



City of Santa Barbara Planning Division

PLANNING COMMISSION MINUTES

April 2, 2009

CALL TO ORDER:

Chair Larson called the meeting to order at 1:14 P.M.

I. ROLL CALL:

Present:

Chair Stella Larson

Vice-Chair Addison S. Thompson

Commissioners Bruce Bartlett, Sheila Lodge, and Harwood A. White, Jr.

Absent:

Commissioners Charmaine Jacobs and John Jostes

STAFF PRESENT:

Danny Kato, Senior Planner

N. Scott Vincent, Assistant City Attorney

Steven Faulstich, Housing Programs Supervisor

Michael Berman, Project Planner/Environmental Analyst

Suzanne Johnston, Assistant Planner

Andrew Bermond, Assistant Planner

Julie Rodriguez, Planning Commission Secretary

II. PRELIMINARY MATTERS:

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

None.

B. Announcements and appeals.

Mr. Kato made the following announcements:

1. There will be a Special Meeting of the Planning Commission on Friday, May 8, 2009 in Council Chambers at 1 P.M. to hear updates on Plan Santa Barbara and the *PlanSB* Environmental Impact Report.

2. Three Staff Hearing Officer decisions have been appealed:
 - a. 436 Corona del Mar Drive
 - b. 1415 Mission Ridge Road
 - c. 618 San Pascual Street

C. Comments from members of the public pertaining to items not on this agenda.

Chair Larson opened the public hearing at 1:17 P.M. and, with no one wishing to speak, closed the hearing.

III. CONSENT ITEM:

ACTUAL TIME: 1:18 P.M.

EX PARTE COMMUNICATION:

Commissioner Bartlett disclosed an ex parte communication with the applicant regarding story poles contractors.

APPLICATION OF SIEGLINDE PUKKE, SHUBIN & DONALDSON ARCHITECTS, INC. FOR ANABILT, LLC, 412 AND 414 ANACAPA STREET, APN 031-271-019, C-M COMMERCIAL MANUFACTURING ZONE, GENERAL PLAN DESIGNATION: INDUSTRIAL (MST2008-00322)

The proposal includes subdividing an existing 13,500 square foot vacant parcel into three new lots and construction of a new, three-story, sustainable, mixed-use building on each new parcel. The proposal includes a total of 4,074 net square feet of commercial and 7,113 net square feet of residential. Lot 1 includes 1,780 net square feet of commercial area and a 1,930 net square foot residential unit on a 4,760 square foot lot with one covered and two uncovered parking spaces. Lot 2 includes 1,756 net square feet of commercial area and a 1,888 square foot residential unit on a 5,070 square foot lot with parking provided in one covered and three uncovered parking spaces. Lot 3 includes 538 net square feet of commercial area and a 3,295 net square foot residential unit on a 3,670 square foot lot with parking provided in two covered parking spaces and two uncovered parking spaces.

The discretionary applications required for this project are:

1. A Tentative Subdivision Map to allow the division of one (1) parcel into three (3) lots (SBMC 27.07);
2. A Public Street Waiver to allow the approval of a subdivision where access is provided by a private driveway that serves more than two lots (SBMC §22.60.300); and
3. A Development Plan to allow the construction of a total of 4,074 square feet of nonresidential development. (SBMC §28.87.300)..

The Environmental Analyst has determined that the project is exempt from further environmental review pursuant to the California Environmental Quality Act Guidelines Section 15303, New Construction of Small Structures and 15315, Minor Land Divisions.

Case Planner: Suzanne Johnston. Assistant Planner
Email: SJohnston@SantaBarbaraCA.gov

Suzanne Johnston, Assistant Planner, gave the Staff presentation.

Robin Donaldson, Owner and Applicant, gave the applicant presentation.

Chair Larson opened the public hearing at 1:32 P.M.

Ed Mannon asked the Planning Commission not to approve any new development while there are currently a number of existing properties which are either vacant or for sale/lease.

With no one else wishing to speak, the public hearing was closed at 1:34 P.M.

Mr. Donaldson answered the Planning Commission's questions about consideration given for lowering the plate heights 4' after seeing the story poles erected, and clarified the variation in setbacks on Anacapa Street.

Staff provided the Planning Commission clarification regarding Measure E allocation of square footage vacant and small additions categories.

The Commissioners made the following comments:

1. Commissioner White commented on the project uniqueness in land use and supports the project. Appreciates the open space and would like more landscaping in the front. The project is in the C-M Zone; would like CC&R's to say that adjacent properties could still develop in the C-M Zone.
2. Commissioner Lodge appreciated the inclusion of residential use in the project and the inclusion of windows on almost all sides of the residential units. Believes canopy trees would soften the landscaping. Would like to see a larger planter in the front landscaping.
3. Commissioner Bartlett welcomed the approach taken by the three lots and the inherent security created by design. Appreciates that the applicant did not pursue the maximum density allowed under the ordinance and that no parking modifications are being sought due to the creative use of off-site parking agreements within the proposed development.
4. Commissioner Larson asked the applicant to consider LEED Certification.

MOTION: Bartlett/White

Assigned Resolution No. 009-09

Approved the project, making the findings for the Tentative Subdivision Map, Public Street Waiver, and Development Plan outlined in the Staff Report, subject to the Conditions of Approval in Exhibit A of the Staff Report with the following revisions to the Conditions of Approval: 1) Applicant to reduce the height of the building on Lot 3 by approximately 4' from the submitted plans; 2) Change Item 6 on page 4 from off-site detention to 'on-site detention; and 3) CC&R's to include an advisory statement of the C-M zone and allowed uses for the C-M zone.

Scott Vincent, Assistant City Attorney, suggested including in the CC&R's for each of the three lots acknowledging the C-M zone and the allowed uses for the C-M zone.

This motion carried by the following vote:

Ayes: 5 Noes: 0 Abstain: 0 Absent: 2 (Jacobs, Jostes)

Chair Larson announced the ten calendar day appeal period.

IV. DISCUSSION ITEM:

ACTUAL TIME: 1:56 P.M.

US 101 IMPROVEMENT PROJECT UPDATE

As required by the Coastal Development Permit issued by the Planning Commission on December 13, 2004 City and California Department of Transportation Staff are providing an update on the status of the project.

Case Planner: Michael Berman, Environmental Analyst/Project Planner
Email: MBerman@SantaBarbaraCA.gov

Michael Berman, Environmental Analyst/Project Planner, gave the Staff presentation joined by Mike Sandecki, Caltrans Associate Environmental Planner; David C. Beard, Caltrans Senior Transportation Engineer; Fred Luna, SBCAG, and Kirsten Ayars, Ayars and Associates.

The Commissioners made the following comments:

1. Commissioner Larson expressed concern for loss of landscaping along Highway 101 and loss of local character.
2. Commissioners White and Thompson congratulated the project team for keeping the public informed and keeping the traffic moving while making improvements.

Mr. Berman updated the Commission on the forthcoming plans to replace the Railroad Bridge over Sycamore Creek that will be a part of another project

David Beard, Caltrans Project Manager, responded to the Planning Commission's question about the tennis court area by describing the stucco finish on the tennis wall, as approved by the Architectural Board of Review and Historic Landmarks Commission.

Kirsten Ayers responded that graffiti abatement in the construction zone is the responsibility of the contractor, and then the owner once the project is completed. The Milpas Street Southbound on-ramp will be opening soon and is month ahead of schedule. Ms. Ayers explained the staging for the Hot Springs Road roundabout construction will be shifting around and is in the first stage of construction, with the second stage scheduled to start soon.

V. **NEW ITEMS:**

ACTUAL TIME: 2:21 P.M.

A. **APPLICATION OF STEVEN FAULSTICH, CITY HOUSING PROGRAMS SUPERVISOR, REQUESTING THAT THE PLANNING COMMISSION MAKE A RECOMMENDATION TO THE CITY COUNCIL REGARDING THE PROPOSED AMENDMENTS TO THE CITY'S INCLUSIONARY HOUSING ORDINANCE (MST2008-00574)**

The project would amend the IHO to apply to projects with two to nine units. An in-lieu fee of \$17,800 per market rate unit included in the project would be charged when an affordable unit would not be provided as part of the project. The ordinance would also state that where two to four new units are proposed, the first unit would not be required to pay the in-lieu fee. The requirement for a lot area modification for inclusionary housing would be eliminated. Projects that provide 30% of the units as upper-middle income affordable units would be exempt from the ordinance. The in-lieu fee could be used for purchasing and reselling of existing middle and upper middle income housing, subsidizing the creation of middle and upper middle income housing, and ensuring compliance with middle and upper middle income housing policies and procedures.

The required Planning Commission action for this project is a recommendation to the City Council regarding the proposed Ordinance Amendment.

On March 19, 2009, the Planning Commission held an environmental hearing to receive Planning Commission and public comment on the Draft Mitigated Negative Declaration (MND) for the proposed amendment. The City Council will consider and adopt the Final Mitigated Negative Declaration when it considers the amendment to the IHO.

Case Planner: Michael Berman, Environmental Analyst/Project Planner
Email: MBerman@SantaBarbaraCA.gov

Michael Berman, Environmental Analyst/Project Planner, and Steven Faulstich, Housing Programs Supervisor, gave the Staff presentation. .

Chair Larson opened the public hearing at 2:45 P.M.

The following people spoke in opposition to the amendment or with concerns:

1. Jim Caldwell, Santa Barbara Association of Realtors, resubmitted written comment and stated that dropping the threshold below five units would cause housing prices to go up and if developers felt they could not recuperate the cost, they would just not be able to develop.
2. Cathie McCammon, Allied Neighborhood Association, felt that in-lieu fees would fall on the small market rate units and asked the Commission for a temporary compromise such as only applying the in-lieu fees for development of 6-9 units. She stated that Inclusionary Housing should be covered by the Plan Santa Barbara process, since it will be dealing with affordable-by-design.

Mickey Flacks supported the Inclusionary Housing Ordinance Amendment and felt that the fee provides a fund for housing. In-lieu fees assist with housing for middle income and low income housing; without it, market rate developers will only build upscale housing.

With no one else wishing to speak, the public hearing was closed at 2:55 P.M.

Staff answered additional Planning Commission questions about how the approximate 30 new residential units over the next twenty years were calculated based on past analysis of housing units that could be subsidized using in-lieu fees.

The Commissioners made the following comments:

1. Last August, Commissioner Lodge had checked with Dr. Bill Watkins, Director of the UCSB Economic Forecast Project and inquired if multiplier factors had been studied for impact by development of new luxury condominiums. They had not, but confirmed that there is a multiplier effect resulting from new housing that contributes to the job market. Was initially supportive of the inclusionary housing amendment because it does provide the possible opportunity to provide new affordable units and can possibly be used to buy-down existing housing to affordable prices. But agrees with comments that the Inclusionary Housing Ordinance is not achieving a jobs-housing balance, and has not discouraged the building of large luxury units.
2. Commissioner White agreed with the concept of inclusionary fees but was concerned that the in-lieu fees be surgical and nimble and accomplish their goals and do as little harm as possible on the housing market. Suggest reconsidering an inclusionary housing fee for mitigating the housing impact of commercial developments that existed 15 years ago and would like to see

a commercial in-lieu fee added as part of the amendment. He stated he is worried about small units, such as in the R-3 zone that would be discouraged from development and would like to see an accommodation made that encourages small unit development and exempts small units from inclusionary fees. Noted that there are fewer permits being sought for condominium projects. Would like to see exemption of fees in a blighted area, such as lower Voluntario Street near the freeway. Noted that there are few condominium permits being filed and suggested that there should be exceptions in times of economic stress and for areas that are depressed. Supports a condominium conversion in-lieu fee.

3. Commissioners White, Bartlett and Thompson would like to see more affordable housing but do not see this amendment as the mechanism for developing it.
4. Commissioners Bartlett, Thompson, and Larson suggested waiting to incorporate changes to inclusionary housing policy into the Plan Santa Barbara process. Look to ways to encourage this type of affordable housing. Cannot see this amendment as being helpful in this economy and it does not need to be rushed ahead of the general plan update process.
5. Commissioner Thompson felt that this topic needs more discussion than adding an exaction to small building projects in town. There are unintended consequences for attempts to get more affordable housing carved into market rate housing, and they have been that we're just inducing bigger market-rate projects.
6. Commissioners Thompson and Larson suggested looking for a policy that rewards developers for building what is needed, not taxing them.
7. Commissioners Bartlett and Thompson agreed that increasing in-lieu fees would impact developer's costs resulting in the potential to halt development. We need a carrot, not a stick. Disagrees with using in-lieu funds to pay for administrative costs of enforcing middle-income affordability restrictions, and feels that City general funds should be used instead. Not comfortable with calculation formulas for in-lieu fees because it appears that we are trying to back-in to an acceptable number.
8. Commissioner Bartlett and Larson would like to see an incentive for building rental stock; few rentals have been built in years. Other communities are doing this, unfortunately not Santa Barbara.

Mr. Faulstich added that the Inclusionary Housing Ordinance, section 28.43.070(D), already includes a graduated reduction of in-lieu fees for smaller units. Units between 1400-1700 square feet receive a reduced in-lieu fee, and there is a 30% reduction in in-lieu fee for units below 800 square feet.

In response to the changing structure of fees that Staff has been reviewing, Scott Vincent, Assistant City Attorney, stated that the nexus study for the inclusionary housing ordinance justified and supported the full fee of \$354,000 for each required

inclusionary unit. The calculation of the 5% fee in this proposal is supported by the nexus study; the difference is what is palatable in this market. Hence, there is legal support for an inclusionary fee even on smaller projects.

Mr. Vincent reviewed the typical approach for reviewing an ordinance amendment and how a recommendation is consistent with the government code.

MOTION: Thompson/Bartlett

Assigned Resolution No. 010-09

Recommended that the City Council not take any action on the Amendment until further analysis of the proposed changes is undertaken and completed through the General Plan Update process, including a study of incentives for new rental housing.

This motion carried by the following vote:

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

Commissioner White could support the motion if it did not include Plan Santa Barbara, but left the analysis to be done by City Council.

Chair Larson called for a recess at 3:29 P.M. and reconvened the meeting at 3:39 P.M.

ACTUAL TIME: 3:39 P.M.

EX PARTE COMMUNICATION:

Commissioner White disclosed an ex parte communication with the Applicant regarding the project.

B. **APPLICATION OF GELARE MACON, AGENT FOR THE TOWBES GROUP, 400 BLOCK OF SOUTH FAIRVIEW AVENUE, 073-045-003, A-E, SP-6, S-D-3, AIRPORT FACILITIES, AIRPORT INDUSTRIAL AREA SPECIFIC PLAN AND COASTAL OVERLAY ZONES, GENERAL PLAN DESIGNATION: MAJOR PUBLIC AND INSTITUTIONAL (MST 2008-000032, CDP2008-00020)**

The project consists of the installation of two storm drain outfalls and rock rip-rap on the eastern bank of San Pedro Creek in the City of Santa Barbara on Santa Barbara Airport Property along Fairview Avenue. This proposed project would satisfy conditions of approval for the Towbes office development project on the east side of Fairview Avenue in the City of Goleta. The discretionary application required for this project is a Coastal Development Permit to install a 250 square foot riprap headwall, two storm drain outfalls, and restore 1,000 square feet of creek bank habitat Appealable Jurisdiction of the Coastal Zone (SBMC §28.45.009).

The Planning Commission will consider approval of the Mitigated Negative Declaration prepared for the project pursuant to the California Environmental Quality Act Guidelines Section 15074.

Case Planner: Andrew Bermond, Associate Planner
Email: ABermond@SantaBarbaraCA.gov

Andrew Bermond, Associate Planner, gave the Staff presentation.

Chair Larson opened the public hearing at 3:46 P.M. and, with no one wishing to speak, closed the hearing.

MOTION: White/Thompson **Assigned Resolution No. 011-09**
Approved the project, making the findings for adopting the Mitigated Negative Declaration (MND) and approve the Coastal Development Permit outlined in the Staff Report, subject to the Conditions of Approval in Exhibit A of the Staff Report.

This motion carried by the following vote:

Ayes: 5 Noes: 0 Abstain: 0 Absent: 2 (Jacobs, Jostes)

Chair Larson announced the ten calendar day appeal period.

VI. **ADMINISTRATIVE AGENDA**

ACTUAL TIME: 3:50 P.M.

A. Committee and Liaison Reports.

Commissioner Larson reported on the attending the Historic Landmarks Commission meeting and gave an update on the Cabrillo Boulevard improvements.

B. Review of the decisions of the Staff Hearing Officer in accordance with SBMC §28.92.026.

None were requested.

C. Action on the review and consideration of the items of the Draft Minutes and Resolutions of March 5, 2009:

- a. Draft Minutes of March 5, 2009
- b. Resolution 005-09
601 Norman Firestone Road
- c. Resolution 006-09
28 W. Cabrillo Boulevard
- d. Resolution 007-09

210 & 216 Meigs Road and 290 Lighthouse Road

MOTION: Thompson/Lodge Approve the minutes and resolutions of March 5, 2009 as edited.

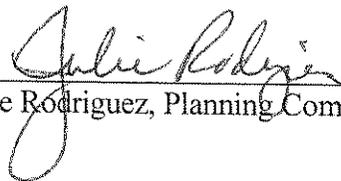
This motion carried by the following vote:

Ayes: 5 Noes: 0 Abstain: 0 Absent: 2(Jacobs, Jostes)

VII. ADJOURNMENT

Chair Larson adjourned the meeting at 4:00 P.M.

Submitted by,



Julie Rodriguez, Planning Commission Secretary