



County of Santa Cruz

Department of Community Development and Infrastructure

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Matt Machado - Deputy CAO / Director

Agenda Date: February 26, 2024

Planning Commission
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

Subject: Study Session on Proposed Rezoning of Five Parcels in Batch B (the “Primrose Lane Parcels”) in Watsonville

Recommended Action(s): Hold a study session on rezoning options for the Primrose Lane parcels in Batch B of the Housing Element Rezoning Program; no formal action/motion is required.

At the August 8, 2024, Planning Commission study session, staff presented 75 parcels proposed to be rezoned, including some General Plan Amendments, that are necessary to meet the County’s *Regional Housing Needs Allocation* (RHNA) objectives. This study session was followed by the September 25, 2024 Planning Commission public hearing for the rezoning of the first group of those parcels, known as Batch A, which originally included 35 of the 75 parcels. Five of these Batch A parcels, referred to herein as the Primrose Lane parcels, were on Green Valley Road and/or Primrose Lane in unincorporated Watsonville, and under common ownership by the same extended family (see Exhibit A). After receiving multiple written and oral comments from neighbors living in this neighborhood leading up to and during its hearing on the rezoning of Batch A, the Planning Commission recommended that the Board of Supervisors move the Primrose Lane parcels from Batch A to Batch B, to allow more time to consider options such as rezoning this site to a zone that allows mixed uses. The Planning Commission asked staff to return at a later meeting with more information about additional rezoning options for the Primrose Lane parcels. The Board of Supervisors approved rezoning the remaining Batch A parcels in December 2024. Today’s study session is an opportunity for the Planning Commission to review the zoning and general plan options consistent with the Commission’s request for additional information and to provide any comments.

At the earlier study session on the rezoning of Batch A, a few members of the public expressed interest in seeing a development in this location that could include a commercial component, such as a convenience store and/or other neighborhood commercial use, as well as housing. This interest was reflected in the Commission’s request for Planning staff to come back with information about rezoning options for this site that would allow mixed uses, such as housing and commercial uses. The zone district included in the Housing Element for the Primrose Lane parcels is RM-2, which allows housing at a density of approximately 16 to 22 units per acre. This density range typically results in townhomes, duets/duplexes, and/or a mix of townhomes and single-family homes, or low-rise apartments (typically two-story). A commercial component could be included in a housing project of this type through use of the density bonus law, which allows applicants to include a mixed-use component, such as a small retail store or onsite childcare center,

even if the zone district would not otherwise allow it. Many applicants for the density bonus in recent years do not use any or all of the bonus units their projects qualify for but rather use it for the flexibility the law provides in development standards, allowed range of uses, and so on. It is also important to consider that there is virtually no demand currently for newly constructed commercial space, whether in town centers or in suburban or rural locations. In recent projects proposed on commercial sites, virtually all applicants propose to develop housing only and only include a token amount of commercial space when absolutely required by the County due to the zoning and general plan designation of the site. Frequently these retail spaces sit vacant and unleased for years (such as the mixed-use project at 17th and Brommer, completed in 2020), which is why so many developers are extremely hesitant to build new commercial space.

If an outright mixed-use zone were preferred, the County's only zoning districts that allow mixed uses (commercial uses) also allow housing in a mixed-use project at densities of 22-45 units per acre. That density range is a better fit for three- to four-story apartment and/or condominium buildings. When this site was proposed for consideration by a member of the extended family that owns these five parcels, that owner indicated they were interested in developing a residential subdivision, which is typically single-family homes or townhomes. Staff proposed the RM-2 zone district for these parcels to be consistent with the owner's interest in that type of housing, while also ensuring this site adequately contributed toward meeting the County's goals for the rezoning program. The table below compares the estimated yields under the proposed rezoning versus possible mixed-use options. The Primrose site consists of 5 parcels with a total area of 18.2 acres.

Option	Estimated Unit Yield	Commercial Uses?
Original Proposal: R-UH and RM-2	162 units (average of 8.8 units/acre); possible range: 11 to 30 units/per acre	Only as part of density bonus application
Mixed-Use Option: C-N and C-1	321 units (average of 17.6 units/acre); possible range: 22 to 45 units per acre	Yes, at least 20% of floor area, or less if density bonus option
Hybrid Option: 4 parcels under Original Proposal and 1 parcel (100 Primrose) as Mixed- Use	186 Units (average of 8.8 units/acre across 4 interior parcels plus 17.6 units/acre across 100 Primrose).	Yes, outright option on 100 Primrose (parcel with wider frontage on Green Valley Road); option on other parcels as part of density bonus application

It is important to note that rezoning one or more of these parcels to a commercial/mixed use zone is no guarantee that any commercial development will occur here. There is an existing small grocery store (Harvest Moon Market) located at 518 Green Valley Road, approximately one mile south of 100 Primrose Lane, at the corner of Green Valley and Minto Roads. It may be difficult for another small convenience store operator to locate into newly built space on one of the Primrose parcels with another store already in such proximity.

Whichever option described is preferred by the Commission, the County's RHNA allocation will remain achievable with inclusion of the Primrose site in Batch B with rezoning to a district that allows at least residential densities of RM-2 / R-UH, so that finding alternative sites for rezoning will not be necessary.

Staff recommends maintaining the originally proposed zoning designation for the five parcels of R-UH, (11 to 30 dwelling units per acre) to maintain a density and commercial potential most appropriate for this location.

The five Primrose Lane parcels will be considered as part of the Batch B rezoning item at an upcoming Planning Commission meeting, where a formal recommendation on the rezoning of all Batch B parcels will be made. The Commission's recommendation on Batch B will be presented to the Board of Supervisors at a subsequent meeting. No formal Commission action is required at this time.

Submitted by:

Mark Connolly, Principal Planner
Policy Section

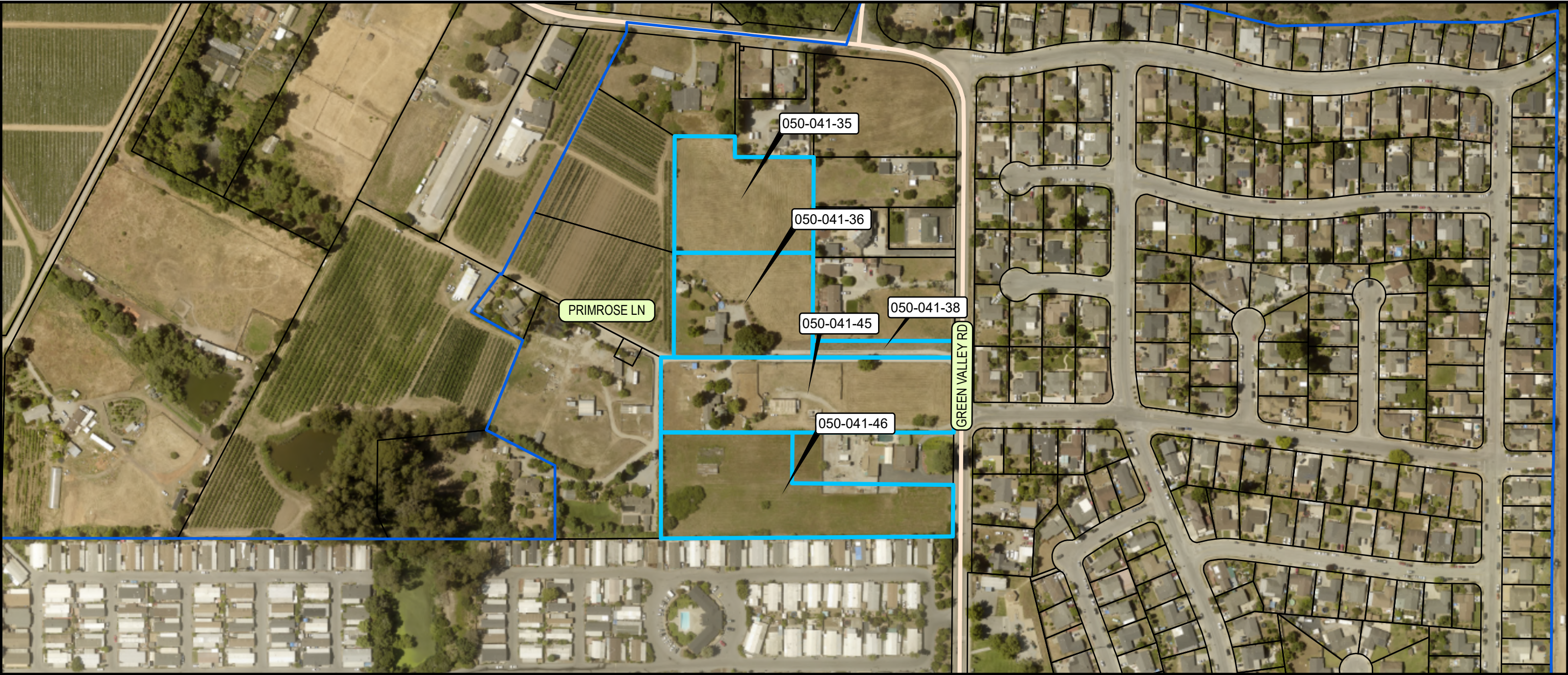
Reviewed by:

Stephanie Hansen, Assistant Director
Planning – Policy, Housing and Code Compliance

Exhibits

A. Primrose Lane parcels

Primrose Lane / Green Valley Road Rezones



0 450 900 Feet

Legend

- Proposed Rezone Sites
- Assessor Parcels
- Urban Services Line (USL)
- Major Roads

ADDRESS	APN	EXISTING GP	EXISTING ZONING	PROPOSED GP	PROPOSED ZONING	POTENTIAL UNITS (Residential)	POTENTIAL UNITS (Mixed-Use)
No Situs, Green Valley Rd / Primrose Ln, Watsonville	050-041-35	R-UVL	R-1-1AC	R-UH	RM-2-Min	31	70
235 Primrose Ln, Watsonville	050-041-36	R-UVL	R-1-1AC	R-UH	RM-2-Min	31	70
235 Primrose Ln, Watsonville	050-041-38	R-UVL	R-1-1AC	R-UH	RM-2	5	11
100 Primrose Ln, Watsonville	050-041-45	R-UVL	R-1-1AC	R-UH	RM-2-Min	47	105
No Situs, Green Valley Rd / Primrose Ln, Watsonville	050-041-46	R-UVL	R-1-1AC-AIA	R-UH	RM-2-AIA-Min	48	107

Source: Santa Cruz County Community Development and Infrastructure

