

# Watsonville OKs housing pact

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## City will share in profits of 114-unit Bay Breeze project

WATSONVILLE — A 114-unit housing development approved by the City Council may be the shape of things to come.

Not only will Bay Breeze I include 28 affordable units, it will be one of the city's most dense neighborhoods while also seeking to be a "livable community."

The project, approved late Tuesday night, will be developed on 16 acres behind the Overlook Shopping Center between Harkins Slough Road and an as-yet-unbuilt section of Ohlone Parkway. Grading is expected to begin next month.

The project represents the direction Watsonville must go if it is to meet its pressing housing needs and remain a pleasant place to live, Watsonville senior planner Martin Carver said.

Livable communities, a popular planning concept, refer to aesthetically attrac-

tive developments that are less reliant on automobiles and connected to other neighborhoods and commercial areas.

"Watsonville is definitely headed this way," Carver said.

Bay Breeze lots will be about half as big as typical 6,000-square-foot city lots. Affordable housing will be interspersed throughout the development rather than relegated to one area.

A hiking trail along Struve Slough will wrap around the development. Saratoga-based developer Al King said project landscaping will mimic existing vegetation while also bringing an "enormous" number of trees, including redwoods, trees that

do not grow in the slough environment.

The city has entered into a unique profit-sharing arrangement with the developer. The city will pick up more than \$318,000 in fees but will seek to recover the cash as homes are sold. For each home sold for more than a base sales price, the city and developer will split the profits 50/50 until the city recoups the fees. The city, meanwhile, will get 1 percent of the sales price.

Affordable units will start at \$182,317, with market-rate homes ranging to \$297,880.

The homeowners association will be responsible for maintaining the landscaping, an open-space area and a new sewer pump

station.

Such development agreements are not unknown, but the deal is a first in Watsonville.

"We're plowing new ground here," Carver said.

After a long dry spell, several privately funded housing developments with affordable components are in the works for Watsonville.

In addition to Bay Breeze, three other developments with about 325 units of affordable housing are in various stages of planning. Only one, Stone Creek, is currently under construction.

With the development of the Franich property in northeastern Watsonville, a 365-unit mixed-use project still in the early stages, Carver said the city will pursue mixed-use, affordable housing and the livable community concept even further.

"I think it's a sign of better things down the road," he said.