



County of Santa Cruz

PLANNING DEPARTMENT

701 OCEAN STREET, 4TH FLOOR, SANTA CRUZ, CA 95060
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ALVIN D. JAMES, DIRECTOR

May 10, 2001

AGENDA: May 22, 2001

Board of Supervisors
 County of Santa Cruz
 701 Ocean Street
 Santa Cruz, CA 95060

AN EVALUATION OF LAND-USE, HOUSING, AND WATER RESOURCE POLICY ISSUES RAISED BY THE NEW WATSONVILLE CITY WATER POLICY

Members of the Board:

On December 5, 2000, your Board accepted a Progress Report On Ongoing Activities To Mitigate Overdraft in the Pajaro Valley. One section of that report pertained to policies limiting water connections in areas outside the City of Watsonville. Your Board may recall that on October 10, 2000, the City of Watsonville amended their water service policies in the unincorporated area of their service area and that implementation of the City's new policy raises concern for the County regarding land-use, housing, and water resource policy. As a result of the concern staff was directed return to your Board with an analysis of the impacts the City's amended policies may have upon County land-use policy and zoning. This report addresses the above matters and offers recommendations for your Board's consideration.

Background Information

The City of Watsonville's agenda item on Policies Limiting Water Connections in Areas Outside the City was first heard on September 26, 2000 and adopted on October 10, 2000. A copy of the City's staff report and the subsequent Resolution is included as Attachment 1.

The policy adopted by the Watsonville City Council would allow for water service to be provided to projects in the Urban Area of the unincorporated area if the project met the following criteria: 1) Minimum density of 12 dwelling units per acre; 25% Affordable; and consistent with City housing goals and affordability levels; 2) 100% Affordable Agricultural Worker Housing; 3) An accessory dwelling unit with deed restriction limiting occupant to 60% of County Median Income; and 4) Schools or Day Care with 25 or more students.

In the Rural Area of the unincorporated area, the City Council adopted their staffs recommended policy wherein water service would be provided to projects meeting the following criteria: 1) An Accessory Dwelling Unit with deed restriction limiting occupant to 60% of County Median Income provided that the

parcel contains an existing primary residence with a City water connection; 2) a 100% Affordable Agricultural Worker Housing; and 3) Schools or Day Cares with 25 or more students.

Analysis Of Vacant Lots In The Unincorporated Area

In order to determine the effects of the City of Watsonville's water restrictions on potential development, a listing of all of the vacant lots was prepared by the Department's GIS staff, including the parcel size, General Plan designation, zoning and whether the property was inside or outside the Urban Services Line (USL) for each property. Staff examined each parcel to determine the development potential with access to City of Watsonville water and without City of Watsonville water. Where there was a potential for more than one dwelling on the property, staff determined the potential number of units based on the gross parcel size, without subtracting non-developable land, such as those parcels with slopes greater than 30% inside the USL.

Of the 257 vacant lots identified in the City of Watsonville water service area, staffs analysis revealed the following:

- * 32 lots were unbuildable regardless of the source of water
- * 32 lots are in the process of building and, therefore, have approved water service
- * between 103 and 121 dwellings could be built on existing vacant parcels regardless of the source of water (all outside the USL)
- * 23 1 dwelling units cannot be built as a result of the water service restriction by the City of Watsonville (195 potential urban units; 36 potential rural units)

No estimates have been made of the number of housing units which could be built (or not built due to the water service restrictions) on parcels which are "under-utilized" under the current zoning (e.g. parcels which have a residence but have the potential for additional residences under existing General Plan and zoning designations). In addition, no estimate has been made regarding the number of accessory dwelling units that would not be allowed due to the water service restrictions within the service area.

The existing General Plan land use designation for the residential areas within the Urban Services Line include the following:

Residential-Urban Medium (7.3 to 10.8 units/acre)

Residential-Urban Low (4.4 to 7.2 units/acre)

Residential- Urban Very Low (1 .0 to 4.3 units/acre)

In order to meet the City's water service policy (12 units/acre and 25% affordable), the 79 vacant parcels inside the USL would all have to be re-designated as Residential-Urban Medium, (7.3 to 10.8 units/acre) and zoned as either R-1-4 (single family residential, 4000 square feet per dwelling) or RM-4 (multi-family residential, 4000 square feet per unit). The R-1-4 and RM-4 zoning is equal to 10.8 units per acre, but with the required density bonus for projects with greater than 20% affordable units, the resulting density would exceed 12 units/acre. This would allow for an additional 330 dwelling units over that allowed under the existing General Plan land use designations and zoning.

Evaluation Of Impacts

The primary impacts of Watsonville's amended service policy would be a "de facto" moratorium within the urban services area of the unincorporated area; the proliferation of private wells within the rural area of the unincorporated area; and no recognized program to mitigate demand caused by the development of the vacant lots.

"de facto" Moratorium In The Urban Services Area

The guidelines for public facilities found in Objective 2.2 of the General Plan seek to achieve patterns of development compatible with the availability of required public facilities and services. **Policy 2.2.1** specifically states, "Maintain minimum standards for public facilities and services availability for development projects. Proposed General Plan and Local Coastal Plan amendments shall comply with these standards without exception." The matrix on Figure 2.1, Facility Standards for New Development and General Plan and Local Coastal Program Amendment, specifically requires public water for parcels with Residential land use designations of Urban Very Low, Urban Low, Urban Medium, and Urban High. The Suburban residential designation requires public water for all parcels less than 2.5 acres. A copy of the above Objective, Policy, and Figure is included-as Attachment 2.

The vacant parcels in the urban services area require public water to develop. Without a "will serve" letter, the County cannot issue a building permit or process an application for development at any density. Well permits cannot be obtained for those urban parcels because of the existing General Plan policies. Because of the impacts of the City's action on current County policies, applicants are confronted with a "de facto" moratorium within the Urban Services Area.

Proliferation of Private Wells

Staff analysis indicated that between 103 and 121 dwelling units could be built on existing vacant rural parcels regardless of the source of water. It can be assumed that these parcels require private wells to obtain a water supply. No formal monitoring program exists to analyze water quality over time for individual wells. It can be further assumed that any proliferation or potential clustering of new wells will also alter the basin's existing pumping patterns which are already problematic.

The potential for a proliferation of new private wells is of concern to County staff. This was stated in the December 5, 2000 progress report. Paraphrasing from that report, "Your Board should note that new drinking water wells which serve individual, developing parcels are neither subjected to the provisions of the City's Water Use Reduction Program, nor are they monitored, after the initial well installation, for drinking water quality, especially nitrates". Elevated levels of nitrate are detected in groundwater throughout the basin. Approximately one third of the wells which are monitored exceed drinking water standards for nitrates. Individual wells are vulnerable to the nitrate problem and do not receive routine sampling of their water quality. It is anticipated by staff that addressing and resolving the nitrate problem will become a larger issue over time.

No Recognized Program To Mitigate Demand

Your Board adopted Resolution #67-92, Resolution Regarding Problems Associated With Groundwater

Overdraft In The Pajaro Valley Groundwater Basin, on February 13, 1992. It was resolved in that resolution to oppose any further intensification of water use from this basin without measures to mitigate the cumulative impacts and to utilize the City's program to mitigate impacts from projects serviced by City water in the unincorporated area. A copy of Resolution No. 67-92 is included as Attachment 3.

One last point regarding new private wells is that present County policy uses CEQA to evaluate any new well which serves more than two connections. Presumably a new well with more than two service connections will receive some mitigation directed at conserving water. Environmental Health staff do not require CEQA analysis for a new drinking water well with one or two service connections, therefore no mitigation is required for any new private, individual drinking water well. As the City is no longer providing water service in the unincorporated area, a new method for mitigating new demand will be necessary.

The Water Resources Manager has been discussing this matter with the General Manager of the PVWMA. If your Board approves of the idea, staff will, therefore, formalize ongoing discussion with the PVWMA about creating an impact fee for developing lots in the unincorporated area. It is envisioned that the program would be established by the PVWMA and that they would administer and utilize these funds to help finance water supply development and to expand conservation programs that serve residents within PVWMA's jurisdictional area. A recommendation is offered for your consideration on this matter.

Legal Issues

Staff has conferred with LAFCO on the revisions to water service. Since the service area was not established by LAFCO, the area is considered a locally defined area with local rules that allow service beyond the City boundaries and is not subject to enforcement through LAFCO.

Staff also inquired whether the environmental review was sufficient to support the amended service plan. The City's staff report indicates that a negative declaration was prepared for the "project". County staff has not seen the negative declaration, and we are uncertain whether the requirements of CEQA have been satisfied concerning the City's action to amend its' water service policy. County Counsel is in the process of reviewing the City's authority to regulate service connections and the obligations of the City to provide service throughout the service area. A further report will be provided on these issues on August 7, 2001.

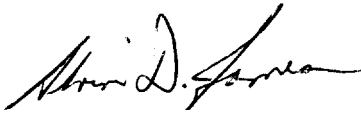
Staff has discussed the City's amended policies with City staff on several occasions. Discussions with City staff indicate that their Council is resolved to maintain the new policy.

It is therefore RECOMMENDED that your Board:

- 1) Accept and file this Evaluation Of Land-Use, Housing, And Water Resource Policy Issues Raised By The New Watsonville City Water Policy; and
- 2) Direct the Water Resources Manager to formalize discussions with the Pajaro Valley Water Management Agency about establishing an impact fee administered by and utilized by the PVWMA to help finance water supply development and to expand conservation programs to mitigate new water demands associated with the development of vacant lots within the PVWMA's jurisdictional area.

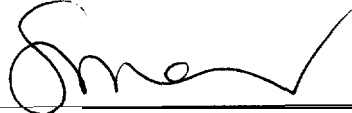
- 3) Direct County Counsel to return on August 7, 2001 with an analysis of the legal issues associated with this matter.

Sincerely,



ALVIN D. JAMES
Planning Director

RECOMMENDED



SUSAN A. MAURIELLO
County Administrative Officer

Blc/WRM01-02

- Attachments: 1) City of Watsonville staff report and Resolution on Policies Limiting Water Connections In Areas Outside the City.
2) County of Santa Cruz General Plan Objectives, Policies and Public Facility Standards for New Development.
3) Resolution No. 67-92, Resolution Regarding Problems Associated With Groundwater Overdraft In The Pajaro Valley Groundwater Basin.

cc: City of Watsonville
Pajaro Valley Water Management Agency
Environmental Health Services

Endorsed for presentation to the City Council

MEMORANDUM

City Manager

ATTACHMENT I

DATE: September 12, 2000

TO: Carlos J. Palacios, City Manager

FROM: *JD* John Doughty, Community Development Director
David Koch, Public Works and Utilities Director *DAK*

SUBJECT: Policies Limiting Water Connections In Areas Outside the City

AGENDA ITEM: September 26, 2000 City Council

Phone # 728-6005

From CITY CLERK

To BRUCE HACHELBERG

10/21/00 5

RECOMMENDATION

It is recommended that the City Council adopt the resolution approving policies, included as Exhibit A to the ~~resolution~~, limiting water connections in areas located outside the City limits, **but** within the City's water service area **and** adopting the Negative Declaration prepared for the project.

BACKGROUND

The **Watsonville 2005** General Plan includes an element **entitled** -Growth and Conservation **Strategy**". Contained within this element are Goals and Policies to encourage orderly growth (Goal **3.1**), containment of urban development (Goal **3.2**), foster continuation of agricultural land use (Goal **3.3**) as well as a specific policy. Policy **3.A**, directing the City to focus efforts on city-centered **development**. In addition, implementation measures **3.A.1** through **3.A.5** contain specific implementation strategies that include utilizing utility connections as a means to **encourage city-**centered development strategies.

On **April 25, 2000**, the City Council approved a contract for **the** reconstruction of the sewer mains at Pajaro Dunes, a project located **outside** of the **City**, but within the sewer service area. Concerns were **raised** that the City was devoting excessive resources to the provision of utilities outside the City to the detriment of the present and future City **residents**. The City Council requested that staff return with a report on the City's provision of utility **services** outside of the City to **allow** for a more informed **discussion** and debate.

On **June 13, 2000**, staff presented its report to the City Council. Various aspects of utility service were **presented** to the Council. Additionally, staff discussed the related land use issues including whether **the** City's provision of utilities (water) was a hindrance **to** the City's city-centered growth **policies**. Following the presentation, the City Council directed staff to return **to** the Council with policies to **address** the Limitation of water **connections** outside of City limits.

DISCUSSION

At the **request** of the City Council, staff prepared draft policies to establish under which conditions the **City** will provide water **services** to a **project** outside the City. During the Council discussions, it was indicated that the policies should encourage an increase in densities in urban service areas, result in **the** provision of affordable housing and discourage continued **low** density sprawl. While there was **no** specific direction given relative to schools and **day** care facilities, General Plan policies and the **Strategic Plan** **acknowledge** the **need** to provide **additional** facilities in the community. The

ATTACHMENT 1

draft policies were developed in consideration of these policies and Council directives as follows:

I. County Designated Urban Areas

Overview: Objective 1 and the accompanying policies limit water connections within County designated Urban Areas to deed restricted accessory dwellings, affordable projects with a density of at least 12 units per acre, to agricultural worker housing and certain institutional uses such as day care facilities and schools.

There are currently three areas designated as Urban Areas in the County General Plan (also included are a few individual parcels adjacent to the City). These areas are located in the area adjoining the Watsonville Airport and Pajaro Lane area, Salsipuedes area and Green Valley Road area (see Exhibit B). These areas are currently served by City water and are located in County sanitation districts. The only limitation to the implementation is the willingness of the County to amend its general plan to accommodate the increased density.

II. County Designated Rural Areas

Overview: Objective 2 and the accompanying policies limit water connections within the Rural Areas to deed restricted accessory dwellings, to agricultural worker housing and certain institutional uses such as day care facilities and schools.

Comment: The Rural Area designation applies to those lands designated agricultural, mountain residential, rural residential or suburban by Santa Cruz County. Included in this designation is the community of Corralitos and adjoining areas. The Corralitos area is currently served by City water or individual wells. Dwellings throughout the Rural Area are primarily sewered by use of individual sewer disposal systems (ISDS-septic systems). The areas are as the designation implies, rural and distant to basic public services such as sewer, libraries or transit. Other than for the provision of agricultural worker housing, the area is not appropriate for significant density increases. The policies have been developed to recognize these limitations and are designed to discourage the further division of land. Based on current policies, the minimum parcel size, with an ISDS and private well would increase from 1 acre minimum to 2.5 acres minimum. However, the vast majority of the area is designated as agriculture with a minimum parcel size of approximately twenty (20) acres; regardless of whether connected to community water.

III. Existing "Water Availability" Letters

Overview: Prior to the issuance of a building permit or approval of a map dividing lands, the owner must provide evidence that water is available for the project. For projects located in the water service area, the City has issued a "water availability" letter to be used as documentation that the City will serve the project. Objective 3 and the accompanying policies address the expiration of existing water availability letters for properties outside the City limits.

Comment: There are twenty-three valid "water availability" letters ranging from 1997 to April, 2000. As a rule, an expiration date was placed on the letters; however, these letters clearly state that the letter provides no contractual obligation on behalf of the City to provide water service. Staff is recommending that the City Council recognize these existing letters as property owners have made varying expenditures to date in reliance upon the commitment of the City to serve. The draft policies do recommend that an expiration date be provided for each as December 28, 2001; providing in excess of eighteen (18) months from the June hearing to inaugurate the project. Staff considered establishing a varying expiration date based on the issuance date, but for ease of administration and equity, it is being recommended that the single expiration date be established.

ATTACHMENT 1

In addition, the City has received an additional half dozen requests since the June 13, 2000 City Council meeting requesting water service. Staff recommends that these requests be considered in accordance with the new water policies.

IV. Continuing Dialogue With Santa Cruz County

Overview: Objective 4 and the accompanying policies direct the staff to continue to work with and through Santa Cruz County to address city-centered development ideals within the Pajaro Valley and on a Countywide basis. As Santa Cruz County represents the governing authority for the area, continued dialogue is critical for the ultimate implementation of city-centered development principles.

Comment: Staff provided copies of the policies to the Santa Cruz County Planning Department for their review and comment. In addition, staff met with the Planning Director to review the policies and to discuss overall land use issues as directed by City Council. Santa Cruz County staff indicated that they are concerned about the policies' impact on basin overdraft, water quality and limited impact on development activity in the Pajaro Valley. It was also indicated that the significant land use issues, such as those being addressed under the policies, would not likely be considered by County staff until the General Plan Update process likely to begin within the next twelve to eighteen months. It has also been identified that the policies, in combination with existing County policies relative to individual wells may negatively impact some existing smaller lots of record.

Conclusion

The draft policies have been created on the basis of City Council direction provided on June 13, 2000. The policies reflect what staff consider as reasonable, viable and attainable in keeping with the General Plan goals of city-centered development.

FINANCIAL IMPACT

Adoption of the policies will have a minimal impact to the City's Water Enterprise given the historical new connection data. If successful: however, the policies could result in additional dwelling units and connection fees associated with increased density within urban portions of the unincorporated City water service areas. Regardless of the action taken by the City Council, the Water Enterprise will serve existing customers and maintain existing water infrastructure outside of the City.

ALTERNATIVE

The City Council may, based on public comment, modify portions of the proposed policies to more appropriately reflect community issues and concerns.

ATTACHMENT(S)

- 1. Watsonville 2005 General Plan Excerpts

cc. City Attorney

Watsonville 2005

ATTACHMENT I

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GROWTH AND CONSERVATION STRATEGY, Chapter 3

greenbelt in previously developed areas at the edge of a city there may be no greenbelt along portions of the urban limit line. At the time of development of partially developed areas within the city, or at the time of redevelopment, setbacks from creeks or the Pajaro River may fulfill some of the purposes of the greenbelt and therefore be designated as greenbelt. The urban limit line and land use designations for lands within the urban expansion area are shown on the General Plan Land Use Diagram

SPHERE OF INFLUENCE

A Sphere of Influence (SOI) defines land eligible for annexation to a City Annexation occurs with the consent of the City and the Local Agency Formation Commission (LAFCO). Since 1983, when the Sphere of Influence was established, virtually all of the city's growth was accommodated within existing city boundaries by building on vacant land and replacing single-family houses with apartments and condominiums. Watsonville has not extended its SOI since it was established in 1983. In 1992, it is clear that the City is running out of land sufficient to meet the needs of its future population and therefore will apply to LAFCO for an amendment to its SOI so the new Sphere boundary will coincide with the city's urban limit line.

THE PHASING OF GROWTH

Within the urban limit line, development will proceed in a compact, logical manner. Prior to development of large areas annexed to the city, after June 1994, specific plans shall be adopted consistent with implementation measures 4.A.5, 4.A.6, and 4.P.8. These plans shall include mechanisms for the phasing of development and provision of public services.

GOALS FOR GROWTH AND CONSERVATION

The following goals, policies, and implementation measures are intended to provide a framework for the management of growth within the existing city and the urban limit line. Guide...

for the area within the Planning Area boundary beyond the city. The guidelines are intended to act as a framework for the City's comment to the County on various proposals.

* Goal 3.1 Orderly Growth

Provide for orderly urban development that respects existing community character and provides for a clear separation between urban and agricultural land uses.

* Goal 3.2 Containment of Urban Development

Discourage urban sprawl by maintaining a well-defined boundary to contain urban development.

* Goal 3.3 Agricultural Land Use

Foster the continuation of agriculture in the Pajaro Valley.

POLICIES AND IMPLEMENTATION MEASURES

* Policy 3.A City-Centered Development

Urban development in the Watsonville Planning Area should take place under the City's jurisdiction.

Implementation Measures

3.A.1 Governmental Cooperation -The City shall work with Santa Cruz and Monterey Counties to establish mutually reinforcing goals of city-centered development to prevent the intrusion of rural residential uses and urban development into agricultural lands which are historically important to Watsonville's local economy and character.

Since annexation of Pajaro to Watsonville is not currently allowed under state law, development of those lands should be limited to infill by Monterey County. Urban expansion into lands adjacent to the boundary of Pajaro should not be permitted.

Watsonville 2005

ATTACHMENT 1

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3-A-2 Governmental Regulation – The City shall **strongly support regulatory** measures to **require** city-centered **development** and to maintain the **city's** distinct character, which **includes the agricultural** land **surrounding** the **city's** urban limit line in the **Watsonville Planning Area**.

with, subdivision or other development approvals. Areas include:

- **Northwest (Buena Vista/Calabasas)**, as **modified** by **Implementation Measure 4.A.5**
- **Atkinson Lane**
- **Riverside**

3.A.3 Utility Extension and Annexation-The City shall **fully utilize its powers** of utility extension and annexation to support its policies of **city-centered** development and maintaining agriculture and open space **surrounding** the **urban** limit line-

3.B.4 Unbuildable Land – **Annexation** of lands unsuitable for urban development (e.g., **excessive slope**) shall **not** be **permitted** unless the lands are used as **greenbelt** and/or designated **environmental** management.

3.A.4 Urban Services – The City shall **set** priorities for providing **urban services**. New development in the **city** shall receive **highest priority**.

3.B.5 **Annexation** of Land in an Adjacent County – The City shall **urge** the state **legislature** to adopt **legislation** **permitting** cities to **annex** **unincorporated, urbanized** land **contiguous** with a **city**, but in a **different county**.

3.A.5 **Adequate Supply of Land For Urban Needs** -The City shall **seek** an expansion of its **Sphere of Influence** to coincide with the **city's** designated **urban** limit line.

Policy 3.C Urban Limit Line

The City shall establish an urban limit line to contain urban development.

Policy 3.B Annexation

The City shall pursue annexation of undeveloped and underdeveloped land between the City limit boundary and the urban limit line.

Implementing Measures

Implementation Measures

3.B.1 **Sphere Adjustment** – The City shall **petition** **Local Agency Formation Commission (LAFCO)** to **amend the** Sphere of Influence to coincide with the urban limit line. It is **intended** that the **area** shown on **Figure 4-7** be added to the Sphere of Influence.

3X.1 **Urban Limit Line Location** – To the extent possible, the urban limit line shall follow parcel **boundaries**. However, the urban limit line may **follow** physical **features** such as slope, floodplain, wetlands, **groundwater recharge areas** and **creeks** and other **boundaries** that better **serve** the purposes of the urban **limit** line.

3.B.2 **Phasing of Development** -Where large parcels of land are **annexed at the same time** in order to **provide** coordinated and **comprehensive** planning for **infrastructure improvement**, actual development shall **proceed** according to the phasing **schedule** in the **SIX-cific** plan for the **area**.

The location of the urban limit line has **been based** on **practical considerations** such as: the **size of pads**, **location** of lot lines, existing **development** at **urban densities**, **environmentally sensitive areas**; and other **natural** features such as the **Corralitos Creek**, **Sal-sipuedes Creek**, **Pajaro River**, sloughs, and **topography**.

3.B.3 **Specific Plan Approval** – he following **areas**, shown in **Figure 4-11**, shall require a **specific** plan approval prior to, or concurrent

3.C.2 **County Cooperation** -The City shall **participate** in the **revision** of the **Santa Cruz** and **Monterey County General Plan3** and other planning efforts in the **Watsonville Planning Area**. The City shall encourage both Coun-

WATER CONNECTION LIMITATIONS ALTERNATIVES

URBAN AREAS

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CITY OF WATSONVILLE

PAGE 02

Recommended Policy

Alternative No. 1

Approved
Alternative No. 2

Alternative No. 3

Water connections to be provided to projects meeting the following:

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Water connections to be provided to projects meeting the following:

1) Min. density of 12 du/acre; 100% Affordable; and Consistent with City housing goals and affordability levels

1) Min. density of 12 du/acre; 50% Affordable w/in the City's Sphere of Influence; 100% Affordable outside of the City's sphere of influence; and Consistent with City housing goals and affordability levels

1) Min. density of 12 du/acre; 25% Affordable; and Consistent with City housing goals and affordability levels,

1) A principal residence on an existing lot of record.
** No service, will be provided to a parcel created by a division of land tentatively approved after June 12, 2000

2) A 100% Affordable Agricultural Worker Housing

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3) An Accessory Dwelling Unit w/deed restriction limiting occupant to 60% of County Median Income

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4) Schools or Day Cares with 25 or more students

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WATER CONNECTION LIMITATIONS ALTERNATIVES

RURAL AREAS

ADOPTED

Recommended Policy

Water connections to be provided to projects meeting the following:

- 1) An Accessory Dwelling Unit w/deed restriction limiting occupant to 60% of County Median income provided that the parcel contains a an existing primary residence with a City water connection
- 2) A 100% Affordable Agricultural Worker Housing
- 3) Schools or Day Cares with 25 or more students

Alternative No. 1

Water connections to be provided to projects meeting the following:

- 1) A principal residence on an existing legal lot of record provided an access&y dwelling unit w/deed restriction limiting occupant to 60% of County Median Income is constructed concurrently **
** No service will be provided to a parcel created by a division of land tentatively approved after June 12, 2000
- 2) A 100% Affordable Agricultural Worker Housing
- 3) Schools or Day Cares with 25 or more students

Alternative No. 2

Water connections to be provided to projects meeting the following:

- 1) Any property owner in receipt al a water availability letter issued after June 12, 2000 */**/**
* City Council to provide property owners ___ days following adoption of policies to submit written request far water service
** expiration of letter on 12/28/01
• l' one letter per legal lot of record
- 2) A 100% Affordable Agricultural Worker Housing
- 3) An Accessory Dwelling Unit w/deed restriction limiting occupant to 60% of County Median Income
- 4) Schools or Day Cares with 25 or more students

Alternative No. 3

Water connections to be provided to projects meeting the following:

- 1) A principal residence on an existing legal lot of record **
• ' No service will be provided to a parcel created by a division of land tentatively approved after June 12, 2000
- 2) A 100% Affordable Agricultural Worker Housing
- 3) An Accessory Dwelling Unit w/deed restriction limiting occupant to 60% of County Median Income
- 4) Schools or Day Cares with 25 or more students

07/11/2000 07:53 4087634065 CITY OF WATSONVILLE

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ATTACHMENT 2
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ATTACHMENT 1

Date 3/22/01
 To BRUCE LAUERBAUM
 From LUDIA
 Phone 728-6005
 Fax 728-6005

ATTACHMENT 1

0407

RESOLUTION NO. 279-00 (CM)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE ESTABLISHING THE 'OUTSIDE OF WATSONVILLE WATER CONNECTIONS, GOALS, OBJECTIVES, AND POLICIES' FOR URBAN AREAS

WHEREAS, on September 26, 2000, the Council adapted Resolution 269-00 (CM) approving Objective 3 and Policies 3.1 and 3.2 Of the "Outside of Watsonville Water Connections, Goals, Objectives and Policies"; and

WHEREAS, a decision af all other Objectives and Policies vvas deferred for later consideration; and

WHEREAS, Council has been provided additional information necessary for proper consideration and deliberation On the remaining issues.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATSONVILLE, CALIFORNIA, AS FOLLOWS:

1. That Policies 3.1 and 3.2 Of Objective 3, previously approved by Resolution 269-00 (CM) are hereby affirmed.
2. That the Council finds that the Policies as to urban areas implement and further the goals, policies, and implementing measures of the *Watsonville 2005 General Plan* and in particular Chapter 3.
3. That the two (2) page Outside of Watsonville Water Connections, Goals, Objectives, and Policies ("Policies") as to urban areas, a copy of which is attached hereto and identified as Exhibit "A," is hereby adopted.

ATTACHMENT 1

The foregoing resolution was introduced at a regular meeting of the Council of the City of Watsonville, held on the 21st of October, 2000, by Council Member Lopez, who moved its adoption, which motion being duly seconded by Council Member Rios upon roll call carried and the resolution adopted by the following vote:

AYES:	COUNCIL MEMBERS:	Carter, Lopez, Phares, Rios
NOES:	COUNCIL MEMBERS:	Bobeda, Doering-Nielsen, Gomez
ABSENT:	COUNCIL MEMBERS:	None



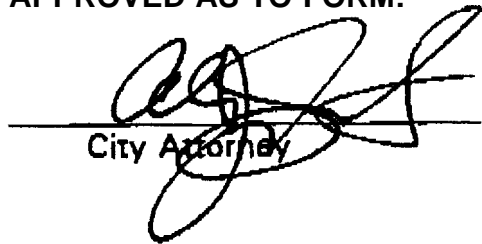
Oscar Rios, Mayor

ATTEST:



City Clerk

APPROVED AS TO FORM:



City Attorney

OUTSIDE CITY OF WATSONVILLE WATER CONNECTIONS 0409

GOALS, OBJECTIVES AND POLICIES

On June 12, 2000, the City Council of the City of **Watsonville** directed staff to prepare policies relative to the **limitation** of **future** water connections and **water** main extensions to serve **parcels** located outside of the City of Watsonville. The following policies are provided in response to the Council's directive.

GOAL. To encourage the **development** of affordable housing **opportunities** in the unincorporated portions of **the Pajaro** Valley, discourage non-city centered development and to protect water resources for **future** City residents and businesses

OBJECTIVE 1. Adopt policies that encourage and enhance the development of more dense and affordable dwelling units **within** Santa **Cruz** County designated **urban areas** located within the City's water service **area**.

Policy 1.1. **Water** connection may be provided to an existing parcel of land containing an existing single **family** residence for an accessory dwelling unit provided that.

- a. The unit is deed restricted as affordable for a family **making no** more than 60% of the **County** median income, and
- b. The parcel **fronts** an existing **water** main

Policy 1.2: Water connection(s) and extensions may be provided to a parcel to serve new development provided that

- a. **The project** has a net density of at least **12** dwelling **units** per **acre**, and
- b. The project is a minimum **25** percent affordable; and
- c. The project is consistent with City housing goals and policies and **affordability limits**; or
- d. The **project** is **100-percent** agricultural **worker** housing which may include individual dwelling **units** and/or dormitory type facilities

Policy **1 3** Water connections, main extensions and expanded services may be provided **to** parcels containing or proposing to be developed as a private or **public** school or a day care facility with a capacity of 25 children or more

OBJECTIVE 2. Adopt policies **which** discourage the non-city centered development **patterns** in the Santa **Cruz** County designated **rural** areas located within the City's water service area

Policy 2.1. Water connection may be provided **to** an existing parcel of land **containing** an **existing** single **family** residence for **an accessory** dwelling unit provided that;

- a The unit is deed restricted as affordable for a **family making** no more than 60% of the County median income; and
- b The parcel **fronts** an **existing** water **main**.

Policy 2.2: Water **connection(s)** and main **extension(s)** may be provided **to** a **parcel** to **serve** new development provided **that** the project is 100 **percent agricultural worker** housing **which** may include individual **dwelling** units and/or **dormitory** type facilities.

Policy 2.3. **Notwithstanding** Policy 2.1 and 2 2 above, no water connection or main **extension will** be provided to any existing parcel or proposed division of land

Policy 2.4: **Water** connections, **main** extensions and expanded services may be provided to parcels containing or **proposing to** be developed as a private or public school or a **day** care facility with a **capacity** of **25** children of more

OBJECTIVE 3 : To recognize and place **limitations** on the **current** issued "water availability" letters and building permits.

Policy 3.1: All "**water availability**" letters issued prior to June 12, 2000, will expire at **5:00 P.M.**, December**28, 2001**

Policy 3.2. Building permits **requiring** water **connection**, issued prior to June 12, 2000, will be honored provided **that** the building permit remains valid and current

OBJECTIVE 4 : To continue dialogue with Santa Cruz County to influence land use and zoning changes in the **Pajaro** Valley and on a **Countrywide** basis

Policy 4.1: City **staff will** continue to meet with **Santa Cruz County staff** on a **regular** basis to discuss growth and **development** related issues and in particular those related to city-centered **development**.

Policy 4 2: City **staff will monitor** development activity in the area **and**, where provided by law, make appropriate comments as to the project's consistency **with the** policies

Policy 4.3. City **staff will** participate in the upcoming County General Plan update and **EIR** process

RESOLUTION NO. 278-00 (CM)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE ESTABLISHING THE “OUTSIDE OF WATSONVILLE WATER CONNECTIONS, GOALS, OBJECTIVES, AND POLICIES” FOR RURAL AREAS

WHEREAS, on September 26, 2000, the Council adopted Resolution 269-00 (CM) approving Objective 3 and Policies 3.1 and 3.2 of the “Outside of Watsonville Water Connections, Goals, objectives and Policies”; and

WHEREAS, a decision of all other Objectives and Policies was deferred for later consideration; and

WHEREAS, Council has been provided additional information necessary for proper consideration and deliberation on the remaining issues.

NOW, THEREFORE, BE IT **RESOLVED** BY THE CITY COUNCIL OF THE CITY OF WATSONVILLE, CALIFORNIA, AS FOLLOWS:

1. That Policies 3.1 and 3.2 of Objective 3, previously approved by Resolution 269-00 (CM) are hereby affirmed.
2. That the Council finds that the Policies as to rural areas implement and further the goals, policies, and implementing measures of the *Watsonville 2005 General Plan* and in particular Chapter 3.
3. That the two (2) page Outside of Watsonville Water Connections, Goals, Objectives, and Policies (“Policies”) as to rural areas, a copy of which is attached hereto and identified as Exhibit “A,” is hereby adopted.

ATTACHMENT 1

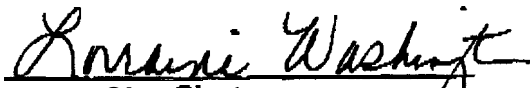
0412

The foregoing resolution was introduced at a regular meeting of the Council of the City of Watsonville, held on the 10th day of October, 2000, by Council Member Lopez, who moved its adoption, which motion being duly seconded by Council Member Rios upon roll call carried and the resolution adopted by the following vote:


AYES:	COUNCIL MEMBERS:	Carter, Gomez, Lopez, Phares, Rios
NOES:	COUNCIL MEMBERS:	Bobsda, Doering-Nielsen
ABSENT:	COUNCIL MEMBERS:	None


 Oscar Rios, Mayor

ATTEST:


 City Clerk

APPROVED AS TO FORM:


 City Attorney

OUTSIDE CITY OF WATSONVILLE WATER CONNECTIONS

0413

GOALS, OBJECTIVES AND POLICIES

On June 12, 2000, the City Council of the City of **Watsonville** directed staff to prepare policies relative to the limitation of future water connections and water **main** extensions to serve parcels located outside of the **City** of Watsonville. **The** following policies are provided in response to the Council's directive

GOAL: To encourage the development of **affordable** housing opportunities in the unincorporated portions of **the Pajaro** Valley, discourage non-city centered development and to protect water resources for future City residents and businesses.

OBJECTIVE 1: Adopt policies that encourage and enhance the development of more dense and **affordable dwelling** units within Santa **Cruz** County designated **urban** areas located within the City's water service area.

Policy 1.1: Water connection may be provided to an existing parcel of land containing an existing single **family** residence for an accessory dwelling unit provided that:

- a. The unit is deed restricted as affordable for a **family** making no more than 60% of the County median income; and
- b. The parcel **fronts** an existing water main.

Policy 1.2. Water **connection(s)** and **extensions** may be provided to a **parcel** to serve new development provided **that**:

- a. The **project** has a net density of at least **12** dwelling **units** per acre; and
- b. The project is a minimum 25 percent **affordable**; and
- c. The project is **consistent** with City housing goals and policies and affordability limits, **or**
- d. The project is **100-percent** agricultural worker housing **which** may include individual dwelling units and/or dormitory **type facilities**.

Policy 1.3. Water connections, **main** extensions and expanded services may be provided to parcels containing or proposing to be developed as a private or public school or a day care **facility** with a capacity of 25 **children** or more.

ATTACHMENT 1

OBJECTIVE 2: Adopt policies which discourage the non-city centered development patterns in the Santa Cruz County designated *rural* areas located within the City's water service area. 0414

Policy 2.1: Water connection may be provided to an existing parcel of land containing an existing single family residence for an accessory dwelling unit provided that:

- a The unit is deed restricted as affordable for a family making no more than 60% of the County median income; and
- b The parcel fronts an existing water main

Policy 2.2: Water connection(s) and main extension(s) may be provided to a parcel to serve new development provided that the project is 100 percent agricultural worker housing which may include individual dwelling units and/or dormitory type facilities.

Policy 2.3: Notwithstanding Policy 2.1 and 2.2 above, no water connection or main extension will be provided to any existing parcel or proposed division of land.

Policy 2.4: Water connections, main extensions and expanded services may be provided to parcels containing or proposing to be developed as a private or public school or a day care facility with a capacity of 25 children or more.

OBJECTIVE 3: To recognize and place limitations on the current issued "water availability" letters and building permits.

Policy 3.1: All "water availability" letters issued prior to June 12, 2000, will expire at 5.00 P.M., December 28, 2001

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Policy 4.1: City staff will continue to meet with Santa Cruz County staff on a regular basis to discuss growth and development related issues and in particular those related to city-centered development.

Policy 4.2: City staff will monitor development activity in the area and, where provided by law, make appropriate comments as to the project's consistency with the policies.

Policy 4.3: City staff will participate in the upcoming County General Plan update and &JR process.

Objective 2.2 Public Facilities Guidelines

(I.CP) To achieve **patterns** of development compatible with the availability of required public facilities and **services**.
(See chapter 7: **Parks, Recreation & Public Facilities**)

Policies

2.2.1 Public Facility Standards for New Development

(I.CP) Maintain minimum standards for public facilities and **services** availability for development projects. Proposed General Plan and Local Coastal Program amendments shall comply with these standards without exception.
(See Figure 2-1.)

Figure 2-1 Facility Standards for New Development and General Plan and Local Coastal Program Amendments										
Residential Designation	Maximum Response Time from Fire Station	Rural Road Standards	Urban Road Standards	Public Water	Public Sewer ④	Within the Urban Rural Boundary		Near Neighborhood, Community or Regional Commercial	Near Mass Transit	Access onto Collector or Arterial Streets
						USL	RSL			
Mountain	20 min. ①	✓								
Rural	20 min. ①	✓								
Suburban	20 min. ①	✓		✓ ③						
Urban Very Low	②		✓	✓	✓	✓	✓			
Urban Low	②		✓	✓	✓	✓	✓			
Urban Medium	②		✓	✓	✓	✓		✓	✓	✓
Urban High	②		✓	✓	✓	✓		✓	✓	✓
①		If response time exceeds 20 minutes, development may only take place at lowest General Plan and LCP density. See Public Safety & Noise, Section 6.5.4								
②		See Public Safety & Noise, Section 6.5.3 for fire standards inside USL								
③		Public water is desirable; parcel size without public water shall be a minimum of 2.5 gross acres.								
④		Areas inside the Rural Services Line shall have the potential for some type of public sanitation system.								
Note: These standards shall apply fully to General Plan and LCP Amendments. This Figure is to be used for general facilities guidelines for development projects.										

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

0416

RESOLUTION NO. 67-92

On the motion of Supervisor Levy
duly seconded by Supervisor Keeley
the following Resolution is adopted:

RESOLUTION REGARDING PROBLEMS ASSOCIATED WITH GROUNDWATER
OVERDRAFT IN THE PAJARO VALLEY GROUNDWATER BASIN

WHEREAS, the Pajaro Valley groundwater Basin has been historically and currently utilized to meet the critical demands of agriculture and urban water users, and

WHEREAS, groundwater from the Pajaro Valley Basin has been the only locally available source of water in sufficient quantity and quality to meet historic and present demands, and

WHEREAS, it has been documented in extensive past and current basin studies that the basin's groundwater supplies are being significantly impacted in the form of long-term overdraft and degradation of groundwater quality from the increasing influence of seawater intrusion and nitrate contamination, and

WHEREAS, the current drought has exacerbated basin conditions and water conservation measures are being planned to both inform the public of this recognized water problem and minimize or eliminate overuse of this groundwater resource, and

WHEREAS, the County recognizes that the PVWA is the responsible Agency as per their enabling legislation to manage groundwater in the Pajaro Valley groundwater basin and recognizes the Basin Management Plan as the appropriate long-term planning approach to achieve groundwater management objectives, and

WHEREAS, on September 9, 1991, the Regional Water Quality Control Board notified the Pajaro Valley Water Management Agency by letter of the need to maintain the water quality of the basin to meet the existing beneficial uses of this resource and acknowledged that as the State Agency with the primary responsibility for the coordination and control of water quality in the State, they will be expecting actions implemented to protect groundwater resources, and

WHEREAS, existing urban and rural residential water demands are considered to be a limited yet significant component contributing to the over⁰⁴¹⁷ all overdraft problem and a comprehensive Basin Management Plan is not yet available, and

WHEREAS, new development proposals which rely on groundwater supplied from the Pajaro Valley Basin may impose further significant adverse impacts on the basin, and

WHEREAS, the City of Watsonville is implementing water conservation and water retro-fit programs to reduce existing urban water demands throughout the City limits and the unincorporated area within their service area and,

WHEREAS, the Santa Cruz County Board of Supervisors supports the City of Watsonville's developing programs addressing new water demand mitigation and will utilize the programs to mitigate impacts from projects serviced by City Water in the unincorporated area,

NOW THEREFORE BE IT RESOLVED, that the Santa Cruz County Board of Supervisors recognize the existing problems associated with current groundwater overdraft in the Pajaro Valley Basin and opposes any further intensification of water use from this basin without measures to mitigate the cumulative impacts affecting the basin, as defined by an environmental assessment pursuant to CEQA and,

BE IT FURTHER RESOLVED, that the Santa Cruz County Board of Supervisors recognizes and supports the proposed Water Use Reduction Program of the City of Watsonville as an interim measure until ultimate water supply solutions are available and,

BE IT FINALLY RESOLVED, that the Santa Cruz County Board of Supervisors direct staff to cooperate with the PVWA and the City of Watsonville on all aspects of water resource planning in the Pajaro Valley basin and to attempt to mitigate the cumulative impacts from existing and new proposed urban uses of this water supply as a necessary interim measure until long-term urban and agricultural water supply solutions are available to address the overdraft problem and halt the progression of seawater intrusion.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this 11th day of Feb, 1992, by the following vote:

AYES:	SUPERVISORS	Levy, Patton, Belgard, Keeley, Beautz
NOES:	SUPERVISORS	None
ABSENT:	SUPERVISORS	None
ABSTAIN:	SUPERVISORS	None

JANET K. BEAUTZ

Chairperson of the Board of Supervisors

SUSAN M. ROZARIO

ATTEST: _____
Clerk of the Board

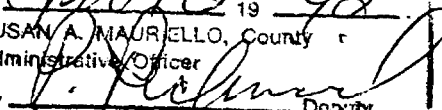
APPROVED AS TO FORM


County Counsel

**DISTRIBUTION: County Counsel
Planning Department - Resource Planning**

BLC

PVH2ORES

STATE OF CALIFORNIA	1	88
COUNTY OF SANTA CRUZ)	
I, SUSAN A. MAURIELLO , County Administrative Officer and ex-officio Clerk of the Board of Supervisors Of the County of Santa Cruz, State of California do hereby certify that the foregoing is a true and correct copy of a resolution passed and adopted by and entered in the minutes of the said board. In witness whereof I have hereunto set my hand and affixed the seal of the said Board on <u>11/13/92</u> 19 <u>92</u>		
SUSAN A. MAURIELLO, County Administrative Officer		
By 		Deputy