



City of Santa Barbara

Planning Division

PLANNING COMMISSION MINUTES

June 21, 2007

CALL TO ORDER:

Chair Charmaine Jacobs called the meeting to order at 1:15 P.M.

ROLL CALL:

Present:

Chair Charmaine Jacobs

Vice-Chair George C. Myers

Commissioners Bruce Bartlett, Stella Larson, George C. Myers, and Addison S. Thompson.

Absent:

John Jostes, Harwood A. White, Jr.

STAFF PRESENT:

Paul Casey, Community Development Director

Bettie Weiss, City Planner

Jan Hubbell, Senior Planner

Steven Faulstich, Housing Programs Supervisor

N. Scott Vincent, Assistant City Attorney

Kelly Brodison, Assistant Planner

Julie Rodriguez, Planning Commission Secretary

I. PRELIMINARY MATTERS:

- A. Requests for continuances, withdrawals, postponements, or addition of ex-agenda items.

Senior Planner Jan Hubbell announced the following changes to the agenda:

1. Item IV, 1400 Rogers Court Lane, has been continued to July 12, 2007.

- B. Announcements and appeals.

Ms. Hubbell made the following announcements:

1. Julie Bixby, Project Planner in Long Range Planning, is leaving the city.

2. Peggy Burbank has been hired to replace Ms. Bixby as Project Planner on Long Range Planning and Special Projects, and will be starting on July 9, 2007.
 3. Dan Gullett will be joining the Development & Environmental Review Section as an Associate Planner beginning on July 16, 2007.
- C. Comments from members of the public pertaining to items not on this agenda.
- Chair Jacobs opened the public hearing at 1:17 P.M. and, with no one wishing to speak, the hearing was closed.

II. DECISION RECONSIDERATION ITEM: ACTUAL TIME: 1:17 P.M.

THE FOLLOWING ITEM WAS HEARD BEFORE THE PLANNING COMMISSION ON JUNE 7, 2007. AT THE CONCLUSION OF THE JUNE 7, 2007 PLANNING COMMISSION MEETING, THE COMMISSION VOTED TO RECONSIDER THEIR DECISION AT THE JUNE 21, 2007 PLANNING COMMISSION MEETING. THE PLANNING COMMISSION WILL DECIDE WHETHER TO RESCIND THE PROJECT'S DENIAL. IF THE COMMISSION CHOOSES TO DO SO, THE COMMISSION WILL THEN DECIDE WHETHER TO CONTINUE THE PROJECT FOR REDESIGN OR SCHEDULE A NEW PUBLIC HEARING TO CONSIDER THE PROJECT.

APPLICATION OF BOB PRICE, AGENT FOR LEON F. LUNT AND JOYCE M. LUNT, 3427 SEA LEDGE LANE, APN: 047-082-009, A-1/SD-3 ONE FAMILY RESIDENCE AND COASTAL OVERLAY ZONES, GENERAL PLAN DESIGNATION: RESIDENTIAL – 1 UNIT PER ACRE (MST2006-00092)

The proposal consists of the demolition of the existing 460 square foot attached two-car garage and 1,218 square feet of the existing residence in preparation for a remodel and two-story addition including 2,368 square feet for the first floor, 1,262 square for the second floor, a new 455 square foot basement and a new 656 square foot attached two-car garage for a net increase of 3,063 square feet all on a 32,189 square foot A-1/SD-3 zoned lot in the Hillside Design District and the Appealable Jurisdiction of the Coastal Zone. The project site is currently developed with a 2,954 square foot one-story single-family residence with an attached 460 square foot two-car garage. The proposal also includes replacing the existing 565 square foot deck, replacement of a retaining wall and the replacement of the existing septic system and drywells. When the project is complete, the development on the site will consist of a 6,477 square foot three-story residence which includes the 455 square foot basement and a 656 square foot attached two-car garage.

The discretionary applications required for this project are:

1. A Modification to allow an "as-built" portion of an existing deck to encroach into the 15' required interior yard setback in the A-1 Zone (SBMC §28.15.060);
2. A Modification to allow a two-story portion of the addition to encroach into the 15' required interior yard setback in the A-1 Zone (SBMC §28.15.060);

3. A Coastal Development Permit (CDP2006-00003) to allow the proposed development in the Appealable Jurisdiction of the City's Coastal Zone (SBMC § 28.45.009).

The Environmental Analyst has determined that the project is exempt from further environmental review pursuant to the California Environmental Quality Guidelines Sections 15315 [Minor Land Divisions] and 15303 [New Construction].

Case Planner: Jaime Limón, Senior Planner; Kelly Brodison, Assistant Planner
Email: jlimon@SantaBarbaraCA.gov, kbrodison@santabarbaraca.gov

Ms. Hubbell recapped the decision made at the prior Planning Commission hearing and the issues. Gave staff recommendations and asked for an indefinite continuance with a 90 day extension.

Trish Allen, Suzanne Elledge Planning and Permitting, formally requested a continuance to later submit a redesign of the project and agreed to the 1-time 90-day extension per the Permit Streamlining Act.

Public hearing was opened at 1:20 P.M. and, with no one wishing to speak, the hearing was closed.

Commissioner's feedback:

1. Cannot support setback modification; cannot make finding for the modification.
2. Modification for Ocean Bluff side might be supportable; there might be more damage caused by removing it and it is out of public view.
3. Would prefer to see more two story element and usable open space. The expanded building envelope resulted in need for the deck encroachment and suggested relief for the corner to avoid a modification.
4. Would like to see relief for corner of the ocean bluff side; could not support modification.
5. Supported a continuance. Reminded the applicant that this is not a design review board; the Architectural Board of Review is the design review board. Planning Commission is looking at land use and City policy.
6. It is possible to secure improvement on the lot. The Commission believes the applicant's program can be achieved with out modification.

Commissioner Myers was not present at the June 7, 2007 hearing and abstained from the request for continuance.

MOTION: Thompson/Bartlett

Continued the project indefinitely with the applicant accepting a 90 day extension from the June 27th deadline for action pursuant to the Permit Streamlining Act.

This motion carried by the following vote:

Ayes: 4 Noes: 0 Abstain: 1 (Myers) Absent: 2 (Jostes, White)

III. NEW ITEM:

ACTUAL TIME: 1:27 P.M.

APPLICATION OF MARK LLOYD, AGENT FOR SANTA FE COURT LLC, PROPERTY OWNER, 1400 ROGERS COURT, APN: 035-180-070, E-1, SINGLE FAMILY RESIDENTIAL ZONE, GENERAL PLAN DESIGNATION: RESIDENTIAL, 3 UNITS PER ACRE AND 5 UNITS PER ACRE (MST2006-00736) CONTINUED TO JULY 12, 2007

The project consists of a request to initiate a Zone Change and a General Plan Amendment for an existing lot at 1400 Rogers Court (formerly known as 1418 Cliff Drive) from E-1, Single Family Residential, Zone to R-2, Two-Family Residential, Zone and from a General Plan Designation of Residential - 3 Units per Acre and Residential - 5 Units per Acre to Residential - 12 Units per Acre. The project site is 44,600 square feet in size and located in the Alta Mesa Neighborhood of the City, which is accessed from Santa Fe Place. If the initiation request goes forward, the proposed project, which would also require a Tentative Subdivision Map, Modifications, and a Public Street Frontage Waiver, would be considered concurrently. Final approval of the rezone and General Plan Amendment would subject to City Council review.

The discretionary applications required for this project are:

1. Initiation of a Zone Change from E-1 (One-Family Residence Zone) to R-2 (Two-Family Residence Zone); and
2. Initiation of a General Plan Amendment from Residential – 3 Units per Acre and Residential - 5 Units per Acre to Residential – 12 Units per Acre.

The Planning Commission will not take any action on the proposed project nor make any determination regarding environmental review of the proposed project.

Case Planner: Marisela G. Salinas, Associate Planner
Email: MSalinas@SantaBarbaraCA.gov

IV. DISCUSSION ITEM:

ACTUAL TIME: 1:27 P.M.

INCLUSIONARY HOUSING ORDINANCE AMENDMENT.

Staff will present possible changes to the Inclusionary Housing Ordinance (IHO) as recommended by the City's Housing Policy Steering Committee, and forward the matter to the City Council with the Commission's recommendations.

Case Planner: Steven Faulstich, Housing Programs Supervisor
Email: SFaulstich@SantaBarbaraCA.gov

Steven Faulstich, Housing Programs Supervisor, gave the Staff presentation joined by Bettie Weiss, City Planner.

Mr. Faulstich and Ms. Weiss answered Planning Commission questions on available data on the success of the Inclusionary Housing Ordinance (IHO) as intended; how income levels are reviewed and considered, such as with high net worth individuals; comparison to other jurisdictions with thresholds as low as 2-4 units and their track records; and whether a 15% profit margin can be adjusted based on the cost of goods. Mr. Faulstich also responded to questions on financial models and their availability on City website.

Mr. Vincent responded to the question of the legality of forcing an in-lieu fee on a 2-unit project. The Inclusionary Housing Ordinance does not result in a taking since a Single Family Development can be built. Also, the IHO does have a built-in waiver provision in the ordinance that has not been used yet.

Chair Jacobs opened the public hearing at 2:06 P.M.

The following people spoke:

1. Jerry Bunin, Government Affairs Director, Home Builders Association, feels that it is premature to consider the impact of the IHO when there has not been ample time to consider how it is working; only 3 years since it was adopted. Recommended that a new economic study be done. In lieu fees are dysfunctional and would not be used by home builders; would kill small projects with small number of units. Asks that IHO not be considered separately now. Submitted a letter.
2. Pat Kistler, Santa Barbara Association of Realtors, agree with the homebuilders. Would like to see the General Plan Update completed first, and then address the IHO and Condominium Conversion Ordinance. Submitted written comments to the Commission.
3. Ronald Cronk, Westmont College, voiced that resale-restricted for sale units built under City policies should be exempt from IHO. Supports IHO excluding units that are built under City Affordability requirements.
4. Monique Hartley, on behalf of Mark Mansfield, who submitted a letter that was read into the record. Mr. Mansfield shared his experience in building a 2-unit development and requested no change to the ordinance.
5. Connie Hannah, Santa Barbara League of Women Voters, first thanked Staff for the brevity and conciseness of Staff Reports. State and City League has supported IHO, but feels that it has produced few affordable units, used many resources, and driven up the price of market housing; now question long term effects. She expressed support for all of the Steering Committee's recommendations, except Bonus Density units should always be discretionary and not an entitlement.

6. Courtney Seepel, Towbes Group, submitted a written letter from Michael Towbes and voiced concern over the in-lieu fees being so high as to encourage inclusionary housing on site. Does not believe a higher in-lieu fee will produce new housing. Believes that City should take in-lieu fees and build affordable housing in appropriate locations.
7. Tom Condon thought in-lieu fees were balanced but the impact of the fee is much greater on a project of less than five units. Small projects are more difficult to build with associated costs. Asked that changes not be recommended below five units. Believes that General Plan should be considered first, before IHO.
8. Jessica Kinnahan, Penfield and Smith, expressed opposition to dropping the unit count to 2 units when the IHO will apply. Believes the threshold of 2 units will be difficult for home builders to meet. Appreciated Staff Report, but felt that comparisons with other municipalities should be 'apples-to-apples'.
9. Fae Perry does not support application of in-lieu fees to projects less than 10 units. The cost would be prohibitive to her when she is trying to develop a 3 unit condominium project on her property to support her family.
10. John Blankenship, builder and developer, had 34 units in the pipeline that were developed to be affordable by design, and has included solar panels where feasible. Believes that they should be exempt from in-lieu fees and that IHO should be given a chance to see how it works first before making changes to it. If the policy fails, then it can be changed with the General Plan Update. Reduction to two units would present a moratorium.
11. Stephanie Davis opposes the Inclusionary Rule because it would prohibit her from being able to purchase housing. Feels that inclusionary rule would present inequities among unit owners and possible resentment.
12. Lisa Plowman, Peikert Group Architects, supports most changes to IHO, but not lowering the threshold to two units and increasing the percentage requirement for residential and commercial development. Lowering to two units would be prohibitive to 2-4 unit projects. Suggested a Real Estate Transfer tax that would contribute to affordable housing. Recommends that percentages be lowered to 15%.
13. Chris Henson, Coastal Housing Coalition, feels that restricting height limitation is detrimental to the housing program. Felt that the General Plan Update should come first.
14. Gil Barry, Allied Housing, opposed having any inclusionary housing requirements. Bonus Density has resulted in massive bulky projects that ask for modifications. Proposed changes have impacts resulting in no middle-class units being built. 2-4 unit projects should be exempt, as well as any project that has 100% of its units priced below current median market price. Suggested dual density zoning.
15. Mickey Flacks, Santa Barbara County Action Network, reviewed 15 other California cities that have at least a 20% Inclusionary Housing requirement and feels that, if anything, the rates presented should be raised. Discourage high end condominiums. Feels that the GPU process should be looked at first, but adopt new policies now that provide a temporary lock on expensive condos. The in-lieu fees should be close to the actual cost. Supports a Real Estate Transfer Tax.

16. Hazel Blankenship wanted a validation that the IHO is successful; felt that Staff did not clearly answer the question posed by the Planning Commission.
17. Charlie Eckberg, Investec, feels that density has its place and purpose and that some projects are being held off until the General Plan Update. We need to provide incentives for smaller units. Recommended flexibility in developing viable strategy.
18. Jarrett Gorin, Centerpoint Development, does not want to spend years and millions of dollars into development and find that it is not feasible. Felt that this could end up forcing a de facto moratorium. These fees will come out of land values.

With no one else wishing to speak, the public hearing was closed at 3:05 P.M.

Chair Jacobs called a recess at 3:05 PM and reconvened the hearing at 3:20 P.M.

Mr. Faulstich answered additional Planning Commission questions clarifying the State Density Bonus Law with the City's IHO. He stated that State Density Bonus law only applies to 5 units or more; the 2-4 units in the IHO are discretionary.

Commissioner's comments:

1. Saw this as an opportunity to chart a course correction, not take a 180 degree turn. There are loop holes present that could be closed or tightened by these changes to the IHO. Feels that an incentive-based system should be developed to incentivize a middle ground of affordable housing. Feels that we can make some changes while awaiting the General Plan Update. Affordable housing needs to be spread out to a broader base.
2. Agrees with in-lieu fees and that the load needs to be spread. Does not want to see a moratorium effect.
3. Concerned with long range plan and feels that Plan Santa Barbara General Plan Update discussion should take place first.
4. Need strong incentives for the middle class in the proposed in-lieu fee structure.
5. Some Commissioners expressed concern about the question marks regarding feasibility in the presentation graphic and felt they present red flags.
6. Some Commissioners support a Real Estate Transfer Tax and would like to see it studied before further action is taken.
7. One Commissioner feared that this could be a defacto moratorium on building.
8. Looks at the Chapala corridor as a study of how some of the mixed use projects work.
9. The obligation of supporting workforce housing should be broad based, IHO not fall on few shoulders.
10. Some Commissioners felt that, given the short 3-year history of the IHO, we do not truly know if it is working and should wait for the General Plan Update.
11. Fee schedule needs to be reasonable and should not be punitive. We should develop incentives for building smaller units.
12. Any employer-provided housing that is affordable should be exempted from the IHO.

13. Suggested continuing to gather data on who is buying the IHO units to measure the IHO's effectiveness.
14. Supports concept of looking at the number of existing units vs. the number of proposed units on condominium conversions and using the higher number of units.
15. Would like to see IHO provide ability for people who have had to move away be able to move back to be closer to their work. IHO is meant to help address workforce housing.
16. Employer housing projects, such as Westmont College, should be considered in the proposed changes.
17. One Commissioner supports most of the recommendations from the Housing Policy Steering Committee with the exception of the distinction between commercial zones and Central Business District (CBD). Most of the Central Business District is in the El Pueblo Viejo District and density needs to be addressed; would not change it from the current 15%.
18. Two Commissioners preferred to wait and see before changing the IHO.
19. Four Commissioners are okay with percentages, with one Commissioner not supportive with the Central Business District at 20%.
20. Commissioners support keeping in-lieu fees, but feel the dollar amount of in-lieu fees should be lowered for 2-4 units.
21. One Commissioner was absolutely against in-lieu fees for 2 unit projects.
22. One Commissioner felt that in-lieu fees should definitely apply to 2-unit projects, but not be punitive and based on actual costs.
23. Two Commissioners wanted to see incentives build in for developers and pro rated.
24. One Commissioner stated that, if we offer in-lieu fees, we also need to offer opportunities.
25. Should expand CBD and shrink the El Pueblo Viejo District. Need to define transit corridors. Feels that we can tighten some things in the IHO, but should loosen others. Does not want to see a moratorium come about.
26. Two Commissioners felt that we need to look at the timing of the payment of in-lieu fees payment. Allow in-lieu fees be spread out so as not to burden property owner.
27. Two Commissioners want to see more demographic data on who is living in the IHO units.
28. Look for way to construct smaller units. Strong encouragement for employer housing programs.
29. Commissioners thanked Staff for a good report and presentation, and the public for the time and excellent public comment provided.

Ms. Weiss stated that the purpose of the hearing today was due to the IHO being part of the Zoning Ordinance and, under the Municipal Code and General Planning Practices, the Planning Commission would make recommendations to City Council.

Commissioners felt that the Staff could forward a recommendation to City Council with the comments given.

V. ADMINISTRATIVE AGENDA

- A. Committee and Liaison Reports.
1. Commissioner Thompson reported that the last two Water Commission meetings were cancelled for lack of a quorum.
 2. Commissioner Bartlett reported on having attended the Housing Policy Steering Committee meeting earlier in the morning.
 3. Commissioner Thompson reported that the Airport Terminal Design Subcommittee will meet next Wednesday at the airport on final designs for the interior before heading to the ABR.
- B. Review of the decisions of the Staff Hearing Officer in accordance with SBMC §28.92.026.

Bettie Weiss reported on the Staff Hearing Officer Meeting:

1. The 2030 Cliff Drive modification was approved, and is different than the project that was shared with the Commissioners by Commissioner White at an earlier time.
 2. Other project modifications granted during the hearing included an open yard modification, and a front yard parking modification on Loma Media.
 3. A two-unit condominium project was approved on the 800 block of Anapamu Street.
- C. Action on the review and consideration of the draft Planning Commission Resolutions and Minutes listed in I.A.2 of this Agenda.
- a. Draft Minutes of May 3, 2007
 - b. Resolution 019-07
1936 El Camino de la Luz
 - c. Resolution 020-07
495 South Fairview Avenue
 - d. Draft Minutes of May 10, 2007
 - e. Draft Minutes of May 17, 2007
 - f. Resolution 021-07
515 East Arrellaga Street
 - g. Resolution 022-07
814 and 816 West Figueroa Street
 - h. Resolution 023-07
1418 Santa Rosa Avenue
 - i. Draft Minutes of June 7, 2007

- j. Resolution 024-07
1829 State Street and 11 West Pedregosa Street
- k. Resolution 025-07
1759 Grand Avenue
- l. Resolution 026-07
601 Norman Firestone Road

MOTION: Larson/Thompson

Approve the minutes and resolutions as corrected.

This motion carried by the following vote:

Ayes: 5 Noes: 0 Abstain: As noted. Absent: 2 (Jostes, White)

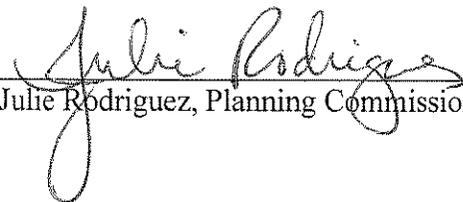
Commissioner Jacobs abstained from May 10, 2007

Commissioner Myers abstained from June 7, 2007

VII. ADJOURNMENT

Chair Jacobs adjourned the meeting at 4:07 P.M.

Submitted by,



Julie Rodríguez, Planning Commission Secretary