

Big housing project on city's west side reduced significantly

By CHELA ZABIN
STAFF WRITER

A group of local investors are working with Watsonville city staff, property owners and environmentalists on a plan to build a scaled-down version of the proposed 900-unit housing development known as The Villages.

The Villages subdivision was proposed by San Jose investor Jerry Lohr for a roughly triangular 150-acre parcel that lies between Highway 1, Main Street and Watsonville Slough. Local environmentalists fought the project, saying they were worried about its impact on the slough and the adjacent upland areas and on the rare Santa Cruz tarplant, which grows in abundance on 3.7 acres of the site.

In May, the City Council told Lohr he couldn't place a road between the slough and the hill the tarplant grows on. At the time, Lohr told the council that if he had to change the road design, his project would be "unfeasible" because it meant reducing the number of units that could be built.

Local businessman Chuck Allen said this morning that Lohr is gone from the project and that a group of local investors is exploring the feasibility of a smaller project — probably 100 units or fewer — on a smaller number of acres.

Lohr was not available for comment this morning.

There are several factors that will contribute to a decision about moving ahead with the project and what form it will take.

Financing has gotten more difficult, and apparently was one of the reasons Lohr pulled out. Allen said he was hoping it would be easier to get financial backing for a less ambitious project. The city

is requiring developers building in that area to contribute to improvements to Harkins Slough Road. The extent of those improvements and how much the project would have to contribute is another factor that is being considered.

Allen said he has also been meeting with members of the Watsonville Wetlands Watch, the local environmentalist group that led the fight against The Villages project, to see whether a compromise can be worked out.

"We're all just talking," at this point, Allen said. "We're truly trying to make a team effort."

But David Leland, a member of the Wetlands Watch, said this morning that the group doesn't want the city to move on the parcel until the General Plan is completed. The Watch has made a number of proposals for protection, acquisition and enhancement of local wetlands that it wants incorporated into the plan.

Allen said a plan for the project could be submitted to the city within 45 days.

A separate environmental impact report shouldn't be required because the proposed project will be smaller than the original one.

"That's the beauty of the process," Allen said.

Allen said he thought it was a shame that the affordable housing element of The Villages project had lost out. Lohr had proposed to build 136 affordable units with the help of the non-profit Mid-Peninsula Housing Coalition. Financing for that portion of the project — \$11 million — was lost in November, the deadline by which ground had to have been broken in order to retain the funds.

Allen said he hoped some funds could be reassembled for affordable housing in the new plan.