

Planners reject 'sweat equity' development

By STEVE SHENDER

Watsonville planning commissioners sent promoters of the Victorian Village townhouse project back to their drawing boards Monday night, rejecting a master plan for the 24-unit residential development proposed for construction on a two-acre site at Lake Village and Brentwood drives.

The 7-0 vote came in front of an audience of some 50 persons, mostly area property owners opposed to the project.

The move left backers of the unique, self-help project pondering whether they should bow to staff recommendations, which would require redesign of the development and elimination of two units to make way for a small park and additional parking space, or scrap their plans entirely in favor of a low-income apartment complex.

The Victorian Village development is being promoted by The Environmental Community Housing Organization (TECHO), a non-profit group which seeks to help first-time homebuyers by allowing them to help build their own houses.

The project proposed for the

Brentwood Drive-Lake Village Drive site is intended for middle-income families (with incomes between \$25,000 and \$35,000 a year) who have not been able to qualify for conventional mortgages.

All families who sign up to purchase homes in the development would be required to work 1,000 hours on the project, under the supervision of construction experts who would see to it, according to TECHO officials, that the homes are built to code.

TECHO spokesmen say the homes would be worth about \$80,000, but they maintain that the donated labor, or "sweat equity" as they call it, would reduce the cost to homebuyers to about \$55,000.

Area property owners who spoke in opposition to the project Monday night said it would result in "congestion and clutter" and questioned whether homebuyers inexperienced in construction methods could actually build an attractive development.

"What you're going to have," said Brentwood Drive resident Karen Seadler, "is a deteriorating neighborhood."

Planning commissioners rejected the Victorian Village master plan on recommendation of city planning staffers who said TECHO should be required to donate 5,277 square feet of the project site to the city for a park and make provision for additional off-street parking spaces.

A staff memo to the commission indicated that the park and parking recommendations were based on "code requirements." A staff member said after the meeting, however, that the recommendations were actually based on zoning ordinance "technical guidelines," which, he acknowledged, could be waived by the city.

In response to a question during the meeting, Planning Director Robert Ellenwood also said that donation of park land to the city was not mandatory for projects the size of Victorian Village and acknowledged that no land donations had been required of any of the projects to come before the city in the last year.

(In those cases, he said, developers were permitted to make cash payments to the city in lieu of land donations.)

TECHO Director Jose Ruiz said Monday night that he had felt there was no need for a park in the Victorian Village development because "the city already has enough parks and this very small park would be very expensive for the city to maintain."

Ruiz also said that TECHO planners had more than met parking requirements by making the development's single street six feet wider than the city's required 30-foot width, and deepening several driveways in the project, thereby providing for eight extra spaces.

The Planning Commission's action Monday night put TECHO in a serious bind. Earlier this year, TECHO secured financing for Victorian Village from a consortium of 33 savings and loan institutions and negotiated to purchase the project site from the Pajaro Valley Unified School District for \$307,000. At the time the purchase agreement was signed, the school board authorized a nine-month escrow period, with the sale to be closed Oct. 27. TECHO, anticipating that the project might be delayed by the city, recently requested a three-

month extension of the escrow period.

School district officials, however, have recommended no more than a one-month extension, which, if approved by school trustees, would give TECHO until Nov. 27 to come up with a project which can pass the city's muster.

Ruiz said Monday night that TECHO does not want to lose the school district property. He said that rather than revising Victorian Village plans to fit the staff's recommendations or appealing the commission's action to the City Council, his board may consider scrapping the townhouse project altogether in favor of apartments.

The school district parcel is zoned for high density residential use, and under city zoning ordinances, TECHO could construct as many as 56 two-bedroom apartment units on the site.

A city planning official said Monday that the property's zoning would assure such a project of virtually automatic approval by the planning commission and City Council, provided all requirements for setbacks and parking were met by the developers.

The official acknowledged that

if an apartment project twice the density of the Victorian Village development were proposed for the parcel at Brentwood and Lake Village drives, it would actually be subject to less scrutiny than the townhouse project had received.

TECHO board member Florence Wyckoff joined Ruiz Monday night in raising the possibility that, in order to maintain its hold on the school district land, TECHO would return to the city with an apartment complex.

Noting that the Santa Cruz County Housing Authority currently has \$8 million to spend for low- and moderate-income housing, Mrs. Wyckoff expressed confidence that public financing could be secured for an apartment project.

"We might build some farm worker apartments like the ones that are on Front Street (east of Main Street and opposite the Pajaro River levee)," Ruiz said.

Ruiz said an apartment project would be attractive to TECHO because the group could use rental profits from the project to develop middle-income housing elsewhere.

REPORT