

# Watsonville's future hangs in the balance

By TRACY L. BARNETT  
Sentinel staff writer

WATSONVILLE — The Watsonville City Council took a calculated risk last week when it chose to prioritize jobs over housing by postponing a decision on the annexation of the Tai property.

Watsonville is struggling under a severe shortage of both jobs and housing. The city has looked to expand beyond its borders with two

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potential annexations that have drawn heat from farmers, environmentalists and community activists.

The first one is a 216-acre parcel of prime farmland near Riverside Drive, which the city would like to see developed into an industrial park. The second is the 646-acre Tai property near Lee Road, which

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would be used for housing and a commercial center.

A majority of council members would like to annex both parcels, but they don't want to endanger the industrial project by putting forth the housing one too soon.

That's why the council delayed a decision on annexing the Tai property. That means that the Riverside Drive project is the only one of the two officially before the Local Agency Formation Commission, the agency that approves annexations.

But even though the Tai proposal isn't on any agenda, it looms in the background like an uninvited guest.

The two proposed developments, both of which would be visible from Highway 1, could change the face of the city forever. If built, the Tai subdivision would be the biggest development approved in the Northern or Central coast since the formation of the Coastal Commission in 1973. The Coastal Commission would ultimately have to approve either project.

Clearly neither project will be springing up anytime soon; both are likely destined for court challenges.

"My sense is that Tai has just been put on hold, not abandoned as a project," said supervisor Mardi Wormhoudt, who sits on the LAFCO board. Wormhoudt says she would have preferred to look at both proposals at once. "Since it

has just been put on hold, clearly there are environmental impacts that need to be considered in light of both projects going forward."

That view is in line with an earlier order by Superior Court Judge Sam Stevens, who ruled in favor of an environmental and farmland preservation group that the city's first approval of the Riverside Drive annexation request was improper. He ordered the city to reconsider the combined impact of the development of more than 800 acres of farmland on the valley's agricultural industry.

The city claims that the environmental impact report for the Tai property did consider the "cumulative impact" of both annexations on the region's loss of farmland, as Stevens requested.

But opponents say that the city didn't adequately consider public comments before submitting the environmental report to the court.

No matter what Superior Court Judge Sam Stevens decides at the next scheduled hearing on April 24, there will likely be an appeal.

And now, with the council's tentative decision to hold off on the annexation of the 646-acre Tai annexation pending a decision on Riverside, the future of the 1,800-unit housing project hangs in the balance. And a recent report has estimated a need for more than 2,000 new units by the year 2002 — and 5,000 new homes by 2005.

The Tai project would include 1,800 units, 900 of them low-in-

come. Under a city housing ordinance, the developer would have to build some 450 units of affordable housing to match the 900 market-rate homes. The rest would have to be funded by an outside organization.

Omar James, the attorney for landowner Vincent Tai, expressed concern over the lack of housing. He recalled the defeat of the failed attempt for the Landmark housing project, and said: "What has that done to the city of Watsonville? You can't assume these people will stay around forever, and who's going to come behind them and will they be willing to dedicate 50 percent of their land to low-income housing?"

But Councilman Todd McFarren, who fashioned the compromise that led the council to approve the Tai project's EIR and move it into the city's urban limit line but stopped short of annexation, was skeptical of James' concern.

"I'm not worried about them," McFarren said. "If they do drop it, some other developer will come in and pick it up and speculate on it. The reason they're doing that is because they can make a lot of money on it — not because they're so interested in low-income housing but because there are super profits available."

Those who view the council action as a victory — namely, local farmland preservationists and environmentalists — are hoping the delay will result in another alter-

native for the tract.

Laced with fast-disappearing, wildlife rich wetlands, the land would be a perfect site for preservation, said Bruce Elliott of the state Department of Fish and Game. The site is home to several endangered or threatened species, including the California red-legged frog.

"The amount of coastal wetlands today is just a pittance of what it was before," said Elliott. "We really can't afford to give up any more of it..."

Even though the developer has proposed an environmentally sensitive plan that would include restoration of grasslands and buffers around the wetlands, Elliott is dubious.

"It's rather difficult to envision how they can put in an adequate buffer to meet the needs for some remoteness from hectic contact with people and accommodate a development of that size," he said.

Chris Johnson-Lyons of the Watsonville Wetlands Watch hopes the delay will allow the city and

community groups to come up with an alternate plan for preserving the land while still meeting the city's projected housing needs. The sloughs should be set aside as wildlands, she said, while the 250 acres of organic farmland could be a demonstration project or an incubator for farmers who are just starting out and learning organic farming techniques.

Who would fund such a project is anyone's guess. But if the city rezones and annexes the land, purchase by an outside, not-for-profit group or the state would be financially impossible.

Johnson-Lyons is one of those pressing the city to take a closer look at "infill" development on vacant or unused land already in the city limits.

But city officials argue that land is for the most part not marketable.

"Even if you use up every available parcel, that still doesn't get you much housing compared to what we need," said assistant city development director Charlie Ead-

ie.

It's also much more difficult to fund low-income housing on the high-priced land within the city, Eadie said.

But Wormhoudt questions whether anyone would ever fund the low-income project proposed on the land to be set aside by Tai anyway.

Based on the cost of developing Neary Lagoon, a low-income project in Santa Cruz, the cost of 450 units would amount to \$22.5 million — not including streets, sewerage and other infrastructure.

"Where's this going to come from? Who's going to do this?" Wormhoudt questioned. "My sense is when I talk to affordable housing specialists there is very little subsidy available. I don't know where all these millions are going to come from."