or
 - c. **REQUIRES FURTHER ANALYSIS** – provide an explanation, scope, and parameters of an analysis to be completed within six months, or
 - d. **WILL NOT BE IMPLEMENTED** – provide an explanation of why it is not warranted or not reasonable.

- 3. When your responses are complete, please email your completed Response Packet as a PDF file attachment to both**

The Honorable Judge Syda Cogliati Syda.Cogliati@santacruzcourt.org and

The Santa Cruz County Grand Jury grandjury@scgrandjury.org.

If you have questions about this response form, please contact the Grand Jury by calling 831-454-2099 or by sending an email to grandjury@scgrandjury.org.

Findings

F1. While all city and county planning departments have demonstrated a good understanding of the new State housing laws and the need to facilitate more housing, the failure to do so in a timely manner has served to further decrease the availability of housing and further increase the need and cost of more housing.

AGREE

PARTIALLY DISAGREE

DISAGREE

Response explanation (required for a response other than **Agree**):

With housing a priority at the state level, the state legislature has passed a slew of new housing regulations each year that require in-depth review and legal interpretation prior to local adoption. The City strives to adopt local ordinances that comply with state law as soon as possible, however we are cautious to wait to adopt regulations until we are confident that they follow the intent of state law.

This is partially why these state laws override local zoning control until such time that cities do adopt their own local ordinances in compliance with state regulations. For example, if a local jurisdiction has not updated their Density Bonus ordinance to comply with new state regulations, then a developer would simply utilize the state law rather than the local ordinance.

Finally, government does not build housing. The role of local government is to ensure that there is land available to build housing and to ensure that we have regulations that promote the development of quality housing for residents. We are dependent on private sector developers and property owners to build housing.

F12. While all local municipalities have voiced support for prioritizing housing for local workers, only some of them have clear local preference guidelines that give some priority to local workers. Without clear guidelines and incentives, new housing is more likely to be purchased by those who do not live and work here.

AGREE

PARTIALLY DISAGREE

DISAGREE

Response explanation (required for a response other than **Agree**):

The City provides local preference in the purchase of below-market-for-sale housing developments in Watsonville, because these projects do not utilize state or federal funding that would prohibit the practice. The Affordable Housing Program requires the creation of a lottery for the affordable units in a new subdivision, whereby tickets are given to those that:

1. Live in the City of Watsonville (1 ticket)
2. Work in the City of Watsonville (1 ticket)
3. Live and work in the City of Watsonville (3 tickets)

The City also requires local and bilingual marketing efforts. To the extent allowed by applicable law, developers are required to make reasonable efforts to sell affordable units to buyers who live or work within the Watsonville City limits. To the extent necessary to ensure compliance with State and Federal fair housing laws, developers are required to employ bilingual staff to market the affordable units and prepare and use bilingual sales and marketing materials for the affordable units.

The City also provides greater financial assistance to assist eligible homebuyers to purchase homes in the City of Watsonville in accordance with the requirements of the City of Watsonville's Affordable Housing Ordinance. Applicants must provide valid evidence that they reside and/or are employed within the Watsonville City limits at the time of loan application, to be eligible for the higher loan limits.

In addition, the City has local preference requirements for rental projects; to wit, affordable rental units shall be marketed exclusively to existing City of Watsonville residents for two (2) weeks before any marketing to other persons (Watsonville Municipal Code, Chapter 14-46.140(g)(4)); and for projects requiring a five (5%) percent set aside for Section 8 vouchers, those Section 8 units must first be made available to the County of Santa Cruz Housing Authority for at least one-month period from the date of marketing for a new unit ((Watsonville Municipal Code, Chapter 14-46.040(a)(1)).

For 100% affordable rental housing projects, preferences are dictated by the funding sources for the project. For instance, the Joe Serna Fund is earmarked for the provision of units for farmworkers, whereas there are other funds for kids aging out of foster-care, or housing for homeless. However, even in these projects, local preference is not allowed to be used because it is considered a discriminatory practice.

F13. All municipalities are trying to identify and facilitate the building of housing projects, but most of that is done independently of the other municipalities or with outside partners. Since workforce housing and transportation gridlock is a county-wide problem, all county municipalities need to work more closely together and with property owners to develop housing solutions.

AGREE

PARTIALLY DISAGREE

DISAGREE

Response explanation (required for a response other than **Agree**):

Planning staff have opportunities to regularly meet with planners from other jurisdictions through a variety of different agencies, including the Regional Transportation Commission (RTC), the Association of Monterey Bay Area Governments (AMBAG), the Housing for Health Partnership, and the Monterey Bay Economic Partnership (MBEP). AMBAG holds regular meetings for planning directors and senior planning staff. The Housing for Health Partnership is a county-wide collaboration of agencies focused on addressing homelessness. In addition, the planning directors from all Santa Cruz agencies meet several times a year to collaborate and share ideas. Ad-hoc collaboration occurs across agencies as well in an effort to share knowledge and best practices.

Santa Cruz County abuts the City of Watsonville, and there have been two affordable housing projects that the two agencies have coordinated to bring to fruition, known as Pippin 1 and Pippin 2. Pippin 1 was a 46-unit project that included 26 units in the County and 20 units in the City of Watsonville. Both jurisdictions had to coordinate permitting and inspection authority for the project, which the City annexed after completion. Pippin 2 is the 80-unit extension of this project built entirely within the County, however the City is expected to annex this project as well after completion. The project has been designed to meet City standards for streets, sidewalks, solid waste, etcetera, as the housing project will be ultimately serviced by the City.

Recommendations

R19. By the end of 2023 the city of Watsonville should demonstrate that they have reestablished regular meetings of a workgroup or other entity that would allow planners from all 5 county jurisdictions to share ideas on housing development and develop joint projects. (F13)

- HAS BEEN IMPLEMENTED** – summarize what has been done
- HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE** – summarize what will be done and the timeframe
- REQUIRES FURTHER ANALYSIS** – explain the scope and timeframe (not to exceed six months)
- WILL NOT BE IMPLEMENTED** – explain why

Required response explanation, summary, and timeframe:

As stated in R13, planning directors and staff regularly collaborate in a variety of regular and one-off meetings, through AMBAG, RTC, MBEP, Housing for Health, and on projects that involve multi-jurisdiction coordination, such as Pippin 1 and 2. Additionally, the planning directors for every jurisdiction in the county meet at least 5 times a year to collaborate and share information. Please note that state law requires that housing development applications be approved only by the jurisdiction in which they are located, and this prevents jurisdictions from developing joint projects outside of those described previously.

R20. By the end of 2023, the city of Watsonville should develop clear, measureable guidelines to ensure that local preference is given to local workers in the construction of low income housing. (F12)

- HAS BEEN IMPLEMENTED** – summarize what has been done
- HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE** – summarize what will be done and the timeframe
- REQUIRES FURTHER ANALYSIS** – explain the scope and timeframe (not to exceed six months)
- WILL NOT BE IMPLEMENTED** – explain why

Required response explanation, summary, and timeframe:

In 2002, the City of Watsonville adopted a local hiring ordinance (WMC Chapter 7-15) that requires contractors who receive City public works construction contracts in excess of \$600,000 to hire local residents. Under this regulation, at least 15% of each contractor’s construction workforce, including subcontractors, shall live within the boundary of the Pajaro Valley Water Management Agency. Additionally, at least 50% of the workforce must live within the Tri-County area (Santa Cruz, Monterey, San Benito).